

Letter from the Controller — Fiscal Year 2020

It is my pleasure to present the audited financial statements for Simmons University for the fiscal year ending June 30, 2020. 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 outbreak of COVID-19 disrupted college operations during fiscal 2020, as a state of emergency was declared in March 2020 by both Massachusetts Governor Baker and President Trump. At that time, with the health and safety of the community in mind, the college shifted to remote operations, and students were asked to return to their permanent residences with instruction continuing in a virtual format. The University refunded student approximately \$3.6 million in residence and dining fees to students due to the remote nature of operations. The University finished the year with an overall deficit of \$877,000 and was cash flow positive by approximately \$4.2 million.

The university's endowment was valued \$190.4 million at June 30, 2020, a decrease of \$5.2 million from the balance at June 30, 2019. Investment returns for the year of 2.3% and gifts of \$1.8 million were offset by the distribution of \$11.1 million. The university's distribution helps fund scholarships, instruction, academic support, and general operations of the university.

On April 2, 2020, the University issued the Series M (2020) Revenue Bonds with aggregate principal of \$77.3 million and proceeds of \$91 million. This debt is being used to finance construction of a new science facility, including construction costs and enabling moves related to the renovation and refurbishing of space in other buildings to facilitate the closure of its existing science building. In addition, on April 24, 2020 the University entered into an additional line of credit for \$50 million to support operating and capital needs. As of June 30, 2020, only \$1.1 million of that line was outstanding.

Despite the challenges of the COVID-19 pandemic and the increased pressures on the higher education market, the university is at an exciting place in its history. The university is making significant investments in its facilities, such as the construction of a new state of the art science facility and is assessing ways to expand upon its offerings to students.

Jeffrey Pinkham
Controller