

BROOKLYN COLLEGE AUXILIARY
ENTERPRISE CORPORATION
Financial Statements and
Supplementary Information
June 30, 2016 and 2015
(With Independent Auditors' Report Thereon)

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Brooklyn College Auxiliary Enterprise Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Brooklyn College Auxiliary Enterprise Corporation (the Auxiliary) as of and for the years ended June 30, 2016 and 2015, and the related notes to financial statements, which collectively comprise the Auxiliary's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Brooklyn College Auxiliary Enterprise Corporation as of June 30, 2016 and 2015, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Williamsville, New York
October 5, 2016

Toski & Co., CPAs, P.C.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management's Discussion and Analysis

June 30, 2016 and 2015

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of the Brooklyn College Auxiliary Enterprise Corporation's (the Auxiliary) financial position as of June 30, 2016, and changes in its net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Auxiliary's net position increased by \$264,514 or 23%. This variance is mainly due to income from operations.
- Operating revenue decreased by \$78,827 or 8%. This variance is a result of the reduction in facility rentals revenue.
- Operating expenses increased by \$29,776 or 5%. This variance is a result of the additional residence hall security expense.

Financial Position

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

Statements of Net Position

The following summarizes the Auxiliary's assets, liabilities, and net position as of June 30, 2016 and 2015, under the accrual basis of accounting:

	<u>2016</u>	<u>2015</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets	\$ <u>1,502,826</u>	<u>1,191,667</u>	<u>311,159</u>	26%
Liabilities	\$ <u>92,247</u>	<u>45,602</u>	<u>46,645</u>	102%
Net position	\$ <u>1,410,579</u>	<u>1,146,065</u>	<u>264,514</u>	23%

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION
Management's Discussion and Analysis, Continued

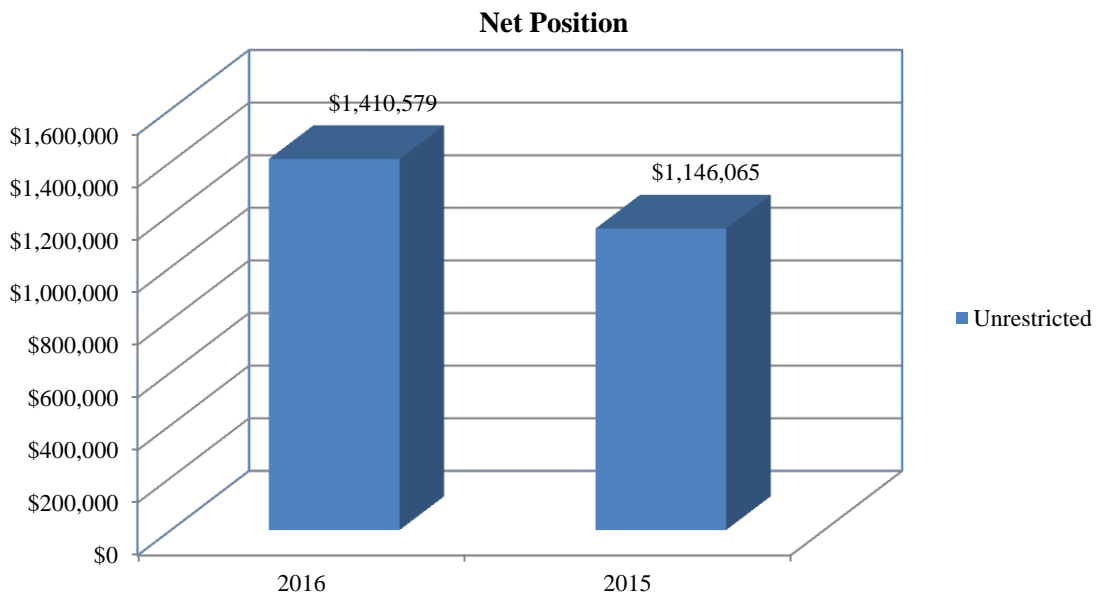
At June 30, 2016, the Auxiliary's total net position increased by \$264,514 or 23%, compared to the previous year.

At June 30, 2016, the Auxiliary's assets increased by \$311,159 or 26%, compared to the previous year. This variance is a result of an increase in cash due to operating revenue exceeding operating expenses of net position plus accruals for services completed, such as repairs parts for cooling system and catering for staff appreciation day in fiscal year 2016 that have not been disbursed.

At June 30, 2016, the Auxiliary's total current liabilities increased by \$46,645 or 102%, compared to the previous year. This variance resulted primarily from accrued expenses for facility projects and a food vendor's invoice in fiscal year 2016.

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

The following illustrates the Auxiliary's net position at June 30, 2016 and 2015 by category:



BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management's Discussion and Analysis, Continued

Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Auxiliary, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2016 and 2015, are as follows:

Revenue

	<u>2016</u>	<u>2015</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Bookstore commissions	\$ 116,138	124,167	(8,029)	(6%)
Cafeteria and vending commissions	189,454	178,388	11,066	6%
Parking fees	220,929	212,845	8,084	4%
Facility rentals	248,501	330,820	(82,319)	(25%)
Royalty	102,191	112,740	(10,549)	(9%)
ATM revenue	11,400	8,550	2,850	33%
Other	<u>100</u>	<u>30</u>	<u>70</u>	233%
Total operating revenue	888,713	967,540	(78,827)	(8%)
Nonoperating revenue:				
Interest income	2,672	1,974	698	35%
Contributions	<u>100,000</u>	<u>102,500</u>	<u>(2,500)</u>	(2%)
Total revenue	\$ <u>991,385</u>	<u>1,072,014</u>	<u>(80,629)</u>	(8%)

The Auxiliary's total revenue for the year ended June 30, 2016 amounted to \$991,385, a decrease of \$80,629 or 8%, compared to the previous year. The major component of this variance was due to a decrease in facility rentals revenue.

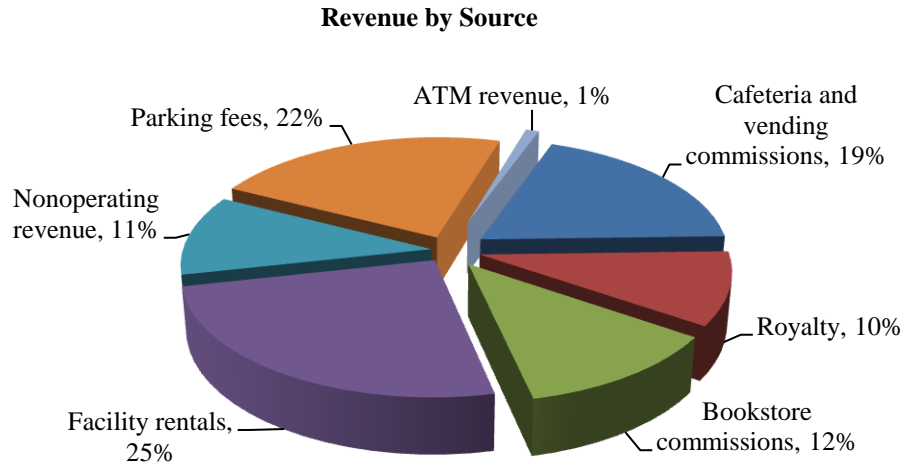
For the year ended June 30, 2016, cafeteria and vending commissions, parking fees and facility rentals represented 19%, 22% and 25% of total revenue, respectively. Accordingly, the Auxiliary is dependent upon this level of operational support.

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

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management’s Discussion and Analysis, Continued

The following illustrates the Auxiliary’s revenue, by source, for the year ended June 30, 2016:



Expenses

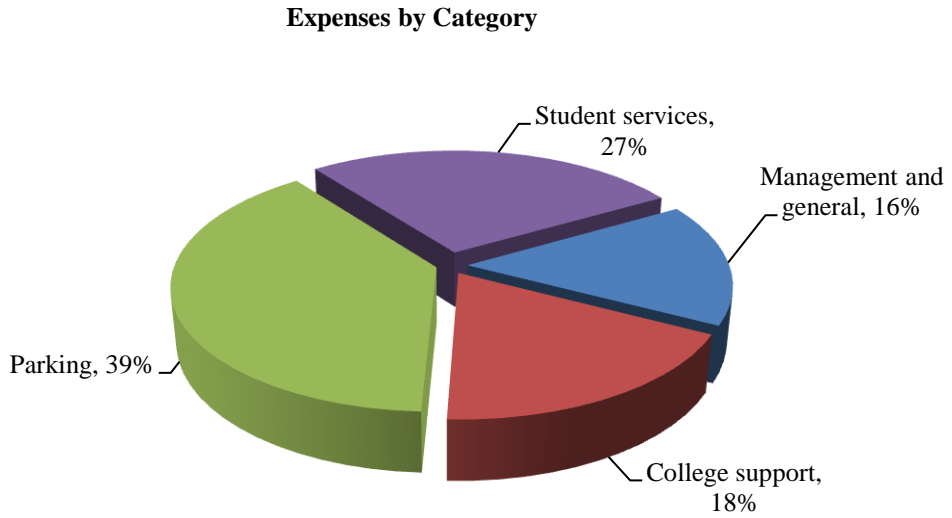
	<u>2016</u>	<u>2015</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Parking	\$ 285,276	290,570	(5,294)	(2%)
Student services	196,787	161,934	34,853	22%
Management and general	<u>112,525</u>	<u>112,308</u>	<u>217</u>	1%
Total operating expenses	594,588	564,812	29,776	5%
Nonoperating expenses - College support	<u>132,283</u>	<u>81,132</u>	<u>51,151</u>	63%
Total expenses	\$ <u>726,871</u>	<u>645,944</u>	<u>80,927</u>	13%

Total expenses for the year ended June 30, 2016 were \$726,871, an increase of \$80,927 or 13%, compared to the previous year. This variance was due to an increase in College support and student services.

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

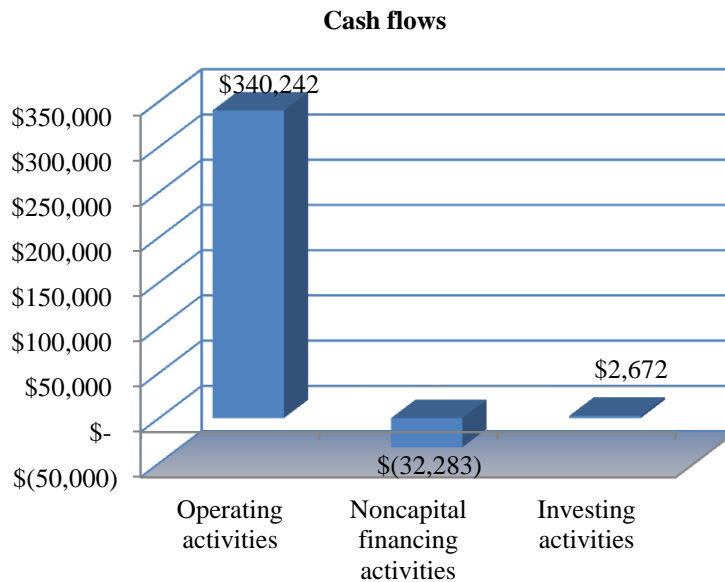
BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION
Management's Discussion and Analysis, Continued

The following illustrates the Auxiliary's expenses, by category, for the year ended June 30, 2016:



Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Auxiliary's ability to generate net cash flows, meet its obligations upon maturity, and its dependency on external financing. The following summarizes the Auxiliary's cash flows for the year ended June 30, 2016:



BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management's Discussion and Analysis, Continued

Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, with the exception of student enrollment, which directly relates to the amount of revenue earned, as well as related expenses incurred.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION
 Statements of Net Position
 June 30, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and equivalents	\$ 1,366,922	1,056,291
Commissions receivable	46,872	48,091
Accounts receivable - other	82,842	80,938
Prepaid expenses and other assets	6,190	6,347
Total assets	1,502,826	1,191,667
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	80,997	34,352
Unearned revenue	11,250	11,250
Total current liabilities	92,247	45,602
<u>Net Position</u>		
Unrestricted	\$ 1,410,579	1,146,065

See accompanying notes to financial statements.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenue:		
Commissions:		
Bookstore	\$ 116,138	124,167
Cafeteria and vending	189,454	178,388
Parking fees	220,929	212,845
Facility rentals	248,501	330,820
Royalty	102,191	112,740
ATM revenue	11,400	8,550
Other	<u>100</u>	<u>30</u>
Total operating revenue	<u>888,713</u>	<u>967,540</u>
Operating expenses:		
Parking	285,276	290,570
Student services	196,787	161,934
Management and general	<u>112,525</u>	<u>112,308</u>
Total operating expenses	<u>594,588</u>	<u>564,812</u>
Income from operations	<u>294,125</u>	<u>402,728</u>
Nonoperating revenue (expenses):		
Interest income	2,672	1,974
Contributions	100,000	102,500
College support:		
College activities	(69,772)	(56,726)
Facilities construction	(51,655)	(15,250)
Orientation project	(9,866)	-
Technology project	-	(7,800)
Other	<u>(990)</u>	<u>(1,356)</u>
Total nonoperating revenue (expenses), net	<u>(29,611)</u>	<u>23,342</u>
Increase in net position	264,514	426,070
Net position at beginning of year	<u>1,146,065</u>	<u>719,995</u>
Net position at end of year	<u>\$ 1,410,579</u>	<u>1,146,065</u>

See accompanying notes to financial statements.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Statements of Cash Flows

Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash receipts from:		
Bookstore commissions	\$ 114,249	125,973
Cafeteria and vending commissions	192,562	138,753
Parking fees	220,929	212,845
Facility rentals	246,597	317,460
Royalty	102,191	112,740
ATM revenue	11,400	8,550
Other	100	30
Cash payments to/for:		
Employees' salaries and benefits	(275,359)	(283,697)
Vendors	(159,902)	(152,071)
Dues and fees	(110,635)	(110,485)
Other	<u>(1,890)</u>	<u>(1,823)</u>
Net cash provided by operating activities	<u>340,242</u>	<u>368,275</u>
Cash flows from noncapital financing activities:		
Contributions	100,000	102,500
College support	(132,283)	(81,132)
Accounts receivable - other	<u>-</u>	<u>103,321</u>
Net cash provided by (used in) noncapital financing activities	<u>(32,283)</u>	<u>124,689</u>
Cash flows from investing activities - interest income	<u>2,672</u>	<u>1,974</u>
Net increase in cash and equivalents	310,631	494,938
Cash and equivalents at beginning of the year	<u>1,056,291</u>	<u>561,353</u>
Cash and equivalents at end of the year	<u>\$ 1,366,922</u>	<u>1,056,291</u>

(Continued)

See accompanying notes to financial statements.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION
Statements of Cash Flows, Continued

	<u>2016</u>	<u>2015</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 294,125	402,728
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Changes in:		
Commissions receivable	1,219	(37,829)
Accounts receivable - other	(1,904)	(11,154)
Prepaid expenses and other assets	157	289
Accounts payable and accrued expenses	46,645	16,447
Unearned revenue	<u>-</u>	<u>(2,206)</u>
Net cash provided by operating activities	<u>\$ 340,242</u>	<u>368,275</u>

See accompanying notes to financial statements.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Organization

The Brooklyn College Auxiliary Enterprise Corporation (the Auxiliary) is a not-for-profit organization created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of Brooklyn College (the College) of the City University of New York (CUNY or the University).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

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

(b) Accounting Pronouncements

The significant GASB standards followed by the Auxiliary are summarized below:

- GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement amends the net asset reporting requirements in Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.
- GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities." This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities.
- GASB Statement No. 72 - "Fair Value Measurement and Application" provides guidance regarding accounting and financial reporting related to fair value measures of certain investments. The requirements of this Statement are effective for periods beginning after June 15, 2015. For the Auxiliary, this Statement became effective for the fiscal year beginning July 1, 2015.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(b) Accounting Pronouncements, Continued

- GASB Statement No. 79 - "Certain External Investment Pools and Pool Participants." This Statement, issued in December 2015, addresses the accounting and financial reporting for certain external investment pools and pool participants. It establishes the criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The provisions of this Statement are effective for financial statements for years beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk and shadow pricing. For the Auxiliary, this Statement became effective for the fiscal year beginning July 1, 2015.

(c) Net Position

The Auxiliary is required to report information regarding its financial position and activities according to three classes of net position:

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

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

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

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

The Auxiliary had only unrestricted net position in 2016 and 2015.

(d) Cash and Equivalents

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

(e) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Revenue Recognition

Revenue is recognized in the period earned and is primarily derived from agreements with certain third-party organizations to provide the College with bookstore and cafeteria services, as well as other food services and fees charged for the use of parking facilities.

Revenue collected prior to year end, if any, relating to the summer and fall semesters of the subsequent year, are recorded as unearned revenue.

(g) Commissions

Bookstore commissions represent income earned under a contract with a third-party vendor, who operates and maintains the campus bookstore. The terms of the contract provide the Auxiliary with annual commissions equal to the greater of a fixed amount or an amount based on a percentage of sales. The contract expired on June 30, 2012. This agreement was extended during August 2012 for a one year period expiring on June 30, 2013. The contract was renewed for a three year term and expired on June 30, 2016. Total bookstore commissions earned during the years ended June 30, 2016 and 2015 amounted to \$116,138 and \$124,167, respectively.

Cafeteria and vending commissions represent income earned under a contract with a third-party vendor for the sale of food and nonalcoholic beverages on the College's premises. The terms of the contract provide the Auxiliary with annual commissions based on a percentage of sales. During May 2013, this contract was extended for a one year period expiring May 10, 2014. The contract was renewed for a five year term commencing on July 8, 2014 and expiring on July 7, 2019. Total cafeteria and vending commissions earned during the years ended June 30, 2016 and 2015 amounted to \$189,454 and \$178,388, respectively.

(h) Donated Space and Services

The Auxiliary operates on the campus of the College and utilizes office space and certain services made available to it. The cost savings associated with any such arrangements are not reflected in the accompanying financial statements because neither the Auxiliary nor the College have a clearly measurable and objective basis for determining such values.

(i) Royalty Income

As of July 1, 2013, the University entered into a ten-year CUNY-wide pouring rights contract with Pepsi-Cola Bottling Company of New York, Inc. regarding the supply and distribution of certain beverages for consumption at the University. This contract replaces all previous pouring rights contracts, whether with Coke or Pepsi, and including those with college auxiliary enterprise corporations.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Functional Expenses

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

(k) Use of Estimates

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

(l) Subsequent Events

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

(m) Income Taxes

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

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Auxiliary's deposits may not be returned in the event of a bank failure. At June 30, 2016, \$1,133,855 of the Auxiliary's bank balance of \$1,383,855 was exposed to custodial credit risk as it was uninsured and uncollateralized.

(4) Unrestricted Net Position Designated by the Board

During 1993, the Auxiliary received a reimbursement of approximately \$130,000 from the Dormitory Authority of the State of New York for expenses relating to dining facilities made in prior years. The Board of Directors of the Auxiliary agreed to set aside this reimbursement to be used at the discretion of the President of the College to support student-centered operations, such as the dining facilities. During the years ended June 30, 2016 and 2015, the Auxiliary did not incur any related expenses, and, accordingly, unrestricted net position at June 30, 2016 and 2015 include approximately \$132,283 and \$81,132, respectively, designated by the Board of the Auxiliary to support student-centered operations.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(4) Unrestricted Net Position Designated by the Board, Continued

Additionally, unrestricted net position at June 30, 2016 and 2015 include approximately \$10,055 and \$7,056, respectively, designated by the Board to fund costs related to the operation and maintenance of the parking lots on the premises of the College, as required by action of the Board of Trustees of CUNY.

(5) Accounts Receivable - Other

On June 30, 2016 and 2015 accounts receivable - other included funds in the amount of \$68,984 that will be provided to the College for storm damage sustained during October 2012 which is expected to be reimbursed by FEMA.

(6) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 77 - "Tax Abatement Disclosures," is intended to improve financial reporting by providing users with information regarding the nature and magnitude of tax abatements, which is currently not required to be reported. The requirements of this Statement are effective for periods beginning after December 15, 2015, which is the fiscal year beginning July 1, 2016 for the Auxiliary. This Statement is not expected to have an effect on the financial statements of the Auxiliary.

GASB Statement No. 78 - "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans." This Statement, issued in December 2015 amends GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The provisions of this Statement are effective for financial statements for years beginning after December 15, 2015, which is the fiscal year beginning July 1, 2016 for the Auxiliary. This Statement is not expected to have an effect on the financial statements of the Auxiliary.

GASB Statement No. 80 - "Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14." This Statement, issued in January 2016, amends the blending requirements for the financial statement presentation of component units of all state and local governments. It requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The provisions of this Statement are effective for financial statements for years beginning after June 15, 2016, which is the fiscal year beginning July 1, 2016 for the Auxiliary. This Statement is not expected to have an effect on the financial statements of the Auxiliary.

BROOKLYN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

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

GASB Statement No. 81 - "Irrevocable Split-Interest Agreements." This Statement, issued in March 2016, establishes accounting and reporting standards for irrevocable split-interest agreements with characteristics that are equivalent to irrevocable split-interest agreements in which a donor irrevocably transfers resources to an intermediary who administers these resources for the unconditional benefit of a government and at least one other beneficiary. The provisions of this Statement are effective for financial statements for years beginning after December 15, 2016. For the Auxiliary, this Statement becomes effective for the fiscal year beginning July 1, 2017. This Statement is not expected to have an effect on the financial statements of the Auxiliary.

GASB Statement No. 82 - "Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73." This Statement, issued in March 2016, addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, which is the fiscal year beginning July 1, 2016 for the Auxiliary, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017, which is the fiscal year beginning July 1, 2017 for the Auxiliary. This Statement is not expected to have an effect on the financial statements of the Auxiliary.