STATE UNIVERSITY OF NEW YORK
POLYTECHNIC INSTITUTE FOUNDATION, INC.

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

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 9, 2016

To the Board of Trustees of the
State University of New York Polytechnic Institute Foundation, Inc.:

Report on the Financial Statements
We have audited the accompanying financial statements of the State University of New York Polytechnic Institute Foundation, Inc. (the Foundation), a New York not-for-profit Foundation, which comprise the balance sheet as of June 30, 2016, and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2016 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Summarized Comparative Totals
We have previously audited the Foundation's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects with the audited financial statements from which it has been derived.

Report on Supplemental Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Exhibit I is presented for purposes of additional analysis and is 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 auditing procedures applied in the audit 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.

The 2015 supplementary comparative information is presented for purposes of additional analysis and is 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 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2015 supplementary information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

Bonadio & Co., LLP

STATE UNIVERSITY OF NEW YORK POLYTECHNIC INSTITUTE FOUNDATION, INC.

BALANCE SHEET
JUNE 30, 2016
(With Comparative Totals for 2015)

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash	$ 338,895	$ 291,779
Endowment interest income receivable	11,174	9,293
Prepaid expenses	101,751	-
Current portion of pledges receivable	557,601	172,833
Total current assets	1,009,421	473,905
INVESTMENTS	5,589,340	3,171,861
RESTRICTED CASH	-	2,423,879
BENEFICIAL INTEREST IN CHARITABLE TRUST	69,277	66,411
LONG-TERM PLEDGES RECEIVABLE	141,222	244,112
CASH SURRENDER VALUE OF LIFE INSURANCE	1,997	1,997
Total assets	$ 6,811,257	$ 6,382,165

	2016	2015
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accruals	$ 29,624	$ 30,555
Due to investment class	14,162	14,296
Due to others	33,447	22,534
Deferred revenue	188,042	-
Total current liabilities	265,275	67,385
NET ASSETS:		
Unrestricted -		
Current operations	(95,655)	(2,361)
Temporarily restricted -		
Unexpended endowment earnings	1,260,280	1,420,354
Donor designated	568,818	613,842
Student scholarships	441,547	69,581
Other	406,668	320,953
Total temporarily restricted net assets	2,677,313	2,424,730
Permanently restricted -		
Endowment	3,964,324	3,892,411
Total net assets	6,545,982	6,314,780
Total liabilities and net assets	$ 6,811,257	$ 6,382,165

The accompanying notes are an integral part of these statements.

STATE UNIVERSITY OF NEW YORK POLYTECHNIC INSTITUTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

	Unrestricted		Temporarily Restricted					Permanently Restricted	Total	
	Activities	Total	Unexpended Endowment Earnings	Donor Designated	Student Scholarships	Other	Total	Endowment	2016	2015
REVENUE, GAINS AND OTHER SUPPORT:										
Contributions and special events	$ 523,047	$ 523,047	$ -	$ 1,125	$ 414,357	$ 251,632	$ 667,114	$ 50,239	$ 1,240,400	$ 488,334
Interest and dividend income, net	8,536	8,536	88,986	8,021	1,525	-	98,532	-	107,068	60,384
Realized and unrealized (loss) gain on investments, net	(11,063)	(11,063)	(1,115)	(6,744)	(482)	-	(8,341)	-	(19,404)	62,923
In-kind services and support	302,353	302,353	-	-	-	-	-	-	302,353	319,932
Management fee income (expense)	57,967	57,967	(52,231)	(5,176)	(560)	-	(57,967)	-	-	-
Change in beneficial interest in charitable trust	-	-	-	-	-	2,866	2,866	-	2,866	(5,056)
Net assets released from restriction - satisfaction of program restrictions	427,947	427,947	(195,714)	(42,250)	(21,200)	(168,783)	(427,947)	-	-	-
Total revenue, gains and other support	1,308,787	1,308,787	(160,074)	(45,024)	393,640	85,715	274,257	50,239	1,633,283	926,517
EXPENSES:										
Scholarships	645,181	645,181	-	-	-	-	-	-	645,181	343,129
In-kind salaries and benefits	299,128	299,128	-	-	-	-	-	-	299,128	317,104
Campus support	192,122	192,122	-	-	-	-	-	-	192,122	72,782
Administrative fees	10,085	10,085	-	-	-	-	-	-	10,085	10,000
Fundraising	19,347	19,347	-	-	-	-	-	-	19,347	15,056
Special events	192,709	192,709	-	-	-	-	-	-	192,709	48,473
Audit	7,795	7,795	-	-	-	-	-	-	7,795	5,285
Grants	5,878	5,878	-	-	-	-	-	-	5,878	-
Uncollectible pledges	7,596	7,596	-	-	-	-	-	-	7,596	9,191
Other	22,240	22,240	-	-	-	-	-	-	22,240	16,330
Total expenses	1,402,081	1,402,081	-	-	-	-	-	-	1,402,081	837,350
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	(93,294)	(93,294)	(160,074)	(45,024)	393,640	85,715	274,257	50,239	231,202	89,167
OTHER CHANGES IN NET ASSETS										
Reclassification of net assets	-	-	-	-	(21,674)	-	(21,674)	21,674	-	-
Transfer of Albany Foundation net assets	-	-	-	-	-	-	-	-	-	2,565,147
CHANGE IN NET ASSETS	(93,294)	(93,294)	(160,074)	(45,024)	371,966	85,715	252,583	71,913	231,202	2,654,314
NET ASSETS - beginning of year	(2,361)	(2,361)	1,420,354	613,842	69,581	320,953	2,424,730	3,892,411	6,314,780	3,660,466
NET ASSETS - end of year	$ (95,655)	$ (95,655)	$ 1,260,280	$ 568,818	$ 441,547	$ 406,668	$ 2,677,313	$ 3,964,324	$ 6,545,982	$ 6,314,780

The accompanying notes are an integral part of these statements.

STATE UNIVERSITY OF NEW YORK POLYTECHNIC INSTITUTE FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 231,202	$ 2,654,314
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Transfer of temporarily and permanently restricted net assets	-	(2,561,221)
Contributions restricted for long-term purposes	(50,239)	(120,394)
Unrealized and realized loss (gain) on investments, net	19,404	(62,923)
Change in beneficial interest in charitable trust	(2,866)	5,056
Changes in:		
Endowment interest income receivable	(1,881)	179
Pledges receivable	(281,878)	(191,701)
Prepaid expenses	(101,751)	-
Deferred revenue	188,042	(2,500)
Accounts payable and accruals	9,982	6,974
Net cash flow from operating activities	10,015	(272,216)
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investments	52,755	36,071
Purchases of investments	(2,489,772)	(248,744)
Transfer of net assets for temparily restricted purposes	-	376,321
Net cash flow from investing activities	(2,437,017)	163,648
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from contributions for permanently restricted endowments	50,239	120,394
Transfer of net assets for permanently restricted endowments	-	2,184,900
Net cash flow from financing activities	50,239	2,305,294
NET CHANGE IN CASH	(2,376,763)	2,196,726
CASH - beginning of year	2,715,658	518,932
CASH - end of year	$ 338,895	$ 2,715,658
RECONCILIATION OF CASH:		
Cash	$ 338,895	$ 291,779
Restricted cash	-	2,423,879
Total cash	$ 338,895	$ 2,715,658

The accompanying notes are an integral part of these statements.

1. THE FOUNDATION

The State University of New York Polytechnic Institute Foundation, Inc. (the Foundation), formerly the Institute of Technology Foundation at Utica/Rome, Inc., is a not-for-profit Foundation operating to receive contributions exclusively for charitable, scientific, literary, religious, and educational purposes for the benefit of the faculty, staff, and students of the State University of New York Polytechnic Institute (SUNY Poly).

In January 2015, the State University of New York Institute of Technology (SUNYIT) and State University of New York-University at Albany College of Nanoscale Science and Engineering (CNSE) (collectively, the "Institutions") completed a legal merger resulting in the Institution named SUNY Poly.

As a result of this merger, The University at Albany Foundation transferred approximately $2.3 million in net assets to the Foundation in 3 installments during 2015. All transfers were completed prior to June 30, 2015. In addition, an outstanding pledge of $250,000 with 5 years remaining which was previously pledged to The University at Albany Foundation was revised by the donor to instead be payable to the Foundation, of which $195,098 remains outstanding at June 30, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The Foundation's financial statements have been prepared in conformity with accounting principles generally accepted in the United States.

Comparative Information
The financial statements include certain prior year summarized comparative information in total but not net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Financial Reporting
The Foundation reports its net assets in the following categories:

- Unrestricted net assets include resources that are available for support of the Foundation's operating activities. In addition, they include resources designated by the Board of Trustees for specific purposes.

- Temporarily restricted net assets represent gifts of cash and other assets received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities and change in net assets as net assets released from restriction. Donor restrictions satisfied for the year ended June 30, 2016 include assets used for student scholarships and special events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

- Permanently restricted net assets represent amounts contributed to the Foundation by donors that require the principal amount to be maintained in perpetuity. All dividend and interest income from these assets and all realized and unrealized gains and losses are either temporarily restricted for the use of student scholarships and other activities or are unrestricted.

Cash

The Foundation maintains its cash in bank demand deposit accounts. The balances in the bank accounts, at times, may exceed federally insured limits. The Foundation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

Financial Instruments Measured at Fair Value

Generally accepted accounting principles (GAAP) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation uses various valuation techniques in determining fair value. GAAP establishes 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 Foundation'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 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.

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

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

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 in its entirety.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Funds

The Foundation's endowments consist of funds established for a variety of purposes and are included in the accompanying balance sheet as endowment. Its endowments consist of permanently restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Pledges Receivable

The Foundation records pledges receivable and contribution revenue in the year the pledge is received. Pledges are recorded at their estimated net present value, based on anticipated cash flow, discounted to reflect the time value of money. The difference between the total pledges outstanding and their net present value is recorded as an offset to pledges and will be recognized as contribution revenue over the term of the pledges. Accounts for which no payments have been received for several months are considered delinquent and the account is written off when customary collection efforts are exhausted. The Foundation has elected to record uncollectible pledges using the direct write off method. GAAP requires that the allowance method be used to recognize bad debt. However, the effect of using the direct write off method is not materially different from the results that would have been obtained under the allowance method.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Investments

Investments are reported at fair value. Gains on investments of temporarily or permanently restricted net assets are to be classified according to explicit donor-imposed stipulations. Absent donor-imposed stipulations, applicable state law is to be followed. Interest and dividends on investments of the Foundation, other than endowment funds, accrue to the unrestricted fund. Investment income on endowment funds accrues to the specific endowment fund, which generated the income within the fund.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying financial statements.

Beneficial Interest in Charitable Trust

The Foundation has a beneficial interest in a charitable trust. The trust's assets are held by a third party trustee. The Foundation's interest in the charitable trust is recorded at fair value based on quoted market prices. Contribution revenue is recognized as temporarily restricted support at the present value of the estimated future cash receipts from the trust's assets.

Donated Services, Property, and Materials

Volunteers have donated significant amounts of time in support of the Foundation's activities. However, the value of these services is not reflected in the accompanying statements, as these services do not meet the criteria for recognition.

Donated property and materials are recorded at estimated fair value at the date of donation. It is the policy of the Foundation to have the donor provide the fair market value from independent appraisers.

Contributions of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial Accounts

In addition to its primary function, the Foundation performs accounting and other services for various college programs and projects conducted by duly organized and recognized clubs, groups, and associations. In this capacity, the Foundation acts as a custodial and disbursing agent.

Income Taxes

The Foundation is exempt from income taxes as a Foundation qualified under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified by the Internal Revenue Service as an entity which is not a private foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year information to conform to the current year presentation.

3. TRANSACTIONS WITH SUNY POLY

SUNY Poly and the SUNY Poly Research Foundation provide a variety of services to the Foundation at no cost, including, but not limited to, facility space, personnel, utilities, and related occupancy costs. The estimated value of this contribution was approximately $302,000 and $320,000 for the years ended June 30, 2016 and 2015, respectively. These in-kind donations are recorded as contributions and expenses for the year ending June 30, 2016.

The Foundation's books and records are maintained by the College Association at Utica/Rome, Inc., who engages in various operations for the benefit of students, alumni, and employees of SUNY Poly. The cost of these services for the year ended June 30, 2016 and 2015 was $10,085 and $10,000, respectively.

4. FAIR VALUE MEASUREMENTS

The following valuation techniques were used to measure fair value of assets on a recurring basis as of June 30, 2016 and 2015:

Equity funds - Fair value was based on quoted market prices.

Commonfund - Commonfund management determines net asset values for each of its funds at the end of each month based on the quoted market price of the fund's underlying securities. The investment can be redeemed at the net asset value. Fair value represents the Foundation's proportionate share of the net asset value of the Commonfund's underlying assets. There are no unfunded commitments related to this investment. The Commonfund Multi-Strategy Funds, Intermediate Term Fund, and Core Equity Fund are redeemable on a monthly basis.

There were no changes in valuation methodologies used during 2016 and 2015.

4. FAIR VALUE MEASUREMENTS (Continued)

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

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Investments:				
Equity funds	$ 41,989	$ -	$ -	$ 41,989
Commonfund - Multi-Strategy Bond Fund	-	1,646,018	-	1,646,018
Commonfund - Multi-Strategy Equity Fund	-	2,965,852	-	2,965,852
Commonfund - Intermediate Term Fund	-	610,453	-	610,453
Commonfund - Core Equity Fund	-	325,028	-	325,028
Beneficial interest in charitable trust	-	69,277	-	69,277
	$ 41,989	$ 5,616,628	$ -	$ 5,658,617

The following are measured at fair value on a recurring basis at June 30, 2015:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Investments:				
Equity funds	$ 38,324	$ -	$ -	$ 38,324
Commonfund - Multi-Strategy Bond Fund	-	1,028,288	-	1,028,288
Commonfund - Multi-Strategy Equity Fund	-	2,105,249	-	2,105,249
Beneficial interest in charitable trust	-	66,411	-	66,411
	$ 38,324	$ 3,199,948	$ -	$ 3,238,272

The Foundation invests in the Commonfund Multi-Strategy Equity and Bond Funds, Intermediate Term Fund, and Core Equity Fund that pursue multiple strategies to diversify risks and reduce volatility. The Multi-Strategy Equity Fund allocates assets across a broad spectrum of public equity investments in proportions considered optimal for a fully diversified equity portfolio. The majority of the fund's assets generally will be invested directly or indirectly in a portfolio of common stocks, and securities convertible into common stocks of U.S. companies. The Multi-Strategy Bond Fund allocates assets across a broad spectrum of fixed income sectors in proportions considered optimal for a fully diversified fixed income portfolio. The majority of the fund's assets generally will be invested directly or indirectly in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the broad U.S. bond market. The objective of the Intermediate Term Fund is to produce a total return in excess of its benchmark, the BofA Merrill Lynch 1–3 Year Treasury Index, but attaches greater emphasis to its goal of generating a higher current yield than short-term money market investments in a manner that mitigates the chances of a negative total return over any 12-month period. The fund is invested principally in a diversified portfolio of marketable securities of the types eligible for investment by the Multi-Strategy Bond Fund but the average effective duration of the portfolio will be approximately three years or less.

4. FAIR VALUE MEASUREMENTS (Continued)

The objective of the Core Equity Fund is to outperform its benchmark, the S&P 500 Index, over a full market cycle while managing risk through diversification of manager allocations. The fund consists principally of investments in the type of stocks and securities in which the Multi-Strategy Equity Fund may invest that are chosen by managers selected because of the emphasis in their portfolios on companies that they perceive to have values not fully reflected in current market prices.

5. INVESTMENTS

Investments consist of the following at June 30:

	2016	2015
Equity funds	$ 41,989	$ 38,324
Commonfund - Multi-strategy bond fund	1,646,018	1,028,288
Commonfund - Multi-strategy equity fund	2,965,852	2,105,249
Commonfund - Intermediate Term Fund	610,453	-
Commonfund - Core Equity Fund	325,028	-
	$ 5,589,340	$ 3,171,861

Investment income, including income derived from cash and equivalents, consisted of the following for the years ended June 30:

	2016	2015
Interest and dividend income	$ 107,068	$ 60,384
Unrealized and realized gains (losses), net	(19,404)	62,923
Management fees	(18,857)	(12,630)
	$ 68,807	$ 110,677

Management fees are included in other expenses in the accompanying statement of activities and change in net assets.

6. BENEFICIAL INTEREST IN CHARITABLE TRUST

Beneficial interest in charitable trust consists of a perpetual trust agreement in which the Foundation is a named beneficiary.

	2016	2015
Market value of charitable trust	$ 77,495	$ 85,671
Less: Discount to present value	(8,218)	(19,260)
Beneficial interest in charitable trust	$ 69,277	$ 66,411

7. PLEDGES RECEIVABLE

Pledges are recorded at a discount rate of 1%. Pledges receivable consisted of the following at June 30:

	2016	2015
Gross pledges receivable	$ 698,823	$ 416,945
Less: Current portion	(557,601)	(172,833)
	$ 141,222	$ 244,112

Outstanding pledges are due to the Foundation as follows for the years ending June 30:

2017	$ 557,601
2018	63,719
2019	63,088
2020	14,415
	$ 698,823

8. ENDOWMENT

Endowment net asset composition by type of fund as of June 30, 2016:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 1,260,280	$ 3,964,324	$ 5,224,604
Total endowment funds	$ 1,260,280	$ 3,964,324	$ 5,224,604

Endowment net asset composition by type of fund as of June 30, 2015:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 1,420,354	$ 3,892,411	$ 5,312,765
Total endowment funds	$ 1,420,354	$ 3,892,411	$ 5,312,765

8. ENDOWMENT (Continued)

Changes in endowment net assets were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2014	$ 1,190,487	$ 1,587,117	$ 2,777,604
Contributions	-	120,394	120,394
Investment income	49,601	-	49,601
Realized/unrealized gain	51,696	-	51,696
Grants paid	(109,425)	-	(109,425)
Transfers	265,772	2,184,900	2,450,672
Administrative fees	(27,777)	-	(27,777)
Endowment net assets, July 1, 2015	1,420,354	3,892,411	5,312,765
Contributions	-	50,239	50,239
Investment income	88,986	-	88,986
Realized/unrealized gain (loss)	(1,115)	-	(1,115)
Grants paid	(195,714)	-	(195,714)
Transfers	-	21,674	21,674
Administrative fees	(52,231)	-	(52,231)
Endowment net assets, June 30, 2016	$ 1,260,280	$ 3,964,324	$ 5,224,604

Interpretation of Relevant Law
New York Not-for-Profit Corporation Law was amended to add a new article known as the "Prudent Management of Institutional Funds Act," which became effective in September 2010. The Foundation's Board of Directors has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income. The Foundation also observes the Uniform Management of Institutional Funds Act protection of the historic gift value of individual endowment funds.

Funds with Deficiencies
The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, these deficiencies are reported as unrestricted net assets. There were no deficiencies reported at June 30, 2016 or 2015, respectively.

Return Objectives and Risk Parameters
The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to preserve capital, considering the impact of inflation, strive for consistent annual total returns, achieve long-term total returns which meet or exceed inflation, plus spending for operations and grants and earn the highest possible return given the risk tolerance established by the Foundation.

8. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives
The Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy and Investment Objectives
The Foundation uses the total return strategy for endowment fund income. Under this concept, endowment income to be distributed was established at 4.75%, based upon the average of the market value of the endowment assets accounts. If the total return amount exceeds the actual earnings of the endowment funds in any one year, then the amount needed to fund such excess will first be taken from the accumulated excess earnings from prior years, then from the accumulated net capital gains of endowment funds and, conversely, any undistributed income after the allocation of the total return distribution is added back to the endowment fund balance.

9. FUNCTIONAL EXPENSES

The following represents the Foundation's expense information on a functional basis at June 30:

	2016	2015
Program services	$ 837,303	$ 415,911
General and administrative	357,375	362,155
Fundraising and special events	207,403	59,284
	$ 1,402,081	$ 837,350

10. COMMITMENTS AND CONTINGENCIES

The Foundation has committed to providing expenditures of approximately $160,000 toward scholarships to SUNY Poly students in the 2016 - 2017 fiscal year. This amount is not included in scholarship expense for the year ended June 30, 2016 as it is conditional on the students enrolling and attending classes at SUNY Poly in September 2016.

Legal Matters
In September 2016, both Federal and State prosecutors issued a number of complaints to individuals alleging criminal activities involving the purchasing and procurement activities of Fuller Road Management Company ("FRMC") and Fort Schuyler Management Company ("FSMC") affiliates of the Foundation. Individuals named in the complaints included the current President of SUNY Poly, a former Board member of the Foundation and other individuals not related to the Foundation. Specifically, the complaints allege improper process and regulatory violations related to the competitive bidding for certain SUNY Poly capital projects under FRMC and FSMC.

As of the date of these financial statements, Foundation's Management believes that it is premature as to whether the matter discussed in the preceding paragraph will have any impact on the Foundation's financial statements.

11. AFFILIATE ENTITIES

The Foundation is one of two corporate members of FRMC. As stated in the by-laws of FRMC, the Foundation appoints four out of the eleven total members of FRMC's Board of Directors. FRMC was formed to construct and manage certain real properties affiliated with SUNY Poly. The Foundation has no rights to the net assets of FRMC.

The Foundation is one of two corporate members of FSMC. As stated in the by-laws of FSMC, the Foundation can appoint up to four out of the eleven possible members of FSMC's Board of Directors. During 2016, there were two common board members shared by the Foundation and FSMC. FSMC was formed to construct and manage certain real properties affiliated with SUNY Poly. The Foundation has no rights to the net assets of FSMC.

During 2016 and 2015, there were no other financial transactions between the Foundation and these entities.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 9, 2016 which is the date the financial statements were available to be issued.

Exhibit I

STATE UNIVERSITY OF NEW YORK POLYTECHNIC INSTITUTE FOUNDATION, INC.

UNRESTRICTED INCOME AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

	2016	2015
REVENUE:		
Unrestricted gifts -		
Alumni	$ 46,832	$ 40,259
Corporations	203,139	27,909
Corporate matching	2,519	3,871
Faculty/staff	14,909	31,940
Other	255,648	129,516
In-kind services and support	302,353	319,932
Realized and unrealized gain (loss) on investments, net	(11,063)	404
Investment and dividend income, net	8,536	407
Management fee assessment	57,967	33,563
Satisfaction of program restrictions	427,947	229,779
Total unrestricted revenue	1,308,787	817,580
EXPENSES:		
Scholarships -		
Minority	2,000	7,250
Merit	643,181	335,879
In-kind salaries and benefits	299,128	317,104
Campus support and development	192,122	72,782
Administrative fees	10,085	10,000
Dues and subscriptions	1,929	4,106
Phonathon wages and services	14,694	10,811
Meetings	2,724	139
Events	192,709	48,473
Audit	7,795	5,285
Grants	5,878	-
Uncollectible pledges	7,596	9,191
Other (including $3,225 of in-kind)	22,240	16,330
Total unrestricted expenses	1,402,081	837,350
EXCESS OF REVENUE OVER EXPENSES	$ (93,294)	$ (19,770)

The accompanying notes are an integral part of this exhibit.