CLARK UNIVERSITY

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CHANGE OUR WORLD.

Clark University
Financial Statement Summary
For the Fiscal Year Ended May 31, 2026

The Fiscal Year 2026 ("FY 2026") financial reports for Clark University ("the University") include the opinion of the University's independent auditors, audited financial statements, and corresponding footnotes.

Overview

Clark University's FY 2026 financial results reflect the continued impact of enrollment challenges on operating performance. The University reported an operating deficit of $7.9 million, driven primarily by lower tuition revenue resulting from enrollment declines. Despite these operating challenges, strong investment returns and philanthropic support contributed to a $46.2 million increase in total net assets and strengthened the University's overall financial position.

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

The University's total assets increased $44.6 million, or 5.8% from $770.1 million as of May 31, 2025 to $814.7 million as of May 31, 2026. This increase was driven primarily by strong investment gains during FY 2026.

Total liabilities decreased by $1.6 million, or 0.8%, primarily due to lower accounts payable and accrued expenses associated with reduced construction activity.

Total net assets increased by $46.2 million, or 8.0%, reflecting strong investment performance and philanthropic support, partially offset by the operating deficit.

As of May 31, 2026, donor-restricted net assets totaled $504.3 million, representing 81% of total net assets, while unrestricted net assets totaled $119.0 million, representing 19% of total net assets. Donor-restricted funds are generally unavailable for general operating purposes, while unrestricted funds provide flexibility to support institutional priorities and operations.

Statement of Activities

Total operating revenue and other support were $152.8 million, a decrease of $5.1 million, or 3.2%, compared to FY 2025 due primarily to lower enrollment. While increased contributions and higher endowment support helped mitigate the impact of lower tuition revenue, they did not fully offset the decline.

Net tuition and fees decreased by $15.3 million, or 18.8%, largely reflecting lower enrollment levels. The decline in tuition revenue remained the University's most significant financial challenge during FY 2026.

Contribution income totaled $20.3 million, an increase of $12.8 million from the prior year, largely attributable to a significant gift from a trustee.

Income appropriated under the endowment spending policy increased by $3.9 million, or 14.0%, from $27.7 million in FY 2025 to $31.6 million in FY 2026, driven by an increase in the spending rate.

Other income declined by $3.6 million compared to FY 2025, primarily because the prior year included a one-time tax refund related to an energy tax credit.

Total operating expenses decreased by $3.7 million, or 2.3%, from $164.3 million in FY 2025 to $160.6 million in FY 2026. This decrease reflects lower enrollment-related costs and the successful implementation of expense reduction initiatives. Despite these efforts, the decline in operating revenue resulted in a net operating deficit of $7.9 million for FY 2026.

Non-Operating Results

Non-operating activity was a significant source of financial strength during FY 2026. Favorable investment market performance and gifts designated for the endowment generated $54.1 million in net non-operating revenue.

This compares to net non-operating revenue of $11.4 million in FY 2025, which was driven by investment gains and endowment contributions but was partially offset by a $5.3 million impairment charge related to a capital project.

The strong non-operating results in FY 2026 helped offset operating losses and were the primary contributor to the increase in total net assets.

Looking Ahead

Looking ahead to FY 2027, the University is implementing a comprehensive plan to refocus, reorganize, and reenergize the institution. Central to this strategy is the creation of the School of Climate, Environment, and Society, the School of Media Arts, Computing, and Design, and the School of Health and Human Behavior, supported by a strong liberal arts core.

In parallel, the University continues to actively assess operations and manage expenses to align resources with enrollment and strategic priorities. Fundraising efforts are providing important support for these initiatives, as demonstrated by recent philanthropic activity.

The University remains focused on strengthening enrollment, advancing its academic reorganization, managing operating costs, and increasing philanthropic support. Together, these efforts are intended to enhance long-term financial sustainability while positioning Clark to meet the evolving needs of students and society.