

# **Financial Statements**

## **Lasell College**

**June 30, 2015 and 2014**



**Mayer Hoffman McCann P.C.**  
**Tofias New England Division**  
An Independent CPA Firm



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### *Independent Auditors' Report*

Board of Trustees  
Lasell College

We have audited the accompanying financial statements of Lasell College (the "College"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lasell College as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Maye Hoffman McCann P.C.*

October 15, 2015  
Boston, Massachusetts

# LASELL COLLEGE

## *Statements of Financial Position*

	<i>June 30,</i>	
	<i>2015</i>	<i>2014</i>
<b>Assets</b>		
Cash and cash equivalents	\$ 4,209,618	\$ 4,796,968
Cash limited as to use	1,355,323	1,362,384
Accounts receivable, net	1,041,992	1,278,303
Contributions receivable, net	86,660	119,661
Student loans receivable, net	382,915	361,174
Funds held by trustees under bond agreements	1,964,219	1,963,927
Bond issuance costs, net	870,634	908,158
Other assets	1,050,686	916,467
Beneficial interests in trusts	2,554,758	2,624,124
Investments	37,988,851	36,656,438
Real estate held for investment	1,852,000	1,852,000
Property and equipment, net	<u>74,005,538</u>	<u>74,410,738</u>
<b>Total assets</b>	<b>\$ <u>127,363,194</u></b>	<b>\$ <u>127,250,342</u></b>
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 5,143,965	\$ 4,874,205
Deferred revenue	4,174,787	3,761,958
Deferred land lease revenue	1,482,312	1,480,643
Refundable advances - Perkins loan program	361,794	355,470
Annuity obligations	858,011	1,041,690
Bonds payable, net	50,837,812	51,961,069
Fair value of interest rate swaps	5,765,445	5,090,829
Other liabilities	<u>268,383</u>	<u>294,189</u>
<b>Total liabilities</b>	<b><u>68,892,509</u></b>	<b><u>68,860,053</u></b>
Net assets:		
Unrestricted	45,218,424	44,889,071
Temporarily restricted	5,242,395	5,510,670
Permanently restricted	<u>8,009,866</u>	<u>7,990,548</u>
<b>Total net assets</b>	<b><u>58,470,685</u></b>	<b><u>58,390,289</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>127,363,194</u></b>	<b>\$ <u>127,250,342</u></b>

**LASELL COLLEGE**

*Statement of Activities*

*Year Ended June 30, 2015  
(With Comparative Totals for 2014)*

	2015			2014	
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>	<i>Total</i>
<b>Revenues, gains and other support:</b>					
Tuition and fees	\$ 56,447,866	\$ -	\$ -	\$ 56,447,866	\$ 53,022,536
Room and board	17,028,373	-	-	17,028,373	15,735,012
Less: financial aid	(26,627,195)	-	-	(26,627,195)	(23,609,785)
Net tuition, fees and room and board	46,849,044	-	-	46,849,044	45,147,763
Auxiliary enterprises	5,894,667	-	-	5,894,667	5,371,812
Investment income appropriated	1,168,447	-	-	1,168,447	1,048,562
Federal and state grants	613,827	-	-	613,827	535,071
Private gifts and grants	870,013	-	-	870,013	932,657
Other revenue	669,057	-	-	669,057	633,766
Net assets released from restrictions	489,425	(489,425)	-	-	-
<b>Total revenues, gains and other support</b>	<b>56,554,480</b>	<b>(489,425)</b>	<b>-</b>	<b>56,065,055</b>	<b>53,669,631</b>
<b>Expenses:</b>					
Program services:					
Instruction	14,294,107	-	-	14,294,107	12,863,042
Academic support	3,173,963	-	-	3,173,963	3,199,203
Research	106,245	-	-	106,245	94,415
Student services	10,329,735	-	-	10,329,735	9,377,155
Government sponsored financial aid	428,796	-	-	428,796	408,279
Room and board	14,084,088	-	-	14,084,088	13,382,539
Auxiliary enterprises	4,948,399	-	-	4,948,399	4,256,240
Public service	304,721	-	-	304,721	196,263
<b>Total program services</b>	<b>47,670,054</b>	<b>-</b>	<b>-</b>	<b>47,670,054</b>	<b>43,777,136</b>
Management and general	6,330,519	-	-	6,330,519	6,914,201
Fundraising	1,826,563	-	-	1,826,563	1,749,420
<b>Total expenses</b>	<b>55,827,136</b>	<b>-</b>	<b>-</b>	<b>55,827,136</b>	<b>52,440,757</b>
<b>Change in net assets from operations</b>	<b>727,344</b>	<b>(489,425)</b>	<b>-</b>	<b>237,919</b>	<b>1,228,874</b>
<b>Non-operating activities:</b>					
Investment income, net of total return appropriated	93,027	147,497	1,346	241,870	3,966,972
Land lease income	205,840	-	-	205,840	205,840
Private gifts and grants	53,991	302,364	52,093	408,448	902,096
Non-operating fundraising costs	(219,737)	-	-	(219,737)	-
Change in fair value of interest rate swaps	(674,616)	-	-	(674,616)	(64,630)
Other non-operating activities, net	(166,991)	81,784	(34,121)	(119,328)	113,734
Net assets released from restrictions	310,495	(310,495)	-	-	-
<b>Total non-operating activities</b>	<b>(397,991)</b>	<b>221,150</b>	<b>19,318</b>	<b>(157,523)</b>	<b>5,124,012</b>
<b>Change in net assets</b>	<b>329,353</b>	<b>(268,275)</b>	<b>19,318</b>	<b>80,396</b>	<b>6,352,886</b>
Net assets, beginning of year	44,889,071	5,510,670	7,990,548	58,390,289	52,037,403
<b>Net assets, end of year</b>	<b>\$ 45,218,424</b>	<b>\$ 5,242,395</b>	<b>\$ 8,009,866</b>	<b>\$ 58,470,685</b>	<b>\$ 58,390,289</b>

**LASELL COLLEGE**

*Statement of Activities*

*Year Ended June 30, 2014*

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
<b>Revenues, gains and other support:</b>				
Tuition and fees	\$ 53,022,536	\$ -	\$ -	\$ 53,022,536
Room and board	15,735,012	-	-	15,735,012
Less: financial aid	<u>(23,609,785)</u>	<u>-</u>	<u>-</u>	<u>(23,609,785)</u>
Net tuition, fees and room and board	45,147,763	-	-	45,147,763
Auxiliary enterprises	5,371,812	-	-	5,371,812
Investment income appropriated	1,048,562	-	-	1,048,562
Federal and state grants	535,071	-	-	535,071
Private gifts and grants	932,657	-	-	932,657
Other revenue	633,766	-	-	633,766
Net assets released from restrictions	<u>262,230</u>	<u>(262,230)</u>	<u>-</u>	<u>-</u>
<b>Total revenues, gains and other support</b>	<b><u>53,931,861</u></b>	<b><u>(262,230)</u></b>	<b><u>-</u></b>	<b><u>53,669,631</u></b>
<b>Expenses:</b>				
Program services:				
Instruction	12,863,042	-	-	12,863,042
Academic support	3,199,203	-	-	3,199,203
Research	94,415	-	-	94,415
Student services	9,377,155	-	-	9,377,155
Government sponsored financial aid	408,279	-	-	408,279
Room and board	13,382,539	-	-	13,382,539
Auxiliary enterprises	4,256,240	-	-	4,256,240
Public service	<u>196,263</u>	<u>-</u>	<u>-</u>	<u>196,263</u>
<b>Total program services</b>	<b><u>43,777,136</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>43,777,136</u></b>
Management and general	6,914,201	-	-	6,914,201
Fundraising	<u>1,749,420</u>	<u>-</u>	<u>-</u>	<u>1,749,420</u>
<b>Total expenses</b>	<b><u>52,440,757</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>52,440,757</u></b>
<b>Change in net assets from operations</b>	<b><u>1,491,104</u></b>	<b><u>(262,230)</u></b>	<b><u>-</u></b>	<b><u>1,228,874</u></b>
<b>Non-operating activities:</b>				
Investment income, net of total return appropriated	3,049,476	912,208	5,288	3,966,972
Land lease income	205,840	-	-	205,840
Private gifts and grants	87,866	695,708	118,522	902,096
Change in fair value of interest rate swaps	(64,630)	-	-	(64,630)
Other non-operating activities, net	(143,484)	201,192	56,026	113,734
Net assets released from restrictions	<u>349,394</u>	<u>(349,394)</u>	<u>-</u>	<u>-</u>
<b>Total non-operating activities</b>	<b><u>3,484,462</u></b>	<b><u>1,459,714</u></b>	<b><u>179,836</u></b>	<b><u>5,124,012</u></b>
<b>Change in net assets</b>	<b><u>4,975,566</u></b>	<b><u>1,197,484</u></b>	<b><u>179,836</u></b>	<b><u>6,352,886</u></b>
Net assets, beginning of year	<u>39,913,505</u>	<u>4,313,186</u>	<u>7,810,712</u>	<u>52,037,403</u>
<b>Net assets, end of year</b>	<b><u>\$ 44,889,071</u></b>	<b><u>\$ 5,510,670</u></b>	<b><u>\$ 7,990,548</u></b>	<b><u>\$ 58,390,289</u></b>

See accompanying notes to financial statements.

# LASELL COLLEGE

## *Statements of Cash Flows*

	<i>Years Ended June 30,</i>	
	<i>2015</i>	<i>2014</i>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 80,396	\$ 6,352,886
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,815,391	4,704,867
Provision for bad debts	48,588	15,746
Net realized and unrealized gain on investments	(487,862)	(4,395,163)
Contributions restricted for long-term investment and plant	(207,093)	(434,911)
Investment income restricted for long-term investment	(1,346)	(5,288)
Change in fair value of interest rate swaps	674,616	64,631
Changes in operating assets and liabilities:		
Cash limited as to use	7,061	(28,993)
Accounts receivable	187,723	(954,146)
Contributions receivable, net	33,001	1,310,437
Beneficial interest in trusts	69,366	(304,820)
Other assets	(134,219)	(43,017)
Accounts payable and accrued expenses	2,610	196,439
Deferred revenue	412,829	452,709
Deferred land lease revenue	1,669	1,669
Other liabilities	5,056	(35,774)
<b>Net cash provided by operating activities</b>	<b><u>5,507,786</u></b>	<b><u>6,897,272</u></b>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of investments	8,322,551	5,126,883
Purchases of investments	(9,169,464)	(7,004,937)
Change in annuity obligations	(183,679)	(51,128)
Purchase of property and equipment	(4,040,984)	(5,612,741)
Student loans granted	(84,100)	(74,250)
Student loans collected	62,359	82,360
Change in funds held by trustees under bond agreements	2,070	(439)
<b>Net cash used in investing activities</b>	<b><u>(5,091,247)</u></b>	<b><u>(7,534,252)</u></b>
<b>Cash flows from financing activities:</b>		
Contributions restricted for long-term investment and plant	207,093	434,911
Investment income restricted for long-term investment	1,346	5,288
Increase in federal loan program advances	6,324	11,298
Payments on bonds	(1,160,000)	(1,125,000)
Payments on capital lease obligations	(58,652)	(74,406)
<b>Net cash used in financing activities</b>	<b><u>(1,003,889)</u></b>	<b><u>(747,909)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b><u>(587,350)</u></b>	<b><u>(1,384,889)</u></b>
Cash and cash equivalents, beginning of year	<u>4,796,968</u>	<u>6,181,857</u>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 4,209,618</u></b>	<b><u>\$ 4,796,968</u></b>
<b><u>Supplemental Disclosures of Cash Flow Information</u></b>		
Cash payment for interest	\$ 2,715,450	\$ 2,759,653
Amounts included in accounts payable for purchase of property and equipment	\$ 984,200	\$ 717,050

See accompanying notes to financial statements.