



SMITH COLLEGE

Financial Statement Summary Fiscal Year 2021

Despite the challenges of the ongoing global pandemic, the fiscal year ended June 30, 2021 (FY21), was strong for Smith College resulting in a modest operating surplus and substantial growth in net assets. Prioritizing the health and safety of the community, the college offered a fully remote fall semester, with very few students living on campus. Students were able to return to campus in the spring semester, but most classes continued to be offered remotely. Diligent stewardship of college resources, as teaching methodologies shifted during the pandemic, and the CARES Act funding for emergency student aid and institutional support, helped to balance operations. Net asset growth was driven by a historic anonymous \$50 million endowment pledge for scholarships and career services, coupled with an investment return of 38.2%. The following analysis includes additional commentary on the financial performance of the college for FY21.

Statement of Financial Position

The college's net assets as of June 30, 2021 now exceed \$3 billion, representing a \$736 million increase, or just over 31%, attributed primarily to endowment growth from gifts and investment return.

Total liabilities as of June 30, 2021 were \$490 million, an increase of \$102 million, attributed to the 2020 debt issuance totaling \$100 million. Debt was issued as near-term liquidity insurance and for funding strategic capital projects in the future.

Statement of Activities

Operating Results

The college's total operating revenues decreased by \$39.7 million (16.5%) primarily attributed to a \$32.8 million decrease in net tuition income. This included a 21% decrease in tuition & fees and a 70% decrease in room & board, as the college quickly pivoted to a primarily remote model to safely deliver its academic program during the pandemic.

Operating expenses decreased by \$22.4 million from the prior fiscal year, largely due to cost containment measures employed as a result of the COVID-19 pandemic.

Nonoperating Results

The college's net assets from nonoperating activities increased \$746.6 million during FY21, which was an increase of \$775.2 million (2705%) over the prior fiscal year. Non-operating activities are primarily being driven by the return on long-term investments. Additionally,

contributing to these results are non-operating gifts and pledges, which includes the single largest individual pledge (\$50 million) in the college's history.

Looking to the Future

As outlined above, Smith College enters fiscal year 2022 in a strong financial position. The college has a history of consistent, positive operating results, combined with strong liquidity, comprehensive fiscal and strategic planning and diligent stewardship of its resources, which has enabled the college to not only thrive, but advance despite of the challenges raised by the COVID-19 pandemic. Further investment in key strategic priorities, like financial aid, sustainability and the academic core is expected in the coming fiscal year.