**Financial Statement Summary for the Year Ended June 30, 2019**

**Overview**

The financial statements of Merrimack College (the “College”), which comprise the statement of financial position as of June 30, 2019, 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 13, 2019 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, 2019.

**Statement of Financial Position (Total Assets, Liabilities, and Net Assets)**

The College’s total assets at June 30, 2019 were $267M compared to $261M at June 30, 2018, a $6M or 3% increase. The increase was largely attributed to additions of land, buildings and equipment, for various projects on campus such as completion of the Welcome Center, the start of construction of the Nursing Center, a significant parking improvement project, and residence hall renovations.

The College’s total liabilities remained consistent at $137.5M at June 20, 2019 compared to $140.7M at June 20, 2018.

The College’s total net assets, the equivalent of the College’s net worth, totaled $129.8M at June 30, 2019 compared to $120.4M in 2018, a $9.4M or 8% increase.

**Statement of Activities**

**Operating Results**

The College’s operating revenues, consisting of tuition, fees, room and board, grants and contributions, grew $14.9M or 12% over 2018. This is mainly due to the College’s undergraduate and graduate full-time equivalent enrollment increasing over 11% from 2018. Over the last few years, the College has broadened its geographic recruitment process. Once a mostly-local school, the College has increased enrollment from southern New England and the mid-Atlantic region.

Generally, the College budgets revenue and expenses so as to both appropriately operate the College and ensure financial resources for future investments in alignment with overall financial management, goals and institutional strategic planning. Expense increases are commensurate with increases in student based revenue, however, in 2019 expenses only increased $10.8M or 9% and resulted in an increase in net assets from operations of $7.3M in 2019.

**Non-Operating Results**

In 2019 the College’s net assets increased $2.1M from non-operating activities. This increase was primarily driven by contributions.

**Statement of Cash Flows**

The College continues to generate significant positive cash flow from operations. Net cash provided by operating activities was $9.6M in 2019 and $10.7M in 2018.

**Looking Forward**

The College has had significant growth in the last several years and continues to thrive. The strong financial position will allow the College to continue to focus on creating a modern, academic enterprise grounded in innovative teaching and learning. The College will continue its plans to grow the undergraduate student populations, make key investments in faculty, expand market focused academic degrees and expand the physical campus.