FRIENDS OF THE NEUBERGER MUSEUM OF ART, INC.

Financial Statements as of
June 30, 2019 and 2018
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 11, 2019

To the Board of Directors of
Friends of the Neuberger Museum of Art, Inc.:

Report on the Financial Statements
We have audited the accompanying financial statements of Friends of the Neuberger Museum of Art, Inc. (a New York not-for-profit corporation) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, the statement of functional expense for the year ended June 30, 2019 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these 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 our audits 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.

(Continued)

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Neuberger Museum of Art, Inc. as of June 30, 2019 and 2018, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements Friends of the Neuberger Museum of Art, Inc. implemented Accounting Standards Update 2016-14, and the effects have been included in these financial statements. Our opinion is not modified with respect to this matter.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules I and II are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Bonadio & Co., LLP

FRIENDS OF NEUBERGER MUSEUM OF ART, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash	$ 1,332,495	$ 1,098,829
Due from Purchase College Foundation	90,513	73,484
Contributions receivable	2,500	2,146
Prepaid expenses and other assets	5,770	17,938
Investments	9,138,650	9,207,642
Property and equipment, net	-	4,987
Collections (See Note 2)	-	-
	$ 10,569,928	$ 10,405,026
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Due to Purchase College	$ 111,037	$ 105,105
Due to Purchase College Foundation	32,788	118,680
Accrued expenses and other liabilities	11,832	30,764
Deferred revenue	16,309	16,309
Total liabilities	171,966	270,858
NET ASSETS:		
Without donor restrictions	536,481	502,627
With donor restrictions	9,861,481	9,631,541
Total net assets	10,397,962	10,134,168
	$ 10,569,928	$ 10,405,026

The accompanying notes are an integral part of these statements.

FRIENDS OF NEUBERGER MUSEUM OF ART, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	For the Year Ended June 30, 2019			For the Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Special events	$ 240,449	$ -	$ 240,449	$ 362,490	$ -	$ 362,490
Cost of direct benefits to donors	(40,831)	-	(40,831)	(56,453)	-	(56,453)
Membership dues	130,839	-	130,839	36,906	-	36,906
Contributed services and facilities	154,055	-	154,055	277,763	-	277,763
Contributions, gifts and grants	149,732	332,954	482,686	205,569	315,097	520,666
Admission and subscriptions	(121)	-	(121)	5,184	-	5,184
Other sources	17,526	-	17,526	5,963	-	5,963
Investment income	2,113	449,520	451,633	5,766	811,427	817,193
Net assets released from restrictions	552,534	(552,534)	-	791,510	(791,510)	-
Total revenue	1,206,296	229,940	1,436,236	1,634,698	335,014	1,969,712
EXPENSES:						
Program services						
Educational	105,420	-	105,420	198,998	-	198,998
Membership	212,653	-	212,653	112,221	-	112,221
Exhibitions	414,471	-	414,471	543,248	-	543,248
Communications	43,834	-	43,834	68,012	-	68,012
Total program services	776,378	-	776,378	922,479	-	922,479
Supporting services						
Management and general	321,673	-	321,673	459,404	-	459,404
Fundraising	74,391	-	74,391	156,155	-	156,155
Total supporting services	396,064	-	396,064	615,559	-	615,559
Total expenses	1,172,442	-	1,172,442	1,538,038	-	1,538,038
CHANGE IN NET ASSETS BEFORE ENDOWMENT TRANSFE	33,854	229,940	263,794	96,660	335,014	431,674
Endowment transfer to Purchase College Foundation	-	-	-	-	(240,733)	(240,733)
CHANGE IN NET ASSETS	33,854	229,940	263,794	96,660	94,281	190,941
NET ASSETS - beginning of year	502,627	9,631,541	10,134,168	405,967	9,537,260	9,943,227
NET ASSETS - end of year	$ 536,481	$ 9,861,481	$ 10,397,962	$ 502,627	$ 9,631,541	$ 10,134,168

The accompanying notes are an integral part of these statements.

FRIENDS OF NEUBERGER MUSEUM OF ART, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Depreciation	Total
Expenses:					
Salaries and wages	$ 364,288	$ 151,521	$ -	$ -	$ 515,809
Supplies and materials	39,049	2,952	-	-	42,001
Printing and postage	14,451	450	-	-	14,901
Travel and lodging	12,678	-	-	-	12,678
Rentals and equipment	-	5,190	-	-	5,190
Insurance	16,499	13,535	-	-	30,034
Professional fees	227,694	138,357	-	-	366,051
Depreciation expense	-	-	-	4,987	4,987
Other expenses	101,719	4,681	74,391	-	180,791
Expenses before depreciation allocation	776,378	316,686	74,391	4,987	1,172,442
Depreciation Allocation	-	4,987	-	(4,987)	-
Total Expenses	$ 776,378	$ 321,673	$ 74,391	$ -	$ 1,172,442

The accompanying notes are an integral part of these statements.

FRIENDS OF NEUBERGER MUSEUM OF ART, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 263,794	$ 190,941
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	4,987	5,626
Net gain on investments	(304,167)	(664,870)
Changes in:		
Due to/from Purchase College Foundation	(102,921)	169,575
Contributions receivable	(354)	3,316
Prepaid expenses and other assets	12,168	4,849
Due to Purchase College	5,932	18,599
Accrued expenses and other liabilities	(18,932)	(24,574)
Net cash flow from operating activities	(139,493)	(296,538)
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,927,111	8,453,587
Purchase of investments	(1,553,952)	(7,450,445)
Net cash flow from investing activities	373,159	1,003,142
CHANGE IN CASH	233,666	706,604
CASH - beginning of year	1,098,829	392,225
CASH - end of year	$ 1,332,495	$ 1,098,829

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

The Friends of the Neuberger Museum of Art, Inc. (the Friends) is a not-for-profit organization whose members promote and support, through fostering of interest, the Neuberger Museum of Art, Purchase College, State University of New York.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. 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. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle
In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14*, Presentation of Financial Statements of Not-for-Profit Entities*, with the purpose of improving financial reporting by not-for-profit (NFP) entities. ASU 2016-14 changes the presentation and accounting for non-profit organization's financial statements including:

- Reducing the number of classes of net assets from three to two (net assets with donor restriction and net assets without donor restriction);
- Requiring the presentation of expenses in both natural and functional classifications;
- Eliminating the requirement to disclose the components of investment return as well as reporting investment return net of external and direct internal investment expenses;
- Requiring qualitative and quantitative disclosure regarding an entity's liquidity and availability of resources; and
- Accounting for underwater endowment funds.

ASU 2016-14 is effective for the Friends' fiscal year ending June 30, 2019 and was applied retrospectively with the exception of the presentation of expenses in both natural and functional classifications and the disclosures regarding liquidity and availability of resources. The effects of this ASU have been included in these financial statements.

Financial Reporting
The Friends reports 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.

Net assets without donor restrictions include operating net assets, which are not subject to donor-imposed stipulations, and are generally available for support of the Friends' operations.

Net assets with donor restrictions include resources resulting from contributions of assets whose use by the Friends is limited by donor-imposed restrictions that either expire by passage of time or will be fulfilled by future actions of the Friends. They also include resources that must be maintained intact permanently but which permit the Friends to up or expend all of the income derived from the donated assets for operating purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The Friends has cash that consist of bank deposits and checking accounts. The Friends considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The balances in these bank accounts may, at times, exceed federally insured limits.

Contributions and Pledges Receivable

Support is recognized when a donor makes an unconditional promise to give to the Friends. All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is received. Pledges receivable are collectible over future periods and have been recorded at their net present value.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. At June 30, 2019 and 2018, management concluded that an allowance was not required.

Investments

Investments in publicly traded debt securities, equity securities, money market funds and US agency obligations are stated at fair value. Money market accounts are stated at cost. Purchases and sales of equity securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are reported directly in the accompanying statement of activities and are included in the determination of the change in net assets.

Fair Value of Financial Instruments

U.S. GAAP established 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 Friends. Unobservable inputs are inputs that reflect the Friend’s assumptions about 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 Friends have 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.

  The Friends’ equity securities 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 Friends’ corporate bonds and United States agency obligations are valued utilizing Level 2 inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

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

  The Friends has no investments valued using 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 Friends 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 in its entirety.

Property and Equipment

Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated fair value. Purchased and donated property and equipment with values of less than $300 are expensed in the period acquired. Maintenance costs are expensed when incurred. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Computer equipment	5 years
Furniture and fixtures	7 years

Collections

The Friends' collection of art is comprised of over 1,400 works of varying types, including painting, sculptures and photographs. The collection is predominantly comprised of American art from the early 1900s to the present day. It also contains significant bodies of constructivist and European modernist works and African art. The collections, maintained for public exhibitions and education rather than for financial gain, are protected, unencumbered and preserved, and are subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

In conformity with U.S. GAAP followed by art museums, the value of the Friends' collections has been excluded from the statement of financial position and gifts of art objects are excluded from revenue in the statement of activities. Purchases of art objects by the Friends are recorded as decreases in net assets in the statement of activities. Proceeds from the sale of art are recorded as increases in net assets with donor restrictions.

Income Taxes

The Friends is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as other than a private foundation. Therefore, no provision for income taxes has been made in these financial statements.

Advertising Costs

The Friends expenses advertising costs as incurred which approximated $48,900 and $73,600 for the years ended June 30, 2019 and 2018, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exhibition Costs

All costs directly related to the development and installation of ongoing and future exhibitions are presented as other assets in the accompanying statement of financial position when the Friends believes that there is a future economic benefit associated with these costs. The costs are expensed over their useful lives, which, for exhibitions, are generally the period over which the exhibition is held, except that when there is insufficient evidence that the costs are not recoverable, they are expensed immediately.

Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the combining statement of activities. Accordingly, certain costs have been allocated amongst the programs and supporting services benefited. The expenses with the most significant allocations include certain salaries, fringe benefits, and contributed services. All attempts are made to direct charge expenses before allocations are made.

Indirect salary allocations and contributed services are recorded based on estimates of time spent by employees working on program or administrative tasks. Fringe benefit costs are allocated based on total salaries.

3. LIQUIDITY

The Friends is substantially supported by contributions received from donors and investment earnings. The following reflects the Friends' financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2019
Financial assets:	
Cash	$ 1,332,495
Due from Purchase College Foundation	90,513
Contributions receivable	2,500
Investments	9,138,650
Total financial assets	10,564,158
Less: those unavailable for general expenditures within one year due to:	
Net assets with donor restrictions	(9,876,122)
Total financial assets available to meet cash needs for general expenditures in one year	$ 688,036

As part of the Friends liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. The Friends' ability to meet its cash needs is, in part, dependent on contributions as well as its investment returns. There is a mid-year review of the contributions received and, if the funds received are lower than budgeted, expenses are reduced to align with the revised revenue projections. Should there be a shortage in liquidity, the Friends maintains unrestricted reserves equivalent to 5.5 months of expenditures and it could manage vendor relationships to extend payment terms where possible. They have engaged in fundraising efforts over the years to supplement operating cash flow and build up investment reserves. Should any of the affiliated entities be struggling from a cash flow perspective, they could also request support from Purchase College or another entity to meet the cash needs.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following table summarizes investments as of June 30:

	2019	2018
Money market funds	$ 252,158	$ 268,214
United States agency obligations	176,640	100,695
Common stock	877,652	466,388
Mutual funds	6,723,051	6,834,048
Corporate bonds	1,109,149	1,538,297
	$ 9,138,650	$ 9,207,642

The following are measured at fair value on a recurring basis at June 30:

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
June 30, 2019				
Money market funds	$ 252,158	$ -	$ -	$ 252,158
United States agency obligations	-	176,640	-	176,640
Common stock	877,652	-	-	877,652
Mutual funds	6,723,051	-	-	6,723,051
Corporate bonds	-	1,109,149	-	1,109,149
Total investments	$ 7,852,861	$ 1,285,789	$ -	$ 9,138,650
June 30, 2018				
Money market funds	$ 268,214	$ -	$ -	$ 268,214
United States agency obligations	-	100,695	-	100,695
Common stock	466,388			466,388
Mutual funds	6,834,048	-	-	6,834,048
Corporate bonds	-	1,538,297	-	1,538,297
Total investments	$ 7,568,650	$ 1,638,992	$ -	$ 9,207,642

The Friends recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels during 2019 or 2018. Fair value of the United States agency obligations and corporate bonds 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. There were no changes in valuation techniques during 2019 or 2018.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	2019	2018
Furniture and equipment	$ 103,948	$ 103,948
Less: Accumulated depreciation	(103,948)	(98,961)
	$ -	$ 4,987

6. IN-KIND CONTRIBUTIONS

The Friends occupies, without charge, certain facilities and has certain accounting and administrative functions performed by employees of entities affiliated with the State University of New York ("SUNY"). The estimated fair value of the services and facilities provided for the years ended June 30, 2019 and 2018 was $154,055 and $277,763, respectively. Related expenses are included in management and general expenses on the statement of activities.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	2019	2018
Educational and public programs	$ 2,474,345	$ 2,414,379
Exhibitions/Acquisitions	3,965,761	3,821,769
General operations	3,421,375	3,395,393
	$ 9,861,481	$ 9,631,541

Net assets released from restriction were as follows for the years ended June 30:

	2019	2018
Educational	$ 143,378	$ 152,436
General operations	104,058	118,496
Exhibitions/Acquisitions	305,098	520,578
	$ 552,534	$ 791,510

During the year ended June 30, 2018, endowment funds totaling $240,733 (Writing Through the Arts) were transferred to Purchase College Foundation. This transfer was approved by the original donor as well as the Board of Directors in order to spend these funds according to the donor's original intent in future years.

8. ROY R. NEUBERGER BEQUEST

In 2010, per the Last Will and Testament of Mr. Roy R. Neuberger and the Roy R. Neuberger 2008 Revocable Trust agreement, the Friends received contributions of $2,000,000 and Mr. Neuberger's collection of art, which is composed of American art of significance including works by Milton Avery, Marsden Hartley, Arthur Dove and Alexander Calder.

Per stipulations of the trust, the $2,000,000 must be kept in a separate account and it and all income generated is to be used by the Friends solely for financing acquisitions of works of art and publications, exhibitions and public programs held at the Neuberger Museum. If the Friends changes its purpose or dissolves, all works of art bequeathed to the Friends or acquired using bequeathed monies along with any remaining bequeathed monies shall be turned over to SUNY for the above specified use.

9. RELATED PARTY TRANSACTIONS

Services Provided

Certain members of the board of directors are employed by companies that provide services for the Friends. Services provided for the years ended June 30, 2019 and 2018 are investment management fees of $8,461 and $9,455, respectively.

10. ENDOWMENT FUNDS

The Friends 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 net assets without donor restrictions or net assets with donor restrictions, 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 Friends' current spending policy is to distribute 5% annually of the trailing five-year average (by quarter commencing fiscal year June 30, 2012) 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 through 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 universities and evaluating managers to peer universities.

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.

10. ENDOWMENT FUNDS (Continued)

Interpretation of Relevant Law

The Board of Trustees of the Friends 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 Friends classified as restricted net assets the original value of the gifts donated to the endowment and the original value of subsequent gifts to the endowment to be held in perpetuity. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Friends in a manner consistent with the standard of prudence prescribed by NYPMIFA. The following is a reconciliation of the investment activity in the donor restricted endowment funds:

Balance, June 30, 2017	$ 6,643,287
Endowment transfer to PCF	(240,733)
Appropriations for expenditures	(287,224)
Investment income, net	490,387
Balance, June 30, 2018	$ 6,605,717
Appropriations for expenditures	(298,311)
Investment income, net	309,475
Balance, June 30, 2019	$ 6,616,881

11. SPECIAL EVENTS

Details of fund raising events are as follows for the year ended June 30:

	2019	2018
Special event revenue	$ 240,449	$ 362,490
Costs of direct benefits to donors	(40,831)	(56,453)
	$ 199,618	$ 306,037

12. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Friends to a concentration of credit risk consist principally of cash deposits which from time to time are in excess of insured limits, and receivables. Receivables are expected to be collected in the normal course of business.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 11, 2019, which is the date the financial statements were available to be issued.

FRIENDS OF NEUBERGER MUSEUM OF ART, INC. Schedule I

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services					Supporting Services			
	Educational	Membership	Exhibitions	Communications	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Administration fees and dues	$ 70	$ -	$ -	$ -	$ 70	$ 141,426	$ -	$ 141,426	$ 141,496
Auctions and other events	-	-	-	-	-	-	36	36	36
Catalogue	-	-	10,590	-	10,590	-	-	-	10,590
Depreciation	-	-	-	-	-	4,987	-	4,987	4,987
Equipment and maintenance	-	-	-	-	-	2,656	-	2,656	2,656
Grant	-	-	1,200	-	1,200	-	-	-	1,200
Honariums, internships, and scholarships	-	-	20,776	-	20,776	-	-	-	20,776
Installation materials	-	-	63,420	-	63,420	-	-	-	63,420
Insurance	-	-	16,499	-	16,499	13,535	-	13,535	30,034
Lecture, symposium, and conferences	28,692	-	-	-	28,692	-	-	-	28,692
Loan fees, art exhibitions	-	-	48,120	-	48,120	-	-	-	48,120
Marketing	-	-	-	39,472	39,472	-	-	-	39,472
Member benefits	-	-	-	-	-	-	637	637	637
Museum touring	14,003	-	-	-	14,003	-	-	-	14,003
Newsletter and journals	-	-	-	1,594	1,594	-	-	-	1,594
Occupancy	-	-	-	-	-	2,534	-	2,534	2,534
Performances, lectures, and family events	4,807	27,738	-	-	32,545	-	67,376	67,376	99,921
Office supplies and postage	677	-	-	-	677	3,402	-	3,402	4,079
Professional and membership development	-	6,031	-	-	6,031	-	6,227	6,227	12,258
Professional fees	-	-	27,345	-	27,345	775	-	775	28,120
Salaries and benefits	47,440	178,884	125,935	-	352,259	151,521	-	151,521	503,780
Security	-	-	-	-	-	837	-	837	837
Shipping and carting	-	-	77,859	-	77,859	-	-	-	77,859
Signage	-	-	8,569	2,768	11,337	-	-	-	11,337
Student events	3,963	-	-	-	3,963	-	-	-	3,963
Miscellaneous	5,768	-	14,158	-	19,926	-	115	115	20,041
	$ 105,420	$ 212,653	$ 414,471	$ 43,834	$ 776,378	$ 321,673	$ 74,391	$ 396,064	$ 1,172,442

The accompanying notes are an integral part of these schedules.

FRIENDS OF NEUBERGER MUSEUM OF ART, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services					Supporting Services			
	Educational	Membership	Exhibitions	Communications	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Administration fees and dues	$ -	$ -	$ -	$ -	$ -	$ 148,920	$ -	$ 148,920	$ 148,920
Auctions and other events	-	-	-	-	-	-	48,870	48,870	48,870
Catalogue	-	-	48,772	-	48,772	-	-	-	48,772
Conservation	-	-	34,746	-	34,746	-	-	-	34,746
Depreciation	-	-	-	-	-	5,626	-	5,626	5,626
Equipment and maintenance	-	-	-	-	-	2,516	-	2,516	2,516
Grant	-	-	35,000	-	35,000	-	-	-	35,000
Honariums, internships, and scholarships	-	-	1,691	-	1,691	-	-	-	1,691
Installation materials	-	-	81,908	-	81,908	-	-	-	81,908
Insurance	-	-	16,811	-	16,811	10,648	-	10,648	27,459
Lecture, symposium, and conferences	10,904	-	-	-	10,904	-	-	-	10,904
Loan fees, art exhibitions	-	-	35,750	-	35,750	-	-	-	35,750
Marketing	-	-	-	61,364	61,364	-	-	-	61,364
Member benefits	-	-	-	-	-	-	1,000	1,000	1,000
Museum touring	20,452	-	-	-	20,452	-	-	-	20,452
Newsletter and journals	-	-	-	3,754	3,754	-	-	-	3,754
Occupancy	-	-	-	-	-	2,534	-	2,534	2,534
Performances, lectures, and family events	4,010	20,011	-	-	24,021	-	104,663	104,663	128,684
Office supplies and postage	1	-	-	-	1	1,264	-	1,264	1,265
Professional and membership development	-	7,011	-	-	7,011	-	1,622	1,622	8,633
Professional fees	-	-	42,348	-	42,348	9,344	-	9,344	51,692
Salaries and benefits	153,060	85,199	163,808	-	402,067	275,228	-	275,228	677,295
Security	-	-	-	-	-	3,324	-	3,324	3,324
Shipping and carting	-	-	62,795	-	62,795	-	-	-	62,795
Signage	-	-	4,891	2,894	7,785	-	-	-	7,785
Student events	4,769	-	-	-	4,769	-	-	-	4,769
Miscellaneous	5,802	-	14,728	-	20,530	-	-	-	20,530
	$ 198,998	$ 112,221	$ 543,248	$ 68,012	$ 922,479	$ 459,404	$ 156,155	$ 615,559	$ 1,538,038

The accompanying notes are an integral part of these schedules.