



Emmanuel College's financial statements, independent auditor's unqualified opinion, and footnotes for the years ended June 30, 2023 (FY23) and June 30, 2022 (FY22) are presented in the following pages. In order to present some highlights and an outlook related to the College's financial operations, management prepared this discussion and analysis.

In FY23, the positive financial results on the Statement of Activities were driven by non-operating results. The combination of contributions and positive investment returns experienced in the College's investment portfolio resulted in a \$1.3M increase in net assets. Operationally, the College was impacted by the competitive industry environment.

The following financial summary explains recent accomplishments achieved, challenges encountered, and trends experienced by the College:

- In FY23, the New England Commission of Higher Education (NECHE) affirmed the College's accreditation following its comprehensive, once-per-decade evaluation of the College. In communicating its decision, NECHE noted that no additional reports will be required of the College before its standard interim report in 2027.
- In FY23, total revenue increased by \$2.4 million year-over-year (YoY). The increase is driven by a \$3.3 million YoY increase in revenue from auxiliary operations due to the combination of more students living on campus and higher room and board rates compared to FY22.
- In FY23, total expenses increased by \$6.7 million YoY. The increase is driven by the combination of higher compensation expenses, higher room expenses associated with more students living on campus, higher food expenses, activity levels normalizing following the pandemic, and general inflationary pressures.
- In FY23, total non-operating activities were a positive \$10.3 million. \$4.5 million in contributions was complimented by \$5.9 million in investment earnings. In FY22, total non-operating activities were (\$20.9 million). In FY22, \$6.6 million in contributions was offset by (\$27.4 million) in investment earnings.
- The outstanding principal on the College's 2016 Massachusetts Development Finance Agency (MDFA) bond was \$173 million as of June 30, 2023 and \$177 million as of June 30, 2022. During both FY23 and FY22, the annual debt service on the bond was \$12 million.
 - The College finances much of its debt service through the residential and associated dining revenue generated by its 18 story St. Julie Hall.
 - The College has a lease agreement with Massachusetts College of Pharmacy and Health Sciences (MCPHS) for rooms in St. Julie Hall. The lease payments from MCPHS totaled \$4.0 million during FY23 and \$3.9 million during FY22.

- During FY23, the College's undergraduate nursing program experienced its fourth successful year and the nursing program's third cohort began its clinical work. Following the completion of the College's new nursing lab in FY21, the College's vision to provide on-campus, experiential learning opportunities for nursing students is now a reality with significant momentum.
- The College's facilities have been well-maintained, regularly renovated, and tremendously enhanced over the past 25+ years. As a result, there is very little deferred maintenance on the College's campus buildings.
- The College has a \$167 million endowment as of June 30, 2023, which is a \$5.9 million increase YoY due primarily to market gains. Although the College does not intend to spend from its board-designated endowment funds other than the amounts approved by the Board of Trustees for operations, additional resources are available to the College if necessary. The College's donor restricted endowment funds are primarily used to fund scholarships and financial aid.
- Looking ahead to FY24, the College is optimistic about its future. As the College has emerged from the pandemic, incoming class sizes have increased, and enrollment has stabilized. Demand for on campus housing is also very robust. For FY24, undergraduate enrollment is budgeted for 1,750 undergraduate students. Initial residency for the fall semester is 1,450 students.
- Emmanuel College has received word that 93% of its Nursing students passed the Nursing Boards that they took this summer. This achievement allows the College to open its Nursing program to many additional students in the years to come. Additionally, these students have received employment offers from many local hospitals.
- In NECHE's reaccreditation, it noted that "Emmanuel College is well positioned to continue to educate students in a dynamic learning community rooted in the liberal arts and sciences' well into the future." The College's leadership affirms this assessment and believes that the future is bright for the institution.

The College is located next to the Longwood Medical Area and is a central part of the City of Boston's Fenway neighborhood. The College's location provides it with access to resources that are unavailable to suburban and rural institutions. The College's campus is a major draw for students desiring a small campus experience in the heart of Boston.

The College appointed a new President at the beginning of August 2023. Dr. Beth Ross, a 20 plus year employee of the College, with almost 30 years of higher education experience in the Boston area, was asked by the Board of Trustees to take on the role of Acting President. Dr. Ross is grounded in the mission of Emmanuel College and exceptionally well positioned to take on this responsibility given her long- term commitment to higher education and to the College.

Emmanuel College will continue its mission to provide a Catholic education reflecting the charism of the Sisters of Notre Dame de Namur to students in the heart of Boston for many years to come.

In Notre Dame,

Sr. Anne M. Donovan, SNDdeN
Treasurer