GREATER NEW YORK COUNCILS, BOY SCOUTS OF AMERICA

Financial Statements
for the year ended
December 31, 2018
(with summarized comparative
information for the year ended
December, 31 2017)

CONDON
O'MEARA
MCGINTY &
DONNELLY LLP

Certified Public Accountants

One Battery Park Plaza
New York, NY 10004-1405
Tel: (212) 661 - 7777
Fax: (212) 661 - 4010

Independent Auditor's Report

To the Board of Directors of the
Greater New York Councils,
Boy Scouts of America

We have audited the accompanying financial statements of Greater New York Councils, Boy Scouts of America (the "Councils") which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph on the previous page present fairly, in all material respects, the financial position of Greater New York Councils, Boy Scouts of America as of December 31, 2018 and the results of its activities, changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Report on Summarized Comparative Information

We have previously audited the Councils' 2017 financial statements and in our report dated April 5, 2018, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Meara McGinty & Donnelly LLP

April 25, 2019

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Statement of Financial Position
December 31, 2018

Assets

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Assets								
Cash and cash equivalents	$ 482,275	$ 482,217	$ 468,108	$ 230,206	$ 414,361	$ 80,845	$ 1,364,744	$ 793,268
Accounts receivable	144,543	193,753	860	10,200	1,040	12,125	146,443	216,078
Pledges receivable, net	1,691,423	828,765	323,247	233,383	757,969	38,439	2,772,639	1,100,587
Inventories, at cost	240,508	235,740	-	-	-	-	240,508	235,740
Interfund balances	1,662,451	1,662,451	(1,662,451)	(1,662,451)	-	-	-	-
Deferred charges and other assets	91,645	366,249	83,698	1,402	-	-	175,343	367,651
Investments, at fair value	-	516,097	2,955,293	3,162,263	8,281,622	9,208,366	11,236,915	12,886,726
Beneficial interests in charitable remainder and perpetual trusts, at fair value	-	-	-	-	821,371	927,570	821,371	927,570
Land and assets held for sale	-	250,000	200,000	200,000	-	-	200,000	450,000
Fixed assets, at cost, less accumulated depreciation and amortization	-	-	6,251,388	6,796,538	-	-	6,251,388	6,796,538
Total assets	**$ 4,312,845**	**$ 4,535,272**	**$ 8,620,143**	**$ 8,971,541**	**$ 10,276,363**	**$ 10,267,345**	**$ 23,209,351**	**$ 23,774,158**
Liabilities and Net Assets								
Liabilities								
Line of credit	$ 1,500,000	$ 1,650,000	$ -	$ -	$ -	$ -	$ 1,500,000	$ 1,650,000
Accounts payable	200,748	204,603	40,252	323	-	-	241,000	204,926
Accrued expenses	11,357	30,389	-	-	-	-	11,357	30,389
Custodial accounts	147,212	129,970	-	-	-	-	147,212	129,970
Deferred camp revenue	48,541	31,565	-	-	-	-	48,541	31,565
Deferred other revenue	41,421	32,522	-	-	-	-	41,421	32,522
Capital lease and vehicles obligations	-	-	116,449	95,427	-	-	116,449	95,427
Note payable	425,000	346,158	-	-	-	-	425,000	346,158
Deferred lease liability	-	172,986	-	-	-	-	-	172,986
Total liabilities	2,374,279	2,598,193	156,701	95,750	-	-	2,530,980	2,693,943
Net assets								
Without donor restrictions	1,938,566	1,937,079	7,144,983	8,257,134	1,463,559	2,514,323	10,547,108	12,708,536
With donor restrictions	-	-	1,318,459	618,657	8,812,804	7,753,022	10,131,263	8,371,679
Total net assets	1,938,566	1,937,079	8,463,442	8,875,791	10,276,363	10,267,345	20,678,371	21,080,215
Total liabilities and net assets	**$ 4,312,845**	**$ 4,535,272**	**$8,620,143**	**$8,971,541**	**$10,276,363**	**$10,267,345**	**$ 23,209,351**	**$ 23,774,158**

See notes to financial statements.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2018
(with Summarized Comparative Information for the Year Ended December 31, 2017)

	2018				2017
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
Changes in net assets without donor restrictions					
Support and revenue					
Direct support					
Friends of Scouting	$ 1,356,867	$ -	$ -	$ 1,356,867	$ 1,261,707
Capital Campaign	-	117,433	-	117,433	270,003
Special fundraising events	5,672,016	-	-	5,672,016	5,435,784
Less cost of direct benefits	(892,165)	-	-	(892,165)	(823,856)
Special fundraising events, net	4,779,851	-	-	4,779,851	4,611,928
Legacies and bequests	204,356	-	-	204,356	241,829
Foundations, trusts and other	800,422	-	-	800,422	412,000
Other direct support	-	-	24,058	24,058	804
Total direct support	7,141,496	117,433	24,058	7,282,987	6,798,271
Indirect support					
United Ways	4,658	-	-	4,658	6,506
Fees from government agencies	82,750	-	-	82,750	99,000
Total indirect support	87,408	-	-	87,408	105,506
Revenue					
Product sales	460,598	-	-	460,598	454,993
Less cost of goods sold	(296,266)	-	-	(296,266)	(319,735)
Less commissions paid to units	(3,532)	-	-	(3,532)	(5,687)
Net product sales	160,800	-	-	160,800	129,571
Interest and dividend allocation, net of investment fees	387,120	176,307	(265,190)	298,237	209,026
Realized and unrealized gain (loss) on investments	13,100	(297,046)	(802,867)	(1,086,813)	1,577,937
Camping revenue	3,045,704	-	-	3,045,704	3,361,656
Activity revenue	381,423	-	-	381,423	558,989
Other revenue	42,282	91,227	-	133,509	51,542
Net assets released from restrictions	-	-	-	-	687,279
Total revenue	4,030,429	(29,512)	(1,068,057)	2,932,860	6,576,000
Total support and revenue	11,259,333	87,921	(1,043,999)	10,303,255	13,479,777
Expenses					
Program services	8,753,011	786,840	3,484	9,543,335	9,976,937
Supporting activities					
Management and general	897,699	35,837	1,515	935,051	853,759
Fund-raising	1,525,719	27,471	1,766	1,554,956	1,709,914
Total supporting activities	2,423,418	63,308	3,281	2,490,007	2,563,673
Total functional expenses	11,176,429	850,148	6,765	12,033,342	12,540,610
Charter and national service fee	81,417	-	-	81,417	77,275
Loss on disposal of assets	-	349,924	-	349,924	7,286
Total expenses	11,257,846	1,200,072	6,765	12,464,683	12,625,171
Increase (decrease) in net assets without donor restrictions	**$ 1,487**	**$(1,112,151)**	**$(1,050,764)**	**$(2,161,428)**	**$ 854,606**

See notes to financial statements.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Statement of Activities and Changes in Net Assets (continued)
Year Ended December 31, 2018
(with Summarized Comparative Information for the Year Ended December 31, 2017)

	2018				2017
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
Changes in net assets with donor restrictions					
Direct support	$ -	$ 699,802	$ 1,165,981	$ 1,865,783	$ 899,956
Beneficial interest in charitable remainder and perpetual trust	-	-	(106,199)	(106,199)	104,647
Net assets released from restrictions	-	-	-	-	(687,279)
Increase in net assets with donor restrictions	**-**	**699,802**	**1,059,782**	**1,759,584**	**317,324**
Increase (decrease) in net assets	**1,487**	**(412,349)**	**9,018**	**(401,844)**	**1,171,930**
Net assets, beginning of year					
Net assets without donor restrictions	1,937,079	8,257,134	2,514,323	12,708,536	11,853,930
Net assets with donor restrictions	-	618,657	7,753,022	8,371,679	8,054,355
Total net assets, beginning of year	$1,937,079	$8,875,791	$ 10,267,345	$21,080,215	$19,908,285
Net assets, end of year					
Net assets without donor restrictions	1,938,566	7,144,983	1,463,559	10,547,108	12,708,536
Net assets with donor restrictions	-	1,318,459	8,812,804	10,131,263	8,371,679
Total net assets, end of year	**$1,938,566**	**$8,463,442**	**$ 10,276,363**	**$ 20,678,371**	**$21,080,215**

See notes to financial statements.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Statement of Functional Expenses
Year Ended December 31, 2018
(with Summarized Comparative Information for the Year Ended December 31, 2017)

	2018				2017
		Supporting Activities			
	Program Services	Management and General	Fund Raising	Total	Total
Employee compensation					
Salaries	$ 4,099,515	$ 323,697	$ 788,148	$ 5,211,360	$ 5,433,261
Employee benefits	559,368	57,086	119,883	736,337	775,666
Payroll taxes	357,403	36,712	64,804	458,919	470,047
Employee related expenses	38,874	16,402	12,574	67,850	107,599
Total employee compensation	5,055,160	433,897	985,409	6,474,466	6,786,573
Other expenses					
Professional fees	215,791	61,946	62,466	340,203	297,206
Supplies and catering	881,548	10,668	17,070	909,286	1,060,533
Telephone	87,987	10,278	12,840	111,105	118,522
Postage and shipping	20,052	4,695	20,716	45,463	45,628
Occupancy	1,157,960	255,805	196,326	1,610,091	1,309,756
Rent and maintenance of equipment	84,822	7,320	64,426	156,568	154,132
Printing and publications	129,913	16,398	56,099	202,410	212,398
Travel	256,969	17,962	19,502	294,433	465,694
Conferences and meetings	37,292	3,763	4,504	45,559	70,185
Specific assistance to individuals	466,859	-	-	466,859	629,024
Recognition awards	43,395	2,946	10,498	56,839	61,540
Interest	34,918	14,445	11,072	60,435	49,467
Insurance	181,609	24,644	18,892	225,145	227,882
Other	144,687	43,027	54,242	241,956	291,893
Total other expenses	3,743,802	473,897	548,653	4,766,352	4,993,860
Expenses before depreciation and amortization	8,798,962	907,794	1,534,062	11,240,818	11,780,433
Depreciation and amortization	744,373	27,257	20,894	792,524	760,177
Total functional expenses	**$ 9,543,335**	**$ 935,051**	**$ 1,554,956**	**$ 12,033,342**	**$ 12,540,610**

See notes to financial statements.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Statement of Cash Flows
Year Ended December 31, 2018
(with Summarized Comparative Information for the Year Ended December 31, 2017)

	2018				2017
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
Cash flows from operating activities					
Increase (decrease) in net assets	$ 1,487	$ (412,349)	$ 9,018	$ (401,844)	$ 1,171,930
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities					
Depreciation and amortization	-	792,524	-	792,524	760,177
Net loss on disposal of fixed assets	-	349,924	-	349,924	7,286
Net loss on sale of asset held for sale	16,500	-	-	16,500	-
Realized and unrealized (gain) loss on investments	(13,100)	297,046	802,867	1,086,813	(1,577,937)
Permanently restricted contributions	-	-	(1,165,982)	(1,165,982)	(864,451)
Contributions of securities	-	-	(414,142)	(414,142)	(792,850)
Proceeds from sale of contributed securities	-	-	414,142	414,142	37,278
(Increase) decrease in assets					
Accounts receivable	49,210	9,340	11,085	69,635	(25,813)
Pledges receivable	(862,658)	(89,864)	(719,530)	(1,672,052)	22,296
Inventories	(4,768)	-	-	(4,768)	(30,157)
Deferred charges and other assets	274,604	(82,296)	-	192,308	68,808
Increase (decrease) in liabilities					
Accounts payable	(3,855)	39,929	-	36,074	(97,395)
Accrued expenses	(19,032)	-	-	(19,032)	(14,452)
Custodial accounts	17,242	-	-	17,242	(2,249)
Deferred camp revenue	16,976	-	-	16,976	(26,395)
Deferred other revenue	8,899	-	-	8,899	(118,746)
Deferred lease liability	(172,986)	-	-	(172,986)	(28,832)
Net cash provided by (used in) operating activities	(691,481)	904,254	(1,062,542)	(849,769)	(1,511,502)
Cash flows from investing activities					
Purchase of fixed assets, net of capital lease and vehicle financing obligations	-	(516,529)	-	(516,529)	(867,150)
Purchase of investments	-	(427,262)	(1,781,487)	(2,208,749)	(2,943,844)
Proceeds from sale of investments	529,197	337,186	1,905,364	2,771,747	4,087,481
Proceeds from sale of land and assets held for sale	233,500	-	-	233,500	-
Net cash provided by (used in) investing activities	762,697	(606,605)	123,877	279,969	276,487
Cash flows from financing activities					
Payments of capital lease and vehicles obligations	-	(59,747)	-	(59,747)	(69,518)
Proceeds from line of credit	3,900,000	-	-	3,900,000	3,400,000
Repayment from line of credit	(4,050,000)	-	-	(4,050,000)	(3,165,533)
Proceeds of note payable	425,000	-	-	425,000	(83,949)
Repayment of note payable	(346,158)	-	-	(346,158)	-
Permanently restricted contributions	-	-	1,165,982	1,165,982	864,451
Change in value of charitable remainder and perpetual trusts	-	-	106,199	106,199	(104,647)
Net cash provided by (used in) financing activities	(71,158)	(59,747)	1,272,181	1,141,276	840,804
Net increase (decrease) in cash and cash equivalents	**58**	**237,902**	**333,516**	**571,476**	**(394,211)**
Cash and cash equivalents, beginning of year	**482,217**	**230,206**	**80,845**	**793,268**	**1,187,479**
Cash and cash equivalents, end of year	**$ 482,275**	**$ 468,108**	**$ 414,361**	**$ 1,364,744**	**$ 793,268**
Supplemental disclosure of cash flows information:					
Fixed assets acquired through capital lease and vehicle financing obligations				$ 80,769	$ 27,944
Cash paid for interest				$ 81,476	$ 49,467

See notes to financial statements.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements
December 31, 2018

Note 1 – Nature of organization

The Greater New York Councils, Boy Scouts of America (the "Councils") operates in the five boroughs of New York and has three camping facilities. The Councils is an independent not-for-profit organization devoted to promoting, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys and young men and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America. In addition to support for organizational and programmatic scouting activities, the National Council of the Boy Scouts of America (the "National Council") sponsors components of the Councils' employee benefit plans (see note 9) and liability insurance programs (see note 11) as well as components of the Councils' technology, software and other items.

The Councils' programs are classified as follows:

Lion Scouts – A fun introduction to the Scouting program for kindergarten-age youth eager to get going! Lions do adventures with their adult partners and other Lions every month. This program introduces youth and their families to Scouting and the outdoors as it builds a foundation of character. A Lion den is part of the Cub Scout pack.

Tiger Cubs – One year, family oriented program for a group of teams, each consisting of a first-grade (or 7-year old) boy and an adult partner (usually a parent). A Tiger Cub den is part of the Cub Scout pack.

Cub Scouts – Family and community centered approach to learning citizenship, compassion, and courage through service projects, ceremonies, games, and other activities promoting character development and physical fitness.

Boy Scouting – With the Scout Oath and Scout Law as guides, and the support of parents and religious and neighborhood organizations, Scouts develop an awareness and appreciation of their role in their community and become well-rounded young men through the advancement of the program. Scouts progress in rank through achievements, gain additional knowledge and responsibilities, and earn merit badges that introduce a lifelong hobby or a rewarding career.

Venturing – Provides experience to help young men and women, ages 14 or 13 with completion of the eighth grade through 20, become mature, responsible, caring adults. Young people learn leadership skills and participate in challenging outdoor activities, including having access to Boy Scout camping properties, a recognition program, and Youth Protection training.

Learning for Life – Program to enable young people to become responsible individuals by teaching positive character traits, career development, leadership and life skills so they can make ethical choices and achieve their full potential.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 1 – Nature of organization (continued)

Starting in 2018, families can choose to sign up their sons and daughters who are ages 5-10 for Cub Scouts. Chartered organization may choose to establish a new girl pack, establish a pack that consists of girl dens and boy dens or remain an all-boy pack. Cub Scout dens will be single gender – all boys or all girls. Using the same curriculum as the Boy Scouting program, Scouts BSA is scheduled to launch in February 2019, enabling all eligible youth ages 11-17, to earn the Eagle Scout rank. Scouts BSA will be single gender – all-girl troops or all-boy troops. This unique approach allows the Councils to maintain the integrity of the single-gender model while also meeting the needs of today's families.

The Councils' website address is *www.BSA-GNYC.org*.

Note 2 – Summary of significant accounting policies

Basis of Accounting

The financial statements of the Councils have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Accordingly, the accounts of the Councils are reported in the following net asset categories.

- Net assets without restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors. Included in net assets without restrictions are certain funds that have been designated by the Board of Directors for specific purposes or are available for the Councils to utilize in any of its programs or supporting services. Operating funds are used for the operations of the Councils. Capital funds are used for the acquisition of fixed assets, construction of major capital facilities and the payment of long-term debt principal and interest. The portion of the Endowment fund without restrictions consists of Board-designated net assets, which can be utilized, at the discretion of the Board, to fund general and camp operations of the Councils.

- Net assets with temporary donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure and also include any accumulated income and gains on donor restricted endowment assets that have not been appropriated for expenditure. It is the Councils' policy to record temporarily restricted contributions received and expended in the same accounting period as unrestricted net assets.

- Net assets with perpetual restrictions represent resources that have donor-imposed restrictions requiring that the principal be maintained in perpetuity, but permit the Councils to expend the income earned thereon. Net assets with perpetual restrictions include beneficial interests in charitable remainder and perpetual trusts (see note 3).

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 2 – Summary of significant accounting policies (continued)

Fund accounting

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Councils, are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into fund groups that are in accordance with specific activities and objectives. The Councils also prepares financial statements in accordance with Financial Accounting Standards Board (FASB) standards for not-for-profit organizations (ASC 958-205 and subsections). Under these standards, the Councils is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Councils is required to present a statement of cash flows.

Contributions

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Councils. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value in accordance with the *Contributions Received* section of the FASB ASC. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Cash and cash equivalents

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less. The Councils maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Councils' deposits are not subject to significant risk.

Accounts receivable

Accounts receivable are recorded primarily for product sales and are reported at net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance for doubtful accounts was considered necessary as of December 31, 2018 and 2017.

GREATER NEW YORK COUNCILS, BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 2 – Summary of significant accounting policies (continued)

Allowance for doubtful accounts

At December 31, 2018 and 2017, the Councils has an allowance for doubtful accounts of $50,000 for any receivables that may not be collectible. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Investments

Investments consist primarily of assets invested in mutual funds, equity securities and money market funds. The Councils accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations. This standard requires that investments in securities with readily determinable fair values be measured at fair value in the Statement of Financial Position. Fair value of securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the Statement of Activities and Changes in Net Assets.

Inventory

Inventory consists of Scouting and other items available for sale and is stated at lower of cost or market. Cost is determined using the average cost method.

Fixed assets

Fixed assets are capitalized at cost (or fair value, if donated) provided their cost is $5,000 or more and their useful life exceeds two years. Such assets are depreciated over their estimated useful lives, which range from three to fifty years, using the straight-line method. Leasehold improvements and equipment acquired through capital leases are amortized over the lesser of their useful life or the term of the respective lease. Expenditures for maintenance and repairs are charged to expense as incurred. During 2018, in connection with the surrender agreement to terminate its previous office space lease (see note 8), the Councils wrote off leasehold improvements with a cost basis of $985,410 and corresponding accumulated depreciation of $635,486, resulting in a loss of $349,924 which is included in the capital fund on the accompanying statement of activities. During 2017, the Councils traded in an asset, which was subject to a financing agreement, with a cost basis of $11,816 and a corresponding accumulated depreciation of $3,151. The difference between the remaining balance due under the financing agreement of $1,379 and the net book value of the asset of $8,665, resulted in a loss of $7,286 which is included in the capital fund on the accompanying statement of activities.

Impairment of long-lived assets

The Councils reviews long-lived assets, including property and equipment and intangible assets, if any, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Councils has not recognized any impairment of long-lived assets during 2018 and 2017.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 2 – Summary of significant accounting policies (continued)

Assets held for sale

During 2015, the Councils received a contribution consisting of land in Upstate New York with an estimated fair value of $200,000. The Councils intends to sell this land during 2019.

During 2018, the Councils sold the boat that had been contributed in prior years for $233,500 plus expenses related to the sale.

Functional classification of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Councils providing those services. In accordance with the policy of the National Council of the Boy Scouts of America, the payments of the charter and national service fees to the National Council are not allocated as functional expenses.

Donated materials and services

Donated land, buildings, equipment, investments and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Councils reports the donations as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Councils reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not either require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Councils' program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

For the years ended December 31, 2018 and December 31, 2017, the Councils recognized contributed stock totaling $414,142 and $792,850, respectively.

Advertising

Advertising costs are charged to operations in the period in which the advertisement is placed. Advertising costs for 2018 and 2017 amounted to approximately $42,600 and $25,500, respectively.

Deferred revenue

Deferred revenue represents advances from third parties for services not yet performed.

Note 2 – Summary of significant accounting policies (continued)

Specific assistance to individuals

The Councils expenses camp scholarships, uniforms, transportation to camp and membership dues on behalf of certain Scouts over the period of their Scouting membership. The Councils expensed approximately $467,000 and $629,000 in 2018 and 2017, respectively, for specific assistance provided to certain scouts.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Councils' financial statements for the year ended December 31, 2017 from which the summarized information was derived.

Concentrations of credit risk

The Councils' financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Councils places its cash and cash equivalents with what it believes to be quality financial institutions and the Councils has not incurred any losses in such accounts to date. The Councils invests primarily in money market funds, mutual funds and equities. The Councils accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations (ASC 958-320 and subsections). This standard requires that investments in securities with readily determinable fair values be measured at fair value in the statement of financial position. Fair value of marketable securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the Statement of Activities and Changes in Net Assets. Investments are exposed to various risks such as significant world events, interest rate, market volatility, liquidity and credit risks.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 2 – Summary of significant accounting policies (continued)

Concentrations of credit risk (continued)

Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these could materially affect the fair value of the investments reported in the Statement of Financial Position at December 31, 2018. Receivables consist primarily of amounts due in connection with various Councils events and amounts pledged by the Councils' donors. The Councils periodically performs credit evaluations of its donors' financial condition and provides for potentially uncollectible pledges accordingly. Credit losses have been consistent with the Councils' expectations and no significant losses are anticipated. The Councils monitors its cash, cash equivalents, investments and the collectability of its receivables. As a result, the Councils believes concentrations of credit risk are limited.

Interfund balances

The interfund balances, at December 31, 2018 and 2017, result from the operating fund making advances of surplus cash funds to the capital fund for operating purposes.

Liquidity and availability of financial assets

The Councils' financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

Cash – operating fund	$ 482,275
Accounts receivable – operating fund	144,543
Pledges receivable, net – operating fund	1,691,423
Total financial assets as of year end	2,318,241
Appropriation of investment return authorized for 2019 operations from board designated endowment fund	514,161
Total financial assets available to meet general expenditures within one year	$ 2,832,402

The Councils' endowment funds consist of donor-restricted endowments and a board-designated endowment. As described in Note 10, the Councils' endowment has an annual spending rate of between 4% and 5%. An appropriation of $514,161 from the endowment will be available within the next 12 months as of December 31, 2018.

As part of the Councils' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Councils invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Councils has a committed line of credit in the amount of $2,500,000, which it could draw upon if necessary (see note 6). Additionally, the Councils' board-designated endowment assets total $1,463,559 at December 31, 2018. Although the Councils does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 2 – Summary of significant accounting policies (continued)

Fair value measurements

Generally accepted accounting principles established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs, including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.

Level 3: Significant unobservable inputs.

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2018:

Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Domestic – Fixed Income	$ 1,565,033	$ -	$ -	$ 1,565,033
International – Fixed Income	339,209	-	-	339,209
Domestic – Equities	759,105	-	-	759,105
International – Equities	1,748,417	-	-	1,748,417
Real assets	1,031,492	-	-	1,031,492
Complementary strategies and other	1,127,102	1,040,052	-	2,167,154
Equities				-
Domestic	2,461,247	-	-	2,461,247
International	327,971	-	-	327,971
Money market funds	837,287	-	-	837,287
Total investments	$ 10,196,863	$ 1,040,052	$ -	$ 11,236,915

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 2 – Summary of significant accounting policies (continued)

Recent accounting pronouncement

During August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities, which changes the current guidance for net assets classification, governing board designations, investment return, expenses and liquidity. ASU 2016-14 reduces the required number of classes of net assets from three to two: net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions also need to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017. The Councils has adopted the provisions of ASU 2016-14 and has retrospectively applied this standard to the financial statements as of and for the year ending December 31, 2017.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 2 – Summary of significant accounting policies (continued)

Recent accounting pronouncement (continued)

A summary of the net asset reclassifications driven by the adoption of ASU 2016-14 as of December 31, 2017 follows:

	2017			
	Operating Fund	**Capital Fund**	**Endowment Fund**	**Total All Funds**
As originally stated:				
Net assets, beginning of year				
Unrestricted	$ 1,612,687	$ 7,571,928	$ 2,669,315	$ 11,853,930
Temporarily restricted	-	1,270,431	-	1,270,431
Permanently restricted	-	-	6,783,924	6,783,924
Total net assets, beginning of year	**$ 1,612,687**	**$ 8,842,359**	**$ 9,453,239**	**$ 19,908,285**
Net assets, end of year				
Unrestricted	$ 1,937,079	$ 8,257,134	$ 2,514,323	$ 12,708,536
Temporarily restricted	-	618,657	-	618,657
Permanently restricted	-	-	7,753,022	7,753,022
Total net assets, end of year	**$ 1,937,079**	**$ 8,875,791**	**$ 10,267,345**	**$ 21,080,215**
As restated:				
Net assets, beginning of year				
Without donor restrictions	$ 1,612,687	$ 7,571,928	$ 2,669,315	$ 11,853,930
With donor restrictions	-	1,270,431	6,783,924	8,054,355
Total net assets, beginning of year	**$ 1,612,687**	**$ 8,842,359**	**$ 9,453,239**	**$ 19,908,285**
Net assets, end of year				
Without donor restrictions	$ 1,937,079	$ 8,257,134	$ 2,514,323	$ 12,708,536
With donor restrictions	-	618,657	7,753,022	8,371,679
Total net assets, end of year	**$ 1,937,079**	**$ 8,875,791**	**$ 10,267,345**	**$ 21,080,215**

Subsequent events

The financial statements considered subsequent events through April 25, 2019, the date the financial statements were available to be issued.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 3 – Investments

Investments at December 31, 2018 and 2017 are comprised of the following:

	2018		2017	
Money market funds		$ 837,287		$ 792,614
Mutual funds				
Domestic – Fixed Income	$ 1,565,033		$ 1,664,241	
International – Fixed Income	339,209		456,995	
Domestic – Equities	759,105		905,531	
International – Equities	1,748,417		2,259,220	
Real assets	1,031,492		1,099,987	
Complementary strategies and other	2,167,154	7,610,410	2,175,603	8,561,577
Equities				
Domestic	2,461,247		3,251,667	
International	327,971	2,789,218	280,868	3,532,535
Total investments, at fair value		$ 11,236,915		$ 12,886,726

Investment revenue for the years ended December 31, 2018 and 2017 has been reported in the net assets as follows:

	2018	2017
Interest and dividend revenue	$ 396,380	$ 299,552
Realized and unrealized gain (loss) on marketable securities	(1,086,813)	1,577,937
Investment fees	(98,143)	(90,526)
Total return (loss) on investments	(788,576)	1,786,963
Investment return authorized for current operations (see note 10)	(498,675)	(433,645)
Excess (deficit) of investment return over authorized allocation	$(1,287,251)	$1,353,318

The Councils also has beneficial interests in several charitable remainder and perpetual trusts, administered by third parties, totaling $821,371 and $927,570 at December 31, 2018 and 2017, respectively. The Councils' interests in these charitable remainder and perpetual trusts at December 31, 2018 and 2017 are measured at the fair value of the underlying investments, which consist principally of common stock, corporate debt, mutual funds and money market funds, which are all deemed to be Level 1 assets within the fair value hierarchy.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 4 – Pledges receivable, net

Pledges receivable, at December 31, 2018 and 2017, consist of the following:

	2018	2017
Less than one year	$ 2,511,386	$ 1,061,856
One to five years	336,651	92,172
Sub-total	2,848,037	1,154,028
Less: discount to present value at 4%	(25,398)	(3,441)
Less: allowance for doubtful accounts	(50,000)	(50,000)
Net pledges receivable	$ 2,772,639	$ 1,100,587

Note 5 – Fixed assets, net

Fixed assets, net consisted of the following at December 31, 2018 and 2017:

	2018	2017
Camp facilities:		
Permanent ways and structures	$13,287,135	$13,226,951
Equipment and machinery	2,142,114	2,111,069
Land improvements	2,332,031	2,207,813
Land	734,323	734,323
Vehicles	633,019	609,019
Construction in progress	68,551	4,000
Total camp facilities	19,197,173	18,893,175
Less: accumulated depreciation	(13,372,677)	(12,687,527)
Total camp facilities, net	5,824,496	6,205,648
Councils office:		
Furniture, fixtures and equipment	1,504,863	1,447,785
Leasehold improvements	208,895	1,335,911
Vehicles	124,664	99,490
Total Councils office	1,838,422	2,883,186
Less: accumulated depreciation and amortization	(1,411,530)	(2,292,296)
Total Councils office, net	426,892	590,890
Total fixed assets, net	$ 6,251,388	$ 6,796,538

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 5 – Fixed assets, net (continued)

Conservation consent agreement

Certain of the Councils' land is subject to conservation easements. The Councils entered into a conveyance of a Conservation Easement agreement (the "agreement") with The Trust for Public Land ("TPL"). During 2012 and 2013, under the terms of the agreement, the TPL purchased conservation easements on separate portions of the Councils' Camp Pouch located in Staten Island, New York.

Note 6 – Line of credit

The Councils has available a $2,500,000 line of credit maturing on June 30, 2019. Advances under the line bear interest at a fluctuating rate per annum equal to 1.0% above daily one-month LIBOR. As security for the line, the Councils has granted the bank a security interest in certain of its investments in custody with the bank. The Councils is subject to certain covenants as defined in the agreement. As of December 31, 2018, the Councils is in compliance with all covenants. At December 31, 2018, the Councils had $1,500,000 outstanding borrowings under the line.

Note 7 – Capital lease and vehicle obligations

Certain equipment acquired under capital leases by the Councils is capitalized as leased property and amortized on a straight-line basis over the life of the lease. In addition, the Councils finances vehicles over a period of two to five years.

At December 31, 2018 future annual payments under these obligations are as follows:

Year	Capital leases	Vehicles	Total
2019	$ 24,029	$ 26,654	$ 50,683
2020	18,414	22,100	40,514
2021	11,093	9,537	20,630
2022	4,622	-	4,622
Totals	$ 58,158	$ 58,291	$ 116,449

Note 8 – Commitments

Office Lease/Note Payable

Effective March 1, 2010, in connection with a lease modification, the Councils recorded a $1,099,909 long-term liability resulting from back rent and other charges due to the landlord from August 2009 through February 2010. Commencing March 1, 2010, this amount, which was to amortize over an approximate 15 year period, required monthly payments including interest at LIBOR plus 3.5% per annum.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 8 – Commitments (continued)

Office Lease/Note Payable (continued)

During 2014, the Councils made a prepayment of principal due on this note totaling $215,445. The remaining balance of this note was repaid during December 2018, in connection with the termination of the lease (see below).

In December 2011, the Councils again modified its existing lease for office space, whereby the landlord substituted the premises under the original lease modification for another comparable space within the building. The lease modification was to be effective through December 31, 2024. In connection with this lease modification, the Councils, deposited approximately $324,000 as security with the landlord which was recorded as deferred charges and other assets on the Statement of Financial Position. During 2018, the Councils entered into a surrender agreement to terminate this lease. In connection therewith, the Councils paid the landlord a surrender fee of $651,524. As partial payment of the surrender fee, the landlord retained the full amount of the security deposit. Furthermore, upon payment of the surrender fee, the Councils was deemed to have satisfied its remaining obligations related to the note to the landlord (see above).

During September 2018, the Councils entered into a new lease for office space expiring on September 30, 2023. The Councils' annual rent is equal to the Councils' proportionate share of the landlord's carrying maintenance, operating and depreciation charges, along with the scheduled contributions to the landlord's capital improvement funds. The Councils' proportionate share of these expenses is based on the proportionate share of its square footage in the building, as defined in the agreement. Rent is subject to annual increases based on increases in the landlord's expenses.

Rent expense for 2018 and 2017 totaled approximately $889,000 and $573,000, respectively. Included in rent expense for 2018 was the amount of the surrender fee in excess of the security deposit retained by the landlord (see above).

Promissory note

During November 2018, the Councils borrowed $425,000 under the terms of a promissory note (the "Note"). The Note bears no interest and requires monthly payments of $10,000 commencing January 15, 2019 through maturity on July 15, 2022 at which time the entire unpaid principal amount under the Note shall be due and payable.

Operating leases

The Councils leases equipment under the terms of several operating leases. Lease expense under these agreements for 2018 and 2017 amounted to approximately $15,500 and $27,000, respectively.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 9 – Employee benefit plans

Retirement plan

The National Council has a qualified defined benefit pension plan (the "plan"), administered by the national office that covers eligible employees of the National Council and local councils, including this Councils. The plan's name is *The Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees* and covers all employees who have completed one year of service and who have agreed to make contributions. Eligible employees contribute 2% of compensation and the Councils contributes an additional 7% to the plan. Pension expense (excluding the contributions made by employees) for the years ending December 31, 2018 and 2017 were approximately $226,000 and $245,000, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2018 indicates that it is in compliance with ERISA regulations regarding funding. For the plan year ended January 31, 2018 (the most recent information available) the plan was approximately 88% funded.

Effective December 31, 2018, the Plan will be closed and frozen for all employees that have not attained age plus vesting service, in years, greater than or equal to 60, with at least 15 years of vesting service. Plan participants that meet this requirement will continue to accrue benefits in the Plan and will be required to increase their employee contribution from 2% of pay to 4.25% of pay. Plan participants that do not meet this requirement will have a frozen accrued benefit in the Plan as of December 31, 2018, will no longer make employee contributions to the Plan and can continue to earn eligibility and vesting service while employed with the Boy Scouts of America.

The impact of the change to the liabilities and assets of the plan is projected to be less than 5% as of January 31, 2019.

Thrift plan

The Councils has established a Thrift Plan covering all of the full-time employees of the Councils. Participants in the Thrift Plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Councils has elected to match employee contributions to the Thrift Plan up to 50% of contributions from each participant, limited to 3% of each employee's gross pay. The Councils contributed approximately $77,000 and $84,000 to the Thrift plan in 2018 and 2017, respectively.

Healthcare plan

The Councils' employees participate in a health care plan provided by the National Council. The Councils pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2018 and 2017, the Councils remitted approximately $379,000 and $391,000, respectively, on behalf of its employees to the National Council related to the health care plan.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 10 – Endowment fund net assets

As of December 31, 2018, the Councils' endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors (the "Board") to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Councils has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA), as requiring the Councils to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds (as outlined below). The Councils preserves the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Councils classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument, if any, at the time the accumulation is added to the fund. The portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Councils in a manner consistent with the standard of prudence prescribed by NYPMIFA. The Councils considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Councils and the donor-restricted endowment
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Councils
(7) The investment policies of the Councils

Spending policy

The Councils has a policy to make an annual investment return allocation in support of operations. The annual allocation is a fixed amount, equal to the average fair value of the investment portfolio for the twenty quarters of the prior five years, multiplied by a percentage (the "Payout Percentage") to be annually recommended by the Investment Committee and approved by the Board of Directors. The Payout Percentage is generally set between 4% and 5%. For the years ended December 31, 2018 and 2017, $379,618 and $330,878, respectively, were used as the authorized investment return allocation for operations. In addition, in 2018 and 2017 an additional $119,057 and $102,767, respectively, of investment return was allocated to unrestricted capital.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 10 – Endowment fund net assets (continued)

Return objectives and risk parameters

The Councils has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Councils must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Councils expects its endowment funds, over time, to provide an average rate of return sufficient to fund the Councils' spending policy as well as to grow the endowment an average of 4% to 5% annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Councils relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Councils targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

At December 31, 2018, the endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	Temporary Donor Restrictions	Perpetual Donor Restrictions	Total
Donor-restricted funds	$ -	$ 1,318,459	$ 8,812,804	$10,131,263
Councils-designated funds	2,357,154	-	-	2,357,154
Total funds	$ 2,357,154	$ 1,318,459	$ 8,812,804	$12,488,417

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 10 – Endowment fund net assets (continued)

For the year ended December 31, 2018, changes in the Councils' designated net assets with temporary and perpetual restrictions are as follows:

	Councils Designated				Perpetual Donor Restrictions			
	Capital Fund	Endowment Fund	Total Councils Designated	Temporary Donor Restrictions Capital Fund	Planned Giving Development Staff	Beneficial Interest in Perpetual Trusts	General and Camp Operation of the Councils	Total With Perpetual Restrictions
Net assets, beginning of year	**$ 1,460,596**	**$ 2,514,323**	**$ 3,974,919**	**$ 618,657**	**$ 1,104,994**	**$ 927,570**	**$ 5,720,458**	**$ 7,753,022**
Investment return:								
Investment revenue, net	57,250	233,485	290,735	-	-	-	-	-
Investment return authorized for current operation	119,057	(498,675)	(379,618)	-	-	-	-	-
Realized and unrealized (losses) on investments	(297,046)	(802,867)	(1,099,913)	-	-	-	-	-
Total investment return	(120,739)	(1,068,057)	(1,188,796)	-	-	-	-	-
Contributions and other	208,660	24,058	232,718	699,802	-	(106,199)	1,165,981	1,059,782
Appropriation of endowment for expenditure	(654,922)	(6,765)	(661,687)	-	-	-	-	-
Net assets, end of year	**$ 893,595**	**$ 1,463,559**	**$ 2,357,154**	**$ 1,318,459**	**$ 1,104,994**	**$ 821,371**	**$ 6,886,439**	**$ 8,812,804**

The total Councils' designated net assets in the Capital Fund excludes $6,251,388 of fixed assets and all related activity.

GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA

Notes to Financial Statements (continued)
December 31, 2018

Note 11 – Litigation and contingencies

The Councils has been named as a defendant in a lawsuit arising in the ordinary course of business in connection with a physical injury to a scout. The Councils is defending itself vigorously against this action. The cost to defend the Councils is covered by the National Council, Boy Scouts of America. At the present time, management is unable to estimate a probable outcome as a result of this lawsuit, accordingly no provision for liabilities, if any, has been made in the accompanying financial statements.

The New York Child Victims Act takes effect August 14, 2019 and extends the statute of limitations for those who may wish to bring civil claims alleging sexual abuse. While there are no present lawsuits alleging such conduct against the Councils, there may be as yet unasserted claims brought after August 14, 2019. Management of the Councils is unable to assess the effect, if any, of unasserted claims on the financial statements.

The National Council has been named as a defendant in lawsuits alleging sexual abuse, including claims for compensatory and punitive damages. The Councils is a separate not-for-profit organization and has not been named as a defendant in any of these lawsuits. The National Council has disclosed that in the event that its general liability insurance program or its reserves are insufficient to resolve such claims, it is their opinion that the total amount of payments to resolve current and future claims could have a significant impact on the financial position or results of operations of the National Council. The National Council provides the Councils with a charter, program materials and support for administration (see Note 1), sponsors certain benefit plans for Councils employees (see Note 9), and operates a general liability insurance program in which the Councils participates. Management of the Councils is unable to assess the effect, if any, the resolution of these matters by the National Council may have on the Councils operations or its financial statements.

Note 12 – Income taxes

The Councils is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Councils is classified as a public charity. The Councils is also exempt from New York State income tax. The Councils currently has no unrelated business income. The Councils assesses whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Councils recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits. Federal returns for the years ended 2015 and thereafter remain subject to examination by the Internal Revenue Service.