



Letter from the Chief Financial Officer and University Treasurer – Fiscal Year 2019:

Brandeis University's audited financial statements for the fiscal year ending June 30, 2019 reflect a strong financial performance and net asset growth. The University generated an operating surplus of \$3.7 million and grew its net assets to \$1.2 billion. The University's total asset grew by 3.8% to \$1.6 billion and cash position remained solid at \$29 million on June 30, 2019.

The University's auxiliary revenue from residence hall and dining services increased by 7% with the opening of a new residence hall (Skyline) that became fully operational after a full year of construction in fiscal year 2018. Undergraduate tuition saw a modest increase of 3.5% while financial aid was increased by 6% in order to meet the full financial need of newly admitted students, eliminating unsubsidized loans from financial aid packages.

The University's endowment portfolio reached \$1.1 billion in market value at the end of fiscal year 2019, generating a rate of return of 5.8%. The University received \$42 million in contributions revenue, of which \$20 million was designated as endowed gifts. In fiscal year 2019, the University utilized \$52 million of endowment gains to support financial aid and other university operations.

Between August 2018 – July 2019, the University issued three debt series for the purposes of refinancing existing bonds and funding new capital improvements. The University issued the Series S-2 bonds in March 2019 for \$37 million notional value and \$44 million in proceeds to fund capital improvements. In addition, the University refinanced the Series N bonds with Series R in August 2018, and Series O with Series S-1 in July 2019. The Series S-1 bond was disclosed in the footnote within the audited financial statements as a subsequent event occurring after the fiscal year end. Annual debt service costs did not increase as a result of the refinancing and debt issuance efforts. Overall, the University's total liabilities increased by 8.5% to \$376 million.

The University's credit ratings remained stable with S&P Global Ratings and Moody's Investors Service reaffirming A+ and A1 ratings, respectively.

Overall, the University entered fiscal year 2020 from a strong financial position and has sufficient liquid resources to meet its obligations. The University also remains committed to reducing the financial burdens of higher education on undergraduate students by providing financial aid that fully meets the need of newly admitted students.

Sincerely,

Samuel Solomon
Chief Financial Officer and University Treasurer