Financial Statements

Lasell University

June 30, 2026 and 2025

LASELL UNIVERSITY

Financial Statements

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CBIZ CPAs P.C.

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Independent Auditors' Report

Board of Trustees
Lasell University

Opinion

We have audited the financial statements of Lasell University (the "University"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2026 and 2025, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

CBIZ CPAs P.C.

Boston, Massachusetts
October 20, 2026

LASELL UNIVERSITY

Statements of Financial Position

	June 30,	
	2026	***2025***
Assets		
Cash and cash equivalents	$ 5,525,372	$ 9,582,332
Accounts receivable, net	1,341,727	4,617,562
Contributions receivable, net	152,629	447,287
Deposits with trustees	5,670,145	5,788,624
Other assets	2,495,013	1,925,057
Notes receivable - related party	534,330	534,330
Beneficial interests in trusts	3,945,860	3,700,752
Investments	37,370,416	32,727,159
Real estate held for investment	3,476,000	3,082,622
Property and equipment, net	66,958,936	68,406,550
Total assets	**$ 127,470,428**	**$ 130,812,275**
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 6,818,197	$ 5,070,450
Deferred revenue and advances	3,512,134	3,622,730
Line of credit	5,000,000	5,000,000
Bonds payable	54,416,091	55,898,896
Other liabilities	518,045	722,430
Total liabilities	**70,264,467**	**70,314,506**
Net assets:		
Without donor restrictions	35,672,629	40,493,475
With donor restrictions	21,533,332	20,004,294
Total net assets	**57,205,961**	**60,497,769**
Total liabilities and net assets	**$ 127,470,428**	**$ 130,812,275**

See accompanying notes to financial statements.

LASELL UNIVERSITY

Statement of Activities

Year Ended June 30, 2026
(With Comparative Totals for 2025)

	2026			2025
	Without Donor Restrictions	*With Donor Restrictions*	*Total*	*Total*
Tuition and fees, net	$ 24,883,480	$ -	$ 24,883,480	$ 26,981,584
Auxiliary enterprises, net	16,887,001	-	16,887,001	16,138,852
Investment income appropriated	2,060,591	-	2,060,591	2,330,512
Special endowment appropriation	4,000,000	-	4,000,000	6,000,000
Federal and state grants	1,529,700	-	1,529,700	1,911,373
Government grants	2,920,703	-	2,920,703	2,714,915
Private gifts and grants	752,772	-	752,772	638,044
Other revenue	509,641	-	509,641	1,110,033
Net assets released from restrictions to operations	332,975	-	332,975	361,454
Total revenues, gains and other support	**53,876,863**	**-**	**53,876,863**	**58,186,767**
Expenses:				
Instruction	15,487,544	-	15,487,544	15,423,758
Academic support	3,074,551	-	3,074,551	2,964,347
Student services	11,649,577	-	11,649,577	11,687,520
Auxiliary enterprises	18,652,370	-	18,652,370	17,556,540
Institutional support	8,069,923	-	8,069,923	8,277,835
Total expenses	**56,933,965**	**-**	**56,933,965**	**55,910,000**
Change in net assets from operations	**(3,057,102)**	**-**	**(3,057,102)**	**2,276,767**
Non-operating activities:				
Investment income (loss), net of total return appropriated	(2,085,719)	1,501,472	(584,247)	(4,949,634)
Private gifts and grants	330,173	349,021	679,194	1,466,394
Non-operating fundraising costs	(604,246)	-	(604,246)	(692,450)
Gain on related party sale of land and property and termination of lease	-	-	-	96,221
Other non-operating activities, net	56,380	551,188	607,568	351,093
Net assets released from restrictions to operations	-	(332,975)	(332,975)	(361,454)
Net assets released from restrictions	539,668	(539,668)	-	-
Total non-operating activities	**(1,763,744)**	**1,529,038**	**(234,706)**	**(4,089,830)**
Change in net assets	**(4,820,846)**	**1,529,038**	**(3,291,808)**	**(1,813,063)**
Net assets, beginning of year	40,493,475	20,004,294	60,497,769	62,310,832
Net assets, end of year	**$ 35,672,629**	**$ 21,533,332**	**$ 57,205,961**	**$ 60,497,769**

See accompanying notes to financial statements.

LASELL UNIVERSITY

Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Tuition and fees, net	$ 26,981,584	$ -	$ 26,981,584
Auxiliary enterprises, net	16,138,852	-	16,138,852
Investment income appropriated	2,330,512	-	2,330,512
Special endowment appropriation	6,000,000	-	6,000,000
Federal and state grants	1,911,373	-	1,911,373
Employee retention credit	2,714,915	-	2,714,915
Private gifts and grants	638,044	-	638,044
Other revenue	1,110,033	-	1,110,033
Net assets released from restrictions to operations	361,454	-	361,454
Total revenues, gains and other support	**58,186,767**	**-**	**58,186,767**
Expenses:			
Instruction	15,423,758	-	15,423,758
Academic support	2,964,347	-	2,964,347
Student services	11,687,520	-	11,687,520
Auxiliary enterprises	17,556,540	-	17,556,540
Institutional support	8,277,835	-	8,277,835
Total expenses	**55,910,000**	**-**	**55,910,000**
Change in net assets from operations	**2,276,767**	**-**	**2,276,767**
Non-operating activities:			
Investment income (loss), net of total return appropriated	(5,732,094)	782,460	(4,949,634)
Private gifts and grants	910,625	555,769	1,466,394
Non-operating fundraising costs	(692,450)	-	(692,450)
Gain on related party sale of land and termination of lease	96,221	-	96,221
Other non-operating activities, net	78,476	272,617	351,093
Net assets released from restrictions to operations	-	(361,454)	(361,454)
Net assets released from restrictions	273,761	(273,761)	-
Total non-operating activities	**(5,065,461)**	**975,631**	**(4,089,830)**
Change in net assets	**(2,788,694)**	**975,631**	**(1,813,063)**
Net assets, beginning of year	43,282,169	19,028,663	62,310,832
Net assets, end of year	**$ 40,493,475**	**$ 20,004,294**	**$ 60,497,769**

See accompanying notes to financial statements.

LASELL UNIVERSITY

Statements of Cash Flows

	Years Ended June 30, 2026	2025
Cash flows from operating activities:		
Change in net assets	$ (3,291,808)	$ (1,813,063)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,142,128	4,086,449
Provision for credit losses	(54,600)	(30,800)
Net realized and unrealized gain on investments	(3,339,390)	(1,204,614)
Gain on sale of land and property and equipment	-	(96,221)
Contributions restricted for long-term investment and plant	(468,431)	(362,905)
Investment loss restricted for long-term investment	(724)	(1,505)
Changes in operating assets and liabilities:		
Accounts receivable	3,330,435	(2,833,748)
Contributions receivable	294,658	678,863
Beneficial interest in trusts	(245,108)	(275,279)
Other assets	(569,956)	(216,473)
Accounts payable and accrued expenses	928,171	(137,451)
Deferred revenue and advances	(110,596)	(438,618)
Other liabilities	(128,230)	118,215
Net cash provided by (used in) operating activities	**486,549**	**(2,527,150)**
Cash flows from investing activities:		
Repayment of note due from affiliate	-	5,100,000
Proceeds from sales of investments	10,400,706	3,617,440
Purchases of investments	(12,097,951)	(15,052,452)
Change in annuity obligations	(18,728)	(15,464)
Purchase of property and equipment	(2,192,743)	(2,528,777)
Proceeds from real estate held for investment	-	4,276,221
Change in deposits with trustees	39,057	(14,005)
Net cash used in investing activities	**(3,869,659)**	**(4,617,037)**
Cash flows from financing activities:		
Contributions restricted for long-term investment and plant	468,431	362,905
Investment income restricted for long-term investment	724	1,505
Operating line of credit advances	-	5,000,000
Payments on bonds	(1,165,000)	(1,120,000)
Payments on finance lease obligations	(57,427)	(55,403)
Net cash (used in) provided by financing activities	**(753,272)**	**4,189,007**
Net decrease in cash and cash equivalents and deposits with trustees	**(4,136,382)**	**(2,955,180)**
Cash and cash equivalents and deposits with trustees, beginning of year	12,097,881	15,053,061
Cash and cash equivalents and deposits with trustees end of year	**$ 7,961,499**	**$ 12,097,881**
Supplemental Disclosures of Cash Flow Information		
For purposes of the statement of cash flows, cash and cash equivalents and deposits with trustees are comprised of the following at June 30:		
Cash and cash equivalents	$ 5,525,372	$ 9,582,332
Deposits with trustees	2,436,127	2,515,549
	7,961,499	12,097,881
Cash paid for interest	$ 2,005,892	$ 2,095,669
Amounts included in accounts payable for purchase of property and equipment	1,002,471	182,895

See accompanying notes to financial statements.

LASELL UNIVERSITY

Notes to Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Lasell University (the "University"), founded in 1851, is an independent, comprehensive coeducational university located in Newton, Massachusetts, offering professionally oriented bachelor's and master's degree programs. The student population is drawn predominantly from the Northeast region of the United States. The University is accredited by the New England Commission of Higher Education and participates in student financial assistance programs sponsored by the United States Department of Education ("DOE") and the Commonwealth of Massachusetts. These programs facilitate the payment of tuition and other expenses for students.

Lasell, Inc., a not-for-profit organization, is the sole member of the University. Lasell, Inc. is also the sole member of Lasell Village, Inc. (the "Village"). The Village is a Massachusetts charitable corporation formed in 1990 to establish and operate an educational continuing care retirement community (the "Facility") in Newton, Massachusetts. These financial statements only reflect the activities of the University and do not include the Village or Lasell, Inc.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid debt instruments, bank deposits and other such accounts with an initial maturity of three months or less, excluding balances whose use is restricted or included in the investment accounts. Cash equivalents are carried at cost plus accrued interest. Cash equivalents held by investment managers are considered part of investments given the expectation of near-term reinvestment. The University maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The University monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Accounts Receivable

Students are billed based on dates outlined in the academic catalog as agreed in advance of the delivery of the related academic or auxiliary activity. Payments for tuition, fees and auxiliary enterprise charges are generally due by the start of the academic period with the recognition that payments being made by the DOE or others are subject to specific requirements within those programs as to when those funds can be availed. Certain DOE funding can be availed prior to the commencement of the academic period, while other amounts are paid at specified intervals based on the rules as promulgated by the DOE. Thus, cash flows on accounts receivable balances and the measurement of deferred revenues do not directly depend on meeting specified performance obligations of the University. Student accounts are not collateralized.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

Student accounts receivable are stated net of an allowance for expected credit losses. The allowance for expected credit losses is established based on historical experience which is reviewed and assessed periodically. Management determined that an estimate for expected credit losses of $145,200 and $199,800 was appropriate at June 30, 2026 and 2025, respectively.

The University regularly evaluates the allowance for expected credit losses by performing ongoing evaluations of the accounts considering such factors as prior collection history, the economic environment and the type of receivable.

Deposits with Trustees

Deposits with trustees are reported at fair value in accordance with fair value policies described in these footnotes. These amounts relate to funds held under bond indentures for debt service and debt service reserves. Debt service funds are for scheduled debt service obligation due July 1. Debt service reserve funds must be maintained at specific levels over the term of the bond indenture.

Note Receivable - Related Party

Included in note receivable - related party is approximately $534,000 at June 30, 2026 and 2025, respectively, related to amounts due from a former University president.

Beneficial Interests in Trusts

The University is a 100% income beneficiary of an irrevocable perpetual trust controlled by a third-party trustee. The University is also the remainderman in two irrevocable trusts and three irrevocable gift annuity trusts controlled by third-party trustees.

Beneficial interests in trusts are carried at fair value in accordance with fair value policies described in these footnotes. These funds represent restricted financial resources administered by the University or by outside trustees. Assets are recognized when gifts are made and the University is notified of their existence. Amounts recorded are the estimated net value to inure to the University and are subject to periodic adjustment. Beneficial interests in trusts have been classified as donor-restricted in the Statements of Financial Position.

The change in the value of the irrevocable trusts is included in other non-operating activities, net on the Statements of Activities and was $545,108 and $275,279 for the years ended June 30, 2026 and 2025, respectively.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Charitable Gift Annuity Obligations

Assets received under gift annuity agreements are invested with the other investments of the University. Assets received under charitable remainder trust annuity agreements where the University is the trustee are invested in separate investment accounts and included in investments in the Statements of Financial Position. In connection with these annuity gifts, the University records a liability equal to the present value of future cash flows expected to be paid to the beneficiaries based on the actuarial expected lives and records the estimated net residual amount as a contribution at the date of the gift.

The initially recorded fair value of the charitable gift annuities are determined based on the underlying nature of the investments received which have generally represented Level 3 measurements while the initial measurement of the related obligations are Level 2 measurements.

Assets of charitable gift annuities are recorded at fair value, net of the present value of the liability for income payable to the donor or the donor's designee, and in the appropriate net asset category based on donor stipulation. Related contributions are recognized as contribution revenue equal to the present value of future benefits less the liability for income payable to the donor or the donor's designee.

During the term of these agreements, changes in the value of split-interest agreements are recognized in the Statements of Activities based on accretion of the discounted amount of the contribution, the expected future benefits to be received by the University, changes in the fair value of underlying investments and the expected future payment to other beneficiaries, based on changes in life expectancy and other actuarial assumptions. Discount rates ranging from 1.6% and 9.6% were used in these calculations. The discount rates were equivalent to the IRS discount rate which approximated fair value at the time the University entered into the arrangement.

The change in the value of the gift annuity agreements is included in other non-operating activities in the Statements of Activities and was $12,533 and $16,866 for the years ended June 30, 2026 and 2025, respectively.

Investments

Investments are stated at fair value consistent with the fair value policies described elsewhere in these policies.

Investments also include certain artwork which was gifted to the University by an artist and for which the University is holding in anticipation of an increase in its fair value, and a life insurance policy which was gifted to the University and which is valued at the cash value of the policy.

The investment objective of the University is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund its board approved spending policy and to increase investment values after inflation. Major investment decisions are authorized by the Investment Subcommittee of the Board of Trustees that oversees the University's investments mindful of diversification among asset classes.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Real Estate Held for Investment

Real estate held for investment consists of residential properties adjacent to the campus which are held for investment purposes. Fair value of real estate held for investment is effectively recorded using a Level 2 market approach. See Note 11 for further related party transactions with the Village.

Property and Equipment

Property and equipment are recorded when the useful life is over one year at cost when such amounts exceed the management established capitalization threshold. In the case of donated property, such amounts are recorded at fair value at the date of the gift. Property and equipment is depreciated using the straight-line method over the lesser of the estimated useful lives of related assets or, in the case of assets under lease agreements, their respective lease terms. Projects that are comprised of multiple phases are placed into service at the substantial completion of each phase. Expenditures for maintenance and repairs are expensed as incurred. Betterments, which increase the value or materially extend the life of the related assets, are capitalized. Interest related to the construction of capital assets is capitalized as a component of the cost of developing capital assets.

Deferred Revenue and Advances

Deferred revenue and advances represent deposits and other advance payments by students on account and the amount of unearned related services that are in progress as of year-end related to net tuition, fees and auxiliary enterprises such as room and board. The majority of student accounts included in deferred revenue at the opening of each period were recognized as revenues during the following fiscal period with very limited amounts not being earned associated with student withdrawal rights that management did not consider material. The remaining performance obligation is time driven given the academic calendar that underlies the earnings process for tuition, fees and auxiliary revenue.

In addition, deferred revenue and advances also includes an upfront payment from a vendor which is being recognized on the straight-line basis over the term of the vendor agreement.

Bond Premium and Issuance Costs

The University issued bonds at a premium $6,988,707 and incurred and capitalized $1,271,811 of bond issuance costs. The issuance costs are amortized using the straight-line method, and the bond premium is amortized using the effective interest method. Amortization expense for the issuance costs was $44,058 for the years ended June 30, 2026 and 2025, respectively. The amortization of the premium was $361,862 and $370,226 for the years ended June 30, 2026 and 2025, respectively, and was recorded as a reduction of the interest expense.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Net Assets

The accompanying financial statements present information regarding the University's financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for general use and not subject to donor restrictions. The Board of Trustees has designated from net assets without donor restrictions, net assets for endowment. The University's policy is to designate unrestricted donor gifts at the discretion of the Board of Trustees. Net assets without donor restrictions also include the investment in plant, net of accumulated depreciation, funds for facilities and undesignated funds.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or by the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Expenses are reported as decreases in net assets without donor restrictions. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets, such as the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as "net assets released from restriction" between the classes of net assets.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions.

Earned Revenue

Earned revenues are recorded using a principles-based process that requires the University 1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied. Earned revenues include tuition and fees as well as sales and services of auxiliary enterprises, all of which are under arrangements that are aligned to an academic semester and are less than one year in length.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Earned Revenue (Continued)

The University primarily derives revenues through tuition, fees and auxiliary services. Tuition, fees and auxiliary services are recorded at established rates, net of institutional aid and scholarships provided directly to students. Such net amounts are recorded as revenue when performance obligations are satisfied which is generally over time as services are rendered whether relating to educational or auxiliary services such as room and board. Management believes that recognizing revenue over time is the best measure of services rendered based on its academic calendar and has not made any changes in the timing of its satisfaction of its performance obligations or amounts allocated to those obligations. Discounts provided to employees are considered part of fringe benefits within operating expenses and likewise are recorded over time. Management does not consider there to be significant judgment involved in the timing of satisfaction of performance obligations as those are directly linked to the academic calendar of the related academic activity.

Students may withdraw from programs of study within certain time limits as under the University's withdrawal policies by semester. These policies vary by program but allow for up to a 100% refund before the start of classes declining to no refund shortly after the start of classes. Given the normal timing of the University's programs, the exposure to such is limited at year-end.

Payments made by third parties, such as the DOE, relative to loans and grants to students are a mechanism to facilitate payment of tuition, fees and auxiliary services on behalf of students, and accordingly, such funding does not represent revenue of the University. Cash flows are also impacted by DOE rules which differ for newly enrolled versus continuing students with respect to federal aid. Generally, funds made available by the DOE for new students are available later than for continuing students. Management does not view there to be other qualitative factors that have a significant impact on the nature and amount of revenue and cash flow.

The University offers undergraduate and graduate degree programs. The following table summarizes the revenue from each of these programs for the years ended June 30:

	2026	***2025***
Undergraduate tuition	$ 30,450,449	$ 30,593,478
Graduate tuition	5,276,229	7,205,160
Comprehensive fees	34,589	23,549
Other fees	195,673	214,233
	35,956,940	38,036,420
Less: financial aid	(11,073,460)	(11,054,836)
	$ 24,883,480	**$ 26,981,584**

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Earned Revenue (Continued)

Auxiliary enterprises revenue, net consists of the following for the years ended June 30:

	2026	2025
Room and board	$ 14,070,823	$ 14,238,392
Less financial aid	(3,517,143)	(3,684,945)
Room and board, net	10,553,680	10,553,447
Childcare programs	2,378,205	1,773,497
Contracts with Lasell Village (see Note 11)	1,951,699	1,738,648
Third party campus programs	1,018,840	1,210,436
Other auxiliary enterprises	984,577	862,824
	$ 16,887,001	**$ 16,138,852**

Contributed Support

Contributions, including unconditional promises to give, are recognized as revenue either without donor restrictions or with donor restrictions in the period verifiably committed by the donor. Contributions of assets other than cash are recorded at their estimated fair value as per the fair value policies described below. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Contributions with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions when such time or purposes restriction has been satisfied.

Gifts of property, plant and equipment are recorded as without donor restrictions unless the donor explicitly states how such assets should be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. The University reports expirations of donor restrictions when the donated or acquired long-lived asset is placed into service.

Conditional contributions are recorded as revenue when such amounts become unconditional, which generally involves the meeting of a barrier to entitlement. This can include items such as meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. Contributions received pending designation by the donor are considered with donor restrictions until known at which time such are reclassified if required.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Government Grant Revenue under Employee Retention Credit Program

The University has submitted claims for refundable credits under the Employee Retention Credit ("ERC") program as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and subsequently amended by the Consolidated Appropriations Act, 2021. Under the terms of the program, the University must have incurred qualifying wage and health insurance costs and have either suspended operations under governmental order or experienced specified declines in gross receipts.

Investment Return

Net investment return (loss) is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Such returns are allocated ratably based on the relative proportion of funds, if any, invested with donor restrictions and those without donor restrictions. Investment returns allocated to net assets with donor restrictions remain in such category until appropriated by the board under the board approved spending policy unless otherwise required by the terms of the gift that they be added to the principal of the endowment.

Operating and Non-Operating Activity

The Statements of Activities report the change in net assets from operating and non-operating activities. Operating revenues consist of items attributable to the University's undergraduate and graduate education programs, grants for research conducted by academic departments, auxiliary enterprise activities, certain contributions, amount allocated under the University's spending policy and other sources. Non-operating activities include investment return, less amounts allocated under the spending policy and special endowment appropriation, contributions received for endowment, land lease income, gain on sale of land and miscellaneous items not related to the University's academic or research activities.

Functional Expense Allocation

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation of plant assets and operation and maintenance of plant expenses have been allocated to functional classifications based on square footage of facilities. Interest expense is allocated to functional classifications that benefited from the use of the proceeds of the debt. Fundraising operating expenses amounted to $1,616,835 and $1,746,055 for the years ended June 30, 2026 and 2025, respectively.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The University reports required types of financial instruments in accordance with the fair value standards of accounting. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted market prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The fair value standards also provide for a practical expedient of fair value allowing for the use of net asset value ("NAV") per share when certain requirements are met. Items reported at fair value on a recurring basis include the University's investment accounts, and deposits with trustees. Nonrecurring measures include contributions receivables and annuity obligations.

The fair value standards require that for each item carried at fair value that such be disclosed in accordance with the valuation methods used which fall into three categories (but for those items valued at NAV) as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that the University has the ability to access at measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – inputs are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions. In addition, Level 3 valuations incorporate assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the University's financial instruments, see Note 5 - Investments and Fair Values of Financial Instruments.

Tax Status

The University is a not-for-profit organization and is generally exempt from federal and state income taxes on related income as described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, given the limited taxable activities of the University, no provision for income taxes has been included in the accompanying financial statements and management has concluded that disclosures related to tax provisions are not necessary.

Uncertain Tax Positions

The University accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The University has identified its tax status as a tax-exempt entity and its determination as to its income being related or unrelated as its only significant tax positions; however, the University has determined that such tax positions do not result in an uncertainty requiring recognition. The University is not currently under examination by any taxing jurisdiction. The University's Federal and state income tax returns are generally open for examination for three years following the date filed.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Subsequent Events

The University has evaluated subsequent events through October 20, 2026, the date the financial statements were issued.

Note 2 - Liquidity and Availability

The University regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The University has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing activities of teaching, research and public service as well as the conduct of services undertaken to support those activities to be general expenditures. Student loans receivable are not included in the analysis as principal and interest on these loans are not available to meet current operating needs.

In addition to the financial assets available to meet general expenditures over the next 12 months, the University operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the Statements of Cash Flows which identify the sources and uses of the University's cash.

As of June 30, 2026 and 2025, the following table shows those financial assets available within one year of the balance sheet date to meet general expenditures:

	2026	*2025*
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	$ 5,525,372	$ 9,582,332
Accounts receivable, net	1,341,727	4,617,562
Contributions without restrictions due in one year or less	39,875	52,375
Deposits with trustees	2,436,127	2,515,549
Endowment spending rate distribution	2,118,945	1,944,694
Total financial assets available to meet general expenditures over the next 12 months	**$ 11,462,046**	**$ 18,712,512**

The Board designated portion of the University's net assets of $26,063,219 and $27,778,670 at June 30, 2026 and 2025, respectively, could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use. See Notes 5 and 9 for further information about the University's investment portfolio, net assets and endowment funds.

Note 3 - Contributions Receivable, Net

Contributions receivable consisted of unconditional promises to give as follows as of June 30:

	2026	2025
Amounts due:		
In one year or less	$ 99,875	$ 368,375
From one to five years	74,594	150,750
	174,469	519,125
Less: unamortized discount and allowance for doubtful accounts	(21,840)	(71,838)
Contributions receivable, net	**$ 152,629**	**$ 447,287**

At June 30, 2026 and 2025, 48% and 51%, respectively, of gross contributions receivable was due from two and one donor(s), respectively. At June 30, 2026, the University had no conditional promises to give.

Note 4 - Deposits with Trustees

Deposits with trustees under bond agreements consisted of the following at June 30:

	2026	2025
Debt service funds		
Cash and equivalents	$ 2,436,127	$ 2,515,549
Debt service reserve funds		
Cash and equivalents	36,610	74,771
U.S. Treasury obligations	3,197,408	3,198,304
Total debt service reserve funds	3,234,018	3,273,075
Deposits with trustees	**$ 5,670,145**	**$ 5,788,624**

Note 5 - Investments and Fair Values of Financial Instruments

The valuation of the University's instruments using the fair value hierarchy consisted of the following at June 30, 2026:

	Total	*Investments Measured at NAV*	*Level 1*	*Level 2*	*Level 3*
Assets:					
Beneficial interests in trusts	$ 3,945,860	$ -	$ -	$ -	$ 3,945,860
Deposits with trustees:					
Cash and equivalents	2,472,737	-	2,472,737	-	-
U.S. Treasury Bonds	3,197,408	-	-	3,197,408	-
Total deposits with trustees	5,670,145	-	2,472,737	3,197,408	-
Investments:					
Cash and equivalents	300,356	-	300,356	-	-
Mutual funds - equity:					
Domestic	14,164,637	-	14,164,637	-	-
International	7,478,486	-	7,478,486	-	-
Real estate	353,013		353,013		
Mutual funds - fixed income	10,406,751	-	10,406,751	-	-
Alternative investments:					
Energy debt fund	42,927	42,927	-	-	-
Private equity funds	2,298,179	2,298,179	-	-	-
Offshore opportunity fund	1,780,301	1,780,301	-	-	-
Core Property Fund LP	395,897	395,897	-	-	-
Insurance contracts	78,169	-	-	78,169	-
Artwork	71,700	-	-	-	71,700
Total investments at fair value	37,370,416	4,517,304	32,703,243	78,169	71,700
Real estate held for investment	3,476,000	-	-	3,476,000	-
Total assets	**$ 50,462,421**	**$ 4,517,304**	**$ 35,175,980**	**$ 6,751,577**	**$ 4,017,560**

Note 5 - Investments and Fair Values of Financial Instruments (Continued)

The valuation of the University's instruments using the fair value hierarchy consisted of the following at June 30, 2025:

	Total	*Investments Measured at NAV*	*Level 1*	*Level 2*	*Level 3*
Assets:					
Beneficial interests in trusts	$ 3,700,752	$ -	$ -	$ -	$ 3,700,752
Deposits with trustees:					
Cash and equivalents	2,590,320	-	2,590,320	-	-
U.S. Treasury Bonds	3,198,304	-	-	3,198,304	-
Total deposits with trustees	5,788,624	-	2,590,320	3,198,304	-
Investments:					
Cash and equivalents	1,560,737	-	1,560,737	-	-
Mutual funds - equity:					
Domestic	8,184,991	-	8,184,991	-	-
International	6,687,644	-	6,687,644	-	-
Real estate	304,941		304,941		
Mutual funds - fixed income	11,190,201	-	11,190,201	-	-
Alternative investments:					
Energy debt fund	186,117	186,117	-	-	-
Private equity funds	2,515,797	2,515,797	-	-	-
Offshore opportunity fund	1,566,675	1,566,675	-	-	-
Core Property Fund LP	382,737	382,737	-	-	-
Insurance contracts	75,619	-	-	75,619	-
Artwork	71,700	-	-	-	71,700
Total investments at fair value	32,727,159	4,651,326	27,928,514	75,619	71,700
Real estate held for investment	3,082,622	-	-	3,082,622	-
Total assets	**$ 45,299,157**	**$ 4,651,326**	**$ 30,518,834**	**$ 6,356,545**	**$ 3,772,452**

Note 5 - Investments and Fair Values of Financial Instruments (Continued)

Aggregate investments liquidity is presented below at fair value based on redemption or sale period at June 30:

	2026	2025
Investment redemption or sale period:		
Daily	$ 32,350,229	$ 27,623,276
Quarterly	395,897	382,737
Illiquid	4,624,290	4,721,146
	$ 37,370,416	**$ 32,727,159**

Many of the University's investment funds contain clauses that under certain unusual circumstances trustees and fund managers may limit distributions from the related fund. The University has not experienced such limitations over distributions from its funds during 2026 or 2025.

Unfunded commitments under various investment vehicles amounted to approximately $1,100,000 at June 30, 2026. The University has no plans or intentions to liquidate any of its investments valued at NAV methods other than in the ordinary course as allowed under such instruments. The University has elected not to disclose the changes of the components of Level 3 instruments given the modest level of activity for the years ended June 30, 2026 and 2025.

Long-Term Investment Return

Long-term investment returns are included in the Statements of Activities as follows for the years ended June 30:

	2026	2025
Long-term investment return:		
Operating:		
Investment income appropriated	$ 2,060,591	$ 2,330,512
Special endowment appropriation	4,000,000	6,000,000
Non-operating activities:		
Investment loss, net of total return appropriated	(584,247)	(4,949,634)
Total investment return	**$ 5,476,344**	**$ 3,380,878**

Note 6 - Property and Equipment

Property and equipment consist of the following at June 30:

	Estimated Lives	*2026*	*2025*
Land and improvements	10 years	$ 9,230,359	$ 9,191,600
Buildings and improvements	10-40 years	138,905,076	137,473,206
Furniture, fixtures and equipment	3-7 years	14,660,725	14,124,114
Motor vehicles	5 years	814,433	811,037
Construction in progress		1,144,208	154,128
Total property and equipment		164,754,801	161,754,085
Less: accumulated depreciation and amortization		(97,795,865)	(93,347,535)
Property and equipment, net		**$ 66,958,936**	**$ 68,406,550**

Note 7 - Line of Credit

The University has an agreement with a bank for a $5,000,0000 securities-based line of credit. Interest is computed utilizing Daily Simple Secured Overnight Financing Rate (“SOFR”) plus 1.50%; with a SOFR rate index floor of 0.00% with the rate adjustable daily. As of June 30, 2026, the current floating rate was 5.10%. At June 30, 2026 and 2025, there was $5,000,000 outstanding under the line of credit.

Note 8 - Bonds Payable

Bonds payable consist of the following at June 30:

	2026	*2025*
Series 2021, Massachusetts Development Finance Agency ("MDFA") Revenue Bonds are payable in varying annual installments due July 1 with final maturity in 2050. Interest is payable semi-annually with a fixed interest rate of 4.0%.	$ 50,405,000	$ 51,570,000
Plus: unamortized bond premium	5,068,478	5,430,341
Less: unamortized bond issuance costs	(1,057,387)	(1,101,445)
Bonds payable	**$ 54,416,091**	**$ 55,898,896**

Note 8 - Bonds Payable (Continued)

Bonds payable are secured by the tuition receipts of the University. The University is subject to certain financial and non-financial debt covenants. The University is required to maintain escrow accounts sufficient to pay one year's principal and interest on certain of its bonds. Such amounts are included in deposits with bond trustees.

Sinking fund requirements and aggregate principal repayments on the bonds for the next five years and thereafter are as follows for the years ending June 30:

2027	$ 1,210,000
2028	1,260,000
2029	1,310,000
2030	1,360,000
2031	1,415,000
Thereafter	43,850,000
	$ 50,405,000

Interest expense consists of the following for the years ended June 30:

	2026	***2025***
Bond interest expense	$ 1,654,338	$ 1,692,574
Line of credit interest expense	16,472	-
Other interest expense	5,269	10,718
Interest expense	**$ 1,676,079**	**$ 1,703,292**

Note 9 - Net Assets and Endowment Matters

The University's endowment primarily consists of numerous individual restricted endowment funds as well as Board designated endowment funds for a variety of purposes. The endowment assets include long-term investments, funds held in support of split-interest agreements net of any related liabilities, real estate held for investment, and contributions receivable for endowment purposes.

Net assets with donor restrictions are comprised of the following at June 30:

	2026	*2025*
Endowment assets:		
Cumulative net gains on investments with permanent donor restrictions:		
General support	$ 2,197,603	$ 1,331,061
Restricted	1,087,378	685,276
	3,284,981	2,016,337
Endowment principal:		
General support	7,935,188	7,550,596
Restricted	3,735,614	3,735,614
	11,670,802	11,286,210
Endowment - other:		
Contributions receivable	76,942	348,185
Split-interest agreements and trusts	4,064,248	3,713,112
Donor restricted	1,000,000	1,000,000
	5,141,190	5,061,297
Total endowment net assets	20,096,973	18,363,844
Fully expendable purpose restricted	1,351,672	1,532,286
Time and/or purpose restricted:		
Contributions receivable	75,687	99,164
Loan funds	9,000	9,000
	$ 21,533,332	**$ 20,004,294**

Note 9 - Net Assets and Endowment Matters (Continued)

Net assets released from restrictions consist of the following during the years ended June 30:

	2026	2025
Operating:		
Program services	$ 297,975	$ 326,454
Collection of contributions receivable without donor purpose restrictions	35,000	35,000
Total operating	332,975	361,454
Non-operating:		
Capital improvements	239,668	273,761
Distribution from split-interest agreements	300,000	-
Total non-operating	539,668	273,761
Total	**$ 872,643**	**$ 635,215**

Note 9 - Net Assets and Endowment Matters (Continued)

The following represents required disclosure relative to the composition and activities of endowment and funds functioning as endowment for the year ended June 30, 2026:

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Donor-restricted endowment funds	$ -	$ 20,096,973	$ 20,096,973
Board-designated funds	26,063,219	-	26,063,219
Total funds	**$ 26,063,219**	**$ 20,096,973**	**$ 46,160,192**

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Endowment assets and those functioning as endowment assets at beginning of year	$ 27,778,670	$ 18,363,844	$ 46,142,514
Gifts and additions	535,400	210,197	745,597
Split-interest agreements and trusts activity	(18,612)	238,178	219,566
Endowment returns:			
Interest and dividends, net of investment expenses	1,558,413	676,329	2,234,742
Net realized and unrealized gains	1,599,401	1,231,303	2,830,704
Total endowment returns	3,157,814	1,907,632	5,065,446
Appropriations:			
Special endowment appropriation	(4,000,000)	-	(4,000,000)
Amounts appropriated for operations and other purposes	(1,390,053)	(622,878)	(2,012,931)
	(5,390,053)	(622,878)	(6,012,931)
Change in endowment assets and those functioning as endowment assets	(1,715,451)	1,733,129	17,678
Endowment assets and those functioning as endowment assets at end of year	**$ 26,063,219**	**$ 20,096,973**	**$ 46,160,192**

Note 9 - Net Assets and Endowment Matters (Continued)

The following represents required disclosure relative to the composition and activities of endowment and funds functioning as endowment for the year ended June 30, 2025:

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Donor-restricted endowment funds	$ -	$ 18,363,844	$ 18,363,844
Board-designated funds	27,778,670	-	27,778,670
Total funds	**$ 27,778,670**	**$ 18,363,844**	**$ 46,142,514**

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Endowment assets and those functioning as endowment assets at beginning of year	$ 27,535,273	$ 17,273,930	$ 44,809,203
Gifts and additions	6,118,676	247,147	6,365,823
Split-interest agreements and trusts activity	(14,204)	272,616	258,412
Endowment returns:			
Interest and dividends, net of investment expenses	1,096,527	520,668	1,617,195
Net realized and unrealized gains	502,852	643,955	1,146,807
Total endowment returns	1,599,379	1,164,623	2,764,002
Appropriations:			
Special endowment appropriation	(6,000,000)	-	(6,000,000)
Amounts appropriated for operations and other purposes	(1,460,454)	(594,472)	(2,054,926)
	(7,460,454)	(594,472)	(8,054,926)
Change in endowment assets and those functioning as endowment assets	243,397	1,089,914	1,333,311
Endowment assets and those functioning as endowment assets at end of year	**$ 27,778,670**	**$ 18,363,844**	**$ 46,142,514**

Note 9 - Net Assets and Endowment Matters (Continued)

Relevant Law

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted in Massachusetts permits the University to appropriate for expenditure or accumulate so much of an endowment fund as the University determines is prudent for the uses, benefits, purposes and duration for which the endowment is established subject to the intent of the donor as expressed in the gift instrument. Seven criteria are to be used to guide the University in its yearly expenditure decisions: 1) duration and preservation of the endowment fund; 2) the purposes of the University and the endowment fund; 3) general economic conditions; 4) effect of inflation or deflation; 5) the expected total return from income and the appreciation of investments; 6) resources of the University; and 7) the investment policy of the University.

Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. Under UPMIFA, the Board is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below historic dollar value. There is an expectation that, over time, the permanently restricted amount will remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic dollar value may be dipped into on a temporary basis.

The University tracks the original value of gifts donated to the endowment, subsequent gifts to the endowment, and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Investment returns are also allocated to endowment type funds and tracked separately such that information on the above corpus values is maintained. To the extent that there is unappropriated investment returns, such amounts are tracked in accordance with the original restriction of the gift until appropriated for spending by the Board of Trustees.

Spending Policy

The University's endowment spending policy is computed based on the average market value for the previous three fiscal year ends. The percentage spent was 5.0% for the years ended June 30, 2026 and 2025, respectively. The Board of Trustees has approved a 5.0% spending rate for the year ending June 30, 2027, which is approximately $2.0 million.

Distributions from the investment portfolio are approved by the Board of Trustees using a total return method and consist of interest (excluding permanently restricted interest), dividends and realized and unrealized gains. The University adopted this spending policy in order to protect the inviolate nature of the original corpus of gifts, as well as to preserve the purchasing power of these funds into the future.

The University's Board of Trustees approved special appropriations of $4,000,000 and $6,000,000 for the years ended June 30, 2026 and 2025, respectively.

Note 9 - Net Assets and Endowment Matters (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. In the event that a donor-restricted endowment fund is in a deficiency, the spending rate for that fiscal year is taken only to the extent of current year net interest and dividend income for that fund. As of June 30, 2026 and 2025, there were no funds with deficiencies to be reported by the University.

Return Objectives and Risk Parameters

The University's investment portfolio is managed to provide for the long-term support of the University. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk. The target for average annual real total return (net of investment management fees and inflation) should equal or exceed the University's spending rate plus core Consumer Price Indexes over a rolling 5-year period, targeting an overall performance ranging between 5% - 9% over that period.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, the University seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Note 10 - Employee Benefit Plans

All full-time and part-time faculty and staff of the University working in excess of 1,000 hours per year are eligible after one year of service to participate in a defined contribution retirement plan administered by TIAA and CREF. The University matches, on a 1 to 1 basis, employee contributions to a maximum of 5.0% of compensation, as defined by the plan. Effective January 1, 2024, the University amended the plan to reduce the maximum matching amount from 7.5% of eligible compensation to 5.0% of eligible compensation. Employees may also elect to participate in a supplemental tax-deferred annuity plan sponsored by TIAA and CREF. Contributions may not exceed amounts permitted by the Internal Revenue Code. Retirement plan expense was $690,555 and $752,667 for the years ended June 30, 2026 and 2025, respectively.

During the years ended June 30, 2026 and 2025, the University offered retirement plans pursuant to Sections 457(b) and 457(f) of the Internal Revenue Code for certain employees. The University contributed $23,500 and $23,000 to the 457(b) plan for the years ended June 30, 2026 and 2025, respectively. The assets and related liabilities for the 457(f) plan amounted to approximately $143,000 and $88,000 at June 30, 2026 and 2025, respectively.

Note 10 - Employee Benefit Plans (Continued)

Eligible employees may elect to participate in the University's health insurance program. The University purchases a self-insured medical plan developed by the Educators Health Insurance Exchange of New England ("EdHealth"). The University has a liability for estimated unpaid claims of $362,000 and $296,549 at June 30, 2026 and 2025, respectively, and is included in accounts payable and accrued expenses on the Statements of Financial Position. The University has deposits on account with EdHealth in the amount of $594,838 and $230,953 as of June 30, 2026 and 2025, respectively, and is included in other assets on the Statements of Financial Position.

Employees may also participate in a flexible spending plan and make contributions for certain benefits such as healthcare and dependent care assistance programs on a pre-tax basis.

Note 11 - Related-Party Transactions

The University and the Village have several contractual relationships as follows:

Other Village Agreements

The University and the Village have a Master Service Agreement (the "Agreement") expiring in December 2030. The Agreement is comprised of five separate agreements which cover management, educational services, information technology services, security and executive fees. Revenue associated with these agreements is recorded as part of auxiliary enterprises on the Statements of Activities (see Note 1).

The Village is also required to reimburse the University for direct costs associated with health insurance and corporate purchasing cards managed by the University. Any amounts due from or due to the Village at the end of the year are included in accounts receivable or other liabilities in the Statements of Financial Position.

Note 11 - Related-Party Transactions (Continued)

Other Village Agreements (Continued)

The University's related-party transactions with the Village and revenue recognized was as follows for the years ended June 30:

Service	*Calculation Basis*	*2026*	*2025*
Management fees	Monthly: 3.7% of Village monthly operating revenue Annually: 10% of any Village surplus up to $200,000 and 5% of Village operating surplus in excess of $200,000	$ 865,752	$ 794,950
Educational services fees	Cost plus 20%	86,420	68,454
Information technology services fees	Cost plus 15%	467,557	362,669
Security fees	Security: cost plus 15%	97,575	126,640
Executive fees	Village President's compensation plus benefits	434,395	385,335
Total related party revenue		**$ 1,951,699**	**$ 1,738,048**
Due (to) from the Village		**$ 262,131**	**$ (119,182)**

Note 12 - Functional Expenses

Expenses by functional classification for the years ended June 30 are as follows:

	2026					
	Instruction	*Academic Support*	*Student Services*	*Auxiliary Enterprises*	*Institutional Support*	*Total*
Expenses:						
Salaries and benefits	$ 11,430,955	$ 2,070,097	$ 6,704,532	$ 5,406,288	$ 4,754,760	$ 30,366,632
Supplies and services	506,390	456,938	2,340,467	4,698,159	2,101,950	10,103,904
Occupancy, utilities and repairs	1,462,980	274,667	875,434	4,230,899	255,148	7,099,128
Depreciation	1,141,218	106,079	496,192	2,421,090	295,353	4,459,932
Interest	222,957	281	50,049	1,327,656	75,136	1,676,079
Other	723,044	166,489	1,182,903	568,278	587,576	3,228,290
	$ 15,487,544	**$ 3,074,551**	**$ 11,649,577**	**$ 18,652,370**	**$ 8,069,923**	**$ 56,933,965**

Note 12 - Functional Expenses (Continued)

	2025					
	Instruction	*Academic Support*	*Student Services*	*Auxiliary Enterprises*	*Institutional Support*	*Total*
Expenses:						
Salaries and benefits	$ 11,401,981	$ 2,006,976	$ 6,569,583	$ 4,861,391	$ 4,886,011	$ 29,725,942
Supplies and services	524,084	449,172	2,555,977	4,585,717	2,203,452	10,318,402
Occupancy, utilities and repairs	1,338,057	251,214	800,681	3,812,367	237,310	6,439,629
Depreciation	1,148,848	73,298	513,833	2,384,109	292,529	4,412,617
Interest	225,645	287	56,529	1,354,536	66,295	1,703,292
Other	785,143	183,400	1,190,917	558,420	592,238	3,310,118
	$ 15,423,758	**$ 2,964,347**	**$ 11,687,520**	**$ 17,556,540**	**$ 8,277,835**	**$ 55,910,000**

Note 13 - Commitments and Contingencies

The University is periodically involved in claims, suits and other legal matters, all of which arise in the normal course of business. Management does not believe that the outcome of any currently pending matters, either individually or in the aggregate, will have a material impact on the University's financial position, changes in net assets and cash flows.

All funds expended by the University in connection with government grants are subject to review or audit by government agencies. In the opinion of management, any liability resulting from a review or audit would not have a significant impact on the financial statements of the University.

The University participates in the Massachusetts College Savings Prepaid Tuition Program. This program allows participants to lock in tuition prices by limiting future increases to the changes in CPI plus 2%. This could result in discounts on tuition charged to students in the future.

The University has employment agreements with its president and certain members of its senior management team that stipulate a variety of business terms typical in the education sector.

An agreement exists with a former president that allows him and/or his spouse to reside at Lasell Village at their discretion upon attaining the age of 65. In August, 2021, the former president elected to reside at the Village. Consequently, the University loaned the former president 90% of the entrance fee which will revert to the University upon the former president's and his spouse's departure or death and is included in notes receivable - related party on the Statements of Financial Position.

The University has an agreement with a company to operate the University's food services on campus, including the dining hall, providing the exclusive right to provide meals related to the meal plan, flex dollars, and the operation of all retail operations. A ten-year extension was signed in July 2026.