

## **Endicott College FY 2021 Financial Narrative**

Endicott College completed the annual financial reporting for the year ended June 30, 2021. The financial reporting contains the opinion of the College's independent auditors and the financial statements with related footnotes. In order to provide additional context to these results, the College has provided a narrative of financial performance over the last fiscal year. While the ongoing COVID-19 pandemic presented challenges across the campus community, Endicott College ended Fiscal Year 2021 in a strong financial position as it closely monitored the health and safety of the entire campus.

### **Statement of Financial Position**

The fiscal year ended on June 30, 2021 with total assets of \$432.7 million, \$32.9 million or 8.2% higher than the end of the previous fiscal year. This increase was primarily driven by investment gains of the College's endowment contributing to a total investments balance of \$132.6 million at fiscal year-end. Total liabilities amounted to \$114.3 million, \$12.3 million or 9.7% less than the previous fiscal year. This change was driven primarily by an \$8.0 million reduction of total debt at the College, a result of a \$4.0 million repayment on an existing line of credit drawn in June of 2020 and \$4.0 million in debt principal payments. The total net assets which is the difference between the College's assets and its liabilities, and the equivalent of its net worth, totaled \$318.4 million as of June 30, 2021, an increase of \$45.2 million or 16.5%

### **Operating Results – Statement of Activities**

The College ended the year with a strong operating margin of \$13.0 million which is the difference between operating revenues and operating expenses and is a measure of how effectively the college is managing its routine operations.

Endicott closely monitored the ongoing COVID-19 pandemic and its impact on the health and safety of students, faculty and staff and made the decision to move to remote classes, closed residence halls and refunded board fees to students after Thanksgiving break in 2020 for the remainder of the fall semester. Total net student fees of \$112.6 million increased from last year by \$7.1 million or 6.7% as Endicott returned to a more normal residential operation compared to the previous year with the onset of COVID-19.

Conference and educational services revenue at Endicott declined \$5.3 million from the previous year due to the pandemic. The Wylie Inn, which was utilized as a residence hall for the 2020-2021 academic year reverted back to a hotel in early June 2021 and Misselwood, the College's venue for weddings, corporate events and social gatherings was unable to host large events in the summer and fall of 2020 due to pandemic related state regulations.

Through the federal HEERF (Higher Education Emergency Relief Fund) program the institution received approximately \$3.3 million in funding of which \$1.0 million was distributed directly to

students while the remainder of the funds, approximately \$2.2 million, was used to offset lost revenues as a result of the COVID-19 pandemic.

Overall, total revenues for the fiscal year ended at \$122.6 million, a \$1.8M increase or 1.5%. Endicott closely monitored expenditures during the fiscal year and implemented extensive health and safety protocols including a COVID-19 testing and contact tracing program, enhanced cleaning protocols and added protective equipment in physical spaces, as well as provided services to students in isolation and quarantine housing. Approximately \$3.0 million of COVID related expenses are reflected in operating expenses for the fiscal year ending June 30, 2021. Numerous cost saving measures were implemented during this time period to offset declines in net student fees and conference and auxiliary revenues. The College was able to realize savings from reduced activities on campus including expenditures for conferences and events, athletics and campus travel. Overall, Endicott recorded \$109.6 million of operating expenses for the fiscal year ending June 30, 2021 which is flat compared to the prior fiscal year of \$109.5 million.