

STONEHILL COLLEGE
FY 2022
OVERVIEW OF THE FINANCIAL STATEMENTS

I. Overall Results

For the fiscal year ending June 30, 2022, Stonehill College saw an overall decrease in its financial position of \$3.4 million. This decrease is the result of a negative investment return of \$6.3 million and the authorized \$9.9 million of distribution from the endowment. Offsetting these decreases were a favorable operating surplus of \$2.9 million, gift and grant contributions of \$10 million (which includes \$3.4 million of FEMA grants), and a \$3.1 million positive change in the interest rate swaps.

In summary:

Total net assets have decreased from \$406.7 million to \$403.3 million, representing a decrease of \$3.4 million or a negative .85% for the year.

Total operating revenues and expenses were \$96.9 million and \$94.0 million, respectively, resulting in a \$2.9 million increase in net assets from operations. The College also incurred an additional \$1.8 million of non-operating COVID testing costs, along with \$3.4 million in FEMA grant reimbursement.

Total investments decreased to \$295.3 million, representing a net decrease of 4.3% or \$13.3 million for the year. New endowed gifts of \$2.8 million were offset by a negative endowment return of \$5.5 million or -1.9% and by the College's annual endowment distribution of 4.5% or \$9.9 million.

Total contributions from gift payments and pledges were \$7.3 million, comprised of \$707 thousand for operations and \$6.6 million for restricted/endowment/capital.

II. Statement of Financial Position

Cash and cash equivalents increased from \$22.8 million to \$28.9 million primarily due FEMA grant reimbursement and payment on outstanding pledges.

Total student receivables balance decreased by \$483 thousand which includes an allowance for uncollectible accounts of \$173 thousand. These account balances are actively managed by Student Accounts and decrease by the College's fall enrollment deadlines.

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II. Statement of Financial Position (continued)

Contributions and grants receivables decreased by \$172 thousand, from \$10.6 million in FY21 to \$10.4 million in FY22. This change includes new pledge commitments for FY22 totaling \$3 million, while pledge payments were \$3.5 million. The pledge discount and reserve for unfulfilled pledges decreased by approximately \$47 thousand and Grants Receivable increased by \$262 thousand.

Land, buildings, equipment, and construction in progress decreased by a net amount of \$1.6 million. Capital asset additions of \$7.1 million was primarily due to construction in progress for the resident hall upgrades. This was offset by depreciation costs for FY22 totaling \$8.7 million.

Loans and bonds payable decreased by \$5.4 million as a result of annual debt payments.

The College's interest rate swap valuation saw a change which resulted in a decrease to our liability of \$4.4 million due to the current market increases in interest rates.

Of the total net assets, \$291.9 million, or 72.4%, are classified as "without donor restrictions" and \$111.4 million, or 27.6% as "with donor restrictions". Of the \$111.4 million with donor restrictions, \$94.8 million consists of endowment funds and gains (realized and unrealized) and the remaining \$16.6 million corresponds primarily to pledges, donor restricted gifts, annuity funds and perpetual trusts.

III. Statement of Activities

Current operations resulted in total revenues of \$96.9 million and total expenses of \$94.0 million, thereby producing an increase in net assets from operations of \$2.9 million. Operating revenues increased by \$2.7 million as the results of student revenue increases which were offset by decreases in federal grant revenues. Corresponding operating expenses increased by \$6.9 million from pandemic levels of FY21.

Non-operating activity resulted in a negative net change of \$6.4 million. This was primarily the result of the new gifts and grants of \$10.0 million, investment losses of \$6.3 million and the endowment distribution spending of \$9.9 million.

IV. Statement of Cash Flows

Cash and cash equivalents totaled \$28.9 million, representing an increase of \$6.0 million from the prior year. Net cash provided by operating activities was \$3.2 million, net cash provided by investing activities was \$3 million, and net cash used in financing activities was \$154 thousand.