

OFFICE OF FINANCE AND ADMINISTRATION

Date: October 15, 2021

RE: FY 2021 Financial Results

The University's key financial highlights for FY 2021 are summarized below.

- Financial position has strengthened
- Significant improvement in operating performance year over year

Statement of Financial Position (comparing 6/30/2021 to 6/30/2020)

Total assets improved to approximately \$276.0 million representing a \$25.3 million increase. This change is due to:

- Long-term investments increased by \$23.0 million primarily due to positive investment return
- Cash and cash equivalents increased by approximately \$6.1 million due to conscious preservation of cash to enhance liquidity
- Investment in plant decreased by \$4.0 million mainly due to depreciation expense exceeding capital expenditure activity
- Loans receivable decreased by approximately \$1.0 million due to winding down the Perkins Loan Program

Total liabilities increased to \$125.7 million representing a \$2.2 million increase. This change is due to:

- Accounts payable and accrued expenses increased by \$3.8 million as a result of accrued salaries and wages and FICA employer tax
- Deposits, deferred revenue and other liabilities increased by \$1.0 million as a result of student deposits and student account credit balances
- Bonds and capital leases payable decreased by \$2.2 million as a result of principal payments coupled with amortization of bond issuance costs

Total net assets improved to \$150.3 million representing a \$23.1 million increase. This change is due to:

- Positive net operating performance of approximately \$3.6 million
- Non-operating activity of \$19.5 million (positive investment return net of endowment spending)

Statement of Activities (comparing 6/30/2021 to 6/30/2020)

Total net operating performance improved by approximately \$4.2 million resulting in a net operating surplus of approximately \$3.6 million.

Total operating revenues and other support increased by approximately \$2.8 million. The change is mainly due to:

- Federal, state and private grants (HEERF II funds)
- Income and gains from long-term investments utilized (additional endowment spending amount from quasi-endowment funds)

Total operating expenses decreased by approximately \$1.3 million. The change is mainly due to:

- Costs associated with instruction - \$1.4 million decrease
- Costs associated with student support - \$1.4 million decrease
- Costs associated with academic support - \$1.5 million decrease
- Costs associated with management and general - \$2.7 million increase

Nonoperating activity increased by \$21.1 million primarily due to the return on long-term investments, endowment spending and contributions.

Respectfully submitted,

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