



Clark University Financial Statement Summary For the Fiscal Year Ended May 31, 2019

The fiscal year 2019 financial reports for Clark University — “the University” — include the opinion of the University’s independent auditors, audited financial statements, and corresponding footnotes.

Overview

The University recorded solid operating results in fiscal year 2019, with modest growth in enrollment and corresponding revenues. The University’s fiscal year 2019 financial results reflect our ongoing focus on investing in the University’s strategic priorities and sustaining our financial strength.

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

Total assets as of May 31, 2019, were \$637.9 million, a decrease of \$16.1 million, or 2.5% versus the prior fiscal year. Cash and cash equivalents decreased by \$17.4 million from fiscal year-end 2018 due in large part to a temporary transfer of \$20 million of cash on May 31, 2019, to purchase an investment position on June 1, 2019. The cash to fund this transaction was received from an investment sale of comparable size in early June, with a transfer back to cash and cash equivalents. Accordingly, on May 31, 2019, the University had a temporary increase of \$20 million in investments and a resulting decrease of \$20 million in cash. Without this temporary transfer of cash, the decrease of total assets as of May 31, 2019, would be primarily attributed to the reduction in the value of the investment portfolio due to the net result of investment income, contributions, transfers, and endowment distributions to support operations under the University’s spending policy.

Total liabilities declined to \$113.0 million as of May 31, 2019, a decrease of \$2.0 million, or 1.7% versus the prior fiscal year, primarily due to scheduled principal payments on bonds payable.

The resulting total net assets, the equivalent of the University’s net worth, totaled \$524.9 million as of May 31, 2019, a decrease of \$14.2 million, or 2.6%, during the fiscal year. Donor-restricted funds totaled \$379.5 million, or 72% of net assets, and unrestricted funds totaled \$145.5 million, or 28% of net assets.

Statement of Activities

Operating Results

Total operating revenue and other support totaled \$120.2 million for fiscal year 2019, an increase of \$6.1 million, or 5.3%.

Student net tuition and fees increased by \$2.0 million, or 3.1%. The increase was mainly driven by a 2.9% increase in undergraduate enrollment.

Revenue increases were also seen in other categories. Auxiliary services revenue increased by \$0.9 million, or 6.1%. Income appropriated under Clark's spending policy increased by \$1.1 million, or 5.8%, and grants and contracts revenue increased by \$1 million, or 17.2%.

Total operating expense was \$114.7 million for fiscal year 2019, an increase of \$4.0 million, or 3.6%, from the prior fiscal year. This increase represented costs of inflation as well as strategic investments made to improve academic programs and student support.

The University's net assets from operations (operating revenue and other support in excess of operating expense) totaled \$5.4 million for fiscal year 2019, an increase of \$2.1 million, or 60.6%, versus the prior fiscal year.

Non-Operating Results

The University's non-operating results for fiscal year 2019 were a negative \$19.4 million. These results were mostly attributed to the net result of investment income, contributions, transfers, and endowment distributions to support operations under the University's spending policy.

Looking Ahead

Looking forward, we expect that fiscal 2020 will be a strong year based on initial enrollment projections for both undergraduate and graduate programs. The University's balance sheet and liquidity remains strong and is expected to improve during fiscal 2020.