Emmanuel College's financial statements, independent auditor's unqualified opinion, and footnotes for the years ending June 30, 2026 (FY26) and June 30, 2025 (FY25) are presented in the attached document by the audit firm of KPMG, LLP. Summary highlights from the past fiscal year 2026 are as follows:

- In FY26, the positive change in net assets in the Statement of Activities was driven by non-operating results. While the College's operations have been affected by the competitive industry landscape, incremental improvements continue and the College's operating deficit improved year-over-year. Additionally, despite the competitive environment within the higher education industry, the combination of philanthropy and positive returns generated by the College's investment portfolio resulted in a $33.8 million increase in net assets.

- In FY26, total revenue increased by $2.8 million. This increase is primarily driven by a $2.2 million year over year increase in net student service revenue, demonstrating that there is demand for an Emmanuel College education.

- The total expenses increased by $0.8 million over this same year. This increase is primarily driven by the combination of higher depreciation expenses ($1.6 million) and higher utilities expenses ($0.3 million). Salaries and benefits expenses decreased $1.0 million, reflecting the College's commitment to controlling expenses.

- The total non-operating activities were a positive $37.4 million in net revenue. $20.6 million in estate contributions was complimented by $16.8 million in investment earnings. In FY25, total non-operating activities were a positive $11.7 million.

- The outstanding principal on the College's 2016 Massachusetts Development Finance Agency (MDFA) bond was $160.5 million as of June 30, 2026 and $164.9 million as of June 30, 2025. During both FY26 and FY25, annual debt service was $12 million. The College fully finances its debt service via the housing, dining, and lease revenue generated by its 18 story Saint Julie Residence Hall.

- The College's facilities have been well-maintained, regularly renovated, and tremendously enhanced over the past two decades. As a result, there is very little deferred maintenance on the College's campus buildings. The market value of the College's real estate and physical assets is materially higher than the stated values on the College's balance sheet.

- The College has a $209.6 million endowment as of June 30, 2026, which is a $33.5 million increase year over year, which is due to a combination of contributions and 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 FY27, the College is optimistic about its future. The College has strong leadership, steady enrollment, and a robust demand for on-campus housing. For FY27, undergraduate enrollment is budgeted for 1,770 full time equivalent students and residency for the fall semester is 1,400 students.

- In the New England Commission of Higher Education (NECHE)'s recent 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. Its location provides it with access to resources that are unavailable to suburban and rural institutions. The College is a major draw for students desiring a small campus experience in the heart of Boston.

Dr. Beth Ross was appointed as the College's President three years ago. Under the leadership of Dr. Ross, the 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.

Patricia Tower
Emmanuel College
Vice President of Finance & Administration/CFO