THE PURCHASE COLLEGE FOUNDATION
AND SUBSIDIARY

Consolidated Financial Statements as of
June 30, 2017 and 2016
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 8, 2017

To the Board of Trustees of
The Purchase College Foundation and Subsidiary:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Purchase College Foundation and Subsidiary (the Foundation) (New York State not-for-profit corporations), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years 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 consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Purchase College Foundation and Subsidiary as of June 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information in Schedules I and II is presented for purposes of additional analysis and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Bonadio & Co., LLP

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and cash equivalents	$ 5,104,630	$ 5,301,276
Accounts and grants receivable	480,909	220,593
Accrued interest receivable	28,552	28,807
Pledges receivable, net	307,551	233,072
Due from Friends of the Neuberger Museum of Art	-	1,437
Other receivables	4,515	800
Investments	74,425,488	66,577,311
Investments held for gift annuities	195,517	200,206
Prepaid expenses	24,609	46,090
Equipment, net	69,128	84,262
	$ 80,640,899	$ 72,693,854
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 390,098	$ 271,821
Deferred revenue	1,012,554	786,166
Due to Friends of the Neuberger Museum of Art	124,841	-
Due to Purchase College	628,815	339,348
Due to PCA	1,700,245	1,480,728
Gift annuity payable	90,341	95,652
Due to affiliates	56,460	119,934
Total liabilities	4,003,354	3,093,649
NET ASSETS:		
Unrestricted	6,850,530	6,946,848
Temporarily restricted	30,915,166	24,899,131
Permanently restricted	38,871,849	37,754,226
Total net assets	76,637,545	69,600,205
	$ 80,640,899	$ 72,693,854

The accompanying notes are an integral part of these statements.

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	For the Year Ended June 30, 2017				For the Year Ended June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:								
Contributions, gifts and grants	$ 441,514	$ 2,093,166	$ 1,117,623	$ 3,652,303	$ 526,138	$ 1,146,373	$ 251,984	$ 1,924,495
Contributed services and barter	1,089,137	-	-	1,089,137	1,079,076	-	-	1,079,076
Investment income	88,990	1,690,807	-	1,779,797	204,451	3,249,851	-	3,454,302
Investment fees	(7,386)	(150,314)	-	(157,700)	(80)	(144,104)	-	(144,184)
Net realized and unrealized gains (losses)	393,646	7,594,171	-	7,987,817	(235,706)	(3,567,251)	-	(3,802,957)
Ticket sales	836,582	-	-	836,582	840,374	-	-	840,374
Fee and service charges	1,255,818	-	-	1,255,818	1,668,556	-	-	1,668,556
Other sources	56,417	25,290	-	81,707	74,557	13,527	-	88,084
Transfer of net assets	(341,910)	341,910	-	-	-	-	-	-
Net assets released from restrictions	5,578,995	(5,578,995)	-	-	5,103,575	(5,103,575)	-	-
Total revenue and support	9,391,803	6,016,035	1,117,623	16,525,461	9,260,941	(4,405,179)	251,984	5,107,746
EXPENSES:								
Program expenses	5,384,444	-	-	5,384,444	5,333,182	-	-	5,333,182
Scholarships and fellowships	2,035,038	-	-	2,035,038	1,921,187	-	-	1,921,187
Management and general	776,737	-	-	776,737	854,433	-	-	854,433
Fundraising	1,276,768	-	-	1,276,768	978,551	-	-	978,551
Depreciation	15,134	-	-	15,134	15,134	-	-	15,134
Total expenses	9,488,121	-	-	9,488,121	9,102,487	-	-	9,102,487
CHANGE IN NET ASSETS	(96,318)	6,016,035	1,117,623	7,037,340	158,454	(4,405,179)	251,984	(3,994,741)
NET ASSETS - beginning of year	6,946,848	24,899,131	37,754,226	69,600,205	6,788,394	29,304,310	37,502,242	73,594,946
NET ASSETS- end of year	$ 6,850,530	$ 30,915,166	$ 38,871,849	$ 76,637,545	$ 6,946,848	$ 24,899,131	$ 37,754,226	$ 69,600,205

The accompanying notes are an integral part of these statements.

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 7,037,340	$ (3,994,741)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	15,134	15,134
Bad debt expense	2,574	2,151
Unrealized and realized (gains) losses on investments	(7,987,817)	3,802,957
Permanently restricted contributions	(1,117,623)	(251,984)
Changes in:		
Accounts and grants receivable	(262,890)	(79,480)
Accrued interest receivable	255	43
Pledges receivable	(74,479)	56,265
Due from PCAC	-	178,985
Due to/from Friends of the Neuberger Museum of Art	126,278	19,669
Other receivables	(3,715)	178,724
Prepaid expenses	21,481	37,678
Accounts payable and accrued expenses	118,277	(381,957)
Deferred revenue	226,388	(186,980)
Gift annuity payable	(5,311)	(5,524)
Due to affiliates	445,510	27,700
Net cash flow from operating activities	(1,458,598)	(581,360)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(19,130,754)	(20,436,448)
Proceeds from sale of investments	19,275,083	18,773,542
Net cash flow from investing activities	144,329	(1,662,906)
CASH FLOW FROM FINANCING ACTIVITIES:		
Permanently restricted contributions	1,117,623	251,984
CHANGE IN CASH AND CASH EQUIVALENTS	(196,646)	(1,992,282)
CASH AND CASH EQUIVALENTS - beginning of year	5,301,276	7,293,558
CASH AND CASH EQUIVALENTS - end of year	$ 5,104,630	$ 5,301,276

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Purchase College Foundation (the College Foundation), was incorporated under the not-for-profit laws of the State of New York for the promotion of literature, history, visual and performing arts, science and other departments of education at the State University of New York at Purchase (the College or Purchase College).

The Performing Arts Center Foundation, Inc. (the Subsidiary) was incorporated under the not-for-profit laws of the State of New York to encourage and advance the public knowledge and appreciation of theatre, music, opera and dance at the College and to develop excellence in the performing arts by supporting professional artists and students in the creation and study of new works in an artistic atmosphere utilizing first-rate performance facilities. The College Foundation is the sole member of the Subsidiary. Collectively, the College Foundation and the Subsidiary are here-in-after referred to as the Foundation.

There are several other nonprofit organizations which have also been formed to support Purchase College, its programs, students and/or faculty. In the normal course of operations, PCF may have transactions with these other nonprofit organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Financial Statement Presentation
The consolidated financial statements include the assets, liabilities, net assets and activities of the College Foundation and its Subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting and Use of Estimates
The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which 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.

Cash and Cash Equivalents
The Foundation considers all highly liquid debt instruments with maturities of three months or less at the time of purchase to be cash equivalents.

Accounts and Grants Receivable
Accounts and grants receivable primarily represent amounts due from individuals and companies for activities at the Purchase College Foundation - Performing Arts Center. Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted, the account is written off. Management has determined that an allowance for uncollectible accounts and grants receivables is not necessary at June 30, 2017 and 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable

Pledges are recorded as support when signed pledge agreements are received. A receivable is recorded to the extent that a pledge has been made, but cash has not been collected. At June 30, 2017 and 2016, pledges were recorded at the estimated net present value using a discount rate of 4.0%. Management has also recorded an allowance for uncollectable pledges receivable of $3,943 and $3,944 at June 30, 2017 and 2016, respectively.

Investments

Investments in publicly traded debt securities, equity securities, and mutual funds are stated at fair value. Fair value is determined using quoted market prices. All realized and unrealized gains and losses are reported directly in the accompanying consolidated statement of activities. Investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

In addition, substantially all investments are held as an endowment as described in Note 6. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Gift Annuities

The Foundation administers charitable gift annuity agreements. Under these agreements, donors contribute assets to the Foundation in exchange for future fixed payments over a specified period of time. The Foundation has recognized a liability for the present value of the estimated future payments expected to be made to the beneficiaries. Annual adjustments are made to the annuity liabilities to reflect the amortization of the discount and revaluation of expected future payments to beneficiaries based on changes in actuarial assumptions.

Equipment

Equipment is stated at cost, less accumulated depreciation. Depreciation is being recognized using the straight-line method over the estimated useful lives of the assets, which range from 5 to 10 years. Donated assets are capitalized at their fair market value on the date of the donation. Depreciation expense for the years ended June 30, 2017 and 2016 was $15,134.

Maintenance, routine repairs and minor replacements are charged to current operations as incurred, while those improvements which materially extend the lives of the existing assets are capitalized.

Deferred Revenue

Income from advance ticket sales for Performing Arts Center performances is deferred until the time of the performance and is reflected as deferred revenue in the consolidated statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Net Assets

All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Contributions are recorded as temporarily restricted net assets and support if they are received with donor imposed stipulations that limit their use which expire by either the passage of stipulated time or the accomplishment of the stated purpose. The Foundation discounts pledges with a collection period of more than one year using a risk adjusted present value rate. The discount is amortized over the term of the pledge and such amortization is recorded within contribution income. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Permanently restricted contributions are those funds whose use is limited by donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Board of Trustees. Permanently restricted net assets are comprised of endowed funds, the income from which is to be used for campus programs, scholarships, the Neuberger Museum and the Performing Arts Center.

Contributed Services

The Foundation occupies certain facilities and has certain accounting and administrative functions performed by employees of entities affiliated with the State University of New York, without charge. The estimated fair value of the services and facilities provided for the years ended June 30, 2017 and 2016 was $1,089,137 and $1,079,076, respectively.

Fee and Service Charges and Ticket Income

The Foundation records revenue from fee and service charges and ticket income and expenses in the period in which the performances take place.

Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programmatic and supporting services benefited.

Advertising

The Foundation expenses advertising costs as incurred. Advertising costs for the years ended June 30, 2017 and 2016 primarily related to Purchase College Foundation - Performing Arts Center ("PCF-PAC") were $211,833 and $234,834, respectively.

Fair Value of Financial Instruments

Generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Foundation's equities, equity funds, fixed income funds, U.S. government obligations, exchange-traded funds and money market funds are primarily valued utilizing Level 1 inputs.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

  The Foundation's corporate bonds and U.S. agency obligations are valued utilizing Level 2 inputs.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

  The Foundation's gift annuities are primarily valued utilizing Level 3 inputs.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Foundation in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

Income Taxes
The Foundation and the Subsidiary are exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and have been classified by the Internal Revenue Service as organizations that are not private foundations as defined under Section 509(a)(1) of the Internal Revenue Code.

3. PLEDGES RECEIVABLE

Pledges receivable at June 30, are as follows:

	2017	2016
Amounts due in:		
Less than one year	$ 181,000	$ 152,768
One to five years	142,000	96,000
	323,000	248,768
Less: Discount to present value	(11,506)	(11,752)
Less: Allowance for uncollectible pledges	(3,943)	(3,944)
	$ 307,551	$ 233,072

4. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at June 30, 2017 and 2016:

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
June 30, 2017				
United States government obligations	$ 504,080	$ -	$ -	$ 504,080
Corporate bonds	-	4,937,631	-	4,937,631
Equities and equity funds	57,044,386	-	-	57,044,386
Fixed income funds	3,308,767	-	-	3,308,767
Money market funds	8,630,624	-	-	8,630,624
Total investments	69,487,857	4,937,631	-	74,425,488
Gift annuities	-	-	195,517	195,517
	$ 69,487,857	$ 4,937,631	$ 195,517	$ 74,621,005
June 30, 2016				
United States government obligations	$ 577,573	$ -	$ -	$ 577,573
United States agency obligations	-	6,735	-	6,735
Corporate bonds	-	4,587,331	-	4,587,331
Equities and equity funds	58,420,445	-	-	58,420,445
Money market funds	2,658,521	-	-	2,658,521
Exchange traded funds & closed-end funds	125,029	-	-	125,029
	61,781,568	4,594,066	-	66,375,634
Certificate of deposit	-	-	-	201,677
Total investments	61,781,568	4,594,066	-	66,577,311
Gift annuities	-	-	200,206	200,206
	$ 61,781,568	$ 4,594,066	$ 200,206	$ 66,777,517

The following reconciliation of the beginning and ending balances for assets measured at fair value in a recurring basis using significant unobservable inputs (Level 3) during June 30:

Beginning balance	$ 200,206	$ 223,530
Realized/unrealized losses, net	(4,689)	(23,324)
	$ 195,517	$ 200,206

Investment income on the consolidated statements of activities consists of interest and dividends.

4. FAIR VALUE MEASUREMENTS (Continued)

Management reviews the fair value measurement valuation policies and procedures, including those for Level 3 measurements. The Foundation's Board of Trustees assesses and approves these policies and procedures. Quantitative unobservable inputs are not developed by the Foundation in measuring fair value. Third party pricing information is used without adjustment. There were no changes in valuation techniques during 2017 or 2016.

The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels during 2017 or 2016.

Fair value of the Foundation's US agency obligations, corporate bonds, and gift annuities are derived using the market approach and relevant market-driven data, which includes using market price quotes corroborated by recently executed transactions observable in the market. In addition, the valuation of bonds is calculated at the present value of the bond's future interest payments and the bond's value upon maturity.

5. EQUIPMENT

Equipment consisted of the following at June 30:

	2017	2016
Equipment	$ 399,631	$ 399,631
Furniture and fixtures	127,774	127,774
	527,405	527,405
Less: Accumulated depreciation	(458,277)	(443,143)
	$ 69,128	$ 84,262

6. ENDOWMENT FUNDS

The Foundation maintains various donor-restricted funds whose purpose is to provide long term support for its programs. In classifying such funds for financial statement purposes as either permanently restricted, temporarily restricted or unrestricted net assets, the Board of Trustees looks to the explicit directions of the donor where applicable and the provisions of the Uniform Prudent Management of Institutional Funds Act which in New York is called the New York Prudent Management of Institutional Funds Act (NYPMIFA).

The Foundation's current spending policy is to distribute 5% annually of the trailing five-year average (by quarter commencing fiscal year June 30, 2011) of the Endowment's total fiscal year-end asset value. It is further understood that spending is strictly limited to market appreciation on the original funds contributed to the endowment. In the event that an endowment account's market value is below the value of the original amount contributed to the endowment, spending will cease on that account until such time when the account has recovered its original value thru market appreciation.

The objective of the Endowment fund is to seek an average real return of 5%, or CPI plus 5%. It is expected that professional management and sufficient portfolio diversification will smooth volatility and help assure a consistency of return. The portfolio is managed on a total return basis. Total return is taken into consideration when evaluating funds versus benchmark universes and evaluating managers to peer universes.

6. ENDOWMENT FUNDS (Continued)

These results are measured over a one, three, and five year time period. The general asset allocation policy is to diversify investments among both equity and fixed income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted NYPMIFA as requiring the preservation of the 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 of this interpretation, the Foundation classified as permanently restricted net assets the original value of the gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The following is a reconciliation of the activity in the endowment and board designated funds for the years ended June 30:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets				
Balance, June 30, 2015	$ 2,931,995	$ 24,051,494	$ 37,502,242	$ 64,485,731
Contributions and pledge collections	-	5,300	251,984	257,284
Transfers	159,722	-	-	159,722
Capital depreciation	(235,706)	(3,567,251)	-	(3,802,957)
Investment income	204,371	3,105,747	-	3,310,118
Appropriation for expenditure	(81,644)	(3,178,308)	-	(3,259,952)
Balance, June 30, 2016	2,978,738	20,416,982	37,754,226	61,149,946
Contributions and pledge collections	-	-	1,117,623	1,117,623
Transfers	-	(87,090)	-	(87,090)
Capital appreciation	391,645	7,596,172	-	7,987,817
Investment income	80,626	1,540,493	-	1,621,119
Appropriation for expenditure	(132,055)	(2,918,182)	-	(3,050,237)
Balance, June 30, 2017	$ 3,318,954	$ 26,548,375	$ 38,871,849	$ 68,739,178
Comprised of the following at:				
June 30, 2017				
Donor restricted funds	$ -	$ 26,548,375	$ 38,871,849	$ 65,420,224
Board designated funds	$ 3,318,954	$ -	$ -	$ 3,318,954
June 30, 2016				
Donor restricted funds	$ -	$ 20,416,982	$ 37,754,226	$ 58,171,208
Board designated funds	$ 2,978,738	$ -	$ -	$ 2,978,738

The Board designated funds are designated for general campus programs that will support the operations at Purchase College.

7. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30 are available for the following purposes:

	2017	2016
Campus programs	$ 13,741,211	$ 11,684,725
Scholarships	7,875,556	6,094,575
Performing Arts Center	1,123,348	528,677
Neuberger Museum	8,175,051	6,591,154
	$ 30,915,166	$ 24,899,131

Temporarily restricted net assets were released from restriction for the years ended June 30, for the following purposes:

	2017	2016
Campus programs	$ 2,695,071	$ 2,456,376
Scholarships	1,737,342	1,595,187
Performing Arts Center	466,102	325,596
Neuberger Museum	680,480	726,416
	$ 5,578,995	$ 5,103,575

During the year ended June 30, 2017, the Foundation transferred $341,910 from unrestricted to temporarily restricted net assets. There were no transfers during 2016.

Permanently restricted net assets consist of funds received which are permanently endowed to support the following at June 30:

	2017	2016
Campus programs	$ 15,308,701	$ 14,348,283
Scholarships	12,419,936	12,262,731
Performing Arts Center	1,393,200	1,393,200
Neuberger Museum	9,750,012	9,750,012
	$ 38,871,849	$ 37,754,226

7. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

Temporarily and permanently restricted net assets at June 30, 2017 and 2016 consisted of the following:

	Endowed Net Assets	Non-Endowed Net Assets	Total
2017			
Temporarily restricted	$ 26,548,375	$ 4,366,791	$ 30,915,166
Permanently restricted	38,871,849	-	38,871,849
	$ 65,420,224	$ 4,366,791	$ 69,787,015
2016			
Temporarily restricted	$ 20,416,982	$ 4,482,149	$ 24,899,131
Permanently restricted	37,754,226	-	37,754,226
	$ 58,171,208	$ 4,482,149	$ 62,653,357

8. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash accounts in financial institutions which from time to time exceed the Federal depository insurance limit as well as investments and receivables which are expected to be collected in the normal course of business. Investments of the Foundation are held in diversified portfolios consisting of equities, debt equities and mutual funds to limit its exposure to market risks, but may be concentrated at times.

9. TRANSACTIONS WITH AFFILIATES

As described in Note 1, the mission of the College Foundation is to promote literature, history, visual and performing arts, science and other departments of education of the College. There are several other nonprofit organizations whose missions' include support of the various areas of the College. As such, the College Foundation may have transactions with some or all of these non-profit organizations during the normal course of operations.

A summary of transactions and balances due to or from these entities is as follows:

<u>Friends of Neuberger Museum of Art (Friends)</u> - A balance is due to Friends in the amount of $124,841 as of June 30, 2017. As of June 30, 2016, there was a balance due from Friends of $1,437.

All loans to and from affiliates are considered short term in nature and are unsecured and non-interest bearing.

<u>Purchase College Association (PCA)</u> – During the year ended June 30, 2015, PCA transferred $1.5 million to the Foundation so that the Foundation could invest these funds for the benefit of PCA (as a pooled investment). As of June 30, 2017 and 2016, the amount of investments held by the Foundation and due to PCA amounted to $1,700,245 and $1,480,728, respectively.

9. TRANSACTIONS WITH AFFILIATES

Purchase College – The Performing Arts Center (PAC) typically reimburses the College for certain personnel costs related to the running of the facility. During fiscal year ending June 30, 2016, the College waived the reimbursement by providing additional state support in light of a PAC budget shortfall for the fiscal year. The balance due to Purchase College amounted to $628,815 and $339,348, respectively, as of June 30 2017 and 2016.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 8, 2017, which is the date the financial statements were available to be issued.

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

Schedule I

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Program	Scholarships and Fellowships	Management and General	Fundraising	Depreciation	Total
Scholarships	$ -	$ 2,035,038	$ -	$ -	$ -	$ 2,035,038
Salaries	1,016,001	-	205,659	-	-	1,221,660
Productions and events	1,102,434	-	-	8,379	-	1,110,813
Contributed services	2,132	-	260,176	749,669		1,011,977
Performer and other fees	889,152	-	24,460	-	-	913,612
Professional fees	304,886	-	178,084	209,472	-	692,442
Supplies and other	341,347	-	74,157	89,633	-	505,137
Purchase College services provided	467,782	-	-	-	-	467,782
Repairs and maintenance	417,498	-	-	-	-	417,498
Printing	167,686	-	-	70,661	-	238,347
Advertising	207,462	-	-	4,371	-	211,833
Reception expense	102,197	-	-	85,478	-	187,675
Travel and entertainment	173,083	-	2,682	6,830	-	182,595
Employee taxes and benefits	138,154	-	-	-	-	138,154
Dues and memberships	23,159	-	(8,195)	52,275	-	67,239
Insurance	64	-	34,911	-	-	34,975
Acquisitions	28,690	-	-	-	-	28,690
Depreciation	-	-	-	-	15,134	15,134
Postage	143	-	4,803	-	-	4,946
Bad debt	2,574	-	-	-	-	2,574
	$ 5,384,444	$ 2,035,038	$ 776,737	$ 1,276,768	$ 15,134	$ 9,488,121

The accompanying notes are an integral part of these schedules.

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

Schedule II

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program	Scholarships and Fellowships	Management and General	Fundraising	Depreciation	Total
Scholarships	$ -	$ 1,921,187	$ -	$ -	$ -	$ 1,921,187
Salaries	1,038,951	-	257,255	6,673	-	1,302,879
Performer and other fees	1,108,085	-	24,460	-	-	1,132,545
Productions and events	1,079,141	-	-	6,285	-	1,085,426
Contributed services	3,450	-	257,796	740,930		1,002,176
Supplies and other	728,267	-	159,255	65,513	-	953,035
Professional fees	223,104	-	68,048	72,556	-	363,708
Employee taxes and benefits	243,261	-	24,049	-	-	267,310
Printing	216,244	-	-	18,713	-	234,957
Advertising	228,643	-	-	6,191	-	234,834
Travel and entertainment	136,760	-	1,832	9,873	-	148,465
Reception expense	100,267	-	-	32,341	-	132,608
Repairs and maintenance	88,372	-	-	-	-	88,372
Purchase College services provided	75,004	-	-	-	-	75,004
Acquisitions	41,171	-	-	-	-	41,171
Insurance	1,094	-	35,735	-	-	36,829
Dues and memberships	19,024	-	122	15,824	-	34,970
Research Foundation overhead	-	-	18,181	-	-	18,181
Depreciation	-	-	-	-	15,134	15,134
Postage	193	-	7,700	3,652	-	11,545
Bad debt	2,151	-	-	-	-	2,151
	$ 5,333,182	$ 1,921,187	$ 854,433	$ 978,551	$ 15,134	$ 9,102,487

The accompanying notes are an integral part of these schedules.