The fiscal year ending June 30, 2019 (FY19) was a strong year with positive operating performance and growth in total net assets as Smith College continued to deliver on its mission while investing in the future. The college continued progress on the goals set forth in its financial sustainability initiative, including lowering the endowment spending rate (4.7% in FY19), maintaining the affordability in a Smith education through its commitment to financial aid and investing in strategic priorities. Key capital investments include progress on the renovation of Neilson Library, the largest capital project in Smith's history and the implementation of Workday. The following discussion and analysis provide additional commentary related to the financial performance of the college for the FY19.

**Statement of Financial Position**

The college's total assets as June 30, 2019 were $2.7 billion, which was a $66.4 million (2.5%) increase over the previous fiscal year, mostly attributed to the increase in long-term investments, including the endowment, of $43.1 million (2.1%) as a result of investment returns and new gifts, net of appropriation. There was an increase in property, plant and equipment of $24.1M represented the construction of the Neilson Library, funded by short-term investments which decreased by $27.2M.

Total liabilities as of June 30, 2019 were $368.1 million, which was a $6.1 million (1.7%) increase over the previous fiscal year, predominantly attributed to the increase in the interest swap agreement liability. These swaps are maintained to approximate a fixed rate on the college’s variable rate debt.

The resulting total net assets, equaled $2.4 billion as of June 30, 2019, which was a $60.2 million (2.6%) increase over the prior fiscal year. This majority of this increase, 78% was with donor restrictions, made up of new gifts and appreciation on the endowment above the appropriation.

**Statement of Activities**

**Operating Results**

The college’s GAAP operating surplus without restriction of $8.5 million, was generally flat from FY18, supported by a $1.6 million increase in revenue and a corresponding $1.74 million or increase in expense. The college’s net tuition increased by 3.3% reflecting a 3.8% increase in tuition and a 4.5% increase in student aid. Net tuition represents 46% of operating revenue with unrestricted gifts, grants and investment return for operations and the endowment appropriation representing 50%.
Nonoperating Results

The college’s net assets increased $49 million during FY19 from nonoperating activities supported by the return on long-term investments. Although positive this was a decrease (60%) from the prior fiscal year, attributed to market returns.

Look forward

Looking to FY20 and beyond, the college expects to continue progress on its financial sustainability initiative and invest further in its strategic plan.