

December 22, 2022

Management Summary of FY'22 Audited Financials

With a new collaborative campus on schedule to open on time and on budget in January 2023, Hebrew College is poised for a transformative enhancement in Unrestricted Net Assets during FY'23 with a corresponding release from restriction of more than \$11,000,000 in capital contributions utilized to fund the project. Achieving this milestone represents a very key step, yet just one of many initiatives undertaken in recent years by college leadership in solidifying the financial foundation of the college and positioning it for continued growth and success going forward.

As of June 30, 2022, Cash on Hand has increased to \$6.6MM, Total Assets have increased to \$26.1MM, and Net Assets have increased to \$18.0MM in comparison with prior year's \$6.5MM, \$18.5MM, and \$12.9MM respectively. In addition to the extraordinary inflow of capital contributions, this continuation of recent year-to-year improvements in financial position remains attributed to a series of recent enhancements in operational efficiencies and commitment to fiscal responsibility. The new campus and its inherent partnerships are anticipated to offer even more opportunities to positively influence the bottom line.

FY'22 Operations reflect a negative \$553K Change in Net Assets on a GAAP basis, of which \$491K is attributed to non-cash allocations of Depreciation and Prepaid Rent. On a cash basis, a deficit of \$62K was anticipated in the FY'22 budgeting process and represents the successful achievement of the board approved budget. Operating Revenue in FY'22 was \$7.71M with \$8.26MM in Operating Expenses.

With the campus move initiative accomplished, strategic next steps from a financial perspective will feature the upcoming launch of an Endowment Growth Campaign with an objective of expanding endowed investments valued at \$3.2MM as of June 30, 2022 in a challenging market environment, to a targeted goal of \$10

million.

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