



Emmanuel College's financial statements, independent auditor's unqualified opinion, and footnotes for the years ended June 30, 2022 (FY22) and June 30, 2021 (FY21) 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.

During the year ended FY22, the College's overall financial result on the Statement of Activities was negative. In FY22, the negative financial result was driven by the combination of negative operating results and negative investment returns experienced in the College's investment portfolio.

Operationally, the College was impacted by both the competitive industry environment and the lingering challenges posed by the COVID-19 pandemic.

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

- In FY22, total revenue increased by \$11.5 million YoY. The increase was driven by a \$12.4 million YoY increase in revenue from auxiliary operations as the number of students living on campus increased year-over-year. In FY21, the College de-densified the campus in order to protect the health and the safety of its students, faculty, and staff.
- In FY22, total expenses increased by \$13.5 million YoY. The increase was driven by the combination of higher room and board expenses associated with more students living on campus and other expenses normalizing following the cost savings initiatives implemented in FY21.
- In FY22, the College received \$1.8 million from the Massachusetts Emergency Management Agency (MEMA). All funds received from MEMA were reimbursements for expenses incurred by the College related to COVID-19 and the safe opening of the College for students, faculty, and staff.
- In FY22, total non-operating activities were -\$20.9 million. \$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 \$177 million as of June 30, 2022. During FY22, the debt service on the bond was \$12 million.
  - The College finances its debt service through the residential and dining revenue generated by our 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 \$3.9 million during FY22.
- During FY22, the College's undergraduate nursing program experienced its third successful year and the nursing program's second 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.
- 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 \$161 million endowment as of June 30, 2022, which is a \$26.7 million decrease YoY. Although the College does not intend to spend from its board-designated endowment funds, other than the amounts appropriated by the Board of Trustees approval for operations, additional resources are available to the College if necessary. The College's donor restricted endowment funds are used primarily to fund scholarships and financial aid.

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.

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.

Cordially,

Sr. Anne M. Donovan, SNDdeN

Vice President of Finance/Treasurer