THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

Consolidated Financial Statements as of
June 30, 2018 and 2017
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 13, 2018

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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 3,757,064	$ 5,104,630
Accounts and grants receivable	596,291	480,909
Accrued interest receivable	58,848	28,552
Pledges receivable, net	1,010,211	307,551
Other receivables	2,390	4,515
Due from Friends of the Neuberger Museum of Art	45,659	-
Investments	79,145,550	74,425,488
Investments held for gift annuities	189,032	195,517
Prepaid expenses	35,497	24,609
Equipment, net	53,994	69,128
	$ 84,894,536	$ 80,640,899
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 762,022	$ 390,098
Deferred revenue	1,314,136	1,012,554
Due to Friends of the Neuberger Museum of Art	-	124,841
Due to Purchase College	163,752	628,815
Due to PCA	1,930,571	1,700,245
Gift annuity payable	85,241	90,341
Due to affiliates	-	56,460
Total liabilities	4,255,722	4,003,354
NET ASSETS:		
Unrestricted	7,224,422	6,850,530
Temporarily restricted	34,493,695	30,915,166
Permanently restricted	38,920,697	38,871,849
Total net assets	80,638,814	76,637,545
	$ 84,894,536	$ 80,640,899

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, 2018 AND 2017

	For the Year Ended June 30, 2018				For the Year Ended June 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:								
Contributions, gifts and grants	$ 279,610	$ 2,995,076	$ 48,848	$ 3,323,534	$ 441,514	$ 2,093,166	$ 1,117,623	$ 3,652,303
Contributed services and barter	966,330	-	-	966,330	1,089,137	-	-	1,089,137
Investment income	134,946	1,089,913	-	1,224,859	88,990	1,690,807	-	1,779,797
Investment fees	(151,178)	(62,628)	-	(213,806)	(7,386)	(150,314)	-	(157,700)
Net realized and unrealized gains	666,811	5,786,606	-	6,453,417	393,646	7,594,171	-	7,987,817
Ticket sales	871,014	-	-	871,014	836,582	-	-	836,582
Fee and service charges	1,288,583	-	-	1,288,583	1,255,818	-	-	1,255,818
Other sources	144,955	14,022	-	158,977	56,417	25,290	-	81,707
Transfer of net assets	(135,684)	135,684	-	-	(341,910)	341,910	-	-
Net assets released from restrictions	6,380,144	(6,380,144)	-	-	5,578,995	(5,578,995)	-	-
Total revenue and support	10,445,531	3,578,529	48,848	14,072,908	9,391,803	6,016,035	1,117,623	16,525,461
EXPENSES:								
Program expenses	5,922,202	-	-	5,922,202	5,384,444	-	-	5,384,444
Scholarships and fellowships	2,101,737	-	-	2,101,737	2,035,038	-	-	2,035,038
Management and general	1,016,389	-	-	1,016,389	776,737	-	-	776,737
Fundraising	1,016,177	-	-	1,016,177	1,276,768	-	-	1,276,768
Depreciation	15,134	-	-	15,134	15,134	-	-	15,134
Total expenses	10,071,639	-	-	10,071,639	9,488,121	-	-	9,488,121
CHANGE IN NET ASSETS	373,892	3,578,529	48,848	4,001,269	(96,318)	6,016,035	1,117,623	7,037,340
NET ASSETS - beginning 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
NET ASSETS- end of year	$ 7,224,422	$ 34,493,695	$ 38,920,697	$ 80,638,814	$ 6,850,530	$ 30,915,166	$ 38,871,849	$ 76,637,545

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

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 4,001,269	$ 7,037,340
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	15,134	15,134
Bad debt expense	13,790	2,574
Unrealized and realized gains on investments	(6,453,417)	(7,987,817)
Permanently restricted contributions	(48,848)	(1,117,623)
Changes in:		
Accounts and grants receivable	(129,172)	(262,890)
Accrued interest receivable	(30,296)	255
Pledges receivable	(702,660)	(74,479)
Due to/from Friends of the Neuberger Museum of Art	(170,500)	126,278
Other receivables	2,125	(3,715)
Prepaid expenses	(10,888)	21,481
Accounts payable and accrued expenses	371,924	118,277
Deferred revenue	301,582	226,388
Gift annuity payable	(5,100)	(5,311)
Due to affiliates	(454,360)	445,510
Net cash flow from operating activities	(3,299,417)	(1,458,598)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(24,940,948)	(19,130,754)
Proceeds from sale of investments	26,843,951	19,275,083
Net cash flow from investing activities	1,903,003	144,329
CASH FLOW FROM FINANCING ACTIVITIES:		
Permanently restricted contributions	48,848	1,117,623
CHANGE IN CASH AND CASH EQUIVALENTS	(1,347,566)	(196,646)
CASH AND CASH EQUIVALENTS - beginning of year	5,104,630	5,301,276
CASH AND CASH EQUIVALENTS - end of year	$ 3,757,064	$ 5,104,630

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, 2018 and 2017.

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, 2018 and 2017, 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 at June 30, 2018 and 2017.

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, 2018 and 2017 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, 2018 and 2017 was $966,330 and $1,089,137, 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, 2018 and 2017 primarily related to Purchase College Foundation - Performing Arts Center ("PCF-PAC") were $233,874 and $211,833, 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, 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 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.

Recent Accounting Pronouncements
In August 2016, the Financial Accounting Standards (FASB) issued Accounting Standards Update *(ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities*. This standard will have significant changes on the way not-for-profit organizations present their financial information, including net asset classifications, expense reporting, and disclosures about liquidity and availability of financial assets. The standard is not expected to have an impact on total net assets or changes in net assets. This standard will be effective for annual financial statements issued for years beginning after December 15, 2017.

3. PLEDGES RECEIVABLE

Pledges receivable at June 30, are as follows:

	2018	2017
Amounts due in:		
Less than one year	$ 677,266	$ 181,000
One to five years	372,000	142,000
	1,049,266	323,000
Less: Discount to present value	(35,110)	(11,506)
Less: Allowance for uncollectible pledges	(3,945)	(3,943)
	$ 1,010,211	$ 307,551

3. PLEDGES RECEIVABLE (Continued)

The Organization also received a conditional pledge receivable of $300,000 during the year ended June 30, 2018. An initial pledge of $200,000 was received from this donor to be used in part for individual mounting and framing of various artwork. The remaining funds will be received after the framed paintings are approved by the Donor and his attorney's representative. This will be recognized as contribution revenue when the donor conditions are met.

4. BEQUEST INTENTIONS

During 2018, the Organization was informed of bequest intentions totaling $1,100,000.

5. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at June 30, 2018 and 2017:

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
June 30, 2018				
United States government obligations	$ 894,958	$ -	$ -	$ 894,958
Corporate bonds	-	12,708,589	$ -	12,708,589
Equities and equity funds	63,151,733	-	-	63,151,733
Money market funds	2,139,406	-	-	2,139,406
Fixed income funds	250,864	-	-	250,864
Total investments	66,436,961	12,708,589	-	79,145,550
Gift annuities	-	-	189,032	189,032
	$66,436,961	$12,708,589	$ 189,032	$79,334,582
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

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:

	2018	2017
Beginning balance	$ 195,517	$ 200,206
Realized/unrealized losses, net	(6,485)	(4,689)
	$ 189,032	$ 195,517

5. FAIR VALUE MEASUREMENTS (Continued)

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

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 2018 or 2017. 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 2018 or 2017.

Fair value of the Foundation's 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.

6. EQUIPMENT

Equipment consisted of the following at June 30:

	2018	2017
Equipment	$ 399,631	$ 399,631
Furniture and fixtures	127,774	127,774
	527,405	527,405
Less: Accumulated depreciation	(473,411)	(458,277)
	$ 53,994	$ 69,128

7. 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.

7. 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
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 depreciation	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
Contributions and pledge collections	-	-	48,848	48,848
Transfers	3,893,934	83,000	-	3,976,934
Capital appreciation	666,801	5,786,606	-	6,453,407
Investment income	117,671	1,027,285	-	1,144,956
Appropriation for expenditure	(279,211)	(3,629,881)	-	(3,909,092)
Balance, June 30, 2018	$ 7,718,149	$29,815,385	$38,920,697	$76,454,231
Comprised of the following at:				
June 30, 2018				
Donor restricted funds	$ -	$29,815,385	$38,920,697	$68,736,082
Board designated funds	$ 7,718,149	$ -	$ -	$ 7,718,149
June 30, 2017				
Donor restricted funds	$ -	$26,548,375	$38,871,849	$65,420,224
Board designated funds	$ 3,318,954	$ -	$ -	$ 3,318,954

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

8. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

	2018	2017
Campus programs	$15,806,557	$ 13,741,211
Scholarships	9,006,274	7,875,556
Performing Arts Center	933,215	1,123,348
Neuberger Museum	8,747,649	8,175,051
	$34,493,695	$ 30,915,166

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

	2018	2017
Campus programs	$ 2,962,323	$ 2,695,071
Scholarships	1,720,192	1,737,342
Performing Arts Center	839,841	466,102
Neuberger Museum	857,788	680,480
	$ 6,380,144	$ 5,578,995

During the years ended June 30, 2018 and 2017, the Foundation transferred $135,684 and $341,910 from unrestricted to temporarily restricted net assets, respectively.

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

	2018	2017
Campus programs	$15,157,052	$ 15,308,701
Scholarships	12,492,431	12,419,936
Performing Arts Center	1,521,200	1,393,200
Neuberger Museum	9,750,014	9,750,012
	$38,920,697	$ 38,871,849

8. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

Temporarily and permanently restricted net assets at June 30, 2018 and 2017 consisted of the following:

	Endowed Net Assets	Non-Endowed Net Assets	Total
2018			
Temporarily restricted	$29,815,385	$ 4,678,310	$34,493,695
Permanently restricted	38,920,697	-	38,920,697
	$68,736,082	$ 4,678,310	$73,414,392
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

9. 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.

10. 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:

Friends of Neuberger Museum of Art (Friends) - A balance is due from Friends in the amount of $45,659 as of June 30, 2018. As of June 30, 2017, there was a balance due to Friends in the amount of $124,841.

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

Purchase College Association (PCA) – 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, 2018 and 2017, the amount of investments held by the Foundation and due to PCA amounted to $1,863,408 and $1,700,245, respectively. As of June 30, 2018, there is also a balance due from the PAC to PCA of $67,163 relating to parking fees collected on their behalf.

10. 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. The balance due to Purchase College amounted to $163,752 and $628,815, respectively, as of June 30 2018 and 2017.

The Performing Arts Center Foundation - In May 2017, the Board of Trustees voted to merge the Foundation with the Purchase College Foundation. Both entities wish to achieve greater efficiencies in both fundraising and development for SUNY Purchase College and they believe this can be accomplished through this merger.

The Board of Regents of the University of the State of New York on behalf of the State Education Department approved the merger on February 13, 2018. The official "Order of Merger of The Purchase College Foundation with The Performing Arts Center Foundation, Inc. into The Purchase College Foundation" was filed by the Board of Regents and approved by the State of New York Department of State on April 25, 2018.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 13, 2018, 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, 2018

	Program	Scholarships and Fellowships	Management and General	Fundraising	Depreciation	Total
Scholarships	$ -	$ 2,101,737	$ -	$ -	$ -	$ 2,101,737
Salaries	908,887	-	503,366	-	-	1,412,253
Productions and events	999,807	-	-	12,279	-	1,012,086
Supplies and other	749,358	-	148,102	6,203	-	903,663
Performer and other fees	954,488	-	12,230	-	-	966,718
Professional fees	224,875	-	302,449	184,559	-	711,883
Repairs and maintenance	657,610	-	-	-	-	657,610
Contributed services	93,012	-	-	636,122	-	729,134
Purchase College services provided	468,544	-	-	-	-	468,544
Travel and entertainment	247,661	-	-	-	-	247,661
Advertising	233,874	-	-	-	-	233,874
Reception expense	86,682	-	-	138,183	-	224,865
Printing	131,715	-	-	8,130	-	139,845
Dues and memberships	38,803	-	1,087	30,701	-	70,591
Employee taxes and benefits	48,318	-	-	-	-	48,318
Postage	35,435	-	11,269	-	-	46,704
Insurance	3,276	-	37,886	-	-	41,162
Acquisitions	26,067	-	-	-	-	26,067
Depreciation	-	-	-	-	15,134	15,134
Bad debt	13,790	-	-	-	-	13,790
	$ 5,922,202	$ 2,101,737	$ 1,016,389	$ 1,016,177	$ 15,134	$ 10,071,639

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, 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 III

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

	Purchase College Foundation	Performing Arts Center	Performing Arts Center Foundation	Neuberger Museum	Eliminations	Total
ASSETS						
Cash and cash equivalents	$ 1,764,500	$ 770,751	$ 6,058	$ 1,215,755	$ -	$ 3,757,064
Accounts and grants receivable	-	596,291	-	-	-	596,291
Accrued interest receivable	58,848	-	-	-	-	58,848
Pledges receivable, net	1,010,211	-	-	-	-	1,010,211
Due from PAC/PACF	15,281	-	-	-	(15,281)	-
Due from PCF	-	63,600	-	289,654	(353,254)	-
Other receivables	2,390	-	-	-	-	2,390
Due from the Friends of the Neuberger Museum of Art	-	-	-	45,659	-	45,659
Investments	79,145,550	-	1,206,112	-	(1,206,112)	79,145,550
Investments held for gift annuities	189,032	-	-	-	-	189,032
Prepaid expenses	22,803	12,694	-	-	-	35,497
Equipment, net	-	53,994	-	-	-	53,994
Total assets	$ 82,208,615	$ 1,497,330	$ 1,212,170	$ 1,551,068	$ (1,574,647)	$ 84,894,536
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	$ 524,646	$ 271,379	$ -	$ 44,878	$ (78,881)	$ 762,022
Deferred revenue	150,000	1,149,136	-	15,000	-	1,314,136
Due to PACF	1,206,112	-	-	-	(1,206,112)	-
Due to the Friends of the Neuberger Museum of Art	216,174	-	-	73,480	(289,654)	-
Due to Purchase College	-	155,760	-	7,992	-	163,752
Due to PCA	1,863,408	67,163	-	-	-	1,930,571
Gift annuity payable	85,241	-	-	-	-	85,241
Due to affiliates	-	-	-	-	-	-
Total liabilities	4,045,581	1,643,438	-	141,350	(1,574,647)	4,255,722
NET ASSETS						
Unrestricted	6,062,856	(146,108)	6,058	1,301,616	-	7,224,422
Temporarily restricted	34,004,481	-	381,112	108,102	-	34,493,695
Permanently restricted	38,095,697	-	825,000	-	-	38,920,697
Total net assets	78,163,034	(146,108)	1,212,170	1,409,718	-	80,638,814
	$ 82,208,615	$ 1,497,330	$ 1,212,170	$ 1,551,068	$ (1,574,647)	$ 84,894,536

The accompanying notes are an integral part of these schedules.

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY Schedule IV

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	Purchase College Foundation	Performing Arts Center	Performing Arts Center Foundation	Neuberger Museum	Eliminations	Total
ASSETS						
Cash and cash equivalents	$ 2,849,529	$ 716,291	$ 426,640	$ 1,112,170	$ -	$ 5,104,630
Accounts and grants receivable	-	480,909	-	-	-	480,909
Accrued interest receivable	28,552	-	-	-	-	28,552
Pledges receivable, net	307,551	-	-	-	-	307,551
Due from PAC/PACF	-	12,449	-	-	(12,449)	-
Due from PCF	-	40,676	-	335,313	(375,989)	-
Other receivables	713	3,802	-	-	-	4,515
Investments	74,425,488	-	1,146,347	-	(1,146,347)	74,425,488
Investments held for gift annuities	195,517	-	-	-	-	195,517
Prepaid expenses	23,540	1,069	-	-	-	24,609
Equipment, net	-	69,128	-	-	-	69,128
Total assets	$ 77,830,890	$ 1,324,324	$ 1,572,987	$ 1,447,483	$ (1,534,785)	$ 80,640,899
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	$ 192,350	$ 160,927	$ 11,430	$ 25,391	$ -	$ 390,098
Deferred revenue	168,000	829,554	-	15,000	-	1,012,554
Due to PACF	1,146,347	-	-	-	(1,146,347)	-
Due to the Friends of the Neuberger Museum of Art	335,775	-	-	124,379	(335,313)	124,841
Due to Purchase College	-	618,867	-	9,948	-	628,815
Due to PAC	40,676	-	12,449	-	(53,125)	-
Due to PCA	1,700,245	-	-	-	-	1,700,245
Gift annuity payable	90,341	-	-	-	-	90,341
Due to affiliates	-	56,460	-	-	-	56,460
Total liabilities	3,673,734	1,665,808	23,879	174,718	(1,534,785)	4,003,354
NET ASSETS:						
Unrestricted	5,624,590	(341,484)	402,761	1,164,663	-	6,850,530
Temporarily restricted	30,485,717	-	321,347	108,102	-	30,915,166
Permanently restricted	38,046,849	-	825,000	-	-	38,871,849
Total net assets	74,157,156	(341,484)	1,549,108	1,272,765	-	76,637,545
	$ 77,830,890	$ 1,324,324	$ 1,572,987	$ 1,447,483	$ (1,534,785)	$ 80,640,899

The accompanying notes are an integral part of these schedules.

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

Schedule V

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Purchase College Foundation	Performing Arts Center	Performing Arts Center Foundation	Neuberger Museum	Eliminations	Total
REVENUE AND SUPPORT:						
Contributions, gifts and grants	$ 3,290,916	$ 619,773	$ 12,067	$ -	$ (599,222)	$ 3,323,534
Contributed services and barter	879,170	87,160	-	-	-	966,330
Investment income	1,203,813	96,021	19,439	-	(94,414)	1,224,859
Investment fees	(198,718)	-	(15,088)	-	-	(213,806)
Net realized and unrealized gains	6,346,547	-	106,870	-	-	6,453,417
Ticket sales	1,111	869,903	-	-	-	871,014
Fee and service charges	-	1,179,214	-	109,369	-	1,288,583
Other sources	197,073	12,344	-	807,348	(857,788)	158,977
Total revenue and support	11,719,912	2,864,415	123,288	916,717	(1,551,424)	14,072,908
EXPENSES:						
Program expenses	3,783,847	2,509,584	459,645	720,550	(1,551,424)	5,922,202
Scholarships and fellowships	2,101,737	-	-	-	-	2,101,737
Management and general	812,273	144,321	581	59,214	-	1,016,389
Fundraising	1,016,177	-	-	-	-	1,016,177
Depreciation	-	15,134	-	-	-	15,134
Total expenses	7,714,034	2,669,039	460,226	779,764	(1,551,424)	10,071,639
CHANGE IN NET ASSETS	4,005,878	195,376	(336,938)	136,953	-	4,001,269
NET ASSETS - beginning of year	74,157,156	(341,484)	1,549,108	1,272,765	-	76,637,545
NET ASSETS - end of year	$ 78,163,034	$ (146,108)	$ 1,212,170	$ 1,409,718	$ -	$ 80,638,814

The accompanying notes are an integral part of these schedules.

THE PURCHASE COLLEGE FOUNDATION AND SUBSIDIARY

Schedule VI

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Purchase College Foundation	Performing Arts Center	Performing Arts Center Foundation	Neuberger Museum	Eliminations	Total
REVENUE AND SUPPORT:						
Contributions, gifts and grants	$ 3,446,239	$ 334,835	$ 206,064	$ -	$ (334,835)	$ 3,652,303
Contributed services and barter	837,582	77,160	225,553	-	(51,158)	1,089,137
Investment income	1,744,231	489	35,077	-	-	1,779,797
Investment fees	(144,138)	-	(13,562)	-	-	(157,700)
Net realized and unrealized gains	7,856,006	-	131,811	-	-	7,987,817
Ticket sales	12,383	824,199	-	-	-	836,582
Fee and service charges	-	1,106,820	-	148,998	-	1,255,818
Other sources	62,019	57,121	-	739,475	(776,908)	81,707
Total revenue and support	13,814,322	2,400,624	584,943	888,473	(1,162,901)	16,525,461
EXPENSES:						
Program expenses	3,152,709	2,500,779	285,539	608,318	(1,162,901)	5,384,444
Scholarships and fellowships	2,035,038	-	-	-	-	2,035,038
Management and general	515,929	170,475	33,248	57,085	-	776,737
Fundraising	1,121,421	-	155,347	-	-	1,276,768
Depreciation	-	15,134	-	-	-	15,134
Total expenses	6,825,097	2,686,388	474,134	665,403	(1,162,901)	9,488,121
CHANGE IN NET ASSETS	6,989,225	(285,764)	110,809	223,070	-	7,037,340
NET ASSETS - beginning of year	67,167,931	(55,720)	1,438,299	1,049,695	-	69,600,205
NET ASSETS - end of year	$ 74,157,156	$ (341,484)	$ 1,549,108	$ 1,272,765	$ -	$ 76,637,545

The accompanying notes are an integral part of these schedules.