



Fiscal 2020 Financial Summary

The following are some financial highlights for the fiscal year ended June 30, 2020:

- Unmodified Independent Auditors Opinion
- Improved net operating results year-over-year
- Continued growth in revenues associated with the graduate and professional studies division
- Focus on expense reductions, new revenue generation, and cash preservation
- Compliance with key financial ratios and performance indicators

FY 2020 Financial Results

Statement of Financial Position (FY 2020 compared to FY 2019)

Total assets decreased by \$9.6 million to \$138.6 million mainly because of:

- Net decrease in property and equipment of \$5.3 million (combination of depreciation and capital expenditure activity)
- Decrease in investments of \$3.6 million (special endowment appropriation, current year spending rate and pooled investment return)
- Net decrease in accounts receivable of \$1.5 million
- Increase in real estate held for investment of \$0.9 million

Total liabilities decreased by \$4.5 million to \$73.4 million mainly because of:

- Decrease in deferred revenue and advances of \$3.8 million
- Decrease in bonds payable of \$1.6 million (principal payments)
- Increase in the liability associated with interest rate swap agreements of \$1.4 million (valuation by third party service provider)
- Total net assets decreased by \$5.1 million to \$65.2 million. The change is due to the current net operating loss of approximately \$1.5 million coupled with the \$3.6 million decrease in non- operating activity

Statement of Activities (FY 2020 compared to FY 2019)

Due to the measures taken during the second quarter of FY 2020 to reduce expenses and the cost avoidance activities realized in the fourth quarter of FY 2020, as a result of shutting down the campus in mid-March 2020 (COVID-19 pandemic: national and state of emergencies), the University ended the year with a net operating loss of \$1.5 million. The following summarizes the impacts on operating revenues and expenses:

Total operating revenues and other support decreased by \$0.5 million. The key drivers were:

- Decrease in auxiliary enterprises, net of \$3.6 million (room and board credits, net of financial aid, issued to students due to the COVID-19 pandemic)
- Increase in the special endowment appropriation of \$2.0 million (authorized by the Board of Trustees in June 2019)
- Increase in federal and state grants of approximately \$1.0 million (Higher Education Emergency Relief Fund (HEERF) under the CARES Act)
- Since tuition and fees, net of financial aid, represent 65% of the University's total operating revenues, the year-over-year change in undergraduate tuition resulted in an increase of approximately \$1.0 million, or 1.8%, and corresponding financial aid resulted in an increase of approximately \$1.5 million, or 6.0%. Comprehensive fees were relatively the same year-over-year. Regarding graduate and professional studies tuition, the year-over-year change resulted in an increase of approximately \$0.5 million, or 10.2%

Total operating expenses decreased by \$3.3 million. The key drivers were:

- Decrease in supplies and services of \$1.1 million
- Decrease in occupancy, utilities and repairs of \$0.6 million
- Decrease in salaries and benefits of \$0.5 million

Non-operating activities decreased by \$7.0 million mainly due to investment activity (special endowment appropriation and net investment return), lower private gifts and grants, and the change in the interest rate swap valuation.

Statement of Cash Flows (FY 2020)

Operating Activities:

Net cash provided by operating activities was \$0.6 million consistent with the reduction in operating revenues excluding endowment appropriations. Net operating cash was approximately \$2.5 million lower than FY 2019 primarily because of a \$3.8 million decrease in deferred revenues, which was the result of issuing Fall Semester 2020 bills a month later due to the administration of the Fall Flexibility Plan.

Investing Activities:

Net cash provided by investing activities was approximately \$1.0 million consistent with the endowment appropriations offset by purchases of property and equipment and real estate held for investment.

Financing Activities:

Net cash used in financing activities was approximately \$1.1 million mainly due to \$1.7 million in principal payments (bonds payable and capital lease obligations) offset by \$0.7 million of contributions restricted for long-term investment.