

MCPHS UNIVERSITY

**CONTINUING DISCLOSURES AND
AUDITED FINANCIAL STATEMENT**

JUNE 30, 2020

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 statements of the University have 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 4%, with operating revenues increasing 4% during the same time period. 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 57% in fiscal 2020 versus 53% in fiscal 2019. The University's tuition discount rate has averaged 14% for the last five years and was 18% for fiscal 2020.

Management has maintained high operating margins through close monitoring of programs and strong budgetary controls. Academic programs are carefully evaluated with respect to student demand and financial viability. Over the last five years, the University's operating margin has averaged 34% of total revenues and was 28% for the year ended June 30, 2020. For fiscal year ending June 30, 2020, total operating revenues were \$261 million, exceeding fiscal 2019 by \$3 million.

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 \$100 million and was \$88 million in fiscal 2020. Unrestricted cash and investments have increased 78% from \$682 million at June 30, 2016 to \$1,217 million at June 30, 2020. Total cash and investments have increased 76% from \$709 million at June 30, 2016 to \$1,251 million at June 30, 2020.

MCPHS UNIVERSITY

CONTINUING DISCLOSURES

Total Fall Enrollments

Academic Year	2016-17	2017-18	2018-19	2019-20	2020-21
Students	7,109	7,228	7,071	7,387	7,508
FTE	6,761	6,826	6,506	6,826	6,840

Pharmacy Programs

Academic Year	2016-17	2017-18	2018-19	2019-20	2020-21
Students	3,298	3,269	3,033	2,988	2,758
FTE	3,224	3,171	2,875	2,822	2,623

Other Programs

Academic Year	2016-17	2017-18	2018-19	2019-20	2020-21
Students	3,811	3,959	4,038	4,399	4,750
FTE	3,537	3,655	3,631	4,004	4,217

Total Fall Enrollments by Campus

Academic Year	2016-17	2017-18	2018-19	2019-20	2020-21
Boston					
Students	4,611	4,486	4,311	4,353	4,279
FTE	4,504	4,385	4,145	4,281	4,216
Worcester					
Students	1,572	1,679	1,585	1,527	1,460
FTE	1,552	1,650	1,546	1,516	1,499
Manchester					
Students	458	512	512	488	433
FTE	452	506	504	483	437
Online					
Students	468	551	663	1,019	1,336
FTE	253	285	311	546	688

MCPHS UNIVERSITY

Audited Financial Statement

	<i>June 30,</i>	
	<i>2020</i>	<i>2019</i>
Assets		
Cash and cash equivalents	\$ 35,128,450	\$ 28,659,296
Contributions receivable	315,454	464,544
Student and other receivables	7,738,642	5,764,829
Prepaid expenses and other assets	6,608,668	4,509,708
Student loans receivable	9,924,331	9,469,415
Deposits with bond trustees	5,287,439	5,206,258
Funds held in trust	1,576,161	1,585,736
Investments	1,214,213,118	1,131,297,702
Property and equipment, net	205,688,224	214,409,805
	\$ 1,486,480,487	\$ 1,401,367,293
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 17,050,876	\$ 15,443,688
Deferred revenues	21,582,096	21,611,661
Bonds and other obligations payable	69,706,696	76,809,685
Advances from federal government for student loans	10,487,944	10,446,564
	118,827,612	124,311,598
Net assets:		
Unrestricted		
Funds held for long-term investment	1,182,699,955	1,099,840,220
Net investment in plant	125,292,678	128,585,865
Other funds	23,594,535	12,739,366
Total unrestricted	1,331,587,168	1,241,165,451
With donor restrictions:		
Permanent endowment funds	33,796,876	33,721,127
Other funds	2,268,831	2,169,117
Total donor restricted	36,065,707	35,890,244
Total net assets	1,367,652,875	1,277,055,695
Total liabilities and net assets	\$ 1,486,480,487	\$ 1,401,367,293