Financial Statements Together with
Report of Independent Certified Public Accountants

BARNARD COLLEGE

June 30, 2020 and 2019

BARNARD COLLEGE

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Barnard College

Report on the financial statements

We have audited the accompanying financial statements of Barnard College (the "College"), which comprise the statements of financial position as of June 30, 2020 and the related statements of activities 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 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 College'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 College'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 Barnard College as of June 30, 2020, 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.

Other matters
Report on 2019 summarized comparative information
We have previously audited the College's 2019 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2019. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
October 28, 2020

BARNARD COLLEGE
Statement of Financial Position
As of June 30, 2020, with summarized comparative totals for 2019
(Dollars in thousands)

	2020	2019
ASSETS		
Cash and cash equivalents	$ 47,308	$ 28,646
Student accounts receivable (net of allowance of $101 and $43)	382	140
Student notes receivable, net (Note 3)	1,527	1,570
Grants, bequests, and other receivables	2,390	3,824
Pledges receivable, net (Notes 4 and 5)	43,578	44,198
Other assets	5,403	4,347
Investments (Notes 5 and 6)	366,079	374,554
Funds held by bond trustee (Notes 5 and 12)	47,033	14,564
Property, plant, and equipment, net (Note 7)	316,790	320,861
Total assets	$ 830,490	$ 792,704
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 22,330	$ 17,884
Deferred revenues	2,715	4,233
Liability under split-interest agreements (Note 5)	5,076	5,376
Refundable government loan program (Note 3)	391	557
Postretirement benefit obligation (Note 10)	32,681	28,356
Asset retirement obligations (Note 8)	3,149	2,963
Short-term debt obligations (Note 11)	10,000	-
Long-term debt obligations, net (Note 12)	187,435	158,580
Lease obligation payable (Note 19)	47,741	47,206
Total liabilities	311,518	265,155
Commitments and contingencies (Notes 5, 12 and 19)		
NET ASSETS (Note 6)		
Without donor restrictions	117,779	129,090
With donor restrictions (Note 16)	401,193	398,459
Total net assets	518,972	527,549
Total liabilities and net assets	$ 830,490	$ 792,704

The accompanying notes are an integral part of this financial statement.

BARNARD COLLEGE
Statement of Activities
For the year ended June 30, 2020, with summarized comparative totals for 2019
(Dollars in thousands)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUE				
Student services revenue (Note 12)	$ 179,575	$ -	$ 179,575	$ 174,071
Less: financial aid allowance (Note 12)	(41,976)	-	(41,976)	(43,189)
Net student services revenue	137,599	-	137,599	130,882
State appropriations	185	-	185	187
Investment return appropriated for operations (Note 6)	2,156	14,285	16,441	15,658
Other investment income	1,335	1,019	2,354	1,663
Federal grants and contracts	3,356	-	3,356	4,217
State grants	959	-	959	962
Private gifts and grants	9,824	12,285	22,109	18,771
Pre-College and rental (Note 13)	4,811	-	4,811	5,081
Other sources	1,767	275	2,042	2,626
Net assets released from restrictions	18,282	(18,282)	-	-
Total operating revenue	180,274	9,582	189,856	180,047
OPERATING EXPENSES (Note 18)				
Instruction	77,012	-	77,012	72,260
Research	4,774	-	4,774	5,948
Public service	407	-	407	411
Academic administration	20,448	-	20,448	19,879
Student services	12,948	-	12,948	12,589
Institutional support	39,325	-	39,325	35,700
Auxiliary enterprises	40,949	-	40,949	37,375
Total operating expenses	195,863	-	195,863	184,162
(Deficiency) excess of operating revenue (under) over operating expenses	(15,589)	9,582	(6,007)	(4,115)
NONOPERATING ACTIVITIES				
Investment return in excess of amount appropriated for operations (Note 6)	(2,346)	(15,580)	(17,926)	1,871
Contributions for long-term purposes and split-interest agreements	-	15,099	15,099	12,756
Contributions and grants for plant improvements	-	4,643	4,643	5,551
Net assets released from restrictions for plant improvements	10,046	(10,046)	-	-
Changes in value of split-interest agreements	-	(964)	(964)	(200)
Other components of net periodic benefit cost (Note 10)	(1,489)	-	(1,489)	(1,296)
Postretirement changes other than net periodic benefit cost (Note 10)	(1,933)	-	(1,933)	(2,330)
Total nonoperating activities	4,278	(6,848)	(2,570)	16,352
Changes in net assets	(11,311)	2,734	(8,577)	12,237
Net assets - beginning of year	129,090	398,459	527,549	515,312
Net assets - end of year	$ 117,779	$ 401,193	$ 518,972	$ 527,549

The accompanying notes are an integral part of this financial statement.

BARNARD COLLEGE
Statement of Cash Flows
For the year ended June 30, 2020, with summarized comparative totals for 2019
(Dollars in thousands)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (8,577)	$ 12,237
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Change in value of split-interest agreements	964	200
Contributions for long-term purposes and split-interest agreements	(14,850)	(13,303)
Contributions and grants for plant improvements	(10,302)	(10,728)
Change in pledges receivable allowance and discount	(1,517)	(964)
Net appreciation in fair value of investments	1,312	(16,624)
Accretion of asset retirement obligations	186	174
Depreciation expense	11,108	9,233
Amortization expense	(464)	(399)
Changes in operating assets and liabilities:		
Student accounts receivable	(242)	90
Grants, bequests, and other receivables	1,434	(176)
Pledges receivable	2,078	5,581
Other assets	(1,056)	(874)
Accounts payable and accrued expenses	3,497	(3,646)
Deferred revenues	(1,518)	402
Postretirement benefit obligation	4,325	4,324
Lease obligation payable	535	-
Net cash used in operating activities	(13,087)	(14,473)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(59,163)	(65,703)
Proceeds from the sale of investments	66,326	64,141
Building renovations and purchase of equipment	(6,088)	(16,553)
Student loans granted	(158)	(123)
Student loans repaid	297	323
Net cash provided by (used in) investing activities	1,214	(17,915)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in funds held by bond trustees	(32,469)	(307)
Payment of principal notes and bond payables	(11,500)	(8,285)
Proceeds from issuance of debt	57,065	-
Debt redemption	(6,170)	-
Debt write-off	(76)	-
(Decrease) increase in refundable government loan program	(262)	3
Decrease in liability under split-interest agreements	(1,205)	(603)
Contributions for long-term purposes and split-interest agreements	14,850	13,303
Contributions and grants for plant improvements	10,302	10,728
Net cash provided by financing activities	30,535	14,839
Net change in cash and cash equivalents	18,662	(17,549)
Cash and cash equivalents, beginning of year	28,646	46,195
Cash and cash equivalents, end of year	$ 47,308	$ 28,646
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 6,458	$ 6,349
Capital lease obligation - non-cash	$ 535	$ 47,206
Property, plant and equipment purchases in accounts payable	$ (949)	$ (3,236)

The accompanying notes are an integral part of this financial statement.

1. ORGANIZATION

Barnard College (the "College") is a not-for-profit independent liberal arts college for women. The College is exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code ("IRC") as an organization described in Section 501(c)(3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets of the College and changes therein are classified and reported as follows:

Net assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets, that is, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid debt instruments with original maturities of 90 days or less other than those cash and cash equivalents held by external investment managers as part of their long-term investment strategies. Cash and cash equivalents are held by the College for operating and capital funding purposes.

Fair Value Measurements

The fair value standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction as prescribed by the standard. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of the asset or liability as of the measurement date.

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed securities, and corporate-debt securities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments. The College also measures certain investments using a net asset value ("NAV") per share for purposes of reporting the fair value of all its underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments meeting such criteria are exempted from categorization within the fair value hierarchy and related disclosures. Instead, the College separately discloses the information required for assets measured using the NAV practical expedient, and discloses a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other assets that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market prices. Alternative investments and institutional funds are stated at estimated fair value based on NAV, as a practical expedient, reported by the investment managers or general partners. NAV may differ significantly from the values that would have been reported had a ready market for these investments existed. The College reviews and evaluates the values provided by the investment managers or general partners and has determined that the valuation methods and assumptions used in determining the fair value of the alternative investments are reasonable.

The College invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. 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 changes could materially affect the amounts reported in the Statement of Financial Position.

(Dollars in thousands)

All investment transactions are recorded on a trade-date basis.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or, in the case of gifts, at fair value at the date of the gift. The College capitalizes property, plant and equipment of $5,000 or above which have useful lives greater than one year. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	60 years
Building improvements	20 to 30 years
Furniture, fixtures and equipment	5 to 10 years

Debt Issuance Costs

Costs incurred for the issuance of debt are deferred and amortized over the life of the outstanding debt to which they pertain. Such costs are presented in the Statement of Financial Position as a direct deduction from the carrying amount of the debt liability.

Revenue Recognition and Receivables

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with* Customers ("ASC 606"), the College recognizes revenue when control of the promised goods or services are transferred to the College's students or outside parties in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The College has identified student services revenue and pre-college and rental revenue as revenue categories subject to the adoption of ASC 606. The College recognizes contracts with customers as goods or services are transferred or provided in accordance with ASC 606.

Student Services Revenue

Student services revenue, net of financial aid, are recognized as revenue over the academic terms to which they relate.

Student accounts receivable are reported at the estimated net realizable amount. The carrying value of student receivables has been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience, and therefore, approximates net realizable value. Student receivables are written-off when deemed uncollectible and payments subsequently received are recorded as income in the period received.

Contributions, Grants and Contracts

The College recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the College evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the College applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the College evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the College is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged. Pledges, less an allowance for uncollectible amounts, are recorded as receivables at the net present value, determined using a credit-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any. Restricted pledges are reported as additions to the net assets with donor restrictions. Contributions of cash or other assets that must be used to acquire or construct long-lived assets are reported as net assets with donor restrictions until the assets are placed in service.

Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. During the years ended June 30, 2020 and 2019, the College received new conditional pledges of approximately $7.2 million and $18.2 million, respectively. The College has recorded revenue from conditional promises of approximately $8.5 million and $11.5 million for the years ended June 30, 2020 and 2019, respectively, the extent to which the conditions on the pledges have been met.

Revenue from federal and state grants is recognized to the extent that qualifying reimbursable expenses have been incurred over the terms of the respective agreements.

Student Notes Receivable

Student notes receivable are loans to students, which are made from the College's restricted loan funds and the Federal Perkins Loan Program. The notes are reported at their estimated net realizable value.

Deferred Revenues

Deferred revenues consist primarily of student tuition and fee payments that are received for academic periods subsequent to the fiscal year-end.

Split-Interest Agreements

The College is the beneficiary of trusts, annuities, and pooled income funds. The College's interest in these split-interest agreements is reported as a contribution in the year received and is calculated as the difference between the fair value of the assets contributed to the College and the estimated liability to the beneficiary. This liability is computed using actuarially determined rates and is adjusted annually. The discount rate used to value split-interest agreements ranged from 1.2% to 8.0% at June 30, 2020 and 2019. The College recorded contributions from new split-interest agreements of approximately $35 thousand and $197 thousand for the years ended June 30, 2020 and 2019, respectively. These amounts are included in nonoperating contributions in the accompanying Statements of Activities. The assets held by the College under these arrangements are included as a component of investments in the accompanying Statement of Financial Position.

Operating and Nonoperating Activities

The Statement of Activities distinguishes between operating and nonoperating activities. Nonoperating activities consist of investment return in excess of or less than the amount appropriated for operations by the Board of Trustees, the change in value of split-interest agreements, contributions for long-term purposes and split-interest agreements and contributions and grants for plant improvements, postretirement cost other than net periodic benefit cost, and nonrecurring items.

Categories of Expense

Expenses are reported in functional categories. Each category includes salaries and benefits, supplies, and other expenses, including operation and maintenance of physical plant, interest, and depreciation expense related to the function.

a. Instruction - includes expenses for all activities that are part of the College's instruction program.

b. Research - includes all expenses for governmental and privately sponsored research.

c. Public Service - includes activities established to provide non-instructional services such as the New York State Higher Education Opportunity Program ("HEOP").

d. Academic Administration - includes expenses incurred to provide administrative support to the instructional program. This category includes the offices of the Provost, Library, and Media Services.

e. Student Services - includes expenses incurred for the offices of Dean of the College, Admissions, Registrar, Financial Aid Administration, Beyond Barnard and Disability Services. In addition, it includes expenses for student-related activities outside the context of the formal instructional program.

f. Institutional Support - includes expenses for college-wide activities such as the offices of the President, Finance, Institutional Advancement, Administration, Administrative Computing, General Counsel, Human Resources and Communications. Fundraising expenses totaled approximately $7.4 million and $7.1 million for the years ended June 30, 2020 and 2019, respectively.

g. Auxiliary Enterprises - provides services to students for fees. This category includes Housing, Dining Services, Health and Counseling Services, and the Summer and Pre-college Programs.

Allocation of Certain Expenses

The College allocates operation and maintenance of plant, depreciation, and interest expense on outstanding long-term obligations in the Statement of Activities based upon campus square footage.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of the financial statements include the valuation of alternative investments, valuation of liability under split-interest agreements, useful lives of property, plant, and equipment, asset retirement obligations, postretirement benefit obligation, and estimated net realizable value of receivables. Actual results could differ from those estimates.

Accounting for Uncertainty in Income Taxes

The College complies with the provisions of ASC 740-10. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The College is exempt from federal income taxation. Nevertheless, the College may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. Management has determined that there are no material uncertain tax positions within its financial statements.

Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to interest rate, market, and credit risks. The College maintains its cash and cash equivalents in various bank deposit accounts that may exceed federally insured limits at times. To minimize risk, the College places its cash accounts with high credit quality financial institutions and the College's investment portfolio is diversified with several investment managers in a variety of asset classes. The College does not anticipate any losses in such accounts.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the 2020 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses, or changes in net assets as reflected in the 2019 financial statements.

2019 Summarized Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the College's audited financial statements as of and for the year ended June 30, 2019, from which the summarized information was derived.

Subsequent Events

The College evaluated subsequent events after the Statement of Financial Position date of June 30, 2020 through October 28, 2020, the date the financial statements were issued. The College is not aware of any additional subsequent events which would require recognition or disclosure in the accompanying financial statements, except as disclosed in Note 12.

Recently Issued Accounting Pronouncements

In June 2020, the FASB issued ASU No. 2020-05, *Leases* (*Topic 842*), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the Statements of Financial Position for leases with terms exceeding 12 months. ASU No. 2020-05 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2020-05 is effective for the College for fiscal year ending June 30, 2022. Early adoption is permitted. The College is in the process of evaluating the impact this standard will have on the financial statements.

Impact of the COVID-19 Pandemic

As a result of the COVID-19 pandemic, in March 2020, Barnard College asked students not to return to campus after spring break and converted the remainder of the spring semester to a period of virtual learning. Students living in on-campus residence halls received pro-rated credits for their unused housing and meal plans through the end of the semester, resulting in lost net revenue in excess of $5.0 million, which would have been included in student services revenue on the Statement of Activities for the fiscal year ended June 30, 2020.

3. STUDENT NOTES RECEIVABLE, NET

The College makes uncollateralized loans to students based on financial need. Student loans are funded through a federal government loan program or institutional resources.

(Dollars in thousands)

At June 30, 2020 and 2019, student notes receivable, net consisted of the following:

	2020	2019
Federal government program	$ 524	$ 662
Institutional programs	1,318	1,335
	1,842	1,997
Less: allowance for doubtful accounts		
Beginning of year	(427)	(420)
Decrease (increase) in allowance	112	(7)
End of year	(315)	(427)
Student notes receivable, net	$ 1,527	$ 1,570

The College participates in the Perkins federal revolving loan program. The availability of funds for loans under the program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the Federal government of approximately $0.4 million and $0.6 million at June 30, 2020 and 2019, respectively, are ultimately refundable to the government and are classified as a liability in the Statements of Financial Position. In the year ended June 30, 2020, the College repaid $0.2 million of the funds advanced by the Federal Government. There were no amounts repaid in the year ended June 30, 2019. Outstanding loans cancelled under the program result in a reduction of funds available for loan and a decrease in the liability to the government. At June 30, 2020 and 2019, the following amounts were past due under the student loan programs:

	In Default < 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)	In Default > 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)	Total Past Due
2020	$ 47	$ 325	$ 372
2019	$ 136	$ 367	$ 503

Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written-off only when they are deemed to be permanently uncollectible.

(Dollars in thousands)

4. PLEDGES RECEIVABLE, NET

Pledges receivable at June 30, 2020 and 2019 are as follows:

	2020	2019
Amounts expected to be collected in:		
One year or less	$ 16,347	$ 18,277
Two to five years	26,235	24,363
Greater than five years	3,450	5,529
	46,032	48,169
Less:		
Discount to present value (using rate of 0.16% - 3.30%)	(1,410)	(1,946)
Allowance for uncollectible pledges	(1,044)	(2,025)
Pledges receivable, net	$ 43,578	$ 44,198

As of June 30, 2020, 67% of gross pledges receivable were due from three donors. As of June 30, 2019, 84% of gross pledges receivable were due from three donors.

5. INVESTMENTS AND FAIR VALUE

The College's investment objective is to invest its assets in a prudent manner in order to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value equal to or above inflation. The College uses a diversified investment approach incorporating multiple asset classes, strategies, and managers. The Committee on Investments of the College's Board of Trustees oversees the College's investments and authorizes investment decisions.

In addition to equity and fixed income investments, the College may also hold shares or units in institutional funds and alternative investment funds involving hedged, private equity, and real estate strategies. These investments are valued at NAV. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists, and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments. Private equity funds generally employ buyout, venture capital, and debt-related strategies, often requiring the estimation of fair values by the fund managers in the absence of readily determinable market values. Real estate strategies involve funds whose managers invest primarily in commercial and residential real estate primarily located in the United States.

(Dollars in thousands)

Investments are held in the following funds:

	2020	2019
Trust and pooled life income funds	$ 9,500	$ 10,931
Endowment and designated as endowment funds	356,579	363,623
Total	$ 366,079	$ 374,554

As of June 30, 2020 and 2019, the College had alternative investments of approximately $295 million and $285 million, respectively. Alternative investments include private equity partnerships, real estate, and hedged strategies. Underlying securities owned by the alternative investments include certain publicly traded securities that have readily available market values and other investments that are not readily marketable. The agreements underlying participation in those investments may limit the College's ability to liquidate its interests in such investments for a period of time.

At June 30, 2020 and 2019, the College's remaining outstanding commitments to private equity and real estate partnerships/funds approximated $29.0 million and $38.3 million, respectively. The private equity partnerships have 1 to 11 year terms remaining for both June 30, 2020 and 2019. As of June 30, 2020 and 2019, the average remaining life of the private equity partnerships was approximately six years.

At June 30, 2018, the College had one hedged strategy of approximately $5.3 million, which was restricted from redemption for lockup periods. This investment allowed for early redemption for specified fees and required 90 day notice for redemption. This strategy was redeemed during the fiscal year ended June 30, 2019.

(Dollars in thousands)

The following table presents the College's fair value hierarchy for those assets and liabilities measured at fair value at June 30, 2020:

	Fair Value	Level 1	Level 2	Level 3	Investments at NAV
Financial assets:					
Investments:					
Cash and cash equivalents	$ 10,706	$ 10,706	$ -	$ -	$ -
Domestic bonds	1,397	-	-	-	1,397
Domestic equity funds:					
Small cap	460	349	-	-	111
Mid cap	342	342	-	-	-
Large cap	17,124	5,093	-	-	12,031
	30,029	16,490	-	-	13,539
International equity funds:					
International equities	73,736	29,320	-	-	44,416
	73,736	29,320	-	-	44,416
Fixed income:					
U.S. Treasuries	25,376	25,376	-	-	-
Domestic bond/Investment grade	37,360	-	-	-	37,360
	62,736	25,376	-	-	37,360
Hedged strategies:					
Credit/event driven	15,672	-	-	-	15,672
Multistrategy	90,178	-	-	-	90,178
	105,850	-	-	-	105,850
Other types:					
Private equity	93,410	-	-	-	93,410
Real estate	318	-	-	-	318
	93,728	-	-	-	93,728
Total investments	366,079	71,186	-	-	294,893
Other assets:					
Funds held by bond trustee	47,033	47,033	-	-	-
Trusts and other split-interest agreements held by others	3,087	-	-	3,087	-
Total assets	$ 416,199	$ 118,219	$ -	$ 3,087	$ 294,893
Liabilities:					
Liabilities under split-interest agreements	$ 5,076	$ -	$ -	$ 5,076	
Total liabilities	$ 5,076	$ -	$ -	$ 5,076	

(Dollars in thousands

The following table presents the College's fair value hierarchy for those assets and liabilities measured at fair value at June 30, 2019:

	Fair Value	Level 1	Level 2	Level 3	Investments at NAV
Financial assets:					
Investments:					
Cash and cash equivalents	$ 17,545	$ 17,545	$ -	$ -	$ -
Domestic bonds	1,203	-	-	-	1,203
Domestic equity funds:					
Small cap	565	406	-	-	159
Mid cap	415	415	-	-	-
Large cap	17,085	6,857	-	-	10,228
	36,813	25,223	-	-	11,590
International equity funds:					
International equities	75,509	31,772	-	-	43,737
	75,509	31,772	-	-	43,737
Fixed income:					
U.S. Treasuries	32,186	32,186	-	-	-
Domestic bond / Investment grade	33,895	-	-	-	33,895
	66,081	32,186	-	-	33,895
Hedged strategies:					
Credit/event driven	15,395	-	-	-	15,395
Multistrategy	82,188	-	-	-	82,188
	97,583	-	-	-	97,583
Other types:					
Private equity	98,164	-	-	-	98,164
Real estate	404	-	-	-	404
	98,568	-	-	-	98,568
Total investments	374,554	89,181	-	-	285,373
Other assets:					
Funds held by bond trustee	14,564	14,564	-	-	-
Trusts and other split-interest agreements held by others	3,146	-	-	3,146	-
Total assets	$ 392,264	$ 103,745	$ -	$ 3,146	$ 285,373
Liabilities:					
Liabilities under split-interest agreements	$ 5,376	$ -	$ -	$ 5,376	
Total liabilities	$ 5,376	$ -	$ -	$ 5,376	

(Dollars in thousands)

The following tables present the College's activities for the years ended June 30, 2020 and 2019, respectively, for assets and liabilities classified in Level 3:

Liabilities under Split-Interest Agreements

	2020	2019
Beginning Balance	$ 5,376	$ 5,757
New split-interest agreements	18	102
Payments to beneficiaries	(965)	(730)
Terminated split-interest agreements	(348)	(248)
Change in fair value	995	495
Ending Balance	$ 5,076	$ 5,376

Trusts and Other Split-Interest Agreements Held by Others

The College is the beneficiary of other split-interest agreements that are held and administered by others. When the College is not the trustee, perpetual trusts are recorded at the fair value of the assets at the Statement of Financial Position date and beneficial interest in trusts are recorded at the fair value of the assets at the Statement of Financial Position date less the present value of estimated future payments expected to be made to donors and/or other beneficiaries. These assets are included in pledges receivable in the accompanying Statements of Financial Position.

	2020	2019
Beginning Balance	$ 3,146	$ 3,124
Terminations	(103)	-
Change in fair value	44	22
Ending Balance	$ 3,087	$ 3,146

(Dollars in thousands)

At June 30, 2020 and 2019, investments valued at NAV are as follows:

2020

Category	Significant Investment Strategy	NAV in Funds	# of Funds	Life of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Hedged strategies	Credit/event driven	$ 15,672	1	N/A	$ -	Semi-annually/90 days' notice	Illiquid side pocket ($4,293)
Hedged strategies	Multistrategy	90,178	1	N/A	-	Quarterly/90 days' notice	N/A
Fixed income	Domestic bond	36,972	2	N/A	-	Daily and Monthly/30 days' notice	N/A
Fixed income	Investment grade	388	2	N/A	-	Daily	N/A
Equities	Large cap	12,031	3	N/A	-	Daily and Monthly/30 days' notice	N/A
Equities	Small cap	111	1	N/A	-	Daily	N/A
Equities	International equities	44,416	7	N/A	-	Daily/0-30 days' notice, Weekly/7 days' notice, and Monthly/5-30 days' notice	N/A
Other	Private equity	93,410	25	Up to 12/31/29	27,875	Daily (2 funds) and N/A	Illiquid
Other	Real estate	318	2	Up to 12/31/18	1,134	N/A	Illiquid
Other	Domestic bond	1,397	5	Up to 6/21/17	-	Daily	N/A
	Total	$ 294,893	49		$ 29,009		

2019

Category	Significant Investment Strategy	NAV in Funds	# of Funds	Life of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Hedged strategies	Credit/event driven	$ 15,395	1	N/A	$ -	Semi-annually/90 days' notice	Illiquid side pocket ($2,903)
Hedged strategies	Multistrategy	82,188	1	N/A	-	Quarterly/90 days' notice	N/A
Fixed income	Domestic bond	33,390	2	N/A	-	Daily and Monthly/30 days' notice	N/A
Fixed income	Investment grade	505	2	N/A	-	Daily	N/A
Equities	Large cap	10,228	2	N/A	-	Daily and Monthly/30 days' notice	N/A
Equities	Small cap	159	1	N/A	-	Daily	N/A
Equities	International equities	43,737	7	N/A	-	Daily/0-30 days' notice, Weekly/7 days' notice, and Monthly/5-30 days' notice	N/A
Other	Private equity	98,164	25	Up to 12/31/29	37,193	Daily (2 funds) and N/A	Illiquid
Other	Real estate	404	2	Up to 12/31/18	1,059	N/A	Illiquid
Other	Domestic bond	1,203	5	Up to 6/21/17	-	Daily	N/A
	Total	$ 285,373	48		$ 38,252		

6. ENDOWMENT FUNDS

The College's endowment consists of over 900 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the College to function as endowments (quasi-endowments).

The College manages the endowment to obtain multi-year performance (net of fees) that exceeds, on both an absolute and risk-adjusted basis, the performance of several benchmarks over rolling five-year periods. Asset allocation parameters are established for investments with lock-up periods. The strategy allows for a significant allocation to equity-oriented investments offering long-term capital appreciation, diversified across asset classes and managers.

The College has established an endowment spending policy for spending from the endowment for current operations in a manner that maintains the purchasing power of the endowment. The policy's goal is to achieve an average 5% spending rate over time. Annual spending from the endowment is set at 5% of the rolling three-year average of the endowment's market value as of December 31 of the previous year and is approved annually by the Board of Trustees. The College has a total return policy of utilizing its endowment resources. To the extent that the total return requirement for the current year is not achieved by income from investments, the College utilizes prior year's cumulative appreciation of its pooled investment funds.

On September 17, 2010, New York State enacted its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), referred to as "NYPMIFA," which imposes guidelines on the management and investment of endowment funds. The Board of Trustees of the College has interpreted NYPMIFA as allowing the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. The College classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts donated to the permanent endowment; and (c) accumulations of income to the permanent endowment made in accordance with the direction of the applicable donor gift instruments. Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC Topic 958-205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, requires the accumulated unspent earnings of a donor-restricted endowment fund to be classified as net assets with donor restrictions until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the College and the donor-restricted endowment fund;
- General economic conditions;
- The possible effects of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the College;
- The investment policies of the College; and
- Where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the College.

(Dollars in thousands)

Endowment and quasi-endowment funds consisted of the following at June 30, 2020 and 2019, excluding split-interest agreements and pledges of approximately $3.7 million and $3.6 million, respectively:

	Without Donor Restrictions	With Donor Restrictions	Total
Fiscal year 2020:			
Donor restricted	$ -	$ 310,424	$ 310,424
Board designated	46,155	-	46,155
Total	$ 46,155	$ 310,424	$ 356,579

	Without Donor Restrictions	With Donor Restrictions	Total
Fiscal year 2019:			
Donor restricted	$ -	$ 315,151	$ 315,151
Board designated	48,472	-	48,472
Total	$ 48,472	$ 315,151	$ 363,623

Changes in the endowment funds for the fiscal years ended June 30, 2020 and 2019 were as follows:

	Without Donor Restrictions	With Restrictions	Total
Balance at June 30, 2019	$ 48,472	$ 315,151	$ 363,623
Investment return, net	(190)	(1,295)	(1,485)
Contributions	29	10,853	10,882
Appropriation for expenditure	(2,156)	(14,285)	(16,441)
Balance at June 30, 2020	$ 46,155	$ 310,424	$ 356,579

	Without Donor Restrictions	With Restrictions	Total
Balance at June 30, 2018	$ 46,975	$ 298,122	$ 345,097
Investment return, net	2,342	15,187	17,529
Contributions	1,274	15,381	16,655
Appropriation for expenditure	(2,119)	(13,539)	(15,658)
Balance at June 30, 2019	$ 48,472	$ 315,151	$ 363,623

(Dollars in thousands)

For the years ended June 30, 2020 and 2019, investment expenses of approximately $2.2 million and $1.4 million, respectively, were netted against investment return.

7. PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment, net consisted of the following at June 30, 2020 and 2019:

	2020	2019
Land	$ 1,234	$ 1,234
Buildings and building improvements	414,283	408,286
Furniture, fixtures, and equipment	33,782	33,336
Construction in progress	5,258	5,988
Capital lease	47,206	47,206
	501,763	496,050
Less accumulated depreciation	(184,973)	(175,189)
Total	$ 316,790	$ 320,861

Depreciation expense was approximately $11.1 million and $9.2 million for the years ended June 30, 2020 and 2019, respectively.

For the year ended June 30, 2019, the College capitalized $1 million of interest expense related to the Library and other projects. As of the years ended June 30, 2020 and 2019, respectively, the net capitalized interest expense was $4.1 million.

8. ASSET RETIREMENT OBLIGATIONS

The College accrues for costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets. The College has identified asbestos abatement and lead paint exposure as conditional asset retirement obligations. Asbestos and lead paint abatement costs are estimated using a per-square-foot estimate.

Using a discount rate of 6.25%, the present value of the initial obligation amounted to $1.4 million. As of June 30, 2020 and 2019, the obligation amounted to approximately $3.1 million and $3.0 million, respectively.

9. RETIREMENT PLANS

Full time faculty and administrators of the College are covered under a defined contribution pension plan established with Teachers Insurance and Annuity Association and Fidelity Investments (the “Admin Plan”). Under the Admin Plan, eligible employees may make contributions into the Plan, up to the maximum allowed by the IRC. For the Admin Plan, the College contributed either 12% or 15% (as defined by the Admin Plan) for employees hired before July 2012, 9% or 12% (as defined by the Admin Plan) for those employees hired between July 2012 and January 2019, and 7% or 10% (as defined by the Admin Plan) for those employees hired after January 2019.

(Dollars in thousands)

Employees who are members of Local 2110, United Auto Workers; members of Local 264, Transport Workers Union of America; and confidential employees are covered under a defined contribution plan established with Teachers Insurance and Annuity Association (the "Union Plan"). Under the Union Plan, eligible employees may make contributions into the Union Plan, up to the maximum allowed by the IRC. For the Union Plan, the College's contributions range from 2% to 12% of eligible compensation. Total pension expense for both plans for the years ended June 30, 2020 and 2019 was $9.3 million and $8.4 million, respectively.

10. POSTRETIREMENT MEDICAL PLANS

In addition to providing pension benefits, the College sponsors unfunded postretirement medical plans. For nonunion employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement or a total of age and years of service equal to 80 with a minimum of 15 years of service. For union employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement.

The following tables identify the accumulated postretirement medical benefit obligation, the postretirement benefit obligation recognized in the accompanying Statements of Financial Position, the net periodic postretirement medical benefit cost recognized in the accompanying Statements of Activities, and the related assumptions.

	2020	2019
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 28,356	$ 24,032
Service cost	1,377	1,243
Interest cost	1,048	1,068
Plan participants' contributions	5	37
Special termination benefit	16	-
Actuarial loss	2,359	2,558
Benefits paid	(480)	(582)
Postretirement benefit obligation at end of year	$ 32,681	$ 28,356
Change in plan assets:		
Fair value of plan assets, beginning of year	$ -	$ -
Employer contributions	475	545
Plan participants' contributions	5	37
Benefits paid	(480)	(582)
Fair value of plan assets, end of year	$ -	$ -

(Dollars in thousands)

Net periodic benefit cost reported as operating expense for the years ended June 30, 2020 and 2019 included the following components:

	2020	2019
Service cost	$ 1,377	$ 1,243
Interest cost	1,048	1,068
Amortization of prior year cost	97	97
Recognized actuarial loss	329	131
Recognition of special termination benefit	16	-
Net periodic postretirement medical benefit cost	$ 2,867	$ 2,539

Postretirement cost other than net periodic benefit cost for the years ended June 30, 2020 and 2019 is as follows:

	$ 1,933	$ 2,330

Weighted average discount rate used to determine benefit obligations at June 30	3.00%	3.75%
Weighted average discount rate used to determine net period benefit cost for the fiscal year ended June 30,	3.75%	4.50%

	Union Nonunion	Union Nonunion
Assumed healthcare cost trend rates:		
Healthcare cost trend rate	6.5%/6.5%	7.0%/7.0%
Healthcare cost trend assume to decline	4.5%/4.5%	4.5%/4.5%
Ultimate trend rate achieved	2029	2029

(Dollars in thousands)

The effect of a 1% change in trend rates on total service, interest cost, and the postretirement benefit obligation is as follows:

	1% Increase	1% Decrease
Effect on total service and interest cost component	$ 334	$ (271)
Effect on postretirement benefit obligation	3,359	(2,776)

The items not yet recognized as a component of net periodic benefit cost are as follows:

	2020	2019
Net actuarial loss	$ 8,120	$ 6,091
Prior service credit	471	567
Total	$ 8,591	$ 6,658

The College makes contributions to the postretirement medical plans equal to the benefits paid on a pay-as-you-go basis. For faculty and administrators, the contributions are deposited into a health reimbursement account on behalf of the retiree. For the years ending June 30, 2021 through June 30, 2030, the College expects to make contributions to and benefit payments from the plans, net of Medicare subsidy, as follows:

2021	976
2022	1,114
2023	1,241
2024	1,404
2025	1,477
2026 through 2030	9,217

11. SHORT-TERM DEBT OBLIGATIONS

During the current year, the College entered into a new unsecured revolving line of credit agreement with JPMorgan Chase for $30.0 million. As of June 30, 2020, the College had outstanding borrowing of $10.0 million. The interest rate charged on the outstanding borrowing at June 30, 2020 was 2.4%. This line of credit is set to expire on June 8, 2021.

(Dollars in thousands)

12. LONG-TERM DEBT OBLIGATIONS

Long-term debt obligations consist of the following:

	2020	2019
Dormitory Authority of the State of New York, Barnard College Insured Revenue Bonds, Series 2007A. Interest at 5.00%, due serially to 2037	$ -	$ 6,555
Dormitory Authority of the State of New York, Barnard College Revenue Bonds, Series 2008. Interest at variable rates, due serially to 2023	2,520	3,310
Dormitory Authority of the State of New York, Barnard College Revenue Bonds, Series 2015A. Interest at 2.00% to 5.00%, due serially to 2046	102,185	105,510
Dormitory Authority of the State of New York, Series 2015B. Interest at variable rates, due in 2046	24,200	31,200
Dormitory Authority of the State of New York, Series 2020A. Interest at 4%, due serially to 2049	40,555	-
Total	169,460	146,575
Add: unamortized bond premium	20,021	13,890
Less: unamortized bond issuance costs	(2,046)	(1,885)
Total long-term obligations	$ 187,435	$ 158,580

On July 11, 2007, the College entered into a loan agreement with the Dormitory Authority of the State of New York to issue $48.42 million in Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2007A ("DASNY 2007A Bonds"). The loan is a general and unsecured obligation of the College. The DASNY 2007A Bonds were issued to refund and defease the $23.715 million Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 1996 ("DASNY 1996 Bonds"), to pay for a portion of the costs of the construction of a new approximately 100,000 square foot multipurpose facility, and to pay for other campus-wide renovations and maintenance projects (the "Diana Center and other projects"). The DASNY 2007A Bonds were issued at fixed interest rates of 4.00% to 5.00% and due serially to 2037.

On July 11, 2007, the College also entered into a separate loan agreement with the Dormitory Authority of the State of New York to issue $32.6 million in Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2007B ("DASNY 2007B Bonds") to pay for a portion of the costs of the construction of the Diana Center and other projects. The loan was a general and unsecured obligation of the College. The DASNY 2007B Bonds were insured variable rate bonds. On April 30, 2008, due to the downgrading of the bond insurer, the College elected to enter into a loan agreement with the Dormitory Authority of the State of New York to issue $28.0 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2008 ("DASNY 2008 Bonds"). Proceeds from the DASNY 2008 Bonds along with approximately $5.5 million from the College were used to refund and defease the outstanding DASNY 2007B Bonds. The DASNY 2008 Bonds are a general and unsecured obligation of the College. The DASNY 2008 Bonds were originally secured by a $28.4 million irrevocable direct pay letter of credit with RBS Citizens, N.A., which was scheduled to expire on April 23, 2011. On October 1, 2009, the College entered into a Bond Purchase and Continuing Covenants Agreement ("Purchase Agreement") with RBS Citizens, N.A., whereby RBS Citizens, N.A. purchased the $27.5 million outstanding DASNY 2008 Bonds. In addition, the letter of credit provided by RBS Citizens, N.A. was canceled. Under the terms of the Purchase Agreement, the interest payments are now based on a combination of weekly LIBORs and a fixed fee from RBS Citizens, N.A. The average interest rates on the DASNY 2008 Bonds were approximately 3.0% and 3.4% in fiscal years 2020 and 2019, respectively.

In March 2015, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $109.0 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2015A ("DASNY 2015A Bonds"). The proceeds of the DASNY 2015A Bonds financed a portion of the costs of the construction of a new approximately 133,000 gross square foot multi-purpose facility at the College, as well as other campus-wide renovations and maintenance projects ("The Milstein Center and other projects"); refund and defease all of the outstanding DASNY 2004 Bonds; and refund and defease a portion of the DASNY 2007A Bonds and pay the costs of issuance for the DASNY 2015A Bonds. No redemption premiums were paid on these refundings as both the DASNY 2004 Bonds and the DASNY 2007A Bonds were redeemed at par.

In May 2015, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue up to $36.2 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2015B ("DASNY 2015B Bonds"). The proceeds of the DASNY 2015B Bonds were used to finance a portion of the costs of The Milstein Center and other projects. The DASNY 2015B Bonds were issued as Draw-Down Bonds, which means the Purchaser, Citizens Funding Corp., funded the DASNY 2015B Bonds in installments based on the financing needs of the College. At June 30, 2020 and 2019, $24.2 million and $31.2 million, respectively, of the DASNY 2015B Bonds were outstanding. The average interest rate on the DASNY 2015B Bonds were approximately 2.1% and 2.6% for fiscal years 2020 and 2019, respectively.

The DASNY 2015A Bonds and the DASNY 2015B Bonds are both secured by the pledge and assignment of tuition and fees charged to students for academic instruction by the College (the "Pledged Revenues"). Additionally, the College has entered into certain financial covenants with the DASNY in relation to the DASNY 2015A Bonds and the DASNY 2015B Bonds. The College was in compliance with these covenants as of June 30, 2020 and 2019.

(Dollars in thousands)

In February 2020, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $40.5 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2020A ("DASNY 2020A Bonds"). The proceeds of the DASNY 2020A Bonds will finance improvement of facilities located on the College's Morningside campus, refund and defease the remaining outstanding DASNY 2007A Bonds, and pay the costs of issuance for the DASNY 2020A Bonds. No redemption premiums were paid on this refunding as the DASNY 2020A Bonds were redeemed at par. The DASNY 2020A Bonds are an unsecured obligation of the College.

In October 2020, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $40.5 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2020B ("DASNY 2020B Bonds"). The proceeds of the DASNY 2020B Bonds will be used to finance campus wide projects. The DASNY 2020B Bonds were issued as Draw-Down Bonds, which means that the Purchaser, People's United Muni Finance Corp., will fund the DASNY 2020B Bonds in installments based on the financing needs of the College. The interest rate on the DASNY 2020B Bonds will be variable and based on a monthly LIBOR rate with a 1% LIBOR Floor. The DASNY 2020B Bonds will be a general and unsecured obligation of the College.

In accordance with the provisions of the loan agreements for the DASNY 2007A, DASNY 2008, DASNY 2015A, DASNY 2020A, the College is required to deposit construction and reserve funds with the trustee. These funds with a fair value of approximately $47.0 million and $14.6 million at June 30, 2020 and 2019, respectively, were held in cash and U.S. governmental securities and are included in funds held by bond trustee in the accompanying Statements of Financial Position.

The College capitalized bond issuance costs incurred in support of certain capital improvement projects. Total bond issuance costs capitalized as of June 30, 2020 and 2019 were approximately $2.0 million and $1.9 million, respectively, and are included as a contra liability in the accompanying Statements of Financial Position. The College is amortizing the deferred issuance costs along with bond premiums over the life of the bonds. Amortization expense for the years ended June 30, 2020 and 2019 was $.5 million and $.4 million, respectively.

Projected debt service payments on the long-term obligations as of June 30, 2020, for five years subsequent to June 30, 2020 and thereafter, are as follows:

Fiscal	Principal	Interest	Total
2021	$ 4,290	$ 5,951	$ 10,241
2022	4,505	6,761	11,266
2023	4,645	6,563	11,208
2024	5,175	6,372	11,547
2025	5,465	6,125	11,590
Thereafter	145,380	72,612	217,992
	$ 169,460	$ 104,384	$ 273,844

Interest payments included in the above chart for the DASNY 2008 Bonds and the DASNY 2015B Bonds were calculated on the basis of an assumed interest rate of 2% per annum and will be held for duration.

(Dollars in thousands)

Interest expense for the years ended June 30, 2020 and 2019 amounted to approximately $6.8 million and $5.6 million, respectively. The increase in interest expense was primarily due to the completion of The Milstein Center and other projects where interest was being capitalized.

13. STUDENT SERVICES REVENUE

The College has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing and meals and various fees associated with enrollment in the College. Generally, enrollment and instructional services are billed when a course or term begins, and paid within 30 days of the bill date.

In the following table, revenue is disaggregated by type of service provided:

For the year ended June 30, 2020:

	Tuition and Fees	Housing	Meals	Health Services	Total
Student services revenue	$ 148,423	$ 20,072	$ 8,182	$ 2,898	$ 179,575
Less: financial aid allowance	(34,694)	(4,692)	(1,913)	(677)	(41,976)
Net Student services revenue	$ 113,729	$ 15,380	$ 6,269	$ 2,221	$ 137,599

For the year ended June 30, 2019:

	Tuition and Fees	Housing	Meals	Health Services	Total
Student services revenue	$ 139,599	$ 23,769	$ 8,107	$ 2,596	$ 174,071
Less: financial aid allowance	(34,636)	(5,897)	(2,012)	(644)	(43,189)
Net Student services revenue	$ 104,963	$ 17,872	$ 6,095	$ 1,952	$ 130,882

The College has taken a portfolio approach in determining whether student aid should apply across tuition and fees, housing, and meals. The College awards student aid on a need-blind basis, factoring in the total cost of attendance including tuition, fees, room and board, and the students expected ability to contribute towards such charges. Accordingly, student aid has been applied against all student services revenues.

Deferred revenue at June 30, 2020 was $1.7 million and represents the College’s performance obligation to transfer future enrollment and instructional services to students. For the year ended June 30, 2020, the College recognized revenue of $0.8 million from amounts that were included in deferred revenues at the beginning of the year. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

The College has elected, as a practical expedient, not to disclose additional information about unsatisfied performance obligations for contracts with customers that have an expected duration of one year or less.

14. PRE-COLLEGE AND RENTAL REVENUES

Pre-College and rental revenues are non-student revenue sources for the College generated primarily from the College's pre-college programs and the rental of its classrooms and residential buildings.

(Dollars in thousands)

The following is a summary of revenues by category:

	2020	2019
Rental Revenue	$ 3,234	$ 3,841
Pre-College Program Revenue	1,577	1,240
	$ 4,811	$ 5,081

Pre-College program and rental revenues are recognized over the terms of the related programs or rental agreements, respectively. The terms of the rental agreements range from 1 to 15 years. Management has elected the practical expedient permitted under ASC 606 not to disclose information about remaining performance obligations related to Pre-College programs, as these contracts have original terms that are one year or less.

15. INTERCORPORATE AGREEMENT

An intercorporate agreement between the College and Columbia University provides for payment for the exchange of certain services between the two institutions. These services include cross-registration for students, college services, faculty exchange, athletics, and certain special services and support costs.

The Statements of Activities include expenses in the amount of approximately $6.9 million and $6.6 million for the years ended June 30, 2020 and 2019, respectively, for services provided under the terms of the agreement.

16. NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30, 2020 and 2019:

	2020	2019
Instruction, research, and library	$ 205,976	$ 202,792
Financial aid	159,041	154,609
Plant improvements	32,212	37,616
Gifts to be designated	3,964	3,442
	$ 401,193	$ 398,459

17. AVAILABLE RESOURCES AND LIQUIDITY

The College regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The College has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, receivables, and two unsecured lines of credit.

(Dollars in thousands)

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its ongoing activities of instruction, research and public service as well as the conduct of services undertaken to support those activities. Student notes receivables are not included in the analysis as principal and interest on these loans are used to solely to make new loans, and are therefore, not available to meet current operating needs.

In addition to the financial assets available to meet general expenditures over the next 12 months, the College anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of June 30, 2020 and 2019, the following tables show the total financial assets held by the College and the amounts of those financial assets that could readily be made available within one year of the date of the Statement of Financial Position to meet general expenditures:

Financial Assets at Year End:		2020		2019
Cash and cash equivalents	$	47,308	$	28,646
Student accounts receivable, net		382		140
Student notes receivable, net		1,527		1,570
Grants, bequests, and other receivables		2,390		3,824
Pledges receivable, net		43,578		44,198
Investments		366,079		374,554
Funds held by bond trustee		47,033		14,564
Total	$	508,297	$	467,496

Financial Assets and Liquidity Resources available to meet general expenditures over the next 12 months:

Financial Assets:		**2020**		**2019**
Cash and cash equivalents	$	47,308	$	28,646
Student accounts receivable, net		382		140
Grants, bequests, and other receivables		2,390		3,824
Pledges receivable, net		16,347		18,277
Payout on donor-restricted endowment for use over the next 12 months		15,283		14,216
Payout on quasi-endowments for use over the next 12 months		2,392		2,225
Investments not encumbered by donor restrictions but require board approval		43,763		46,247
		127,865		113,575
Liquidity Resources:				
Line of credit available		25,000		5,000
	$	152,865	$	118,575

(Dollars in thousands)

18. EXPENSES

Operating expenses are reported in the Statement of Activities by functional classification. The College's expenses by natural classification were as follows for the year ended June 30, 2020:

	2020									2019
	Instruction	Research	Public Service	Academic Administration	Student Services	Institutional Support	Operations & Maintenance	Auxiliary Enterprises	Total	Summarized Totals
Salaries	$ 38,781	$ 1,110	$ 251	$ 7,254	$ 6,700	$ 21,499	$ 13,938	$ 3,855	$ 93,388	$ 84,369
Benefits	17,075	330	77	2,592	2,775	3,140	5,184	1,533	32,706	29,383
Total compensation	55,856	1,440	328	9,846	9,475	24,639	19,122	5,388	126,094	113,752
Direct facilities expenses	4,935	1,034	-	2,647	594	2,736	(26,649)	16,182	1,479	-
Depreciation	2,875	479	-	2,498	319	653	-	4,468	11,292	9,233
Interest	1,079	66	-	2,839	189	1,205	-	1,468	6,846	5,558
Utilities	-	-	-	-	-	-	3,054	-	3,054	3,317
Payment to Columbia University	6,891	-	-	-	-	-	-	-	6,891	6,579
Study abroad	3,521	-	-	-	-	-	-	-	3,521	3,874
Food services	-	-	-	-	-	-	-	8,290	8,290	7,949
Supplies, services and other	1,855	1,755	79	2,618	2,371	10,092	4,473	5,153	28,396	33,900
2020 Total	$ 77,012	$ 4,774	$ 407	$ 20,448	$ 12,948	$ 39,325	$ -	$ 40,949	$ 195,863	$ 184,162
2019 Total	$ 72,260	$ 5,948	$ 411	$ 19,879	$ 12,589	$ 35,700	$ -	$ 37,375	$ 184,162	

19. COMMITMENTS AND CONTINGENCIES

The College is a defendant in various lawsuits. Management of the College is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the College's financial position.

The College receives significant federal and state grants which are subject to audit by federal agencies. Management is of the opinion that disallowances, if any, would not have a significant effect on the financial position or changes in net assets of the College.

As of June 30, 2020, the College had an unsecured credit facility for $5.0 million with RBS Citizens, with no outstanding borrowing. This line of credit is set to expire on April 1, 2021.

During the current year, the College entered into a new unsecured revolving line of credit agreement with JPMorgan Chase for $30.0 million. As of June 30, 2020, the College had outstanding borrowing of $10.0 million. This line of credit is set to expire on June 8, 2021.

(Dollars in thousands)

At the end of fiscal year 2020, the College leased a building under a lease classified as a capital lease. The leased building will be amortized on a straight-line basis over 39 years. The interest rate related to the lease obligation is 4.2% and the maturity date is June 2058. Future minimum lease payments under the capital lease obligation at June 30, 2020 are as follows:

2021	$	1,697
2022		1,756
2023		1,818
2024		1,881
2025		1,947
Thereafter		121,602
Total minimum lease payments		130,701
Less: amount representing interest		(82,960)
Capital lease obligation at year-end	$	47,741

The College has entered into certain noncancellable operating lease agreements. The commitments under such agreements and other commitments provide for minimum annual payments as follows:

Year Ending June 30:		
2021	$	2,282
2022		1,892
2023		409
2024		189
2025		194
Thereafter		765
	$	5,731

Rental expense for the years ended June 30, 2020 and 2019 totaled approximately $2.2 million and $2.9 million, respectively.