



Clark University
Financial Statement Summary
For the Fiscal Year Ended May 31, 2020

The fiscal year 2020 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 2020, despite the impact of the COVID-19 crisis and the ongoing challenges facing higher education. In addition to addressing these very substantial challenges, the University’s fiscal year 2020 financial results reflect our 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, 2020, were \$631.2 million, a decrease of \$6.7 million, or 1.1%, versus the prior fiscal year. Cash and cash equivalents increased by \$24.2 million, primarily due to a transfer of \$20 million from an investment sale in early June. On May 31, 2019, cash and cash equivalents were temporarily reduced by \$20 million to purchase an investment position on June 1, 2019, which resulted in a decrease in cash and cash equivalents and a corresponding increase in investments of \$20 million at fiscal year-end 2019. In early June 2019, an investment sale resulted in \$20 million of cash being transferred from investments to cash and cash equivalents. Not considering the temporary transfer noted above, the investment portfolio had a \$6.9 million reduction in value 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 \$109.1 million as of May 31, 2020, a decrease of \$3.9 million, or 3.5%, 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 \$522.2 million as of May 31, 2020, a decrease of \$2.8 million, or 0.5%, during the fiscal year. Donor-restricted funds totaled \$374.5 million, or 72% of net assets, and unrestricted funds totaled \$147.7 million, or 28% of net assets.

Statement of Activities

Operating Results

Total operating revenue and other support totaled \$130.6 million for fiscal year 2020, an increase of \$10.5 million, or 8.7%, driven primarily by an increase of \$10.9 million, or 16.5%, in net student tuition and fees from higher student enrollment. Grants and contracts revenue increased by \$2.3 million, or 33.3%, due to federal CARES grant funding to help offset COVID-19 pandemic expenses, and a significant new grant that the University received from the Department of Labor.

Revenue from auxiliary services was down \$1.3 million, or 8.1%, during fiscal year 2020, due to room and board refunds given to students when the campus closed in March 2020 in response to the COVID-19 pandemic.

Total operating expense was \$123.6 million for fiscal year 2020, an increase of \$8.9 million, or 7.7%, from \$114.7 million during the prior fiscal year. This is in large part due to the increased cost of instruction and academic support for a larger student body. In addition, there was an increase in research and sponsored programs expense due to the related increase in grants and contracts revenue noted above.

The University's increase in net assets from operations (operating revenue and other support in excess of operating expense) totaled \$7.0 million for fiscal year 2020.

Non-Operating Results

The University's non-operating results for fiscal year 2020 were a negative \$9.8 million. These results were mostly attributable 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 2021 will be challenging due to the continued impact of the COVID-19 pandemic on the operations of the University. With a strong liquidity profile, solid financial performance, and careful stewardship of resources, the University is well positioned to face these challenges while continuing to support our students, faculty, staff, and surrounding community.