

MCPHS UNIVERSITY

**CONTINUING DISCLOSURES AND
AUDITED FINANCIAL STATEMENT**

JUNE 30, 2019

MCPHS UNIVERSITY

CONTINUING DISCLOSURES

Financial Matters

The University operates on a fiscal year ending June 30 and accounts for and reports its financial condition in accordance with Financial Accounting Standards Board (FASB) Accounting Standards through the use of donor-restricted and unrestricted net asset classifications. The financial statement of the University has been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America for educational institutions.

Management's Discussion of Recent Financial Performance

Operating Results

The University has experienced increasing operating revenues in recent years due to stable enrollment growth. This growth is attributable to strong demand for the University's academic programs and the successful introduction of new degree offerings, particularly in the health science disciplines. Over the last five years, total University enrollment has grown 2% per annum. New programs have led to increased program revenue diversification. The University continues to experience growth in non-pharmacy enrollments and revenues. Non-pharmacy tuition as a percentage of total tuition was 53% in fiscal 2019 versus 51% in fiscal 2018. The University's tuition discount rate has averaged 13% for the last five years and was 15% for fiscal 2019.

Management has maintained close monitoring of programs and strong budgetary controls. Academic programs are carefully evaluated with respect to student demand and financial viability. For fiscal year ending June 30, 2019, total operating revenues were \$258 million, exceeding fiscal 2018 by 2%.

Liquidity

Management's focus on budgeting and operating performance has substantially improved the University's liquidity. Improvements in business operations pertaining to revenue collection and expenditure controls have enabled the University to maintain strong debt service coverage and liquidity ratios. Over the last five years, net revenues available for debt service has averaged \$105 million and was \$93 million in fiscal 2019. Unrestricted cash and investments have increased 11% from \$1,016 million at June 30, 2018 to \$1,128 million at June 30, 2019. Total cash and investments have increased 10% from \$1,049 million at June 30, 2018 to \$1,161 million at June 30, 2019.

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CONTINUING DISCLOSURES

Total Fall Enrollments

Academic Year	2015-16	2016-17	2017-18	2018-19	2019-20
Students	7,241	7,109	7,228	7,071	7,387
FTE	6,902	6,761	6,826	6,506	6,826

Pharmacy Programs

Academic Year	2015-16	2016-17	2017-18	2018-19	2019-20
Students	3,405	3,298	3,269	3,033	2,988
FTE	3,333	3,224	3,171	2,875	2,822

Other Programs

Academic Year	2015-16	2016-17	2017-18	2018-19	2019-20
Students	3,836	3,811	3,959	4,038	4,399
FTE	3,569	3,537	3,655	3,631	4,004

Total Fall Enrollments by Campus

Academic Year	2015-16	2016-17	2017-18	2018-19	2019-20
Boston					
Students	4,845	4,611	4,486	4,311	4,353
FTE	4,748	4,504	4,385	4,145	4,281
Worcester					
Students	1,506	1,572	1,679	1,585	1,527
FTE	1,484	1,552	1,650	1,546	1,516
Manchester					
Students	444	458	512	512	488
FTE	437	452	506	504	483
Online					
Students	446	468	551	663	1,019
FTE	233	253	285	311	546

MCPHS UNIVERSITY

Audited Financial Statement

	<i>June 30,</i>	
	<i>2019</i>	<i>2018</i>
Assets		
Cash and cash equivalents	\$ 28,659,296	\$ 25,450,999
Contributions receivable	464,544	722,542
Student and other receivables	5,764,829	9,669,827
Prepaid expenses and other assets	4,509,708	4,277,943
Student loans receivable	9,469,415	9,438,293
Deposits with bond trustees	5,206,258	5,106,606
Funds held in trust	1,585,736	1,736,134
Investments	1,131,297,702	1,020,134,444
Property and equipment, net	214,409,805	211,196,442
	\$ 1,401,367,293	\$ 1,287,733,230
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 15,443,688	\$ 16,089,185
Deferred revenues	21,611,661	23,174,208
Bonds and other obligations payable	76,809,685	83,739,865
Advances from federal government for student loans	10,446,564	8,519,717
	124,311,598	131,522,975
Net assets:		
Unrestricted		
Funds held for long-term investment	1,099,840,220	989,644,007
Net investment in plant	128,585,865	119,516,823
Other funds	12,739,366	11,818,410
Total unrestricted	1,241,165,451	1,120,979,240
With donor restrictions:		
Permanent endowment funds	33,721,127	32,679,537
Other funds	2,169,117	2,551,478
Total donor restricted	35,890,244	35,231,015
	1,277,055,695	1,156,210,255
	\$ 1,401,367,293	\$ 1,287,733,230