



## Financial Statement Review for the Year Ended June 30, 2023

### Overview

The financial statements of Merrimack College (the “College”), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows and notes to the financial statements for the year then ended, were audited by Mayer Hoffman McCann P.C. (“MHM”). MHM’s independent auditors’ report dated September 27, 2023 reported an unmodified, or “clean”, audit opinion. In addition, there were no reported significant deficiencies or material weaknesses in internal control over financial reporting nor over compliance with the College’s major federal programs.

The following discussion and analysis provide commentary and data related to the financial performance of the College for the year ended June 30, 2023.

### Statement of Financial Position

The financial statements at June 30, 2023 demonstrate continued balance sheet strength and strong financial management. The College’s investment position increased \$10.8M or 15.8% driven by strong investment returns and additional funds invested by the College. The College has a strong liquid position at June 30, 2023 to meet general expenditures for the upcoming fiscal year.

The College’s total assets have grown from \$336M at June 30, 2022 to \$380M in 2023. Total net assets have also grown from \$169.8M in 2022 to \$188.0M in 2023. Further proving a position of financial strength, the College’s unrestricted (without donor restriction) net assets are over 60% of total net assets, which is positive relative to most institutions.

### Statement of Activities

#### Operating Results

The College had an increase in net assets from operations of \$7.7M in 2023, adding to the \$10.5M increase in 2022. Total operating revenues, which includes revenues from tuition, fees, room and board, grants and contributions, grew \$4.1M or 2.4% in 2023, despite having no further Higher Education Emergency Relief or FEMA funding which totaled \$11.0M in 2022. Total operating expenses increased \$6.8M or 4.2%. The main driver for the increase in expenses is growth in student enrollment.

### Statement of Cash Flows

The College continues to generate significant positive cash flow from operations. Net cash provided by operating activities was \$17.1M in 2023 and \$16.0M in 2022.



MERRIMACK COLLEGE

315 Turnpike Street  
North Andover, MA 01845  
[merrimack.edu](http://merrimack.edu)

### **US Department of Education (the “DOE”) Financial Responsibility Standards**

The DOE has established ratios for determining whether an institution has sufficient financial responsibility using a methodology based on three ratios – primary reserve, equity and net income. These ratios measure different aspects of financial health and are combined into a composite score to measure financial responsibility. The College’s composite score for the year ended June 30, 2023 is 2.99, which indicates strong financial health.