Financial Statement Summary
Fiscal Year 2023

The Smith College (the “college”) fiscal year 2023 financial statements illustrate another year of strong financial management, despite challenges associated with continued high inflation. The college continues to see an increase in applicants and has maintained steady enrollment. In the face of ongoing high inflation, the college was diligent in its stewardship of resources and closed the fiscal year with an operating surplus.

Fiscal 2023 was another active year for major capital projects with continued investment in the college’s multi-year geothermal energy project. The first phase of the project is on schedule for completion in fall 2024. Additional major capital projects for the year included renovations to Alumnae House and Parsons House, along with 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 2023.

Statement of Financial Position

The college’s total assets as of June 30, 2023 were $3.6 billion, which was 2.1% higher than the end of the previous fiscal year. The increase was largely credited to the receipt of the remaining $50 million of bond proceeds from the fiscal year 2022 issuance, continued significant capital projects and a net increase in long-term investments driven by 3.5% endowment returns and other additional investments, offset by the endowment draw.

Total liabilities as of June 30, 2023 were $632 million, an increase of 9.0% over the prior fiscal year. The increase was primarily attributed to the receipt of the remaining $50 million of bond proceeds from the fiscal year 2022 bond issuance, which will fund future capital projects. This increase is offset by a $7.1 million reduction in the interest rate swap liability due to the restructuring of the college’s 2007 series bonds, resulting in the retirement of the interest rate swap.

The resulting total net assets, which is the equivalent of the college’s net worth, totaled $3.0 billion as of June 30, 2023, an increase of 0.7% during the fiscal year.

Statement of Activities

Operating Results

The college reported a $8.8 million unrestricted operating margin in fiscal year 2023, with unrestricted operating revenues totaling $294.1 million and unrestricted operating expenses totaling $285.3 million.
The college’s total unrestricted operating revenues grew $26 million (9.7%) over the fiscal year 2023. This overall growth is driven by $7.6 million of non-recurring federal grant funding, increased investment returns on short-term investments supporting operations and increased endowment draws. Net comprehensive fees remained relatively flat due to increased financial aid from the college's elimination of loans from students’ financial aid packages.

Operating expenses increased by $24.7 million (9.5%) from the prior fiscal year, which was a reflection of a more complete return to pre-pandemic activity, both on campus and study abroad, continued high inflation, and increased debt service.

Non-Operating Results

The college’s net assets from non-operating activities increased by $118.2 million (113.7%) during fiscal year 2023. 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 2024 in a strong financial position due to its history of fiscal discipline. Going forward, slower projected revenue growth coupled with high anticipated inflation will put pressure on the college’s operating model. The college continues to focus on driving operating efficiencies, increasing sustainability, retaining personnel, and managing expenses to help ensure that the college’s resources are allocated to the highest strategic priorities in support of its mission.