

Letter from the Vice President, Chief Financial Officer & Treasurer — Fiscal Year 2022

It is my pleasure to present the audited financial statements for Simmons University for the fiscal year ending June 30, 2022. Consistent with prior years, the University has received an unqualified audit opinion from our external auditors who found our results for the year to be presented fairly and free from material misstatement.

The fiscal year ended June 30, 2022 had its challenges for the University, despite the return to normal on-campus operations. The University's operating result was a loss of \$14.5 million after depreciation and accretion. This result reflects continued pressure on student revenue due to rising discount rates, enrollment challenges in our graduate programs, increased interest and depreciation costs due to the University's investment in its physical facilities, and growth in operating costs due to a return to campus and more normal operations after a remote year in fiscal year 2021. Offsetting some of these challenges, the University had a \$3.1 million increase in donor/endowment support for operations and an increase in grant revenues of \$2.9 million driven by continued federal support for COVID relief.

The University's endowment was valued \$212.3 million at June 30, 2022. Investment losses for the year of \$26.3 million and endowment distribution of \$11.4 million were offset by gifts of \$5.8 million. The University's endowment distribution helps fund scholarships, instruction, academic support, and general operations of the University.

During fiscal 2022 the University continued to make significant investments in its One Simmons facilities project. On April 13, 2022 the University issued \$71.675 million of taxable bonds, the proceeds of which were used to finish construction on the University's state of the art science and library facility and will support the construction of a living learning center on the academic campus. In anticipation of that transaction the University repaid \$50 million that was outstanding but

unspent from its line of credit and prepaid the remaining outstanding principal of \$2.1 million on its Series 2008 taxable bonds.

Despite the continued pressures faced by the University, there is a tremendous amount of excitement for the future borne out of our One Simmons vision and the launch of the Complete Degree program. In Fall 2022 the University opened its new state of the art science and library facility and continues to work towards the consolidation of our residence campus into a living learning center on the academic campus. We believe that the University has the resources necessary to overcome the current challenges and that these investments will establish the University as a premier institution for years to come.

Meghan Kass

Vice President, Chief Financial Officer & Treasurer