

STONEHILL COLLEGE
FY 2023
OVERVIEW OF THE FINANCIAL STATEMENTS

I. Overall Results

For the fiscal year ending June 30, 2023, Stonehill College saw an overall decrease in its financial net asset position of \$4.0 million. Contributing factors resulting in the overall change in net assets are based on a favorable operating surplus of \$2.7 million, new endowed/restricted/capital gifts and grant contributions of \$5.1 million, and a \$3.2 million favorable investment return. These increases were offset by the annual endowment distribution spending of \$11.9 million and use of prior year gifts of \$2.3 million.

In summary:

Total net assets have decreased from \$403.3 million to \$399.3 million, representing a decrease of \$4.0 million or a negative 1.0% for the year.

Total operating revenues and expenses were \$104.9 million and \$102.2 million, respectively, resulting in a \$2.7 million increase in net assets from operations.

Total contributions from gift payments and pledges were \$6.5 million, comprised of \$1.4 million for operations and \$5.1 million for restricted/endowment/capital and grants.

Total investments decreased to \$290.9 million, representing a net decrease of 1.5% or \$4.3 million for the year. New endowed gifts of \$3.9 million were augmented by an endowment return of \$2.9 million and offset by the College's annual authorized endowment distribution of 4.5% or \$11.3 million.

II. Statement of Financial Position

Cash and cash equivalents decreased by \$9.0 million to \$19.8 million. This was the result of using prior year cash reserves to fund major capital investments of \$7.5 million including improvements in several residence halls totaling over \$4.5 million and an additional \$1.8 million in payments for long-term debt.

Total student receivables balance increased by \$655 thousand which includes an allowance for uncollectible accounts of \$211 thousand. These account balances are actively managed by Student Accounts and decrease significantly by the College's fall enrollment deadlines.

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II. Statement of Financial Position (continued)

Contributions and grants receivables decreased by \$2.1 million, from \$10.4 million in FY22 to \$8.3 million in FY23. This change includes new pledge commitments for FY23 totaling \$1.1 million, while pledge payments were \$2.8 million.

Land, buildings, equipment, and construction in progress decreased by a net amount of \$1.5 million. Capital asset addition of \$7.5 million was primarily due to construction for the resident hall upgrades. This was offset by depreciation costs for FY23 totaling \$9.1 million.

Investments decreased by \$4.3 million due to the annual endowment draw for operations of \$11.9 million which is offset by a positive investment return of \$2.9 million and new endowment gifts of \$3.9 million.

Loans and bonds payable decreased by \$7.2 million as a result of annual debt payments.

The College's interest rate swap valuation saw a change which resulted in a decrease in the liability of \$1.8 million due to the current market increases in interest rates.

Of the total net assets, \$291.3 million, or 73.0%, are classified as "without donor restrictions" and \$108.0 million, or 27.0% as "with donor restrictions". Of the \$108.0 million with donor restrictions, \$95.0 million consists of endowment funds and gains (realized and unrealized) and the remaining \$13.0 million corresponds primarily to pledges, donor restricted gifts, annuity funds and perpetual trusts.

III. Statement of Activities

Current operations resulted in total revenues of \$104.9 million and total expenses of \$102.2 million, producing an increase in net assets from operations of \$2.7 million.

Revenues from net tuition and fees and room and board increased by \$4.2 million over FY 2022. Other revenues sources also increased by \$3.8 million over FY 2022. This was the results of increased student enrollments in addition to an increase of endowment and gifts for operation. These increases were offset by decreases in federal grant revenues.

Corresponding operating expenses increased by \$10.5 million as the result of re-instituting study abroad programs that were reduced due to the pandemic, inflation related cost increase related to dining operations, utilities and interest expense. In addition, the College incurred additional costs related to its transitions to division 1 athletics.

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III. Statement of Activities

Non-operating activity resulted in a negative net change of \$6.7 million. This was primarily the result of the new gifts and grants of \$5.1 million, investment gains of \$3.2 million and the endowment spending of \$11.9 million, prior year gifts released from restrictions of \$2.3 million and non-operating expenses of \$2.3 million.

IV. Statement of Cash Flows

Cash and cash equivalents totaled \$19.8 million, representing a decrease of \$9.0 million from the prior year. Net cash used by operating activities was \$4.0 million, net cash used by investing activities was \$2.8 million, and net cash used in financing activities was \$2.2 thousand.