



Fiscal 2021 Financial Summary

The following are some financial highlights for the fiscal year ended June 30, 2021:

- Unmodified Independent Auditors Opinion
- Pandemic-related reduced revenues offset by reduced operating costs, including a reduction in approved positions, other positions held open, suspension of retirement matching funds for a year, and suspension of study abroad and other international programs and activity.
- Receipt of \$3.1 million in HEERF funds from the federal government, \$1.7 million of which we were able to use for institutional purposes.
- Continued growth in enrollment and revenues in Graduate and Professional Studies.
- Positive net operating surplus, after including a special endowment appropriation of \$6.4 million, as approved by the Board last year.
- Successful refinancing of all University debt, reducing interest expense, reducing annual debt service, and eliminating the interest rate swap agreements

FY21 Financial Results

Statement of Financial Position (FY21 compared to FY20)

Total assets increased \$7.8 million primarily because of:

- Cash and equivalents increased approximately \$.04 million
- \$11.5 million increase in investments offset by a \$4.7 million reduction in property and equipment due to depreciation and low level of capital expenditures

Total liabilities increased \$0.3 million due to:

- \$7.4 million increase in long-term debt offset by the elimination of the \$6.8 million interest rate swaps liability
- Accounts payable, accrued expenses and other liabilities decreased by a combined \$0.3 million

Total net assets increased \$7.5 million to \$72.7 million mainly because of:

- \$0.8 million in net operating surplus
- \$6.7 million increase in non-operating activity, primarily from investment performance and the sale of private company stock

Statement of Activities (FY21 compared to FY20)

The \$0.8 million in operating net income and \$6.7 million in non-operating net income resulted in a total increase in net assets of \$7.5 million, compared to a decrease of net assets in FY20 of \$5.1 million, a positive change of \$12.6 million year-over-year.

Non-operating activities improved by \$10.3 million because of investment returns, increased private gifts, and a change in the value of the interest rate swaps, offset by a \$1.2 million loss on the extinguishment of prior debt issues.

Total operating revenues and other support decreased by \$2.2 million. The key drivers were:

- A decrease of \$4.5 million in net tuition and fees due to lower enrollment, and a tuition reduction for students attending remotely, offset by lower financial aid expense
- A decrease of \$4.2 million in net auxiliary revenues, primarily because of fewer students living on campus resulting in lower room and board revenues, offset by lower financial aid expense
- A \$4.4 million increase in special endowment appropriation as approved by the Board in October 2020
- A \$2.4 million increase in federal and state grants, primarily HEERF relief funds, offset by the required pass-through in such funds to students in the form of additional financial aid.
- Other revenue decreased because of the reduced activity on campus caused by the pandemic

Total operating expenses decreased by \$4.5 million. The key drivers were:

- A decrease in salaries and benefits of \$2.7 million, including a decrease in retirement matching funds of \$1.1 million.
- A decrease in occupancy, utilities and repairs of \$0.5 million.
- A decrease in depreciation and amortization of \$0.4 million.
- A decrease in other expenses of \$1.9 million.
- Offset by an increase in supplies and services of \$1.0 million.

Statement of Cash Flows (FY21)

Operating Activities:

Net cash provided by operating activities was \$0.3 million, not significantly different than the \$0.6 million in net operating cash in FY20. The operating cash is a function of the \$7.5 million increase in net assets, adjusted for depreciation and changes in the endowment.

Investing Activities:

Net cash used by investing activities was negative (\$0.9) million because purchases of investments were greater than sales of investments, plus purchases of property and equipment.

Financing Activities:

Net cash provided by financing activities was approximately \$0.9 million mainly due to contributions restricted for long-term investment. The refinancing of the bonds, elimination of the interest rate swap liabilities and the loss on retirement of debt netted to no change in cash from financing activities due to the sale of Series 2021 bonds at a \$6.7 million premium.