

December 26, 2024

Management Summary of FY`24 Audited Financials

Net Unrestricted Assets as of June 30, 2024 totaled \$9.86MM. This balance reflects an FY`24 Change in Unrestricted Net Assets of a positive \$845K largely driven by Capital Contributions collected during this time-period and released from new campus development restrictions pertaining thereto.

Working Capital of \$2.23MM includes \$1.72MM of Unrestricted Cash plus \$503K in time or purpose restricted cash, representing approximately 3.3 months of working capital.

Hebrew College incurred an Operating Deficit of \$113K on a Cash Basis. On a GAAP Basis the deficit was \$577K of which \$464K is due to Depreciation Expense, primarily on the new campus fixed assets.

Operating Revenue \$8.08MM included \$4.42MM Unrestricted Grants and Contributions, \$2.92MM Net Tuition Revenue, \$590K Rentals and Other Income and \$156K in Investment Return Designated for current operations.

Operating Expenses \$8.66MM included \$5.54MM Instruction, \$1.81MM Institutional Support, \$498K Academic Support, \$306K Student Services, and \$503K Development.

The new Washington Street campus was developed with support from Eastern Bank in the form of a \$4.0MM construction line of credit, of which only \$1.3MM was actually needed to be borrowed. As of the end of FY24 the college had paid down \$100K of the balance. The College anticipates being in position to fully retire the instrument by the end of calendar 2025, from capital campaign proceeds scheduled to be collected during that time period.

Beginning in 2021, the College raised \$14.0MM in Capital Campaign Commitments to fund the new campus project. As of FY24 fiscal year end all but \$1.6MM of those obligations had been collected, with an additional \$1.3MM scheduled to be collected during FY25 and first six months of FY26 (by December 31, 2025). The remaining small amounts are pledged to be remitted over multiple years.

The College's Debt Position has been markedly improving annually since FY18, with the sale of its former Herrick Road campus and retirement of a \$7MM MDFA Bond. A subsequent conditional obligation to CJP in the amount of \$5.2MM was paid off with installments from the property sale over multiple years and fully retired in FY24.

Unqualified auditor opinions continue to be received in FY24 and annually.

Keith E. Dropkin
Chief Financial & Administrative Officer