



Clark University
Financial Statement Summary
For the Fiscal Year Ended May 31, 2021

The Fiscal Year 2021 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 recent financial performance has been consistently strong, with total net assets increasing by approximately \$102.3 million, or 19.6%, from fiscal year-end 2020. Cash and investments have grown to approximately \$586 million, with the University’s endowment surpassing the \$500 million mark for the first time in its history at over \$506.2 million as of May 31, 2021.

The University took deliberate action in fiscal year 2021 to preserve its personnel and employee benefits, to implement strategic priorities, and be prepared to come out of the COVID-19 pandemic in a position of strength. The University identified expense savings in non-personnel areas during the fiscal year and maintained a disciplined approach to expense control. The University continued to make strategic investments in its academic programming, student support services, and classroom technology to enhance the academic experience for student retention. While the University experienced a decline in its incoming first-year undergraduate class for fall 2020, the University increased its selectivity rate and maintained its retention rate for that student cohort.

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

Total Assets

The University’s total assets increased from \$631.2 million for FY20 to \$734.2 million for FY21, a 16.3% annual increase driven in large part by positive investment performance.

Total Liabilities

Total liabilities remained flat year-over-year at approximately \$109 million.

Total Net Assets

Total net assets increased by approximately \$102.3 million to a total of \$624.6 million, a 19.6% increase over the past fiscal year, primarily due to positive investment performance. Donor-restricted funds totaled \$459.3 million, or 74%, and unrestricted funds totaled \$165.2 million, or 26%, of the total net assets.

Statement of Activities

Operating Results

The University's total operating revenue and other support totaled \$127.15 million, a reduction of approximately \$3.5 million from FY20. The decline in student tuition and fees and auxiliary services revenue is attributed to the decline in student enrollment for the fall 2020, as well as lower board plan revenue and residence hall occupancy due to the COVID-19 pandemic. For FY21, the University's endowment provided greater support, with an annual draw based on a 6% rate on unrestricted funds and 5.5% on restricted funds. This annual draw rate was reduced to 5.5% for unrestricted funds and 5.0% for restricted funds in FY22.

The University's total operating expense increased from approximately \$123.6 million in FY20 to \$125.3 million in FY21. The University successfully opened its campus to students in fall 2020 with increased health measures implemented on campus to ensure the safety of its faculty, staff, and students. The University incurred significant expense for COVID-19 mitigation efforts, including surveillance testing and personal protective equipment. The University recovered a portion of the University's COVID-19 mitigation costs through federal grants created under COVID-19 legislation, and expects additional reimbursement from FEMA in FY22.

The University ended fiscal year 2021 with a net operating surplus of \$1.87 million.

Non-Operating Results

The primary contributor to the non-operating results totaling \$102.4 million was positive investment performance. The investment income net of the amounts provided by the University's endowment draw to support operations was \$97.5 million.

Looking Ahead

The University and Becker College executed a Letter of Agreement and Memorandum of Understanding, which documented a shared commitment to the University establishing a new academic program in game design called the Becker School of Design & Technology at Clark, and to ensuring pathways for Becker students to finish their studies in associated programs for the Fall 2021 Semester. This program had no impact on the consolidated financial statements for the year ended May 31, 2021.