

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Financial Statements and
Supplementary Information

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Bronx Community College Auxiliary
Enterprises Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Bronx Community College Auxiliary Enterprises Corporation (the Auxiliary) as of and for the years ended June 30, 2020 and 2019, and the related notes to financial statements, which collectively comprise the Auxiliary'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 Auxiliary'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 Auxiliary'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 Bronx Community College Auxiliary Enterprises Corporation 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
October 13, 2020

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

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 Bronx Community College Auxiliary Enterprises Corporation's (the Auxiliary) 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 Auxiliary's net position decreased by \$47,154 or 2%.
- Operating revenue decreased by \$221,669 or 27%.
- Operating expenses decreased by \$67,406 or 21%.

Financial Position

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

Statements of Net Position

The following summarizes the Auxiliary'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	\$ <u>3,357,456</u>	<u>3,286,485</u>	<u>70,971</u>	2%
Liabilities	<u>663,440</u>	<u>545,315</u>	<u>118,125</u>	22%
Net position	\$ <u>2,694,016</u>	<u>2,741,170</u>	<u>(47,154)</u>	(2%)

At June 30, 2020, the Auxiliary's total net position decreased by \$47,154 or 2%, compared to the previous year. This variance was primarily caused by increases in accounts payable and accrued expenses, due to BCC and cash and equivalents of \$98,981, \$15,000 and \$57,000, respectively. These changes were offset by decreases in accounts receivable of \$7,771 and an increase in deposits held in custody for others of \$4,144.

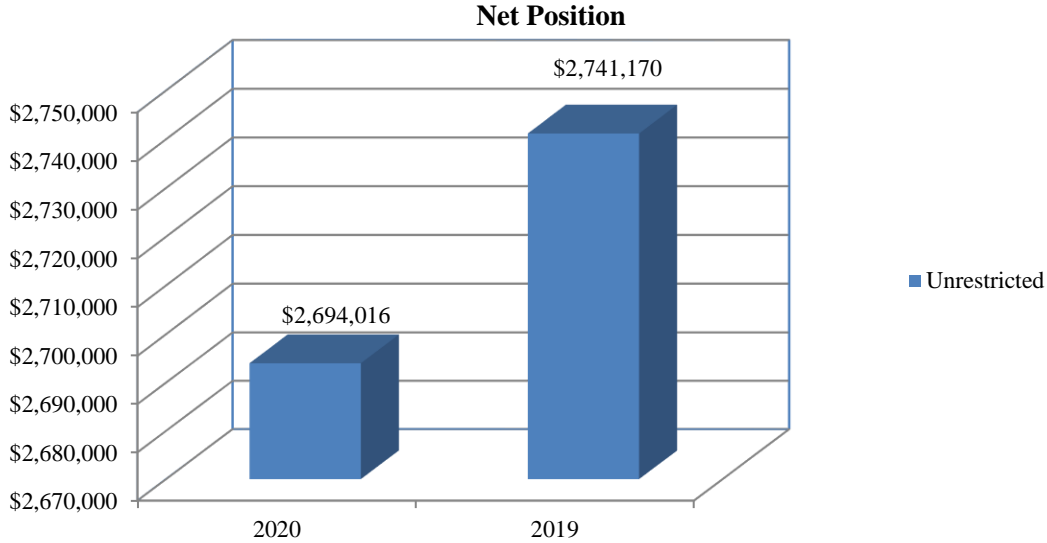
At June 30, 2020, the Auxiliary's total liabilities increased by \$118,125 or 22%, compared to the previous year. The major components of this variance were related to increases in accounts payable and accrued expenses and due to BCC of \$98,981 and \$15,000, respectively. These were offset by an increase in deposits held in custody for others of \$4,144.

**BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION**

Management's Discussion and Analysis, Continued

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

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



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 Auxiliary, 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:				
Commissions:				
Bookstore	\$ 106,742	104,235	2,507	2%
Vending	146,209	201,050	(54,841)	(27%)
Cafeteria	106,667	160,000	(53,333)	(33%)
Rental income	-	113,913	(113,913)	(100%)
Parking fees	162,721	164,769	(2,048)	(1%)
Royalties	41,615	44,696	(3,081)	(7%)
Donated services	27,275	23,862	3,413	14%
Other	<u>3,683</u>	<u>4,056</u>	<u>(373)</u>	(9%)
Total operating revenue	594,912	816,581	(221,669)	(27%)
Nonoperating revenue - interest income	<u>19,842</u>	<u>8,099</u>	<u>11,743</u>	145%
Total revenue	\$ <u>614,754</u>	<u>824,680</u>	<u>(209,926)</u>	(25%)

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

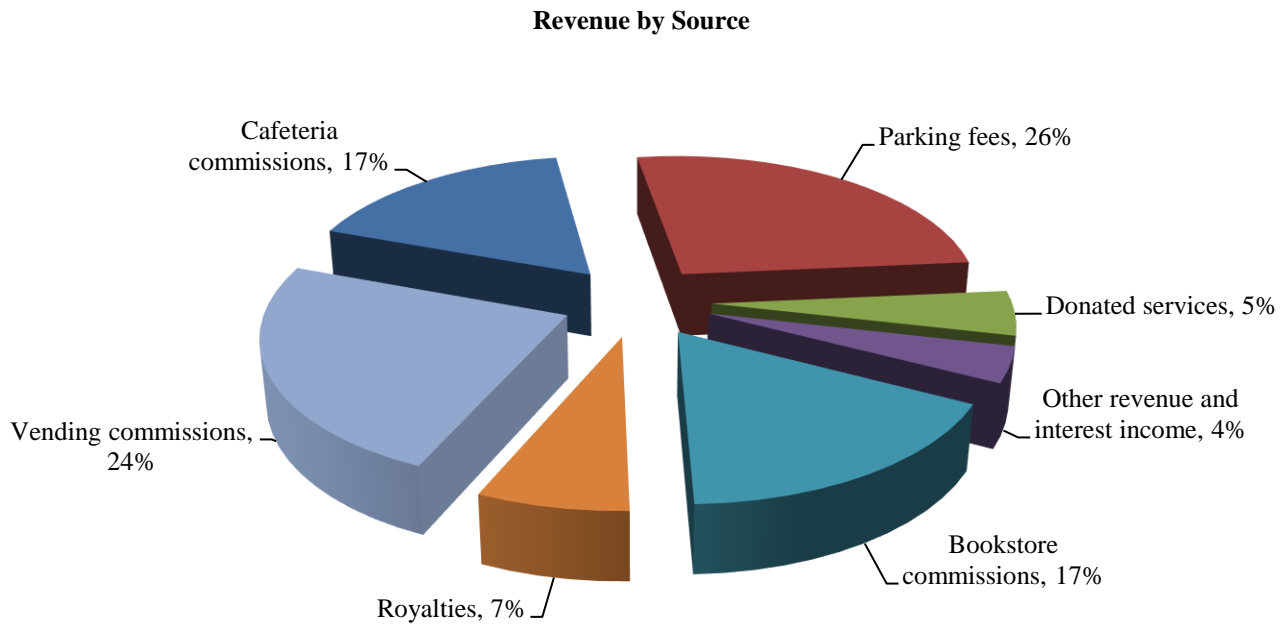
Management's Discussion and Analysis, Continued

The Auxiliary's total revenue for the year ended June 30, 2020 amounted to \$614,754, a decrease of \$209,926 or 25%, compared to the previous year. The primary reason for this decrease was the decrease in film rental income of \$113,913; there were also decreases in vending commissions, cafeteria commissions, parking fees and royalties of \$54,841, \$53,333, \$2,048 and \$3,081, respectively. These decreases were offset by increases in bookstore commissions and interest income of \$2,507 and \$11,743, respectively.

Bookstore commissions, royalties, cafeteria commissions, parking fees and vending commissions income represented 17%, 7%, 17%, 26% and 24% of total revenue, respectively. Accordingly, the Auxiliary is dependent upon this level of support to carry out its operations.

There were no other significant or unexpected changes in the Auxiliary's revenue.

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



**BRONX COMMUNITY COLLEGE AUXILIARY
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Management's Discussion and Analysis, Continued

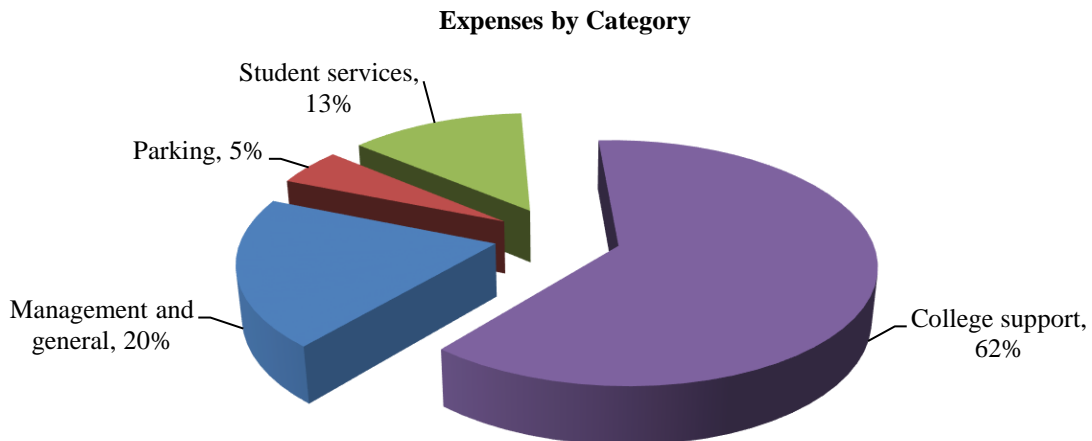
Expenses

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Parking	\$ 31,107	51,012	(19,905)	(39%)
Student services	85,340	128,765	(43,425)	(34%)
Management and general	131,872	78,219	53,653	69%
Bad debt	<u> -</u>	<u>57,729</u>	<u>(57,729)</u>	(100%)
Total operating expenses	248,319	315,725	(67,406)	(21%)
Nonoperating expenses - College support	<u>413,589</u>	<u>503,105</u>	<u>(89,516)</u>	(18%)
Total expenses	<u>\$ 661,908</u>	<u>818,830</u>	<u>(156,922)</u>	(19%)

The Auxiliary's total expenses for the year ended June 30, 2020 amounted to \$661,908, a decrease of \$156,922 or 19%, compared to the previous year. The major components of this variance were related to decreases in parking, student services, bad debt and college support of \$19,905, \$43,425, \$57,729 and \$89,516, respectively. These were offset by an increase in management and general of \$53,653.

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

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

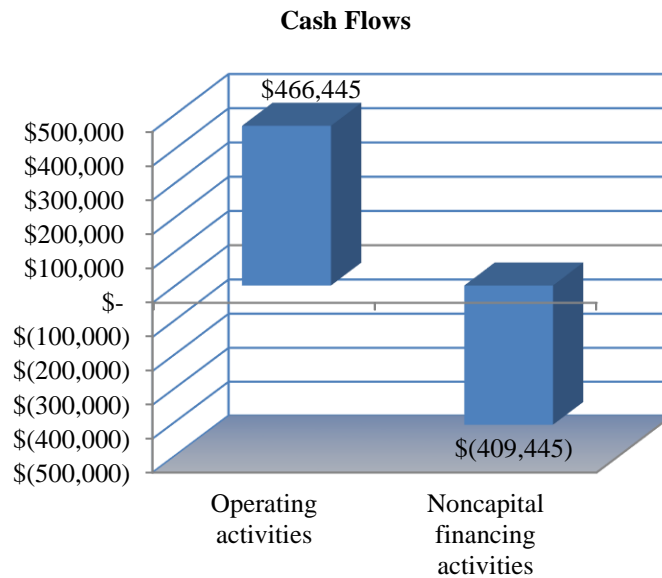


BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users in assessing the Auxiliary's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Auxiliary'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, and COVID-19 whose effect is not presently determinable.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION
Statements of Net Position
June 30, 2020 and 2019

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash and equivalents		\$ 1,266,401	1,209,401
Investments, at fair value		1,890,775	1,870,933
Accounts receivable, net of allowance of \$254,358 in 2020 and 2019		189,861	197,632
Prepaid expenses		2,840	2,687
Inventory		<u>7,579</u>	<u>5,832</u>
Total assets		<u>3,357,456</u>	<u>3,286,485</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued expenses		197,346	98,365
Due to BCC		30,000	15,000
Deposits held in custody for others		<u>436,094</u>	<u>431,950</u>
Total liabilities		<u>663,440</u>	<u>545,315</u>
<u>Net Position</u>			
Unrestricted		<u>\$ 2,694,016</u>	<u>2,741,170</u>

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Commissions:		
Bookstore	\$ 106,742	104,235
Vending	146,209	201,050
Cafeteria	106,667	160,000
Rental income	-	113,913
Parking fees	162,721	164,769
Royalties	41,615	44,696
Donated services	27,275	23,862
Other	<u>3,683</u>	<u>4,056</u>
Total operating revenue	<u>594,912</u>	<u>816,581</u>
Operating expenses:		
Parking	31,107	51,012
Student services	85,340	128,765
Management and general	131,872	78,219
Bad debt	<u>-</u>	<u>57,729</u>
Total operating expenses	<u>248,319</u>	<u>315,725</u>
Income from operations	<u>346,593</u>	<u>500,856</u>
Nonoperating revenue (expenses):		
Interest income	19,842	8,099
College support	<u>(413,589)</u>	<u>(503,105)</u>
Total nonoperating expenses, net	<u>(393,747)</u>	<u>(495,006)</u>
Change in net position	(47,154)	5,850
Net position at beginning of year	<u>2,741,170</u>	<u>2,735,320</u>
Net position at end of year	<u>\$ 2,694,016</u>	<u>2,741,170</u>

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION
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:		
Bookstore commissions	\$ 104,995	103,813
Cafeteria and vending commissions	309,797	391,546
Rental income	-	113,913
Parking fees	113,571	159,380
Royalties	41,615	44,696
Other	3,683	4,056
Cash payments to/for:		
Parking expenses	(18,754)	(111,558)
Other	(88,462)	(287,568)
Net cash provided by operating activities	466,445	418,278
Cash flows from noncapital financing activities:		
Change in deposits held in custody for others	4,144	150,103
Payments for College support	(413,589)	(503,105)
Net cash used in noncapital financing activities	(409,445)	(353,002)
Cash flows from investing activities:		
Interest income	19,842	8,099
Purchases of investments	(19,842)	(708,098)
Net cash used in investing activities	-	(699,999)
Net change in cash and equivalents	57,000	(634,723)
Cash and equivalents at beginning of year	1,209,401	1,844,124
Cash and equivalents at end of year	\$ 1,266,401	1,209,401

(Continued)

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION
Statements of Cash Flows, Continued

	<u>2020</u>	<u>2019</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 346,593	500,856
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Bad debt	-	57,729
Changes in:		
Accounts receivable	7,771	30,517
Prepaid expenses	(153)	277
Inventory	(1,747)	(5,832)
Accounts payable and accrued expenses	98,981	(103,238)
Due to BCC	<u>15,000</u>	<u>(62,031)</u>
Net cash provided by operating activities	<u>\$ 466,445</u>	<u>418,278</u>

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Notes to Financial Statements

June 30, 2020 and 2019

(1) Nature of Organization

The Bronx Community College Auxiliary Enterprises Corporation (the Auxiliary) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural and recreational activities among students of Bronx Community College (the College) of the City University of New York (CUNY or the University).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Auxiliary'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 Auxiliary 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 Auxiliary is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Auxiliary'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 Auxiliary 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 Auxiliary or the passage of time.

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

At June 30, 2020, the Auxiliary had no net investment in capital assets or restricted net position.

(c) Cash and Equivalents

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

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Investments

Investments are recorded at fair value, with changes in fair value, if any, reported in the statements of revenue, expenses and changes in net position.

(e) Accounts Receivable and Bad Debt

Receivables are stated at the amount management expects to collect from the outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Changes in the valuation allowance have not been material to the financial statements.

(f) Revenue Recognition

Operating revenues primarily consist of commissions and fees derived from agreements with certain unrelated organizations to provide the College with bookstore, cafeteria and vending services, income from film space rentals and charges assessed for the use of parking facilities, and are recognized when earned.

The virtual bookstore agreement, entered into on December 31, 2016 for a five-year term through December 31, 2021, provides the Auxiliary with an annual guaranteed minimum commission plus a percentage of course material sales during the initial term (24 months), and then converts to a percentage of course material sales after the initial term. The agreement also provides the Auxiliary with annual commissions based on a percentage of sales of general merchandise and non-course materials.

The vending agreement, entered into on January 1, 2015 for a five-year term through December 31, 2019, provided the Auxiliary with monthly royalty payments and annual commissions based on the greater of an annual minimum commission or a percentage of sales. This contract was renewed until April 30, 2023.

The cafeteria and catering agreement, which expires on June 30, 2021, provides the Auxiliary with annual commissions based on the greater of an annual minimum commission or a percentage of sales.

(g) Donated Services

The Auxiliary operates on the campus of the College and utilizes certain services made available to it. The estimated cost savings associated with such an arrangement are recorded as donated services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such services. For the years ended June 30, 2020 and 2019, the estimated fair value of donated services amounted to \$27,275 and \$23,862, respectively.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(h) Functional Expenses

The costs of providing 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.

(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 Auxiliary 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 Auxiliary and its future results and financial position is not presently determinable.

(k) Income Taxes

The Auxiliary 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 Auxiliary has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Auxiliary 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 Auxiliary has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Auxiliary are subject to examination by taxing authorities.

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Auxiliary's deposits may not be returned in the event of a bank failure. At June 30, 2020, \$1,022,255 of the Auxiliary's CitiBank bank balance of \$1,272,255 was exposed to custodial credit risk, as it was uninsured and uncollateralized.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(4) Investments

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transaction, the Auxiliary will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2020, the Auxiliary's entire investment portfolio balance of \$1,890,775 was exposed to custodial credit risk, as it was uninsured and uncollateralized.

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Auxiliary has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2020.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Auxiliary believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

BRONX COMMUNITY COLLEGE AUXILIARY
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Notes to Financial Statements, Continued

(4) Investments, Continued

The following table sets forth by level, within the fair value hierarchy, the Auxiliary's assets at fair value as of June 30, 2020 and 2019:

	<u>Assets at Fair Value as of June 30, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ <u>1,890,775</u>	<u> -</u>	<u> -</u>	<u>1,890,775</u>
	<u>Assets at Fair Value as of June 30, 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ <u>1,870,933</u>	<u> -</u>	<u> -</u>	<u>1,870,933</u>

(5) Related Party Transactions

The College provides security and bursar services related to the Auxiliary's parking activity operations for which it is reimbursed. These services amounted to \$15,244 and \$45,378 for the years ended June 30, 2020 and 2019, respectively. The related party payable to the College amounted to \$30,000 and \$15,000 at June 30, 2020 and 2019, respectively.

(6) Deposits Held in Custody for Others

At June 30, 2020 and 2019, the Auxiliary held \$436,094 and \$431,950, respectively, of deposits held in custody for others; these funds are held on behalf of certain groups and organizations related to the College.

(7) Royalty Agreement

The University entered into a contract with an unrelated organization in 2014, which allows the organization to sell its brand of products exclusively at the College. The terms of the contract provide the University with annual royalties. The University allocates the annual royalties to the Auxiliary based on cases of the products sold in the previous year. The Auxiliary received \$41,615 and \$44,696 in allocations from the University in 2020 and 2019, respectively.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(8) 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.

- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.

BRONX COMMUNITY COLLEGE AUXILIARY
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

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

- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.

BRONX COMMUNITY COLLEGE AUXILIARY
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Notes to Financial Statements, Continued

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

- 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 Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.