

**STONEHILL COLLEGE**  
**FY 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS**  
**Internal Comments**

*I. Overall Results*

For the fiscal year ending June 30, 2021, Stonehill College saw an increase in its financial position of \$97.5 million. This increase is the result of a favorable operating surplus of \$7.0 million (offset by \$3.8 million in COVID related costs), restricted gift contributions of \$7.0 million, \$5.6 million in federal and state non-operating grants, primarily due to federal stimulus funding, and a positive investment return of \$96.2 million. These increases were offset by the authorized \$8.8 million of distribution from the endowment.

In summary:

Total net assets have increased to \$406.7 million, representing an increase of 31.5% or \$97.5 million for the year.

Total operating revenues and expenses were \$94.1 million and \$87.1 million, respectively, with an additional \$3.8 million of non-operating COVID testing costs, resulting in a net operating surplus of \$3.2 million.

Total investments increased to \$308.6 million, representing a net increase of 41.2% or \$90.0 million for the year. This is attributed to the positive endowment return of \$95.4 million or a 45.2% return, in addition to new endowed gifts of \$2.5 million, which were both offset by the College's annual endowment distribution of 4.5% or \$8.8 million.

Total contributions from gift payments and pledges were \$7.6 million, comprised of \$634 thousand for operations and \$7.0 million for restricted/endowment/capital.

*II. Statement of Financial Position*

Cash and cash equivalents increased by \$4.2 million to \$22.8 million primarily due to positive operating surplus.

Total student receivables balance increased by \$43 thousand which includes an allowance for uncollectible accounts of \$208 thousand. These account balances are actively managed by Student Accounts and usually decrease by the College's fall enrollment deadlines.

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*II. Statement of Financial Position (continued)*

Contributions and grants receivables decreased by \$1.9 million, from \$12.5 million in FY20 to \$10.6 million in FY21. This includes new pledge commitments for FY21 totaling \$2.7 million, with pledge payments of \$4.3 million. The pledge discount and reserve for unfulfilled pledges increased by approximately \$2 thousand. Grants Receivable decreased by \$215 thousand.

Land, buildings, equipment, and construction in progress decreased by a net amount of \$6.0 million. Capital asset additions of \$2.6 million included relatively low investment in capital projects due to the pandemic. This was offset by depreciation costs, for FY21, totaling \$8.7 million.

Loans and bonds payable decreased by \$4.0 million as a result of annual debt payments.

The College's interest rate swap valuation saw a positive change which resulted in a decrease of \$2.2 million in the liability due to the low interest rate environment. Total net gain on the interest rate swap, less interest expenses was \$702,476

Of the total net assets of \$406.7 million, 71.9% are classified as "without donor restrictions" and 28.1% as "with donor restrictions". Of the \$114.5 million with donor restrictions, \$97 million consists of endowment funds, true endowment and gains (realized and unrealized) and the remaining \$17.5 million corresponds primarily to pledges, donor restricted gifts, annuity funds and perpetual trusts.

*III. Statement of Activities*

Current operations resulted in total revenues of \$94.2 million and total expenses of \$87.1 million, plus \$3.8 million in COVID testing costs, thereby producing an increase in unrestricted net assets from operations of \$3.2 million. Operating revenues decreased by \$7.1 million and corresponding operating expenses decreased by \$6.6 million from FY20 levels.

Non-operating activity resulted in a positive net change of \$90.4 million. This was primarily the result of the new gifts and grants of \$7.0 million, investment gains of \$96.2 million, offset by the distribution of \$8.8 million and COVID related testing cost of \$3.8M.

*IV. Statement of Cash Flows*

Cash and cash equivalents totaled \$22.8 million, representing an increase of \$4.2 million from the prior year. Net cash provided by operating activities decreased by \$956 thousand, net cash used in investing activities was \$3.3 million, and net cash provided by financing activities was \$1.8 million.