THE PURCHASE COLLEGE FOUNDATION

Financial Statements as of
June 30, 2023 and 2022
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 7, 2023

To the Board of Trustees of
The Purchase College Foundation:

Opinion

We have audited the accompanying financial statements of The Purchase College Foundation (the Foundation) (New York State not-for-profit corporation), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Purchase College Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Purchase College Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Purchase College Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Purchase College Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Purchase College Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bonadio & Co., LLP

THE PURCHASE COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 2,302,556	$ 2,156,378
Pledges receivable, net	505,791	497,970
Investments	94,019,152	90,899,189
Investments held for gift annuities	1,422	10,343
Prepaid expenses	-	14,012
	$ 96,828,921	$ 93,577,892
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 241,705	$ 152,878
Deferred revenue	63,230	82,201
Due to Friends of the Neuberger Museum of Art	-	328,466
Due to Purchase College	23,337	175,136
Due to the Research Foundation for SUNY	31,005	30,033
Due to Purchase College Association (PCA)	258	-
Investments held for others (PCA and Friends)	10,980,278	10,654,584
Gift annuity payable	5,975	9,199
Total liabilities	11,345,788	11,432,497
NET ASSETS:		
Without donor restrictions	8,414,446	7,323,981
With donor restrictions	77,068,687	74,821,414
Total net assets	85,483,133	82,145,395
	$ 96,828,921	$ 93,577,892

The accompanying notes are an integral part of these statements.

THE PURCHASE COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	For the Year Ended June 30, 2023			For the Year Ended June 30, 2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
REVENUE AND SUPPORT:						
Contributions, gifts and grants	$ 196,337	$ 1,431,169	$ 1,627,506	$ 825,603	$ 1,453,254	$ 2,278,857
Contributed services and barter	839,450	-	839,450	990,436	-	990,436
Investment (loss) income, net	1,152,645	6,085,382	7,238,027	(1,883,851)	(8,098,874)	(9,982,725)
Other sources	265,840	-	265,840	300,057	-	300,057
Net assets released from restrictions	5,269,278	(5,269,278)	-	4,751,219	(4,751,219)	-
Total revenue and support	7,723,550	2,247,273	9,970,823	4,983,464	(11,396,839)	(6,413,375)
EXPENSES:						
Program expenses	2,980,291	-	2,980,291	2,763,178	-	2,763,178
Scholarships and fellowships	2,299,228	-	2,299,228	1,779,038	-	1,779,038
Management and general	620,167	-	620,167	415,071	-	415,071
Fundraising	733,399	-	733,399	824,299	-	824,299
Total expenses	6,633,085	-	6,633,085	5,781,586	-	5,781,586
CHANGE IN NET ASSETS	1,090,465	2,247,273	3,337,738	(798,122)	(11,396,839)	(12,194,961)
NET ASSETS - beginning of year	7,323,981	74,821,414	82,145,395	8,122,103	86,218,253	94,340,356
NET ASSETS- end of year	$ 8,414,446	$ 77,068,687	$ 85,483,133	$ 7,323,981	$ 74,821,414	$ 82,145,395

The accompanying notes are an integral part of these statements.

THE PURCHASE COLLEGE FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Campus Programs	Management and General	Fundraising	2023 Total
Expenses:				
Professional fees	$ 357,652	$ 328,472	$ 659,474	$ 1,345,598
Salaries and wages	1,093,935	-	-	1,093,935
Program activities and special events	1,170,629	-	9,269	1,179,898
Supplies and materials	203,492	77,949	38,153	319,594
Repairs, maintenance and improvements	87,582	159,179	-	246,761
Other expenses	10,147	7,702	11,100	28,949
Travel and lodging	50,285	2,365	4,729	57,379
Insurance	-	44,500	-	44,500
Printing and postage	-	-	10,674	10,674
Employee benefits	6,569	-	-	6,569
Expenses before campus support	2,980,291	620,167	733,399	4,333,857
Campus support - scholarships and fellowships				2,299,228
Total expenses	$ 2,980,291	$ 620,167	$ 733,399	$ 6,633,085

	Campus Programs	Management and General	Fundraising	2022 Total
Expenses:				
Professional fees	$ 318,922	$ 248,001	$ 782,605	$ 1,349,528
Salaries and wages	1,193,300	-	-	1,193,300
Program activities and special events	759,030	2,660	4,644	766,334
Supplies and materials	161,559	100,700	19,401	281,660
Repairs, maintenance and improvements	275,571	-	-	275,571
Other expenses	187	63,710	11,003	74,900
Travel and lodging	31,720	-	-	31,720
Insurance	22,323	-	-	22,323
Printing and postage	-	-	6,646	6,646
Employee benefits	566	-	-	566
Expenses before campus support	2,763,178	415,071	824,299	4,002,548
Campus support - scholarships and fellowships				1,779,038
Total expenses	$ 2,763,178	$ 415,071	$ 824,299	$ 5,781,586

The accompanying notes are an integral part of these statements.

THE PURCHASE COLLEGE FOUNDATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 3,337,738	$ (12,194,961)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Unrealized and realized losses (gains) on investments	(6,011,400)	11,058,805
Changes in:		
Accounts and grants receivable	-	9,695
Pledges receivable	(7,821)	412,276
Prepaid expenses	14,012	-
Accounts payable and accrued expenses	88,827	(9,240)
Deferred revenue	(18,971)	(17,309)
Due to Friends of the Neuberger Museum of Art	(328,466)	(15,392)
Due to Purchase College	(151,799)	(750,237)
Due to the Research Foundation for SUNY	972	2,896
Due to Purchase College Assocation (PCA)	258	-
Gift annuity payable	(3,224)	1,261
Net cash flow from operating activities	(3,079,874)	(1,502,206)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(33,034,495)	(35,369,845)
Proceeds from sale of investments	36,260,547	34,674,084
Net cash flow from investing activities	3,226,052	(695,761)
CHANGE IN CASH AND CASH EQUIVALENTS	146,178	(2,197,967)
CASH AND CASH EQUIVALENTS - beginning of year	2,156,378	4,354,345
CASH AND CASH EQUIVALENTS - end of year	$ 2,302,556	$ 2,156,378

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

The Purchase College Foundation (PCF, the College Foundation or 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).

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

Basis of Accounting and Use of Estimates
The 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.

Recently Adopted Accounting Guidance
The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the standard effective July 1, 2022 using the modified retrospective approach and comparative financial information has not been restated. The adoption of this guidance did not have an impact on the financial statements as the Foundation.

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.

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, 2023 and 2022, pledges were recorded at the estimated net present value using a discount rate of 4.0%. Management has determined an allowance for uncollectible pledges receivable is not necessary as of June 30, 2023 and 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Investments in hedge funds are considered to be recorded at net asset value (NAV). All realized and unrealized gains and losses are reported directly in the accompanying 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 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.

Deferred Revenue

Income for the Performing Arts Center (the Center or PAC) is deferred until the donor is able to use the Center on an annual basis and is reflected as deferred revenue in the statements of financial position.

Contributions and Net Assets

All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Contributions are recorded as net assets with donor restrictions 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. Net assets with donor restrictions also includes contributions whose funds are limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise be removed by actions of the Board of Trustees. Net assets with donor restrictions includes endowed funds, the income from which is to be used for campus programs, scholarships, the Neuberger Museum, and the Performing Arts Center.

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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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, 2023 and 2022 was $839,450 and $990,436, respectively (see Note 10).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements 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.

Advertising

The Foundation expenses advertising costs as incurred. Advertising costs for the year ended June 30, 2023 primarily related to the Museum were $54,393, and for the year ended June 30, 2022 primarily related to the PAC were $47,082.

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.

  The Foundation’s mutual funds, common stocks, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is 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. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation is substantially supported by contributions received from donors and investment earnings. The following reflected the Foundation's 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.

	2023	2022
Financial assets		
Cash and cash equivalents	$ 2,302,556	$ 2,156,378
Pledges receivable, net	505,791	497,970
Investments	94,019,152	90,899,189
Total financial assets	96,827,499	93,553,537
Less: those unavailable for general expenditures within one year due to:		
Investments held on behalf of others	(10,980,278)	(10,654,584)
Board designated quasi-endowments	(6,419,891)	(6,329,033)
Restricted by donor with purpose or time restriction	(77,068,687)	(74,821,414)
Total financial assets available for general expenditure within one year	$ 2,358,643	$ 1,748,506

The Foundation's ability to meet its cash need is, in part, dependent on contributions as well as its investment returns. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. The Foundation also has a policy that requires sufficient balances be available before expenditures are approved and cash is released. The Foundation distributed available balance reports to campus budget owners on a monthly basis. Should the Foundation be struggling from a cash flow perspective, they could also request support from Purchase College or another entity to meet its cash needs.

4. PLEDGES RECEIVABLE

Pledges receivable at June 30, are as follows:

	2023	2022
Amounts due in:		
Less than one year	$ 372,950	$ 425,250
One to five years	143,951	79,500
	516,901	504,750
Less: Discount to present value	(11,110)	(6,780)
	$ 505,791	$ 497,970

5. INVESTMENTS

The following are measured at fair value on a recurring basis at June 30, 2023 and 2022:

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
June 30, 2023				
United States government obligations	$ 2,775,615	$ -	$ -	$ 2,775,615
Corporate bonds	-	5,664,098	-	5,664,098
Mutual funds - other	18,145,601	-	-	18,145,601
Domestic equities	29,033,753	-	-	29,033,753
International equities	19,973,926	-	-	19,973,926
Cash and money market funds	544,173	-	-	544,173
Investments at net asset value	-	-	-	17,881,986
Total investments	70,473,068	5,664,098	-	94,019,152
Gift annuities	-	-	1,422	1,422
	$70,473,068	$5,664,098	$ 1,422	$94,020,574
June 30, 2022				
United States government obligations	$ 2,672,726	$ -	$ -	$ 2,672,726
Fixed income securites	34,156	-	-	34,156
Corporate bonds	-	5,832,180	-	5,832,180
Mutual funds - other	16,936,274	-	-	16,936,274
Domestic equities	26,248,969	-	-	26,248,969
International equities	20,017,984	-	-	20,017,984
Cash and money market funds	390,212	-	-	390,212
Investments at net asset value	-	-	-	18,766,688
Total investments	66,300,321	5,832,180	-	90,899,189
Gift annuities	-	-	10,343	10,343
	$66,300,321	$5,832,180	$ 10,343	$90,909,532

5. INVESTMENTS (Continued)

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

Beginning balance	$ 10,343	$ 13,439
Gain/loss on investment, net	(8,921)	(3,096)
	$ 1,422	$ 10,343

Investment income (net) on the statements of activities consists of interest and dividends, realized and unrealized gains/losses on investments, and investment fees.

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 2023 or 2022.

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.

Investments at net asset value consists of investments in eleven different hedge funds all structured as limited partnerships each with its own unique fund strategy to diversify risks and reduce volatility. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the hedge fund managers fund administrators without adjustment. There are no unfunded commitments relating to these hedge funds.

During 2023, the Foundation made a decision to invest in two private equity funds. One was not required to be funded prior to June 30, 2023 but there is a $1,000,000 unfunded commitment relating to this fund. The second private equity fund did have a capital call prior to June 30, 2023 and there is a remaining unfunded commitment of $410,943 at year-end. These funds are also structured as limited partnerships each with its own unique fund strategy to diversify risks and reduce volatility. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the hedge fund managers fund administrators without adjustment. The balances as of June 30th reflect valuations provided by the fund for the previous quarter-end adjusted by additional capital calls and expenses that occurred during the quarter. These funds have a twelve and ten year term, respectively, at which time they can be redeemed.

The specific redemption procedures of these funds are as follows:

Three hedge funds	Quarterly	45 days
Six hedge funds	Quarterly	60 days
One hedge fund	Monthly	30 days
One hedge fund	Quarterly	65 days
One private equity fund	N/A	N/A

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 net assets with donor restrictions or net assets without 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 Foundation's current spending policy is to distribute 5% annually of the trailing three-year average (by month commencing fiscal year June 30, 2022) of the endowment’s market 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 earn an average real return greater than or equal to the annual spending rate plus the rate of inflation. 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.

These results are measured over a one-, three-, and five-year time period. The endowment’s assets are divided into three parts; publicly traded equities, fixed income securities and alternative instruments. The Investment Committee will annually approve and adopt investment targets. The allocation policy is to diversify investments 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 donor 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 is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by NYPMIFA.

6. ENDOWMENT FUNDS (Continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2021	$ 8,091,903	$ 82,118,001	$ 90,209,904
Contributions and pledge collections	25,000	919,302	944,302
Capital depreciation	(810,154)	(9,193,906)	(10,004,060)
Investment income	99,213	1,095,032	1,194,245
Appropriation for expenditure	(1,076,929)	(3,913,293)	(4,990,222)
Balance, June 30, 2022	6,329,033	71,025,136	77,354,169
Contributions and pledge collections	-	556,057	556,057
Capital appreciation	436,855	4,960,016	5,396,871
Investment income	99,602	1,125,371	1,224,973
Appropriation for expenditure	(445,599)	(4,268,871)	(4,714,470)
Balance, June 30, 2023	$ 6,419,891	$ 73,397,709	$ 79,817,600
Comprised of the following at:			
June 30, 2023			
Donor restricted funds	$ -	$ 73,397,709	$ 73,397,709
Board designated funds	$ 6,419,891	$ -	$ 6,419,891
June 30, 2022			
Donor restricted funds	$ -	$ 71,025,136	$ 71,025,136
Board designated funds	$ 6,329,033	$ -	$ 6,329,033

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

The Foundation holds investments on behalf of Friends of the Neuberger Museum of Art which includes endowments which are not reflected in the amounts shown above.

7. NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Campus programs	$ 29,829,541	$ 29,537,119
Scholarships	25,650,329	24,297,056
Performing Arts Center	2,382,070	2,331,975
Neuberger Museum	19,206,747	18,655,264
	$ 77,068,687	$ 74,821,414

Net assets with donor restrictions were released from restriction for the years ended June 30, for the following purposes:

	2023	2022
Campus programs	$ 2,604,384	$ 3,222,957
Scholarships	1,024,944	845,059
Performing Arts Center	146,006	10,337
Neuberger Museum	1,493,944	672,866
	$ 5,269,278	$ 4,751,219

The portion of the endowed net assets with donor restrictions is $73,397,709 and $71,025,136 as of June 30, 2023 and 2022, respectively. The amount the Foundation is required to maintain in perpetuity for these endowments is $42,856,672 and $42,368,137 as of June 30, 2023 and 2022, respectively.

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 secure and manage private support for the benefit 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. All loans to and from affiliates are considered short term in nature and are unsecured and non-interest bearing.

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

Friends of Neuberger Museum of Art (Friends) - As of June 30, 2023 and 2022, there was a balance due to Friends in the amount of $0 and $328,466, respectively.

During the year ended June 30, 2021, Friends transferred their investment holdings into a pooled account that is held by the Foundation. The balance as of June 30, 2023 and 2022 represents the share of investments held by the Foundation on behalf of the Friends' which is allocated in accordance with investment and endowment policies. As of June 30, 2023 and 2022, the investments held on behalf of Friends amounted to $8,755,817 and $8,578,062, respectively.

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, 2023 and 2022, the amount of investments held by the Foundation and due to PCA amounted to $2,224,461 and $2,076,522, respectively.

Purchase College – The Foundation typically reimburses the College for certain personnel costs related to the running of the PAC facility and Neuberger Museum of Art as well as other expenses paid on their behalf by the college. The balance due to Purchase College amounted to $54,342 and $205,169, respectively, as of June 30, 2023 and 2022. During the year ended June 30, 2022, the College forgave a portion of the amount due from the Foundation amounting $687,783, which is included in contributions, gifts, and grants on the accompanying statement of activities.

10. CONTRIBUTED NONFINANCIAL ASSETS

The Foundation 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"). Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities include:

	2023	2022
Services	$ 676,571	$ 831,257
Space	159,179	159,179
	$ 835,750	$ 990,436

Contributed services recognized comprise administrative, accounting and finance, and development time. These services are valued and reported at the estimated fair value in the financial statements based on current market rates or similar services or established contract hourly rates.

10. CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

Contributed space is used for general and administrative and fundraising activities. The fair value of this space is based on an established contract rate.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 7, 2023, which is the date the financial statements were available to be issued.