## OFFICE OF FINANCE AND ADMINISTRATION

Date: October 27, 2020

RE: FY 2020 Financial Results

The University's key financial highlights for FY 2020 are summarized below.

Statement of Financial Position (comparing 6/30/2020 to 6/30/2019)

Total assets declined to $250.6 million representing a $2.1 million decrease. This change is mainly due to:

- Cash and cash equivalents increased by $5.4 million due to conscious preservation of cash to enhance liquidity
- Investment in plant decreased by $5.0 million mainly due to depreciation expense exceeding capital expenditure activity
- Accounts and pledges receivable, net decreased by approximately $0.9 million due to improved collections effort
- Prepaid expenses and other assets decreased by $0.8 million

Total liabilities increased to approximately $123.5 million representing a $0.1 million increase. This change is mainly due to:

- Accounts payable and accrued expenses increased by approximately $1.4 million as a result of accrued salaries and wages and FICA employer tax
- Bonds and capital leases payable decreased by $1.3 million as a result of principal payments coupled with the amortization of bond issuance costs

Total net assets declined to $127.1 million representing a $2.2 million increase. This change is due to:

- Net operating deficit of approximately $0.6 million
- Non-operating activity of $1.6 million (negative investment return net of endowment spending)

Statement of Activities (comparing 6/30/2020 to 6/30/2019)

Total net operating performance resulted in a net operating deficit of approximately $0.6 million.

Total operating revenues and other support increased by approximately $1.2 million. The change is mainly due to:

- Federal, state and private grants (HEERF)
- Student-related revenues (tuition and fees, net increase offset by decrease in residence and dining)

Total operating expenses increased by approximately $1.2 million.  The change is mainly due to:

- Costs associated with instruction - $1.0 million decrease
- Costs associated with student aid (HEERF) - $1.3 million decrease
- Costs associated with management and general - $1.0 million increase

Nonoperating activity increased by $1.6 million primarily due to the return on long-term investments, endowment spending and contributions.

Respectfully submitted,

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