

ASSUMPTION UNIVERSITY
SUMMARY OF FISCAL YEAR 2021 AUDITED FINANCIAL STATEMENTS
UNAUDITED SUMMARY PREPARED BY MANAGEMENT

Assumption University

Assumption College was founded in 1904 as a Catholic, nonprofit, coeducational college located in Worcester, Massachusetts on a 185-acre campus. In April 2019, Assumption College applied to the Massachusetts Board of Higher Education to become a university. The application was approved, and the institution became Assumption University (the “University”) on June 10, 2020.

Approximately 2,400 undergraduate and graduate students attend the University annually. The University offers bachelor’s degrees in the liberal arts core and pre-professional programs with a liberal arts core, and professional master’s degrees on a full-time and part-time basis.

The University also operates an additional campus in Rome, Italy. The Rome campus is located on land owned by the Augustinians of the Assumption, the founding order of the University.

Audited Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

RSM has completed their audit of Assumption University’s FY 2021 financial statements and issued an unmodified opinion.

This summary has been prepared by management and should be read in conjunction with the University’s audited financial statements and accompanying notes.

Strong Statement of Financial Position (Balance Sheet)

The University continues to maintain a solid statement of financial position (reported on page 2 of the audited financial statements).

Key highlights regarding information reported within the Statement of Financial Position include:

- \$24.1 million in cash at 5/31/2021 (\$17.0 million at 5/31/2020)
- \$0.0 million in short-term investments at 5/31/2021 (\$11.0 million at 5/31/2020) The short-term investments were utilized for new academic program facilities and endowment funded needs.
- \$118.1 million in long-term investments at 5/31/2021 (\$99.4 million at 5/31/2020) The majority of these investments are endowment related.
- Long-term debt decreased from \$47.3 million at 5/31/2020 to \$45.2 million at 5/31/2021. In April 2020, the University was granted a loan of \$7,500,000 pursuant to the Payroll Protection Program (PPP) under the CARES Act. Under the terms of the PPP, the loan is forgivable if it is used for qualifying expenses as described in the CARES Act. The University used the proceeds from the loan for qualifying expenses, submitted its forgiveness application in May 2021 to the SBA, and is awaiting a decision regarding forgiveness of the loan. The unforgiven portion of the loan is payable over two years with payments beginning upon notification from the SBA of any amounts not forgiven. The total amount outstanding as of May 31, 2021 and 2020 was \$7,500,000.
- Net assets without donor restrictions increased from \$133.3 million at 5/31/2020 to \$149.2 million at 5/31/2021. Total net assets increased from \$176.8 million at 5/31/2020 to \$203.6 million at 5/31/2021.

FY 2021 unrestricted operating surplus of \$793.7 thousand

The University is pleased to report that it had an unrestricted (without donor restrictions) increase in net assets from operations – an operating surplus - reported in conformity with accounting principles generally accepted in the United States of America of \$793.7 thousand for the year ended May 31, 2021. This compares with an unrestricted surplus from operations of \$261.8 thousand in FY 2020.

The FY 2021 unrestricted operating surplus is reported within the statement of activities and changes in net assets included as part of the audited financial statements on page 3.

The statements of activities and changes in net assets report the changes in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the University's primary mission of providing education. Additionally, operating revenue includes contributions received related to annual fund support. The University allocates endowment income and appreciation based on the absence or existence of donor-imposed restrictions. Interest and dividends earned on the funds without donor restrictions are included as operating revenue.

The University reports expenses associated with the management of the University's operations, including activities associated with the plant, endowment, annuity and loan funds, as operating expenses.

Statements of Cash Flows: net cash is being provided by operating activities

Net cash was provided by operating activities: \$1.5 million in FY 2021 and \$2.5 million in FY 2020. The statement of cash flows is reported within the FY 2021 audited financial statements on page 5.

Coronavirus

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. In response to COVID-19, governments took preventative or protective actions, such as temporary closures of non-essential businesses, “shelter-at-home” guidelines for individuals, and phased reopening plans. As a result, there have been significant negative effects on local, regional, and global economies. COVID-19 has impacted the University in a number of ways, including the transition to remote learning in March 2020, the refund of approximately \$4.2 million of room and board revenue in the spring of 2020, significant reduction in room and board revenue for the year ended May 31, 2021 due to compliance with de-densification guidelines, the temporary suspension of Rome campus operations, unexpected costs due to COVID-19 testing and personal protection equipment, and reduced enrollment for the fall of 2021.

Additional detail can be found within the University’s audited financial statements and accompanying notes.