



Northeastern

November 13, 2024

Letter from the Senior Vice President for Finance and Treasurer – Fiscal Year 2024

In the 126 years since its founding, Northeastern's embrace of global experience has been a force for shaping, learning, and solving problems. We continue to expand our footprint, as evidenced by our planned merger with Marymount Manhattan College in New York City. This year, we witnessed persistent, record-setting demand for Northeastern's unique learning model, with more than 98,000 undergraduate applications for Fall 2024. Our research enterprise was awarded \$296 million in external funding. We also raised \$370 million in gifts and pledges (as reported by University Advancement), including \$225 million to support construction at a permanent Portland, Maine campus, toward our \$1.3 billion *Experience Powered by Northeastern* campaign.

I am pleased to present the University's audited financial statements for the past fiscal year, ending June 30, 2024. The University demonstrated strong financial performance during this period, and remains in a solid financial position at year-end.

The University's assets increased \$412 million, or 7%, over fiscal year 2023 to a total of \$6.4 billion, largely due to growth in investments, new and renewed leases, and property, plant and equipment additions. The University continues to report healthy cash flows from operations, with a strong current operating liquid cash position of \$375 million as of June 30, 2024.

Liabilities increased \$43.1 million, or 2%, during this period to a total of \$2.3 billion. Changes in liabilities were driven by increases in accounts payable and accruals, due to the timing of payments, and new and renewed leases offset by principal payments on long term debt.

Overall, total net assets increased by 10%, or \$368.9 million, during fiscal 2024 with an ending balance of \$4.1 billion on June 30. The increase in the University's net assets totaled \$93.4 million from operations and \$275.5 million from non-operating activity. Operating revenues and other support increased 11% to \$2.3 billion for fiscal year 2024, driven primarily by growth in research

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and net student-related revenues. University sponsored revenue, including research and related indirect cost recovery, grew 16% in fiscal 2024. The increase in operating revenues and other support was offset by a 14% increase in operating expenses, due primarily to increases in salaries and benefits and other operating expenses.

Non-operating activity also contributed to overall net asset increases. Favorable market conditions resulted in positive market returns on the University's investments, totaling \$257.5 million, including realized and unrealized gains and losses and investment income. Robust donor support increased contributions to \$155.8 million, including the above-referenced support for the development of the Portland, Maine campus.

Overall, we continue to see strong demand for Northeastern's distinctive educational model. Through prudent fiscal management, the University manages costs amidst economic uncertainty and optimizes its ability to respond as conditions evolve and opportunities emerge.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Nedell".

Thomas E. Nedell
Senior Vice President for Finance and Treasurer