

STONEHILL COLLEGE
FY 2020

OVERVIEW OF THE FINANCIAL STATEMENTS
Internal Comments

I. Overall Results

For the fiscal year ending June 30, 2020, Stonehill College saw an increase in its financial position of \$2.2 million. This increase is the result of a favorable operating surplus of \$3.8 million, restricted gift contributions of \$2.9 million, a positive investment return of \$7.4 million and a negative \$3.6 million net change in the valuation of the College's interest rate swap agreements. This increase was offset by the authorized \$8.8 million of distribution from endowment and \$1.3 million in federal and state non-operating grants.

In summary:

Total net assets have increased to \$309.3 million, representing an increase of .7% or \$2.2 million for the year.

Total operating revenues and expenses were \$101.3 million and \$97.5 million, respectively, resulting in a net operating surplus of \$3.8 million.

Total investments increased to \$218.6 million, representing an increase of .36% or \$.78 million for the year. This is mainly attributed to an endowment distribution of \$8.8 million, a positive endowment return of \$7.3 million and endowment gifts of \$3.1 million.

Total contributions from gift payments and pledges were \$3.6 million, comprised of \$676 thousand for operations and \$2.9 million for restricted/endowment/capital

II. Statement of Financial Position

Cash and cash equivalents decreased by \$878 thousand to \$18.6 million. The total student receivables balance is \$407 thousand. This includes an allowance for uncollectible accounts of \$156 thousand. These account balances are actively managed by Student Accounts and usually decrease by the College's fall enrollment deadlines.

Contributions and grants receivables decreased by \$2.8 million, from \$15.3 million in FY19 to \$12.5 million in FY20. New pledge commitments for FY20 totaled \$1.1 million with pledge payments of \$4.7. The pledge discount and reserve for unfulfilled pledges decreased by approximately \$404 thousand from \$1.0 million in FY19 to \$622 thousand in FY20.

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II. Statement of Financial Position (continued)

Restricted cash decreased by \$1.5 million. This decrease is mainly due to the last payment of 1.1 million from the HEFA L debt service fund investment to pay off this debt. This decrease is offset by a slight decrease of \$393 thousand in Perkins cash relating to the close down of this program.

Land, buildings, equipment, and construction in progress increased by a net amount of \$9.5 million. Capital asset additions were \$40 million, primarily due to the remaining spending relating to the construction of the Leo J. Meehan Business Building which opened last summer. Depreciation costs, for FY20, totaled \$8.1 million.

Note and bond payable decreased by \$5.1 million as a result debt payments.

The College's interest rate swap valuation saw a negative change which resulted in an increase of \$2.4 million in the liability.

Of the total net assets of \$309.3 million, 72.5% are classified as without donor restrictions and 27.5% as with donor restrictions. Of the \$84.9 million of with donor restrictions, \$67.8 million consists of endowment funds, true endowment and gains (realized and unrealized) and the remaining \$17.1 million corresponds primarily to pledges, donor restricted gifts, annuity funds and perpetual trusts.

III. Statement of Activities

Current operations resulted in total revenues of \$101.3 million and total expenses of \$97.5 million, thereby producing an increase in unrestricted net assets from operations of \$3.8 million. Operating revenues decreased by 3.5% and corresponding operating expenses decreased by 4.7% from FY20 levels.

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Non-operating activity resulted in a negative net change of \$1.58 million. This was primarily the result of the new gifts and grants of \$4.2 million, investment gains of \$7.4 million. In addition, the College made interest rate payments of \$1.2 million on the swap investment and distributed \$8.8 million from the endowment. Total interest and fees paid on swaps and notes/bonds payable for FY'20 was \$3.3 million.

IV. Statement of Cash Flows

Cash and cash equivalents totaled \$20.8 million (including restricted cash), representing a decrease of \$878 thousand from the prior year. Net cash provided by operating activities was \$3.1 million, net cash used in investing activities was \$7 million, and net cash provided by financing activities of \$3.1 million.