

Financial Statements and Report of
Independent Certified Public
Accountants

Barnard College

June 30, 2021 and 2020

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statement of financial position as of June 30, 2021, with summarized comparative totals for 2020	5
Statement of activities for the year ended June 30, 2021, with summarized comparative totals for 2020	6
Statement of cash flows for the year ended June 30, 2021, with summarized comparative totals for 2020	7
Notes to financial statements	8

GRANT THORNTON LLP

757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100
F +1 212 370 4520

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 statement of financial position as of June 30, 2021, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2021, 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 2020 summarized comparative information*

We have previously audited the College's 2020 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2020. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2020 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 22, 2021

Barnard College

STATEMENTS OF FINANCIAL POSITION

**As of June 30, 2021, with Summarized Comparative Totals for 2020
(Dollars in thousands)**

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 33,931	\$ 47,308
Student accounts receivable (net of allowance of \$134 and \$101), respectively	650	382
Student notes receivable, net (Note 3)	1,317	1,527
Grants, bequests, and other receivables	7,097	2,390
Pledges receivable, net (Notes 4 and 5)	53,084	43,578
Other assets	7,988	5,403
Investments (Notes 5 and 6)	472,102	366,079
Right-of-use assets, operating leases, net (Note 19)	2,904	-
Right-of-use assets, finance lease, net (Note 19)	44,785	45,996
Funds held by bond trustee (Notes 5 and 12)	35,877	47,033
Property, plant, and equipment, net (Note 7)	275,222	270,794
	<u>\$ 934,957</u>	<u>\$ 830,490</u>
Total assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 25,183	\$ 22,330
Deferred revenues	3,565	2,715
Liability under split-interest agreements (Note 5)	4,564	5,076
Refundable government loan program (Note 3)	278	391
Postretirement benefit obligation (Note 10)	33,946	32,681
Asset retirement obligations (Note 8)	3,345	3,149
Short-term debt obligations (Note 11)	-	10,000
Long-term debt obligations, net (Note 12)	171,031	187,435
Operating lease liabilities (Note 19)	2,946	-
Finance lease liability (Note 19)	48,451	47,741
	<u>293,309</u>	<u>311,518</u>
Total liabilities		
Commitments and contingencies (Notes 5, 12 and 19)		
NET ASSETS (Note 6)		
Without donor restrictions	121,300	117,779
With donor restrictions (Note 16)	520,348	401,193
	<u>641,648</u>	<u>518,972</u>
Total net assets		
Total liabilities and net assets	<u>\$ 934,957</u>	<u>\$ 830,490</u>

The accompanying notes are an integral part of these financial statements.

Barnard College

STATEMENTS OF ACTIVITIES

For the year ended June 30, 2021, with Summarized Comparative Totals for 2020
(Dollars in thousands)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenue				
Student services revenue (Note 12)	\$ 161,448	\$ -	\$ 161,448	\$ 179,575
Less: financial aid allowance (Note 12)	(38,028)	-	(38,028)	(41,976)
Net student services revenue	123,420	-	123,420	137,599
State appropriations	150	-	150	185
Investment return appropriated for operations (Note 6)	3,509	14,166	17,675	16,441
Other investment income	192	79	271	2,354
Federal grants and contracts	7,491	-	7,491	3,356
State grants	713	-	713	959
Private gifts and grants	9,588	8,194	17,782	22,109
Pre-college and rental (Note 13)	4,753	-	4,753	4,811
Other sources	1,250	188	1,438	2,042
Net assets released from restrictions	15,868	(15,868)	-	-
Total operating revenue	166,934	6,759	173,693	189,856
Operating expenses (Note 18)				
Instruction	70,907	-	70,907	77,012
Research	5,404	-	5,404	4,774
Public service	236	-	236	407
Academic administration	19,346	-	19,346	20,448
Student services	11,646	-	11,646	12,948
Institutional support	41,266	-	41,266	39,325
Auxiliary enterprises	33,271	-	33,271	40,949
Total operating expenses	182,076	-	182,076	195,863
(Deficiency) excess of operating revenue (under) over operating expenses	(15,142)	6,759	(8,383)	(6,007)
Nonoperating activities				
Investment return in excess of amount appropriated for operations (Note 6)	9,420	78,970	88,390	(17,926)
Contributions for long-term purposes and split-interest agreements	-	14,501	14,501	15,099
Contributions and grants for plant improvements	-	26,003	26,003	4,643
Net assets released from restrictions for plant improvements	10,477	(10,477)	-	-
Changes in value of split-interest agreements	-	3,399	3,399	(964)
Change in value of Swaption	(1,106)	-	(1,106)	-
Other components of net periodic benefit cost (Note 10)	(1,569)	-	(1,569)	(1,489)
Postretirement changes other than net periodic benefit cost (Note 10)	1,441	-	1,441	(1,933)
Total nonoperating activities	18,663	112,396	131,059	(2,570)
Changes in net assets	3,521	119,155	122,676	(8,577)
Net assets - beginning of year	117,779	401,193	518,972	527,549
Net assets - end of year	\$ 121,300	\$ 520,348	\$ 641,648	\$ 518,972

The accompanying notes are an integral part of these financial statements.

Barnard College

STATEMENTS OF CASH FLOWS

For the year ended June 30, 2021, with Summarized Comparative Totals for 2020
(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Changes in net assets	\$ 122,676	\$ (8,577)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Change in value of split-interest agreements	(2,887)	964
Contributions for long-term purposes and split-interest agreements	(13,595)	(14,850)
Contributions and grants for plant improvements	(19,182)	(10,302)
Change in pledges receivable allowance and discount	774	(1,517)
Net (appreciation) depreciation in fair value of investments	(105,047)	1,312
Accretion of asset retirement obligations	196	186
Change in right-of-use assets, operating leases	(2,904)	-
Change in operating lease liabilities	2,946	-
Depreciation expense	10,419	9,898
Depreciation of right-of-use assets, finance lease	1,211	1,210
Amortization expense	(602)	(464)
Changes in operating assets and liabilities:		
Student accounts receivable	(268)	(242)
Grants, bequests, and other receivables	(4,707)	1,434
Pledges receivable	(9,667)	2,078
Other assets	(2,585)	(1,056)
Accounts payable and accrued expenses	2,111	3,497
Deferred revenues	850	(1,518)
Postretirement benefit obligation	1,265	4,325
Finance lease liability	710	535
Net cash used in operating activities	<u>(18,286)</u>	<u>(13,087)</u>
Cash flows from investing activities:		
Purchase of investments	(121,037)	(59,163)
Proceeds from the sale of investments	122,335	66,326
Building renovations and purchase of equipment	(14,105)	(6,088)
Student loans granted	(200)	(158)
Student loans repaid	255	297
Net cash (used in) provided by investing activities	<u>(12,752)</u>	<u>1,214</u>
Cash flows from financing activities:		
Decrease (increase) in funds held by bond trustees	11,156	(32,469)
Payment of principal notes and bond payables	(27,240)	(11,500)
Proceeds from issuance of debt	1,438	57,065
Debt redemption	-	(6,170)
Debt write-off	-	(76)
Increase (decrease) in refundable government loan program	42	(262)
Decrease in liability under split-interest agreements	(512)	(1,205)
Contributions for long-term purposes and split-interest agreements	13,595	14,850
Contributions and grants for plant improvements	19,182	10,302
Net cash provided by financing activities	<u>17,661</u>	<u>30,535</u>
Net change in cash and cash equivalents	(13,377)	18,662
Cash and cash equivalents, beginning of year	<u>47,308</u>	<u>28,646</u>
Cash and cash equivalents, end of year	<u>\$ 33,931</u>	<u>\$ 47,308</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 6,470	\$ 6,458
Capital lease obligation - non-cash	\$ 710	\$ 535
Property, plant and equipment purchases in accounts payable	\$ (742)	\$ (949)

The accompanying notes are an integral part of these financial statements.

Barnard College

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020
(Dollars in thousands)

NOTE 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).

NOTE 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 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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

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.

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 long-term debt obligation.

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 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, is recognized as revenue over the academic terms to which it relates.

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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

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. As of June 30, 2021 and 2020, the College had outstanding conditional pledges of \$19.1 million and \$27.7 million, respectively. During the years ended June 30, 2021 and 2020, the College received new conditional pledges of approximately \$5.0 million and \$7.2 million, respectively. The College has recorded revenue from conditional promises of approximately \$13.6 million and \$8.5 million for the years ended June 30, 2021 and 2020, 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 0.4% to 8.0% at June 30, 2021 and 2020. The College recorded contributions from new split-interest agreements of approximately \$193 thousand and \$35 thousand for the years ended June 30, 2021 and 2020, respectively. These amounts are included in nonoperating contributions in the accompanying statement of activities. The assets held by the College

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

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, the change in value of Swaption, 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 \$7.1 million and \$7.4 million for the years ended June 30, 2021 and 2020, 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

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

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 2021 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses, or changes in net assets as reflected in the 2020 financial statements.

2020 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, 2020, from which the summarized information was derived.

Subsequent Events

The College evaluated subsequent events after the statement of financial position date of June 30, 2021 through October 22, 2021, the date the financial statements were issued.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

Recently Adopted 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 statement 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 (“ROU”) 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 ROU asset. ASU No. 2020-05 was effective for the College for fiscal year ended June 30, 2021. The adoption did not have a material impact on the College’s financial statements (see Note 19).

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 \$15.5 million and \$5.0 million, which would have been included in net student services revenue on the statement of activities for the fiscal years ended June 30, 2021 and 2020, respectively.

During the fiscal years ended June 30, 2021 and 2020, the federal government provided higher education institutions with Higher Education Emergency Relief Funding (“HEERF”), which was allocated under various acts of Congress. The Coronavirus Aid, Relief, and Economic Securities Act (“CARES”) was signed into law on March 27, 2020 and provided the College with total funding of \$1.7 million under HEERF I. The Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) was signed into law on December 27, 2020 and provided the College with total funding of \$2.4 million under HEERF II. The American Rescue Plan (“ARP”) was signed into law on March 11, 2021 and provided the College with total funding of \$4.3 million under HEERF III. Each of these awards has a student aid portion and an institutional portion.

The Department of Education provided required uses of the funds for both the student portion and institutional portion and until the conditions associated with those requirements are satisfied, revenue cannot be recognized, in accordance with ASU 2018-08.

For the years ended June 30, 2021 and 2020, the College has recognized revenue as follows:

	Total Award	Revenue Recognized						Amount Remaining to be Recognized
		Institutional Share		Student Share		TOTAL		
		2021	2020	2021	2020	2021	2020	
HEERF I	\$ 1,713	\$ 856	\$ -	\$ 857	\$ -	\$ 1,713	\$ -	\$ -
HEERF II	\$ 2,395	1,210	-	674	-	1,884	-	511
HEERF III	\$ 4,264	-	-	-	-	-	-	4,264
		<u>\$ 2,066</u>	<u>\$ -</u>	<u>\$ 1,531</u>	<u>\$ -</u>	<u>\$ 3,597</u>	<u>\$ -</u>	<u>\$ 4,775</u>

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

NOTE 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.

At June 30, 2021 and 2020, student notes receivable, net consisted of the following:

	<u>2021</u>	<u>2020</u>
Federal government program	\$ 420	\$ 524
Institutional programs	<u>1,342</u>	<u>1,318</u>
	<u>1,762</u>	<u>1,842</u>
Less: allowance for doubtful accounts		
Beginning of year	(315)	(427)
Increase (decrease) in allowance	<u>(130)</u>	<u>112</u>
End of year	<u>(445)</u>	<u>(315)</u>
Student notes receivable, net	<u>\$ 1,317</u>	<u>\$ 1,527</u>

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 \$0.3 million and \$0.4 million at June 30, 2021 and 2020, respectively, are ultimately refundable to the government and are classified as a liability in the statement of financial position. In the year ended June 30, 2020, the College repaid \$0.2 million of the funds advanced by the federal government. During the current year, no repayments were made. 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, 2021 and 2020, the following amounts were past due under the student loan programs:

	<u>In Default < 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)</u>	<u>In Default > 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)</u>	<u>Total Past Due</u>
2021	\$ 77	\$ 416	\$ 493
2020	<u>\$ 47</u>	<u>\$ 325</u>	<u>\$ 372</u>

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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

NOTE 4 - PLEDGES RECEIVABLE, NET

Pledges receivable at June 30, 2021 and 2020 are as follows:

	2021	2020
Amounts expected to be collected in:		
One year or less	\$ 15,390	\$ 16,347
Two to five years	30,272	26,235
Greater than five years	10,650	3,450
	56,312	46,032
Less:		
Discount to present value (using rate of 0.04% - 3.3%)	(2,075)	(1,410)
Allowance for uncollectible pledges	(1,153)	(1,044)
Pledges receivable, net	\$ 53,084	\$ 43,578

As of June 30, 2021, 45% of gross pledges receivable were due from two donors. As of June 30, 2020, 67% of gross pledges receivable were due from three donors.

NOTE 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.

Investments are held in the following funds:

	2021	2020
Trust and pooled life income funds	\$ 11,613	\$ 9,500
Endowment and designated as endowment funds	460,489	356,579
Total	\$ 472,102	\$ 366,079

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

As of June 30, 2021 and 2020, the College had alternative investments of approximately \$382 million and \$295 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, 2021 and 2020, the College's remaining outstanding commitments to private equity and real estate partnerships/funds approximated \$25.0 million and \$29.0 million, respectively. The private equity partnerships have 1 to 10-year terms remaining for both June 30, 2021 and 2020. As of June 30, 2021 and 2020, the average remaining life of the private equity partnerships was approximately five years.

The following table presents the College's fair value hierarchy for those assets and liabilities measured at fair value at June 30, 2021:

	Fair Value	Level 1	Level 2	Level 3	Investments at NAV
Financial assets:					
Investments:					
Cash and cash equivalents	\$ 22,021	\$ 22,021	\$ -	\$ -	\$ -
Domestic bonds	1,284	-	-	-	1,284
Domestic equity funds:					
Small cap	552	552	-	-	-
Mid cap	468	468	-	-	-
Large cap	27,296	6,522	-	-	20,774
	<u>51,621</u>	<u>29,563</u>	<u>-</u>	<u>-</u>	<u>22,058</u>
International equity funds:					
International equities	92,077	36,019	-	-	56,058
	<u>92,077</u>	<u>36,019</u>	<u>-</u>	<u>-</u>	<u>56,058</u>
Fixed income:					
U.S. Treasuries	24,370	24,370	-	-	-
Domestic bond/Investment grade	54,484	-	-	-	54,484
	<u>78,854</u>	<u>24,370</u>	<u>-</u>	<u>-</u>	<u>54,484</u>
Hedged strategies:					
Credit/event driven	18,657	-	-	-	18,657
Multistrategy	112,593	-	-	-	112,593
	<u>131,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,250</u>
Other types:					
Private equity	118,063	-	-	-	118,063
Real estate	237	-	-	-	237
	<u>118,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,300</u>
Total investments	<u>472,102</u>	<u>89,952</u>	<u>-</u>	<u>-</u>	<u>382,150</u>
Other assets:					
Funds held by bond trustee	35,877	35,877	-	-	-
Trusts and other split-interest agreements held by others	3,700	-	-	3,700	-
Swaption	623	-	623	-	-
Total assets	<u>\$ 512,302</u>	<u>\$ 125,829</u>	<u>\$ 623</u>	<u>\$ 3,700</u>	<u>\$ 382,150</u>
Liabilities:					
Liabilities under split-interest agreements	\$ 4,564	\$ -	\$ -	\$ 4,564	
Total liabilities	<u>\$ 4,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,564</u>	

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(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
	<u>30,029</u>	<u>16,490</u>	<u>-</u>	<u>-</u>	<u>13,539</u>
International equity funds:					
International equities	73,736	29,320	-	-	44,416
	<u>73,736</u>	<u>29,320</u>	<u>-</u>	<u>-</u>	<u>44,416</u>
Fixed income:					
U.S. Treasuries	25,376	25,376	-	-	-
Domestic bond/Investment grade	37,360	-	-	-	37,360
	<u>62,736</u>	<u>25,376</u>	<u>-</u>	<u>-</u>	<u>37,360</u>
Hedged strategies:					
Credit/event driven	15,672	-	-	-	15,672
Multistrategy	90,178	-	-	-	90,178
	<u>105,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,850</u>
Other types:					
Private equity	93,410	-	-	-	93,410
Real estate	318	-	-	-	318
	<u>93,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,728</u>
Total investments	<u><u>366,079</u></u>	<u><u>71,186</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>294,893</u></u>
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	<u><u>\$ 416,199</u></u>	<u><u>\$ 118,219</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,087</u></u>	<u><u>\$ 294,893</u></u>
Liabilities:					
Liabilities under split-interest agreements	\$ 5,076	\$ -	\$ -	\$ 5,076	
Total liabilities	<u><u>\$ 5,076</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,076</u></u>	

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

Liabilities Under Split-Interest Agreements

The following table presents the College's activities for the years ended June 30, 2021 and 2020, respectively, for assets and liabilities classified in Level 3:

	2021	2020
Beginning balance	\$ 5,076	\$ 5,376
New split-interest agreements	117	18
Payments to beneficiaries	(772)	(965)
Terminated split-interest agreements	(372)	(348)
Change in fair value	515	995
Ending balance	\$ 4,564	\$ 5,076

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 statement of financial position.

	2021	2020
Beginning balance	\$ 3,087	\$ 3,146
Terminations	(76)	(103)
Change in fair value	689	44
Ending balance	\$ 3,700	\$ 3,087

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

At June 30, 2021 and 2020, investments valued at NAV are as follows:

Category	Significant Investment Strategy	NAV in Funds	Number of Funds	2021		Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
				Life of Funds				
Hedged strategies	Credit/event driven	\$ 18,657	1	N/A		\$ -	Semi-annually/ 90 days' notice	Illiquid side pocket (\$4,171)
Hedged strategies	Multistrategy	112,593	1	N/A		-	Quarterly/ 90 days' notice	N/A
Fixed income	Domestic bond/ Investment grade	54,484	4	N/A		-	Daily and Monthly/30 days' notice	N/A
Equities	Large cap	20,774	2	N/A		-	Daily and Monthly/30 days' notice	N/A
Equities	International equities	56,058	7	N/A		-	Daily/0-30 days' notice, Weekly/ 7 days' notice, and Monthly/ 5-30 days' notice	N/A
Other	Private equity	118,063	21	Up to 12/31/29		23,872	Daily/2 days' notice (1 fund), Annual/180 days' notice (1 fund) and N/A	Illiquid
Other	Real estate	237	2	Up to 12/31/21		1,134	N/A	Illiquid
Other	Domestic bonds	1,284	5	Up to 2/28/30		-	Daily	N/A
Total		\$ 382,150	43			\$ 25,006		

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

2020							
Category	Significant Investment Strategy	NAV in Funds	Number 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/ Investment grade	37,360	4	N/A	-	Daily and Monthly/30 days' notice	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 bonds	1,397	5	Up to 6/21/17	-	Daily	N/A
Total		<u>\$ 294,893</u>	<u>49</u>		<u>\$ 29,009</u>		

NOTE 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

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

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.

Endowment and quasi-endowment funds consisted of the following at June 30, 2021 and 2020, excluding split-interest agreements and pledges of approximately \$5.3 million and \$3.7 million, respectively:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Fiscal year 2021:			
Donor restricted	\$ -	\$ 404,868	\$ 404,868
Board designated	55,621	-	55,621
	<u>\$ 55,621</u>	<u>\$ 404,868</u>	<u>\$ 460,489</u>
Total			
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Fiscal year 2020:			
Donor restricted	\$ -	\$ 310,424	\$ 310,424
Board designated	46,155	-	46,155
	<u>\$ 46,155</u>	<u>\$ 310,424</u>	<u>\$ 356,579</u>
Total			

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

Changes in the endowment funds for the fiscal years ended June 30, 2021 and 2020 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at June 30, 2020	\$ 46,155	\$ 310,424	\$ 356,579
Investment return, net	12,929	93,136	106,065
Contributions	46	15,474	15,520
Appropriation for expenditure	<u>(3,509)</u>	<u>(14,166)</u>	<u>(17,675)</u>
Balance at June 30, 2021	<u>\$ 55,621</u>	<u>\$ 404,868</u>	<u>\$ 460,489</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	<u>(2,156)</u>	<u>(14,285)</u>	<u>(16,441)</u>
Balance at June 30, 2020	<u>\$ 46,155</u>	<u>\$ 310,424</u>	<u>\$ 356,579</u>

For the years ended June 30, 2021 and 2020, investment expenses of approximately \$1.7 million and \$2.2 million, respectively, were netted against investment return.

NOTE 7 - PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment, net consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,234	\$ 1,234
Buildings and building improvements	420,768	414,283
Furniture, fixtures, and equipment	35,122	33,782
Construction in progress	<u>12,042</u>	<u>5,258</u>
	469,166	454,557
Less accumulated depreciation	<u>(193,944)</u>	<u>(183,763)</u>
Total	<u>\$ 275,222</u>	<u>\$ 270,794</u>

Depreciation expense was approximately \$10.4 million and \$9.9 million for the years ended June 30, 2021 and 2020, respectively.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

NOTE 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, 2021 and 2020, the obligation amounted to approximately \$3.3 million and \$3.1 million, respectively.

NOTE 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.

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, 2021 and 2020 was \$9.0 million and \$9.3 million, respectively.

NOTE 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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

The following tables identify the accumulated postretirement medical benefit obligation, the postretirement benefit obligation recognized in the accompanying statement of financial position, the net periodic postretirement medical benefit cost recognized in the accompanying statement of activities, and the related assumptions:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 32,681	\$ 28,356
Service cost	1,590	1,377
Interest cost	966	1,048
Plan participants' contributions	19	5
Special termination benefit	-	16
Actuarial (gain) loss	(838)	2,359
Benefits paid	<u>(472)</u>	<u>(480)</u>
Postretirement benefit obligation, end of year	<u>\$ 33,946</u>	<u>\$ 32,681</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ -	\$ -
Employer contributions	453	475
Plan participants' contributions	19	5
Benefits paid	<u>(472)</u>	<u>(480)</u>
Fair value of plan assets, end of year	<u>\$ -</u>	<u>\$ -</u>

Net periodic benefit cost reported as operating expense for the years ended June 30, 2021 and 2020 included the following components:

	<u>2021</u>	<u>2020</u>
Service cost	\$ 1,590	\$ 1,377
Interest cost	966	1,048
Amortization of prior year cost	96	97
Recognized actuarial loss	507	329
Recognition of special termination benefit	<u>-</u>	<u>16</u>
Net periodic postretirement medical benefit cost	<u>\$ 3,159</u>	<u>\$ 2,867</u>

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

Postretirement cost other than net periodic benefit cost for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Postretirement cost other than net periodic benefit cost	\$ (1,441)	\$ 1,933
Weighted-average discount rate used to determine benefit obligations at June 30,	3.00%	3.00%
Weighted-average discount rate used to determine net period benefit cost for the fiscal year ended June 30,	3.00%	3.75%
	<u>Union / Nonunion</u>	<u>Union / Nonunion</u>
Assumed healthcare cost trend rates:		
Healthcare cost trend rate	6.25%/6.25%	6.5%/6.5%
Healthcare cost trend assume to decline	4.50%/4.50%	4.5%/4.5%
Ultimate trend rate achieved	2029	2029

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

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total service and interest cost component	\$ 362	\$ (293)
Effect on postretirement benefit obligation	3,545	(2,934)

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

	<u>2021</u>	<u>2020</u>
Net actuarial loss	\$ 6,775	\$ 8,120
Prior service credit	374	471
Total	<u>\$ 7,149</u>	<u>\$ 8,591</u>

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, 2022 through June 30, 2031, the College expects to make contributions to and benefit payments from the plans, net of Medicare subsidy, as follows:

2022	\$ 1,113
2023	1,241
2024	1,404
2025	1,477
2026	1,580
2027 through 2031	9,821

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

NOTE 11 - SHORT-TERM DEBT OBLIGATIONS

The College has one unsecured revolving line of credit agreement with JPMorgan Chase for \$30.0 million. As of June 30, 2021 and 2020, the College had outstanding borrowings of \$0.0 million and \$10.0 million, respectively. Amounts borrowed under this facility bear interest based at LIBOR plus 70 basis points. The interest rate charged on the outstanding borrowing at June 30, 2020 was 2.4%. This line of credit is set to expire on May 30, 2022.

As of June 30, 2021, the College had an unsecured credit facility for \$5.0 million with RBS Citizens, with no outstanding borrowing. Amounts borrowed under this facility bear interest based on LIBOR plus 175 basis points. This line of credit is set to expire on March 31, 2022.

NOTE 12 - LONG-TERM DEBT OBLIGATIONS

Long-term debt obligations consist of the following:

	2021	2020
Dormitory Authority of the State of New York, Barnard College Revenue Bonds, Series 2008. Interest at variable rates, due serially to 2023	\$ 1,690	\$ 2,520
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	98,725	102,185
Dormitory Authority of the State of New York, Series 2015B. Interest at variable rates, due in 2046	11,250	24,200
Dormitory Authority of the State of New York, Series 2020A. Interest at 4%, due serially to 2049	40,555	40,555
Dormitory Authority of the State of New York, Series 2020B. Interest at variable rates, due in 2049	2,036	-
Total	154,256	169,460
Add: unamortized bond premium	19,280	20,021
Less: unamortized bond issuance costs	(2,505)	(2,046)
Total long-term obligations	\$ 171,031	\$ 187,435

On July 11, 2007, the College entered into a 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

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

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 1.9% and 3.0% in fiscal years 2021 and 2020, 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 multipurpose 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, 2021 and 2020, \$11.3 million and \$24.2 million, respectively, of the DASNY 2015B Bonds were outstanding. The average interest rate on the DASNY 2015B Bonds were approximately 1.0% and 2.1% for fiscal years 2021 and 2020, 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, 2021 and 2020.

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 2007A 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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

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 \$35.9 million and \$47.0 million at June 30, 2021 and 2020, respectively, were held in cash and U.S. governmental securities and are included in funds held by bond trustee in the accompanying statement 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, 2021 and 2020 were approximately \$2.5 million and \$2.0 million, respectively, and are included as an offset to the carrying value of the debt to which it relates in the accompanying statement 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, 2021 and 2020 was \$0.6 million and \$0.5 million, respectively.

On March 23, 2021, the College executed a two-year forward swaption with the Royal Bank of Canada as its counterparty. The notional amount of the swaption is \$35,357,500 with an effective date of April 1, 2023. The strike price is 2.065%. The swaption was priced at \$1.7 million and is reflected on the College's statement of financial position at the market value of \$0.6 million as of June 30, 2021. The swaption was executed to limit the College's interest rate exposure as it plans for potentially new debt in 2023. The College has no obligation to issue new debt under this swaption. The swaption only serves to protect the College should it wish to issue new debt.

Projected debt service payments on the long-term obligations as of June 30, 2021, for five years subsequent to June 30, 2021 and thereafter, are as follows:

<u>Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,505	\$ 6,584	\$ 11,089
2023	4,645	6,386	11,031
2024	5,175	6,194	11,369
2025	5,465	5,948	11,413
2026	5,725	5,687	11,412
Thereafter	128,741	63,175	191,916
	<u>\$ 154,256</u>	<u>\$ 93,974</u>	<u>\$ 248,230</u>

Interest payments included in the above chart for the DASNY 2008 Bonds, DASNY 2015B Bonds, and DASNY 2020B Bonds were calculated on the basis of an assumed interest rate of 2% to 4% per annum and will be held for duration.

Interest expense for the years ended June 30, 2021 and 2020 amounted to approximately \$8.9 million and \$8.5 million, respectively.

NOTE 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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

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

<u>For the Year Ended June 30, 2021:</u>	<u>Tuition and Fees</u>	<u>Housing</u>	<u>Meals</u>	<u>Health Services</u>	<u>Total</u>
Student services revenue	\$ 151,969	\$ 4,439	\$ 1,973	\$ 3,067	\$ 161,448
Less: financial aid allowance	<u>(35,795)</u>	<u>(1,046)</u>	<u>(465)</u>	<u>(722)</u>	<u>(38,028)</u>
Net student services revenue	<u>\$ 116,174</u>	<u>\$ 3,393</u>	<u>\$ 1,508</u>	<u>\$ 2,345</u>	<u>\$ 123,420</u>
<u>For the Year Ended June 30, 2020:</u>	<u>Tuition and Fees</u>	<u>Housing</u>	<u>Meals</u>	<u>Health Services</u>	<u>Total</u>
Student services revenue	\$ 148,423	\$ 20,072	\$ 8,182	\$ 2,898	\$ 179,575
Less: financial aid allowance	<u>(34,694)</u>	<u>(4,692)</u>	<u>(1,913)</u>	<u>(677)</u>	<u>(41,976)</u>
Net student services revenue	<u>\$ 113,729</u>	<u>\$ 15,380</u>	<u>\$ 6,269</u>	<u>\$ 2,221</u>	<u>\$ 137,599</u>

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, 2021 and 2020 was \$2.0 million and \$1.7 million, respectively, and represents the College's performance obligation to transfer future enrollment and instructional services to students. For the years ended June 30, 2021 and 2020, the College recognized revenue of \$1.1 million and \$0.8 million, respectively, from amounts that were included in deferred revenues at the beginning of the years. 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.

NOTE 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.

The following is a summary of revenues by category:

	<u>2021</u>	<u>2020</u>
Rental revenue	\$ 3,977	\$ 3,234
Pre-college program revenue	<u>776</u>	<u>1,577</u>
	<u>\$ 4,753</u>	<u>\$ 4,811</u>

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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

NOTE 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 statement of activities include expenses in the amount of approximately \$6.0 million and \$6.9 million for the years ended June 30, 2021 and 2020, respectively, for services provided under the terms of the agreement.

NOTE 16 - NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30, 2021 and 2020:

	2021	2020
Instruction, research, and library	\$ 232,862	\$ 205,976
Financial aid	234,950	159,041
Plant improvements	48,358	32,212
Gifts to be designated	4,178	3,964
	\$ 520,348	\$ 401,193

As of June 30, 2021 and 2020, net assets in perpetuity was approximately \$235,865 and \$219,633, respectively, which consisted of endowment corpus and pledges.

NOTE 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.

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.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

As of June 30, 2021 and 2020, 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:	2021	2020
Cash and cash equivalents	\$ 33,931	\$ 47,308
Student accounts receivable, net	650	382
Student notes receivable, net	1,317	1,527
Grants, bequests, and other receivables	7,097	2,390
Pledges receivable, net	53,084	43,578
Investments	472,102	366,079
Funds held by bond trustee	35,877	47,033
	<u>\$ 604,058</u>	<u>\$ 508,297</u>

**Financial Assets and Liquidity Resources Available to Meet
General Expenditures Over the Next 12 Months:**

	2021	2020
Financial Assets:		
Cash and cash equivalents	\$ 33,931	\$ 47,308
Student accounts receivable, net	650	382
Grants, bequests, and other receivables	7,097	2,390
Pledges receivable, net	15,390	16,347
Payout on donor-restricted endowment for use over the next 12 months	15,157	15,283
Payout on quasi-endowments for use over the next 12 months	3,755	2,392
Investments not encumbered by donor restrictions but require board approval	51,866	43,763
	<u>127,846</u>	<u>127,865</u>
Liquidity Resources:		
Line of credit available	35,000	25,000
	<u>\$ 162,846</u>	<u>\$ 152,865</u>

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**June 30, 2021 and 2020
(Dollars in thousands)**

NOTE 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, 2021:

	2021								2020 Summarized Totals	
	Instruction	Research	Public Service	Academic Administration	Student Services	Institutional Support	Operations and Maintenance	Auxiliary Enterprises		Total
Salaries	\$ 39,150	\$ 1,553	\$ 154	\$ 7,242	\$ 6,832	\$ 18,575	\$ 11,949	\$ 3,330	\$ 88,785	\$ 93,388
Benefits	15,309	392	66	2,568	2,600	9,060	4,341	1,156	35,492	32,706
Total compensation	54,459	1,945	220	9,810	9,432	27,635	16,290	4,486	124,277	126,094
Direct facilities expenses	4,365	911	-	2,331	524	1,109	(23,119)	13,879	-	1,479
Depreciation and accretion	2,909	489	-	2,581	325	801	-	4,721	11,826	11,292
Interest	1,500	174	-	2,753	876	337	-	3,267	8,907	8,543
Utilities	-	-	-	-	-	-	2,553	-	2,553	3,054
Payment to Columbia University	5,997	-	-	-	-	-	-	-	5,997	6,891
Study abroad	34	-	-	-	-	-	-	-	34	3,521
Food services	-	-	-	-	-	-	-	2,894	2,894	8,290
Supplies, services and other	1,643	1,885	16	1,871	489	11,384	4,276	4,024	25,588	26,699
2021 Total	\$ 70,907	\$ 5,404	\$ 236	\$ 19,346	\$ 11,646	\$ 41,266	\$ -	\$ 33,271	\$ 182,076	\$ 195,863
2020 Total	\$ 77,012	\$ 4,774	\$ 407	\$ 20,448	\$ 12,948	\$ 39,325	\$ -	\$ 40,949	\$ 195,863	

NOTE 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.

At the end of fiscal year 2020, the College leased a building under a lease classified as the College's only capital lease.

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

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, 2021 are as follows:

Year Ending June 30:

2022	\$	1,756
2023		1,818
2024		1,881
2025		1,947
2026		2,015
Thereafter		<u>119,587</u>
Total minimum lease payments		129,004
Less: amount representing interest		<u>(80,553)</u>
Finance lease liability at year end	\$	<u><u>48,451</u></u>

Supplemental balance sheet information related to financial lease at June 30, 2021:

ROU asset	\$	47,205
Accumulated amortization		<u>(2,420)</u>
	\$	<u><u>44,785</u></u>

The College assesses contracts at inception to determine whether an arrangement includes a lease, which conveys the College's right to control the use of an identified asset for a period of time in exchange for consideration. The College has several non-cancellable operating leases for building space used for student housing and administration, and equipment, for which ROU assets and lease liabilities are recorded in the accompanying fiscal year 2021 statement of financial position. The College measures its lease assets and liabilities using the risk-free rate of return selected based on the term lease. The College considered the likelihood of exercising renewal or termination terms in measuring the ROU assets and liabilities. The College has included renewal periods in its assessment of lease terms when provided for in the lease. The College's lease payments are based on fixed payments. There are no variable or short-term leases. The leases contain no termination options or residual value guarantee.

Supplemental balance sheet information related to operating leases at June 30, 2021:

ROU asset	\$	5,022
Accumulated amortization		<u>(2,118)</u>
	\$	<u><u>2,904</u></u>

Weighted-average remaining lease term:	3.6 years
Weighted-average discount rate:	2.25%

Barnard College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020
(Dollars in thousands)

Year Ending June 30:

2022	\$	1,813
2023		361
2024		162
2025		162
2026		162
Thereafter		<u>433</u>
Total lease obligation, gross		3,093
Less: amounts representing interest rates from 1.79% to 2.81%		<u>(147)</u>
Total lease liability		<u><u>\$ 2,946</u></u>

Rental expense for the years ended June 30, 2021 and 2020 totaled approximately \$3.0 million and \$2.2 million, respectively. During the current year, there were no new lease agreements.

The components of lease cost for the year ended June 30, 2021 are as follows:

Operating lease cost	\$	2,196
Finance lease cost		
Amortization of ROU assets		1,210
Interest on lease liabilities		<u>2,407</u>
Total lease cost	\$	<u><u>5,813</u></u>

Supplemental cash flow information related to leases for the year ended June 30, 2021 is as follows:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$	2,204
Operating cash flows from finance lease		1,697