



Clark University
Financial Statement Summary
For the Fiscal Year Ended May 31, 2022

The Fiscal Year 2022 financial reports for Clark University “the University” include the opinion of the University’s independent auditors, audited financial statements, and corresponding footnotes.

Overview

Clark’s financial performance for FY22 was mixed as a result of negative investment performance and the continued challenging impact of COVID-19 on undergraduate and graduate enrollment for FY21 and FY22. Total assets increased to \$778.3 million primarily attributed to a taxable bond issue.

The University took deliberate action again in FY22 to preserve its personnel and employee benefits, continue its investment in strategic priorities, and sustain a multi-year effort to ensure that the University comes out of the COVID-19 pandemic in a position of strength. While operating performance was negative for FY22, the University intentionally made strategic investments in its physical campus, academic programming, and administrative systems and classroom technology to enhance the academic and campus experience for student recruitment and retention. These investments provided the foundation for the University’s success in recruiting its largest incoming undergraduate class for fall 2022, while maintaining its selectivity and retention rates.

Statement of Financial Position (Total Assets, Liabilities, and Net Assets)

Total Assets

The University’s total assets increased 6% from \$734.2 million as of May 31, 2021 to \$778.3 million as of May 31, 2022. This increase was primarily due to the impact of net bond proceeds of \$100 million, partially offset by negative investment performance. The University issued taxable bonds at an all-in cost of funds of 3.33% providing the University with a favorable cost of capital for its major capital projects.

Total Liabilities

Total liabilities increased \$105.5 million, or 96% due to a bond issuance of \$155 million. The proceeds of this bond issuance were used to pay off \$55 million of existing debt, and the remaining \$100 million is earmarked to fund capital projects at the University.

Total Net Assets

Total net assets decreased \$61.4 million, or 10% to \$563.1 million due primarily to an operating deficit of \$9.6 million combined with negative investment performance of \$55.6 million in FY22. Donor-restricted funds totaled \$423.8 million (or 75%) and unrestricted funds totaled \$139.3 million (or 25%) of the total net assets as of May 31, 2022.

Statement of Activities

Operating Results

The University's total operating revenue and other support totaled \$136.1 million, an increase of \$9.0 million, or 7% from FY21. This increase was primarily due to a \$5.7 million increase in auxiliary services due to the impact of COVID-19 in FY21, and a \$3.7 million increase in grants and contracts revenue from HEERF III and FEMA funding for COVID-19 related expenses. Net tuition and fees were down \$2.2 million, or 3% versus last year as a result of an increase in the amount of financial aid given to students.

The University's total operating expense increased \$20.4 million, or 16% from \$125.3 million in FY21 to \$145.7 million in FY22. This increase was primarily due to the impact of COVID-19 on FY21 expenses, as well as strategic investments made in the University's programs and facilities in alignment with the University's new strategic framework.

While the University ended FY22 with a net operating deficit of \$9.6 million, the deficit represents an intentional decision to make strategic investments during the pandemic to enhance the University's competitiveness and student experience.

Non-Operating Results

The primary contributor to the net non-operating expense of \$51.9 million was negative investment performance in FY22. The investment loss net of the amounts provided by the University's endowment draw to support operations was \$55.6 million.

Looking Ahead

The University's new state-of-the-art Center for Media Arts, Computing and Design is on schedule to open in fall 2023. It's an exciting addition to campus that will support interdisciplinary synergies with the University's academic program in game design and create a new hub for innovation and research.