

Babson College FY23 Audited Financial Summary

For fiscal year 2023, Babson College experienced another successful year of financial strength due to healthy operating performance and an increase in Undergraduate Tuition Revenue. Babson closed the year with a \$12.9M in operating surplus. The continued resiliency and creativity of the campus community allowed the College to continue to progress on key initiatives outlined in Babson's strategic plan. In addition, Liabilities decreased by (\$13.1M) due to the continued efforts of paying down Bond Debt, and the decreases in the interest rate swaps. The College ended the fiscal year with total assets of \$1.1 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 \$24.3M due to overall increase in revenue from stronger than projected returning Undergrad students, additional room and board revenue for the use of the BECC hotel rooms for student housing. In FY23 the college's endowment spend draw was 3.67% from the 4.5% approved endowment spend draw due to strong operating surplus the College reduced the approved endowment draw by \$4M.

Total Operating expenses increased by \$25.8M from FY22, which \$14.8M of the FY23 expense increase was for Instruction, Academic and Student Support expense engineered to strengthen the economic foundation of the College and to provide the necessary support for our Babson Students educational experience on campus.

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 \$48.8 million in gifts and pledges, including federal & foundation grants during the year. In FY23 Babson College reached their \$500M campaign goal!
- Cash and Cash Equivalents contribute to a strong financial position increasing \$4.4M
- As a result, net assets of the College increased by the amount of \$49.5M for the fiscal year totaling \$921 million and contributed to continuing balance sheet fiscal strength in FY 2023.

Babson College Financial Facts

- The College's endowment value as of June 30, 2023 was \$685.8M vs. \$662.4M at June 30, 2022.
- The total net investment return on the endowment for the fiscal year ended June 30, 2023 was 4.1% as compared with -4.7% for June 30, 2022.
- Contribution and grant revenues for the fiscal year ended June 30, 2023 were \$48.8M, as compared to \$64.9M at June 30, 2022.
- Bonds outstanding (both taxable and tax-exempt) as of June 30, 2023 and June 30, 2022, amounted to \$146.2M and \$155.4M, respectively.
- Total net assets as of June 30, 2023 and June 30, 2022 were \$921M and \$871.5M, respectively.