

FINANCIAL SUMMARY FOR THE YEAR ENDED APRIL 30, 2022

Overview

Northpoint's 2021-2022 audit was performed by the auditing company of Baker Tilly. The April 30, 2022, (FY22) audited financial statements were reviewed by members of the college's Board of Trustees' Executive Committee and will be brought to the full Board of Trustees at their meeting on October 23, 2023.

Statement of Financial Position

Total net assets for 2021-2022 decreased by \$807,560 from year 2020-2021. This is a 4.2% decrease from the prior year change in total net assets. This was driven primarily by \$609,272 in the depreciation of buildings and equipment as well as a \$176,201 decrease in student fees receivable when \$134,000 was written off as uncollectible accounts. The college experienced a decrease in investments of \$9,508.

Total liabilities increased for FY22 by \$554,214, with a net increase of \$22,614. The major contributor of increase is due to Paycheck Protection Program (PPP) monies of \$531,600. Please note that the \$531,600 remains unforgiven by the Small Business Administration as of the end of FY22.

Statement of Activities

Revenue

Revenues for the audit year were flat with a slight decrease of \$31,000 which is less than 1% of total revenue.

Expenses

Expenses for YR 2022 rose by \$1.4 million. This is a 24% increase from YR 2021. The expense increases were due to the pressures of post-pandemic inflation. The college saw a rise in almost every line-item expense. Deprecation and utilities alone account for over \$1 million dollars of total expenses. For the state of Massachusetts minimum wage went up 30% which in turn affected the college's total payroll costs. The Covid-19 relief funding for students, HEERF, created a pass-through expense where \$815,107 came into the college but then went out to students as an expense. This accounts for 58% of total rise the college's expenses.

Statement of Cash Flows

The College works to operate without mortgages or incurring long term debt. For YR 2022 the college's cash flow decreased \$52,509. While the college strives to operate without long term debt, there is a balance sheet entry for Phase 2 of the Paycheck Protection Program funds which remain unforgiven.

FY22 Projections

For fiscal responsibility, the 2022-2023 budget was prepared for zero growth. The college does project a growth in graduate education as a Hispanic initiative will start in 2022-2023 as well as an emphasis on non-traditional delivery methods for adult learners.

Auditor Findings

The auditors' findings include two (2) material weaknesses (see pages 29-31 of FY 2022 audit). Both are in process of being addressed by senior management. Please see the college's corrective action plan on page 32 of FY 2022 audit. The college has hired a consultant to review the finance department and financial policies and procedures. The new financial policies and procedures will be functional for the 2023-2024 school term.

