

Financial Statement Summary **Fiscal Year 2024**

The Smith College (the “College”) fiscal year 2024 (June 30, 2024 year end) financial statements illustrate another year of strong financial management. The College continues to see record levels of applicants and has maintained steady enrollment. In light of the continued expense pressures, the College continues to be diligent in its stewardship of resources and closed the fiscal year with an operating surplus.

Fiscal 2024 was another active year for major capital projects with continued investment in the College’s multi-year geothermal energy project. The first of three phases was partially placed in service before the end of fiscal year 2024 and was fully placed in service in Fall 2024. The remaining two phases are continuing as planned. Additional major capital projects for the year included McCartney Hall, the College’s future hub for career development and leadership training. The College continues to make regular investment in smaller-scale renewal and replacement projects.

The following analysis provides commentary and data related to the College’s financial performance for the fiscal year 2024.

Statement of Financial Position

The College’s total assets as of June 30, 2024 were \$3.8 billion, which was 3.1% higher than the end of the previous fiscal year. This growth was largely due to increases in net property, plant and equipment as a result of the multi-year geothermal energy project. The College also saw growth in its long-term investments of 7.7%, which was then partially offset by the endowment draw.

Total liabilities as of June 30, 2024 were \$642 million, an increase of 1.6% over the prior fiscal year. This was primarily attributable to timing of payments for capital project invoices, an increase in the geothermal construction retainage as well as an accrual for the net investment income excise tax.

The resulting total net assets, which is the equivalent of the College’s net worth, totaled \$3.1 billion as of June 30, 2024, an increase of 3.4% during the fiscal year.

Statement of Activities

Operating Results

The College reported a \$7.5 million unrestricted operating margin in fiscal year 2024, with unrestricted operating revenues totaling \$306.1 million and unrestricted operating expenses totaling \$298.6 million.

The College's total unrestricted operating revenues grew \$12 million (4.1%) over the fiscal year 2024. This is driven primarily by a year over year growth of 4.5% in endowment spending and 2.2% in net comprehensive fees, as well as \$7.5 million of non-recurring gifts released from restriction in the current fiscal year. Alternatively, there was a 20% decline in gifts and grant income, as a result of COVID-era federal and state grant funding coming to an end.

Operating expenses increased by \$13.3 million (4.5%) from the prior fiscal year, which was primarily driven by increases in salaries & wages, depreciation and utilities.

Non-Operating Results

The College's net assets from non-operating activities increased by \$14.2 million (131.7%) during fiscal year 2024. Non-operating growth is primarily driven by the positive return on long-term investments plus new gifts less the annual endowment draw.

Looking to the Future

The College enters fiscal year 2025 in a stable financial position due to its history of fiscal discipline. Going forward, projected revenue growth that continues to be slower than expense growth will continue to put pressure on the College's operating model. The College continues to focus on robust fundraising, driving operating efficiencies, increasing sustainability, retaining personnel, and managing expenses to help ensure sustainability in its business model in support of its mission. The strategic planning effort that began in summer 2024 will help to guide strategic investment and fundraising efforts in the near and intermediate term.