

## Figure 1-7: Long-Term Investments

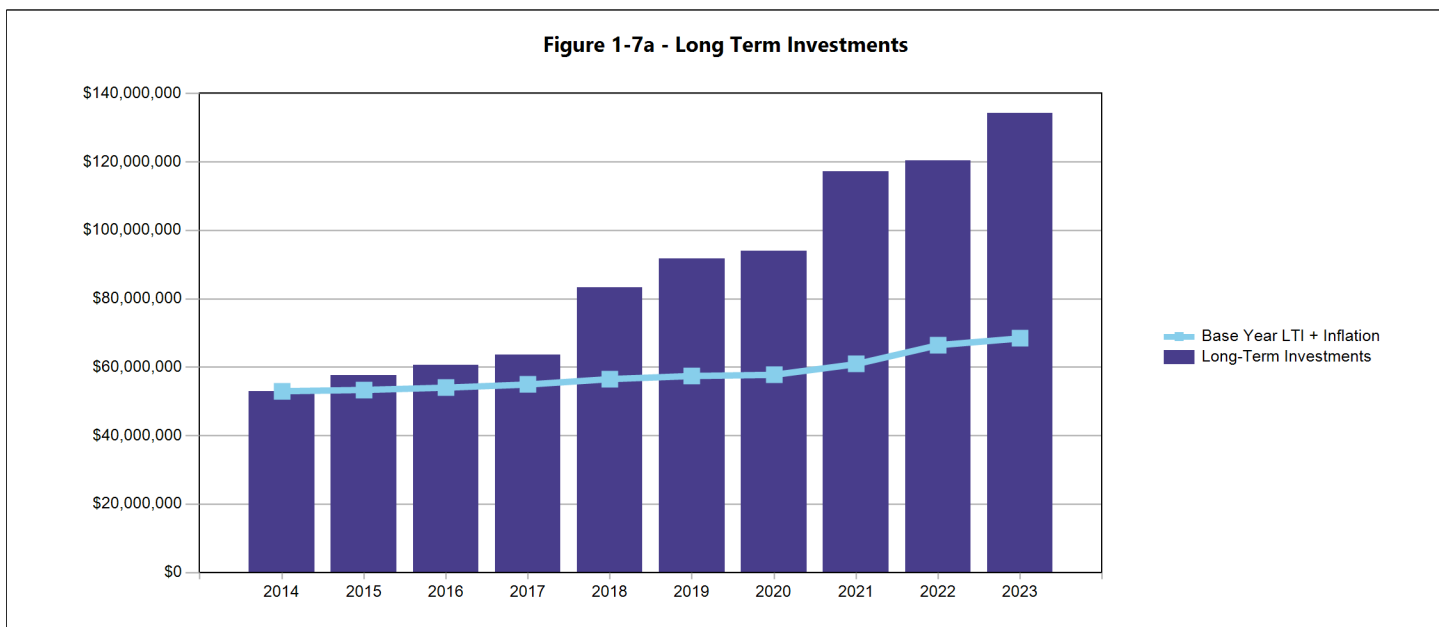


Figure 1-7a shows the market value of **Long-Term Investments**, including endowment and other invested funds over a ten-year period. The total shown may also include the value of any trusts held outside the school. The line superimposed on the bars represents what the market value of your long-term investments ten years ago would be in the most recent year shown if they were adjusted for inflation. If the bars are the same height or higher than the line, then the invested funds have maintained or gained purchasing power over the period.

Several factors may affect the value of these assets. One is the performance of investment markets. Recent decades demonstrate, at different times, extraordinarily positive returns, deep losses, and sluggish periods. Asset allocation can have a major impact on asset value. Most institutions will aim to achieve a balanced approach that maximizes return while limiting risk.

A second factor affecting the value of investments is the amount of return that is used or consumed to support operating and capital expenses. Most schools adopt spending rate policies controlling the amount to be spent, so that the value of assets will be maintained or grow over time. If spending over a prudent policy rate occurs, plans to eliminate practice are required.

Additions to long term financial assets can be significant. Additions may take many forms: donor-restricted gifts and bequests; unrestricted bequests that by policy are treated as if they were endowment; liquidation of significant nonfinancial assets such as unneeded buildings and real estate; and the reinvestment of operating surpluses.

**The change in value of your long-term investments exceeded inflation during the decade.**

|  |                        |
|--|------------------------|
| At the end of FY2023 your Long-Term Investments were             | <u>\$134,211,910</u>   |
| Rank among all freestanding ATS schools (1=highest)              | 12 out of 156 schools. |
| Rank among all freestanding ATS schools with FTE Enrollment < 75 | 1 out of 68 schools.   |
| Rank among all freestanding Mainline Protestant ATS schools      | 8 out of 61 schools.   |