

BERNARD M. BARUCH
COLLEGE ASSOCIATION, INC.

Financial Statements and
Supplementary Information

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Bernard M. Baruch College Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Bernard M. Baruch College Association, Inc. (the Association) as of and for the years ended June 30, 2020 and 2019, and the related notes to financial statements, which collectively comprise the Association's financial statements as listed in the table of contents.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Association'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 Association'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 net position of Bernard M. Baruch College Association, Inc. as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 21, 2020

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis

June 30, 2020

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of Bernard M. Baruch College Association, Inc.'s (the Association) financial position as of June 30, 2020, and changes in its net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Association's net position increased by \$433,554 or 15.4%.
- Operating revenue decreased by \$467,597 or 4.7%.
- Operating expenses decreased by \$6,885,571 or 43.0%.

Financial Position

The Association's net position, the difference between assets and liabilities, is one way to measure the Association's financial health. Over time, increases and decreases in the Association's net position is one indicator of whether its financial health is improving.

Statements of Net Position

The following summarizes the Association's assets, liabilities and net position as of June 30, 2020 and 2019, under the accrual basis of accounting:

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 3,798,872	3,028,405	770,467	25.4%
Noncurrent assets	<u>114,778</u>	<u>96,525</u>	<u>18,253</u>	18.9%
Total assets	<u>3,913,650</u>	<u>3,124,930</u>	<u>788,720</u>	25.2%
Liabilities:				
Current liabilities	532,856	153,617	379,239	246.9%
Noncurrent liabilities	<u>136,778</u>	<u>160,851</u>	<u>(24,073)</u>	(15.0%)
Total liabilities	<u>669,634</u>	<u>314,468</u>	<u>355,166</u>	112.9%
Net position:				
Net investment in capital assets	32,590	14,337	18,253	127.3%
Unrestricted	<u>3,211,426</u>	<u>2,796,125</u>	<u>415,301</u>	14.9%
Total net position	\$ <u>3,244,016</u>	<u>2,810,462</u>	<u>433,554</u>	15.4%

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

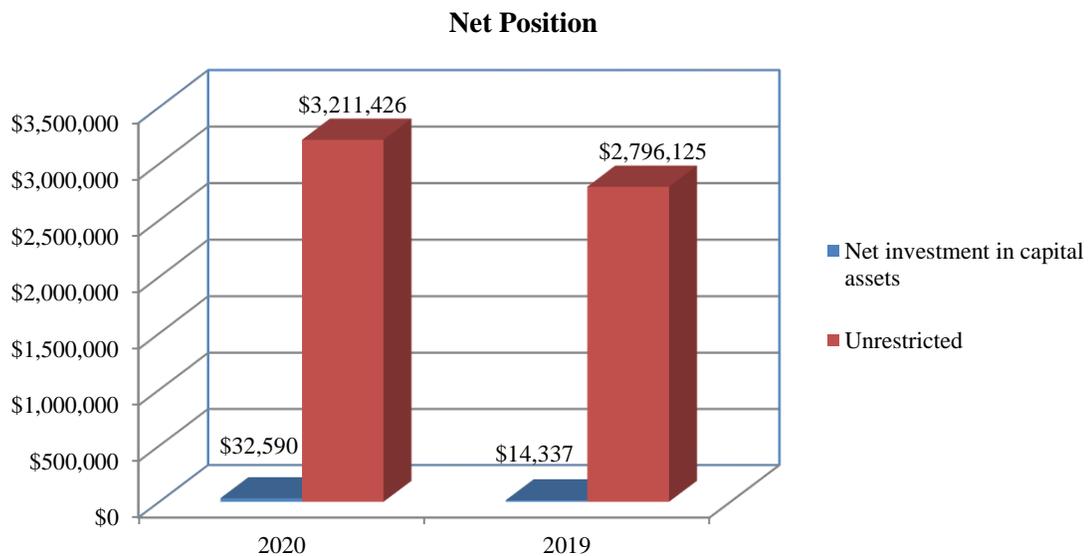
Management's Discussion and Analysis, Continued

At June 30, 2020, the Association's total net position increased by \$433,554 or 15.4%, compared to the previous year. The change resulted primarily from revenue of \$9,562,861 over expenditures of \$9,129,307 for fiscal year 2020.

At June 30, 2020, the Association's total liabilities increased by \$355,166 or 112.9%, compared to the previous year, which was attributable to an increase of \$258,289 in unearned revenue related to the student activity fee waivers in Spring 2020 to be reclassified to Fall 2020 and an increase of \$105,483 in accounts payable and accrued expenses due to the timing of year-end disbursements.

There were no other significant or unexpected changes in the Association's assets and liabilities.

The following illustrates the Association's net position at June 30, 2020 and 2019 by category:



BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis, Continued

Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Association, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2020 and 2019, are as follows:

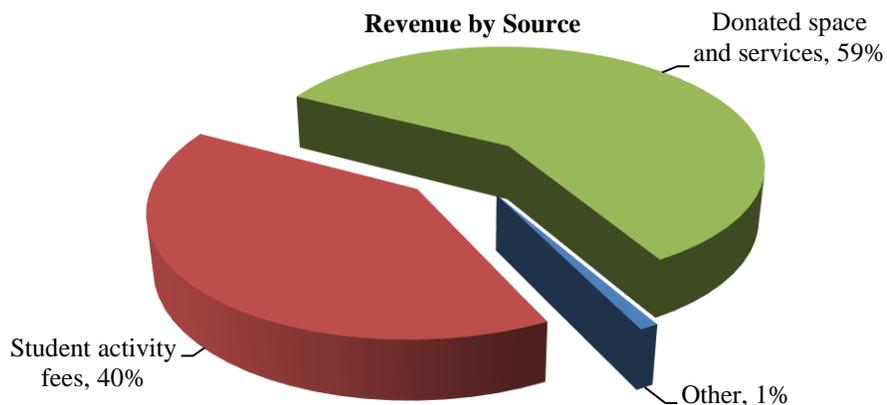
Revenue

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 3,828,035	3,849,760	(21,725)	(0.6%)
Donated space and services	5,682,345	6,080,023	(397,678)	(6.5%)
Advertising, student organizations and other	<u>30,560</u>	<u>78,754</u>	<u>(48,194)</u>	(61.2%)
Total operating revenue	9,540,940	10,008,537	(467,597)	(4.7%)
Nonoperating revenue - investment income	<u>21,921</u>	<u>26,786</u>	<u>(4,865)</u>	(18.2%)
Total revenue	\$ <u>9,562,861</u>	<u>10,035,323</u>	<u>(472,462)</u>	(4.7%)

The Association's total revenue for the year ended June 30, 2020 amounted to \$9,562,861, a decrease of \$472,462 or 4.7%, compared to the previous year. The major component of this variance related to a decrease in donated space and services revenue of \$397,678 due to a lower rate per square footage used to compute donated space.

Student activity fees and donated space and services represented 40% and 59%, respectively, of total revenue. As such, the Association is dependent upon this level of support to carry out its operations.

The following illustrates the Association's revenue, by source, for the year ended June 30, 2020:



BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis, Continued

Expenses

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 648,810	720,964	(72,154)	(10.0%)
Athletics and recreation	3,683,532	3,990,977	(307,445)	(7.7%)
Publications and promotions	359,977	461,341	(101,364)	(22.0%)
Student clubs/organizations/ activities	681,189	917,942	(236,753)	(25.8%)
Health and wellness	417,715	449,662	(31,947)	(7.1%)
Student life	1,427,282	1,598,943	(171,661)	(10.7%)
Student building fund	535,808	6,600,216	(6,064,408)	(91.9%)
Management and general	1,325,019	1,216,832	108,187	8.9%
Depreciation	15,991	13,160	2,831	21.5%
Other	<u>33,984</u>	<u>44,841</u>	<u>(10,857)</u>	(24.2%)
Total operating expenses	\$ <u>9,129,307</u>	<u>16,014,878</u>	<u>(6,885,571)</u>	(43.0%)

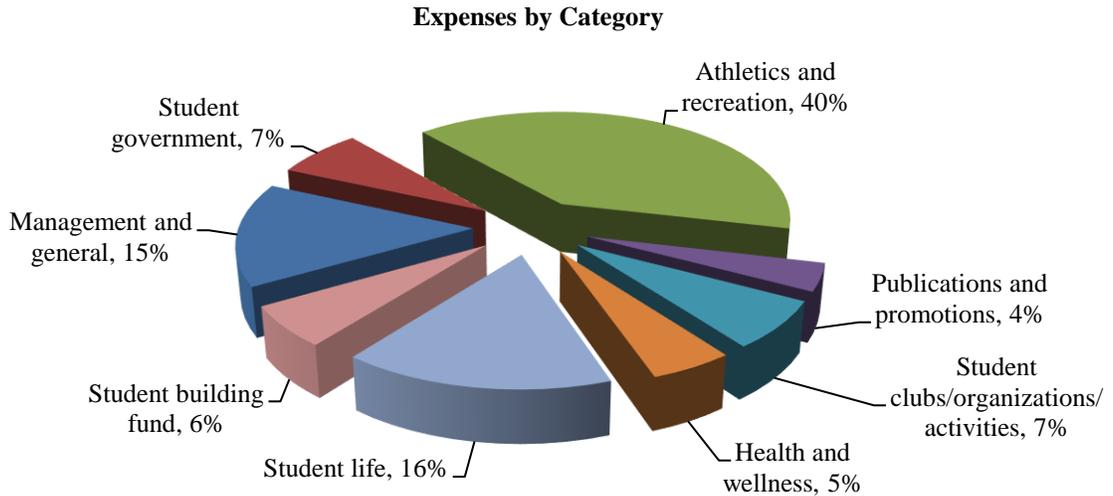
Total expenses for the year ended June 30, 2020 were \$9,129,307, a decrease of \$6,885,571 or 43%, compared to the previous year. The major components of this variance related to decreases in student building fund expense of \$6,064,408, athletics and recreation expense of \$307,445 and student clubs/organizations/activities expense of \$236,753. The decrease in student building fund expense was due to an inter-fund transfer expense of \$6,330,000 to CUNY for the construction of the Allen & Mary Aaronson Student Center in 2019. The decrease in athletics and recreation expense and student clubs/organizations/activities expense were due to a lower rate per square footage used to compute donated space and also as a result of cancellation of student clubs and athletics events from the period of mid-March to the end of the Spring 2020 semester due to COVID-19 pandemic.

There were no other significant or unexpected changes in the Association's expenses.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

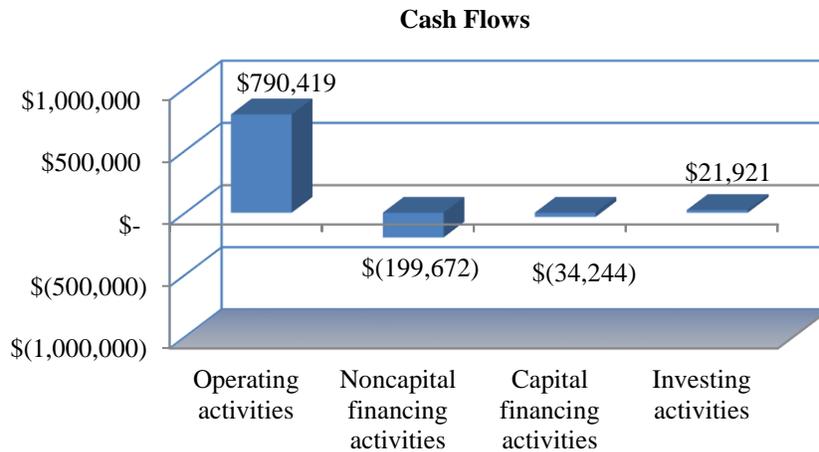
Management’s Discussion and Analysis, Continued

The following illustrates the Association’s expenses, by category, for the year ended June 30, 2020:



Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Association’s ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Association’s cash flows for the year ended June 30, 2020:



Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, with the exception of student enrollment, which directly relates to the amount of revenue earned, as well as related expenses incurred, as well as COVID-19 whose effect is presently undeterminable.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.
 Statements of Net Position
 June 30, 2020 and 2019

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash and equivalents		\$ 3,506,246	2,927,822
Accounts receivable		17,185	36,108
Due from affiliates		253,534	38,395
Prepaid expenses		<u>21,907</u>	<u>26,080</u>
Total current assets		<u>3,798,872</u>	<u>3,028,405</u>
Noncurrent assets:			
Capital assets, net		32,590	14,337
Security deposit		<u>82,188</u>	<u>82,188</u>
Total noncurrent assets		<u>114,778</u>	<u>96,525</u>
Total assets		<u>3,913,650</u>	<u>3,124,930</u>
 <u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued expenses		259,100	153,617
Unearned revenue		258,289	-
Due to related entities		<u>15,467</u>	<u>-</u>
Total current liabilities		532,856	153,617
Other liabilities - unearned rent revenue		<u>136,778</u>	<u>160,851</u>
Total liabilities		<u>669,634</u>	<u>314,468</u>
 <u>Net Position</u>			
Net investment in capital assets		32,590	14,337
Unrestricted		<u>3,211,426</u>	<u>2,796,125</u>
Total net position		<u>\$ 3,244,016</u>	<u>2,810,462</u>

See accompanying notes to financial statements.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.
 Statements of Revenue, Expenses and Changes in Net Position
 Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Student activity fees	\$ 3,828,035	3,849,760
Advertising	2,250	6,012
Student organizations	8,429	32,342
Donated space and services	5,682,345	6,080,023
Other	<u>19,881</u>	<u>40,400</u>
Total operating revenue	<u>9,540,940</u>	<u>10,008,537</u>
Operating expenses:		
Student government	648,810	720,964
Athletics and recreation	3,683,532	3,990,977
Publications and promotions	359,977	461,341
Student clubs/organizations/activities	681,189	917,942
Health and wellness	417,715	449,662
Student life	1,427,282	1,598,943
Student building fund	535,808	6,600,216
Management and general	1,325,019	1,216,832
Depreciation	15,991	13,160
Other	<u>33,984</u>	<u>44,841</u>
Total operating expenses	<u>9,129,307</u>	<u>16,014,878</u>
Income (loss) from operations	411,633	(6,006,341)
Nonoperating revenue - investment income	<u>21,921</u>	<u>26,786</u>
Change in net position	433,554	(5,979,555)
Net position at beginning of year	<u>2,810,462</u>	<u>8,790,017</u>
Net position at end of year	<u>\$ 3,244,016</u>	<u>2,810,462</u>

See accompanying notes to financial statements.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.
 Statements of Cash Flows
 Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 4,090,699	3,834,760
Advertising	3,072	8,017
Student organizations and other	45,528	59,817
Cash payments to/for:		
Employees' salaries and benefits	(1,121,426)	(1,035,412)
Student activities	(2,146,190)	(8,685,334)
Vendors and other	<u>(81,264)</u>	<u>(49,164)</u>
Net cash provided by (used in) operating activities	<u>790,419</u>	<u>(5,867,316)</u>
Cash flows from noncapital financing activities:		
Change in due from affiliates	(215,139)	(35,333)
Change in due to related entities	<u>15,467</u>	<u>(3,119)</u>
Net cash used in noncapital financing activities	<u>(199,672)</u>	<u>(38,452)</u>
Cash flows from capital financing activities - purchase of capital assets	<u>(34,244)</u>	<u>-</u>
Cash flows from investing activities - investment income	<u>21,921</u>	<u>26,786</u>
Net change in cash and equivalents	578,424	(5,878,982)
Cash and equivalents at beginning of year	<u>2,927,822</u>	<u>8,806,804</u>
Cash and equivalents at end of year	<u>\$ 3,506,246</u>	<u>2,927,822</u>

(Continued)

See accompanying notes to financial statements.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.
Statements of Cash Flows, Continued

	<u>2020</u>	<u>2019</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	\$ 411,633	(6,006,341)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation	15,991	13,160
Changes in:		
Accounts receivable	18,923	(20,477)
Prepaid expenses	4,173	(5,749)
Accounts payable and accrued expenses	105,483	(8,760)
Unearned revenue	258,289	-
Unearned rent revenue	<u>(24,073)</u>	<u>160,851</u>
Net cash provided by (used in) operating activities	<u>\$ 790,419</u>	<u>(5,867,316)</u>
Supplemental schedule of cash flow information - disposal of fully depreciated equipment	<u>\$ -</u>	<u>2,510</u>

See accompanying notes to financial statements.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(1) Nature of Organization

The Bernard M. Baruch College Association, Inc. (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of Bernard M. Baruch College (the College) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily from student activity fees levied by a resolution of the Board of Directors of the University and collected by the College on the Association's behalf. The Association was incorporated in 1976.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Association's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Association is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Association's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Association to maintain them in perpetuity.

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Association or the passage of time.

Unrestricted - All other net position, including net position designated by actions, if any, of the Association's Board of Directors.

At June 30, 2020, the Association had no restricted net position.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

(d) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; 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.

(e) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Association's capital asset policy, capital assets are defined as any asset with a useful life of at least two years and a cost or value at the time of receipt of \$5,000 or more for computer hardware and all other equipment and capital improvements. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of equipment and capital improvements is five years and ten years, respectively.

(f) Revenue Recognition

Student activity fees are recognized in the period earned. Student activity fees relating to the summer and fall semesters of the subsequent year, if any, are recorded as unearned revenue.

(g) Donated Space and Services

The Association operates on the campus of the College and utilizes facilities and professional services provided by the College. The cost savings associated with such arrangements are recorded as donated space and services and is recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities and services (note 5).

(h) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(j) Subsequent Events

The Association has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Association and its future results and financial position is not presently determinable.

(k) Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Association has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Association presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Association has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Association are subject to examination by taxing authorities.

(l) Reclassifications

Reclassifications have been made to certain 2019 balances in order to conform them to the 2020 presentation.

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At June 30, 2020, \$3,018,061 of the Association's bank balance of \$3,518,061 was exposed to custodial credit risk as it was uninsured and uncollateralized.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(4) Capital Assets

At June 30, 2020 and 2019, capital assets consisted of the following:

	2020			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 152,708	34,244	-	186,952
Capital improvements	106,336	-	-	106,336
Less accumulated depreciation	<u>(244,707)</u>	<u>(15,991)</u>	<u>-</u>	<u>(260,698)</u>
Capital assets, net	<u>\$ 14,337</u>	<u>18,253</u>	<u>-</u>	<u>32,590</u>
	2019			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 155,218	-	(2,510)	152,708
Capital improvements	106,336	-	-	106,336
Less accumulated depreciation	<u>(234,057)</u>	<u>(13,160)</u>	<u>2,510</u>	<u>(244,707)</u>
Capital assets, net	<u>\$ 27,497</u>	<u>(13,160)</u>	<u>-</u>	<u>14,337</u>

(5) Donated Space and Services

The Association utilizes certain facilities and professional services provided by the College. The estimated fair values of facilities and professional services are included in the accompanying statements of revenue, expenses and changes in net position. Professional services and facilities for the years ended June 30, 2020 and 2019 amounted to the following:

	2020	2019
Facilities	\$ 5,484,819	5,850,474
Professional services	<u>197,526</u>	<u>229,549</u>
	<u>\$ 5,682,345</u>	<u>6,080,023</u>

(6) Pension Plan

The Association participates in a defined contribution plan for certain eligible employees. Plan contributions are 10.5% of the employee's compensation up to \$16,500 and 13.5% thereafter. Plan contributions for the years ended June 30, 2020 and 2019 amounted to \$36,310 and \$36,871, respectively.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(7) Related Party Transactions

At June 30, 2020 and 2019, the Association had receivables of \$253,534 and \$38,395, respectively, from various related parties due to payroll processing on behalf of other College entities as well as student activity fees. The Association believes that these amounts will be collected within one year. The Association had payables of \$15,467 as of June 30, 2020 due to various related parties for the administering of student activity fee's to other on campus entities.

(8) Commitments

The Association entered in an agreement with Beth Israel Medical Center/Business Health Services Network (the Network) as of January 1, 2013. The Network provides on-site medical services at no charge to students for evaluation and treatment of primary medical conditions. Both parties will have an option to renew the contract for successive one-year periods. The annual fee for this service amounted to \$305,415 and \$299,689 for the years ended June 30, 2020 and 2019, respectively.

In July 2017, the Association signed a 15 year operating lease agreement. The terms of the lease began in August 2017 requiring gross monthly rental payments of \$20,547 after the first 18 months were rent free, with 10% increases effective for year six and eleven of the agreement. Rent expense during the years ended June 30, 2020 and 2019 was \$263,586. Deferred rent as of June 30, 2020 and 2019 was \$136,778 and \$160,851, respectively. Future minimum payments due under the lease agreement for the years following June 30, 2020 are as follows:

2021	\$ 246,564
2022	246,564
2023	269,169
2024	271,224
2025	271,224
Thereafter	<u>2,056,770</u>
	\$ <u>3,361,515</u>

(9) Accounting Standards Issued But Not Yet Implemented

GASB issued Statement No. 95 - "Postponement of the Effective Dates of Certain Authoritative Guidance" in May 2020. This Statement has the primary objective of providing temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued. Disclosures below have been updated accordingly.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 84 - “Fiduciary Activities.” This Statement, issued in January 2017, addresses criteria for identifying fiduciary activities of state and local governments and focuses on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with who the fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning July 1, 2020 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 87 - “Leases.” This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 89 - “Accounting for Interest Cost Incurred Before the End of a Construction Period.” This Statement, issued in June 2018, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 - “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements” which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 91 - “Conduit Debt Obligations.” This Statement, issued in May 2019, requires a single method be used for the reporting of conduit debt obligations. The focus of the Statement is to improve financial reporting by eliminating diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, which is the fiscal year beginning July 1, 2022 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 92 - “Omnibus 2020.” This Statement, issued in January 2020, clarifies implementation of GASB Statements No. 73, 74, 84 and 87, generally effective for fiscal years beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

BERNARD M. BARUCH COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 93 - “Replacement of Interbank Offered Rates.” This Statement, issued in March 2020, addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021. The requirements of this Statement are effective for reporting periods beginning after December 31, 2022, which is the fiscal year beginning July 1, 2023 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 94 - “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” This Statement, issued in March 2020, addresses issues related to public-private and public-public partnerships (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning July 1, 2022 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 96 - “Subscription-Based Information Technology Arrangements.” This Statement, issued in May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning July 1, 2022 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 97 - “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.” This Statement, issued in June 2020, sets requirements for a primary government’s determination of component units which do not have governing boards; amends the financial burden criterion in paragraph 7 of Statement No. 84; sets required classifications for Section 457 plans and applies Statement No. 84, as amended, to IRC Section 457 arrangements; and supersedes remaining provisions of Statement No. 32, as amended, regarding investment valuation requirements for Section 457 plans. The requirements of this Statement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.