

Letter from the Vice President, Chief Financial Officer & Treasurer — Fiscal Year 2024

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, 2024. Please refer to the audited financial statements for additional financial information.

The fiscal year ended June 30, 2024 had an operating deficit of \$14.7 million after depreciation.

- Operating revenues decreased \$19 million overall during fiscal 2024, driven by a decrease of \$12.4 in net student income. The University, like many of its peers, is facing considerable pressure on its student revenues due to undergraduate financial aid and considerable competition in the graduate program space, particularly for online programs. Additional declines were seen in Government grants of \$2.8 million and Auxiliary and other operating revenues of \$7 million. These declines were the result of the expiration of COVID relief funds and a number of one-time items that the university benefited from in 2023.
- Offsetting the decreases in operating revenues was a reduction of operating expenses of \$12.7 million. Salaries and benefits decreased \$5.1 million year over due to staffing changes and cost savings initiatives by the University. Partner share of online programs decreased \$7.6 million year over year, moving in tandem with our declining online graduate revenues.

Despite the pressure of deficit operations, the University has sufficient liquidity to afford us the time to fully realize the benefits of the One Simmons Project and our Academic Redesign. The University's endowment, which was valued at \$249.2 million at June 30, 2024, had an exceptionally strong year. The University received substantial gifts to the endowment of \$8.8 million and investment returns added another \$30.4 million to the market value. The University drew \$15.6 million from the endowment in support of scholarships, instructions, academic support and general operations. This draw included an additional \$3 million drawn from the quasi-endowment, as approved by the Board.

The University is actively working to grow revenue and control expenses in order to improve the operating result and bring greater stability to its operations. The University continues to leverage its modern and updated facilities and favorable location in Boston to generate auxiliary revenues through lease and parking arrangements. The opportunities for this are expected to grow substantially with the opening of the Living and Learning Center in late 2026. In addition, the University has undertaken an Academic Redesign that will have the dual benefit of streamlining academic operational expenses while also resulting in a more refined academic vision that elevates the University's strengths.

During fiscal 2024 the University took the final step towards the full realization of its One Simmons vision with the commencement of construction on the Living and Learning Center. This work, combined with the launch of its new academic structure, has brought a tremendous amount of excitement and hope for what lies ahead at the University.

Meghan Kass
Vice President, Chief Financial Officer & Treasurer