

Babson College FY22 Audited Financial Summary

For fiscal year 2022, Babson College experienced another successful year of financial strength due to healthy operating performance and increase in Tuition Revenue despite the on-going challenges presented by the COVID-19 pandemic, Babson closed the year with a \$14.4M operating surplus. The continued resiliency and creativity of the campus community allowed the College to continue to move forward and carry out daily operations as well as continuing to progress on key initiatives outlined in Babson's strategic plan. In addition, the College ended the fiscal year with total assets of \$1 billion and overall strong financial results.

Total net tuition, fees, and room and board, contributions (expendable gifts and pledge payments), auxiliary revenues, and endowment support increased by \$24.8M due to overall increase in revenue from stronger than projected returning Undergrad students, additional room and board revenue for the temporary use of the BECC hotel rooms for student housing, significant savings due to one-time Compensation Vacancy, one-time expense reductions in travel and events due to travel restrictions during the COVID pandemic. In FY22 the college's endowment spend draw was 3% from the 4.5% endowment spend draw in FY21. The College also received \$4.4 in Higher Education Emergency Relief Funding ("HEERF"), with approximately \$2.2M distributed directly to students in the form of emergency grants.

Total Operating expenses increased by \$13M from FY21, the result of the re-opening of the College back to normal capacity to house students engineered to strengthen the economic foundation of the College.

A few key performance highlights for the fiscal year included:

- The continued generosity of Babson College's donors and friends continue to support our mission-raising an annual recording of \$64.9 million in gifts and pledges, including federal & foundation grants during the year, an increase of \$27 million from the prior year.
- Cash and Cash Equivalents contribute to a strong financial position increasing \$28.5M
- As a result, net assets of the College increased by a minimal amount of \$6.8M for the fiscal year totaling \$871 million and contributed to continuing balance sheet fiscal strength in FY 2022.

Babson College Financial Facts

- The College's endowment value as of June 30, 2022, was \$662.4M vs. \$701.5M at June 30, 2021.
- The total net investment return on the endowment for the fiscal year ended June 30, 2022, was -4.7% as compared with 43% for June 30, 2021.
- Contribution and grant revenues for the fiscal year ended June 30, 2022, were \$64.9M, as compared to \$37.9M at June 30, 2021.
- Bonds outstanding (both taxable and tax-exempt) as of June 30, 2022, and June 30, 2021, amounted to \$155.4M and \$162.3M, respectively.

- Total net assets as of June 30, 2022, and June 30, 2021, were \$871.6M and \$864.8M, respectively.