

## **Letter from the Vice President, Chief Financial Officer & Treasurer — Fiscal Year 2023**

Simmons University's financial statements are audited by Mayer Hoffman McCann PC. Consistent with prior years, the University received an unmodified audit opinion from our external auditors who found our results for the year to be presented fairly and free from material misstatement for the fiscal year ended June 30, 2023. Please refer to the audited financial statements for additional financial information.

The fiscal year ended June 30, 2023 had an operating deficit of \$8.5 million after depreciation. This result is in line with budget and reflects continued pressure on student revenue due to undergraduate financial aid investment, enrollment challenges in the competitive graduate program space, and increased interest and depreciation costs due to the University's investment in its physical facilities. Offsetting some of these challenges was the growth of \$7.9 million in Auxiliary and other operating revenues due primarily to one-time revenue events.

The University's endowment was valued at \$225.6 million at June 30, 2023, an increase of \$13.3 million over the prior year. Investment gains for the year of \$23 million and gifts of \$2.8 million were offset by our endowment distribution of \$12.5 million. The University's endowment distribution helps fund scholarships, instruction, academic support, and general operations of the University.

During fiscal 2023 the University continued to realize the benefits of its One Simmons facilities project, with the opening of its state-of-the-art science and library facility, an impressive facility that has brought exciting opportunities for our nursing and health sciences programs and the University as a whole. Demolition of the old science building started in fall 2023 to clear the way for the construction of the University's Living and Learning Center and the full realization of the One Simmons vision. In August of 2023, the University issued \$31.9 million of MDFA Series N Bonds to refinance its Series J bonds, defease some of its outstanding bonds, and to further finance the capital needs of the One Simmons project.

The University is actively working to grow revenue and control expenses in order to improve the operating result. In the interim, the University has sufficient liquidity to navigate these challenging times. There is tremendous hope and optimism for the future of the University as it continues to revitalize its physical facilities and works to ensure that its academic programs are meeting the needs of today's students. We believe that the future is bright and that the significant investments and work being done today will establish the University as a premier institution for years to come.

Meghan Kass  
Vice President, Chief Financial Officer & Treasurer