

Bentley University
FY 2019 Financial Narrative

As noted by the financial statements, Bentley University finished the year in a strong financial position maintaining balance sheet strength and steady increases in net assets from operating activities. The following provides additional analysis related to the performance of Bentley University for the fiscal year ended June 30, 2019.

Statement of Financial Position

The University ended the fiscal year with assets totaling \$658 million, an increase of \$5.2 million. Cash balances increased by \$10.2 million as a result of prudent expense management and decreased capital spending over the prior year. Investments decreased as result of market volatility towards the end of the year reducing the investment return to \$7.2 million while endowment distributions were \$11.9 million. Capital spending was \$20.9M compared to \$43.8 million in the prior year due to an absence of a major construction project in 2019.

Statement of Activities

Operating activities

Total net tuition, fees, and room and board increased \$6.3M driven by steady enrollment and modest increases in tuition, room, and board. As a result of prudent expense management, total operating expenses increased by only \$3.7 million while total operating revenue increased by \$8 million allowing the University to invest in strategic initiatives.

Nonoperating activities

As noted above the investment returns ended the year with \$7.2 million of net gains while the University distributed \$11.9 million of the endowment to operations. Declining interest rates increased the Universities interest rate swap liability and the University reported \$4.7M change in the fair value of interest rate swaps compared with a positive change of \$6.1M in the prior year. Contributions to the endowment remained steady at \$1.9 million.