

Anna Maria College

Summary of Fiscal Year 2021 Audited Financial Statements

About Anna Maria College:

As a Catholic institution inspired by the ideals of the Sisters of Saint Anne, Anna Maria College educates students to become individuals who will transform their world as ethical leaders and community-oriented professionals.

There are approximately 1500 students who attend Anna Maria college in Paxton, MA between community service oriented undergraduate, graduate, and certificate programs.

Audited Financial Statements:

Management is responsible for the preparation and fair presentation of these 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, whether due to fraud or error.

From the auditors: In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Anna Maria College as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

COVID 19:

- Covid-19 started in FY 2020 and continued to affect all levels of operation at Anna Maria College in FY 2021. The college had abnormal expenses, which include PPE, plastic barriers, and testing. We also had additional expenses for supporting virtual teaching, learning and working. The college received government assistance of \$2.57M which helped to offset some of the above-mentioned expenses. The government money was also used to provide students in need with scholarships to help them continue their college education.

Balance sheet:

- Cash and Investments reduced from \$20.06M in 2020 to \$19.70M.
- The college received a \$2.5M PPP loan in FY 2020 with the expectation to be forgiven in the future. However, at the time of reporting, the PPP loan shows up as a refundable advance under liabilities. As of October 2021, the refundable advance was forgiven and will therefore show up as operating revenue in FY 2022.

- A hedging instrument, which is a non-cash fixed interest rate tool for bond issuance, continued as a liability in 2021 totaling \$1.46M. While this expense does not affect cash, we have to carry a liability on the balance sheet for it.
- In FY 2021, we saw a total liability decrease of \$2.83M, a portion of which is due to the hedging instrument reduction of \$850k. The remaining reduction is largely due to long term bonds being paid off on time. The overall impact on net assets with the reduction of liabilities and increased assets was \$3.92M.

Statement of Activities:

- Net tuition and fees were up from \$18M in 2020 to \$19.3M in 2021.
- Room and board revenue continued to decrease with Covid-19 forcing increased virtual classes.
- Overall revenue was up from 2020 by \$2.5M, which is a result of governmental assistance due to Covid-19. While tuition and fees were up from 2020, they were still down compared to modeled budgets, and room and board was down over \$2M compared to the same model.
- The college made the decision to maintain all payroll expenses and keep everyone working and paid throughout the pandemic. This caused the college to take on the expense without the revenue, and therefore had an expected loss.
- Total expenses increased by \$1.68M, which was entirely due to Covid-19 related expenses. The college did see some savings throughout the year in areas such as travel expenses, which was down due to Covid as well. However, the overall negative impact from Covid-19 far outweighed these savings, resulting in an operating deficit for the year of \$259k.
- Non-operating revenue and expense totaled \$4.18M. This is due to a \$1M restricted gift, investment income of \$2.29M and the addition of the hedging instrument of \$850k. If the non-cash hedging instrument was removed from the statement of activities change in net assets would be a positive \$3.33M
- While Covid-19 has had a large effect on the college operations, careful planning, strategic investing, and government assistance allowed for a healthy increase in the college's net assets.