

FY2023 Financial Narrative

Statement of Activities

Operating Results

Bay Path University ended Fiscal Year 2023 with a positive change in net assets from operations of \$992,343 and an over-all change in net assets of \$4,823,794. During the fiscal year ended June 30, 2023, the university realized a decrease in operating revenue by 3.5% compared to fiscal year ended June 30, 2022. In the fiscal year ended June 30, 2023, the University realized a decrease in operating expense by 0.6% compared to the fiscal year ended June 30, 2022.

During the fiscal year ended June 30, 2023, Bay Path University recognized \$394,857 in Federal Emergency Management Agency Funds. The funds were used to reimburse the University for COVID-19 response related expenses. For the fiscal year ended June 30, 2022, Bay Path University recognized \$5.1 million of Higher Education Emergency Relief Funds as result of the COVID-19 pandemic. \$2.7 million was awarded for student aid and \$2.4 million for institutional support.

Non-Operating Results

The University recognized gains on long-term investment of \$6 million, of which \$2.4 million was utilized in operations. The University recognized a \$238,902 gain on disposition of capital assets. As a result of non-operating activities, net assets increased by \$3.8 million.

Statement of Financial Position

Bay Path University ended the fiscal year with a very healthy balance sheet including strong cash and working capital balances and a solid investment balance. After a decline in Bay Path's investments of \$9.8 million in FY2022, there was a positive return of \$6 million in FY2023. These FY2022 and FY2023 losses and gains are largely due to fluctuations in global economic shifts. Even with the impact of this fiscal year's investment losses, the university's endowment assets have grown by \$16.7 million since 2018. Total net assets increased from \$98.8 million at the end of FY2022, to \$103.6 million at the end of FY2023.

In summary, the University enters FY2024 with a strong financial foundation resulting from a history of robust operating margins, sound financial management and student demand. Our sound financial position along with community support, provides us the opportunity to think intentionally about the university's revenue diversification goals in the years ahead driven by the strategic plan.