



Regis College

**FINANCIAL STATEMENTS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND
UNIFORM GUIDANCE
JUNE 30, 2024**

DRAFT

REGIS COLLEGE

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June 30, 2024

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**Unmodified Opinion on Financial Statements Accompanied by
Supplementary Information – Not-For-Profit Entity**

Independent Auditor's Report

To the Board of Trustees of
Regis College:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Regis College (a Massachusetts corporation, not for profit) (the College) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, changes in net assets, cash flows and functional expenses for the year 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 Regis College as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, effective July 1, 2023, the College adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to that matter.

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 College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 College'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 College'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of financial responsibility data shown on pages 28 through 30 and the Schedule of Expenditures of Federal Awards for the year ended June 30, 2024, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplementary schedule of financial responsibility data shown on pages 28 through 30 and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Boston, Massachusetts
January 5, 2025

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REGIS COLLEGEStatement of Financial Position
June 30, 2024**Assets**

Current Assets:	
Cash and cash equivalents	\$ 5,995,929
Short-term investments in securities	4,697,756
Current portion of restricted cash	419,632
Student accounts receivable, net of allowance for credit losses of approximately \$457,000	1,743,752
Current portion of pledges receivable	635,375
Other current assets	1,597,656
Total current assets	<u>15,090,100</u>
Restricted Cash, net of current portion	1,692,923
Investments in Securities, net of current portion	24,600,259
Pledges Receivable, net of current portion, discount and allowance for doubtful accounts of approximately \$28,000	420,960
Right-Of-Use Assets - Finance	195,589
Right-Of-Use Assets - Operating	597,043
Other Asset	1,396,153
Investment in Land	27,600,000
Property and Equipment, net	38,206,200
Total assets	<u>\$ 109,799,227</u>

Liabilities and Net Assets

Current Liabilities:	
Line of credit	\$ 15,000,000
Current portion of bonds payable	1,532,318
Current portion of notes payable to a bank	170,517
Current portion of finance lease liabilities	48,407
Current portion of operating lease liabilities	391,553
Accounts payable and accrued expenses	5,227,584
Deposits held for others	197,029
Deferred tuition, fees and other	4,455,621
Total current liabilities	<u>27,023,029</u>
Bonds Payable, net of unamortized debt issuance costs and current portion	36,816,050
Notes Payable to a Bank, net of current portion	333,725
Finance lease liabilities, net of current portion	146,112
Operating lease liabilities, net of current portion	269,315
Advances for Federal Student Loans	1,090,795
Deposits and Other Long-Term Payables	795,016
Total liabilities	<u>66,474,042</u>
Net Assets:	
Without donor restrictions:	
Operating and property and equipment	(13,290,233)
Board designated for endowment	20,770,520
Total without donor restrictions	<u>7,480,287</u>
With donor restrictions	35,844,898
Total net assets	<u>43,325,185</u>
Total liabilities and net assets	<u>\$ 109,799,227</u>

REGIS COLLEGE

Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:			
Tuition and fees	\$ 78,938,951	\$ -	\$ 78,938,951
Scholarships and grants	(25,464,456)	-	(25,464,456)
Tuition and fees, net	53,474,495	-	53,474,495
Auxiliary enterprises	10,043,042	-	10,043,042
Facilities rentals and other income	3,889,093	-	3,889,093
Investment return designated for current operations	1,561,308	928,465	2,489,773
Grants and contributions	738,226	1,388,744	2,126,970
Annual Fund contributions	1,548,058	305,730	1,853,788
Net assets released from restrictions	2,572,730	(2,572,730)	-
Total operating revenue	<u>73,826,952</u>	<u>50,209</u>	<u>73,877,161</u>
Operating Expenses:			
Instruction	29,776,400	-	29,776,400
Student services	10,560,796	-	10,560,796
Academic services	6,468,644	-	6,468,644
Auxiliary enterprises	5,251,471	-	5,251,471
Institutional support	29,045,253	-	29,045,253
Development	1,935,649	-	1,935,649
Total operating expenses	<u>83,038,213</u>	<u>-</u>	<u>83,038,213</u>
Changes in net assets from operations	<u>(9,211,261)</u>	<u>50,209</u>	<u>(9,161,052)</u>
Non-Operating Revenue:			
Grants for capital and endowment	-	1,540,529	1,540,529
Investment return reduced by spending policy	(1,143,542)	2,517,797	1,374,255
Total non-operating revenue	<u>(1,143,542)</u>	<u>4,058,326</u>	<u>2,914,784</u>
Changes in net assets	<u>\$ (10,354,803)</u>	<u>\$ 4,108,535</u>	<u>\$ (6,246,268)</u>

REGIS COLLEGEStatement of Changes in Net Assets
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, July 1, 2023	\$ 16,978,204	\$ 31,736,363	\$ 48,714,567
Cumulative adjustment from adoption of new credit loss standard	856,886	-	856,886
Changes in net assets	<u>(10,354,803)</u>	<u>4,108,535</u>	<u>(6,246,268)</u>
Net Assets, June 30, 2024	<u><u>\$ 7,480,287</u></u>	<u><u>\$ 35,844,898</u></u>	<u><u>\$ 43,325,185</u></u>

REGIS COLLEGEStatement of Cash Flows
For the Year Ended June 30, 2024

Cash Flows from Operating Activities:	
Changes in net assets	\$ (6,246,268)
Adjustments to reconcile changes in net assets to net cash, cash equivalents and restricted cash used in operating activities:	
Depreciation and amortization	3,728,969
Interest - amortization expense	9,210
Amortization of food services deposit	75,000
Recovery for credit loss	(146,998)
Grants for capital and endowment	(1,540,529)
Noncash lease expenses	45,777
Actuarial adjustment to annuity liability obligations	5,807
Net unrealized and realized gains on investments	(3,426,364)
Changes in operating assets and liabilities:	
Student accounts receivable	(494,291)
Other current assets	(409,940)
Pledges receivable	(82,099)
Other asset	309,766
Accounts payable and accrued expenses	(1,258,537)
Change in operating lease liabilities	(19,997)
Deposits held for others	52,276
Deferred tuition, fees and other	(856,932)
Advances for federal student loans	818,207
Deposits and other long-term payables	33,559
Net cash used in operating activities	<u>(9,403,384)</u>
Cash Flows from Investing Activities:	
Acquisitions of property and equipment	(1,715,406)
Purchases of investments in securities	(142,668)
Proceeds from sale of investments in securities	4,960,892
Net cash provided by investing activities	<u>3,102,818</u>
Cash Flows from Financing Activities:	
Net issuance for Federal student loans	(1,055,135)
Principal payments on notes payable to a bank	(161,380)
Net draws on line of credit	7,000,000
Principal payments of bonds payable	(1,484,398)
Payments on finance lease obligations	(46,841)
Grants for capital and endowment	1,625,529
Net cash provided by financing activities	<u>5,877,775</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	(422,791)
Cash, Cash Equivalents and Restricted Cash:	
Beginning of year	<u>8,531,275</u>
End of year	<u>\$ 8,108,484</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash Reported Within the Statement of Financial Position:	
Cash and cash equivalents	\$ 5,995,929
Current portion of restricted cash	419,632
Restricted cash, net of current portion	<u>1,692,923</u>
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 8,108,484</u>
Supplemental Disclosure of Cash Flow Information:	
Cash paid for interest - expensed	<u>\$ 2,326,889</u>

The accompanying notes are an integral part of these statements.

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REGIS COLLEGE

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program				Institutional Support	Development	Plant	Total	
	Instruction	Student Services	Academic Services	Auxiliary Enterprises					Total Program
Personnel and Related Costs:									
Salaries and wages	\$ 18,994,125	\$ 4,339,572	\$ 3,350,117	\$ 1,201,350	\$ 27,885,164	\$ 6,248,858	\$ 1,068,569	\$ 1,662,561	\$ 36,865,152
Payroll taxes and fringe benefits	3,359,756	1,506,825	1,006,331	467,998	6,340,910	1,756,774	255,329	316,494	8,669,507
Work study wages and student employment	35,889	228,327	50,819	87,910	402,945	-	1,737	-	404,682
Total personnel and related costs	22,389,770	6,074,724	4,407,267	1,757,258	34,629,019	8,005,632	1,325,635	1,979,055	45,939,341
Occupancy:									
Depreciation and amortization	1,322,769	476,093	282,991	232,952	2,314,805	1,325,217	88,947	-	3,728,969
Utilities	-	-	-	-	-	-	-	2,346,527	2,346,527
Repairs and maintenance	44,019	21,786	-	-	65,805	54,128	-	1,697,564	1,817,497
Total occupancy	1,366,788	497,879	282,991	232,952	2,380,610	1,379,345	88,947	4,044,091	7,892,993
Other:									
Online support services	-	-	-	-	-	12,771,743	-	-	12,771,743
Consulting and contracted services	1,458,998	230,875	60,712	26,857	1,777,442	1,425,873	-	86,041	3,289,356
Interest	806,153	290,152	172,467	141,971	1,410,743	862,630	54,208	-	2,327,581
Food service	-	-	-	2,268,447	2,268,447	-	-	-	2,268,447
Student activities and events	93,511	1,315,877	62,326	212,640	1,684,354	257,843	-	-	1,942,197
Program supplies	491,492	280,900	267,152	66,816	1,106,360	187,448	1,418	19,805	1,315,031
Travel, meals and entertainment	13,010	375,972	222,745	1,523	613,250	80,791	177,305	-	871,346
Technology	409,664	38,187	277,718	6,480	732,049	74,055	-	13,717	819,821
Insurance	-	-	-	-	-	679,960	-	-	679,960
Miscellaneous	366,955	48,413	153,781	44,605	613,754	60,773	440	-	674,967
Legal and professional fees	-	-	-	-	-	564,474	-	-	564,474
Advertising	84,172	425,961	-	1,182	511,315	51,990	-	-	563,305
Transportation	20,780	1,247	-	-	22,027	-	-	328,226	350,253
Memberships and subscriptions	19,011	57,308	55,906	5,357	137,582	76,050	27,055	100	240,787
Outside events	-	-	-	-	-	178,527	33,363	-	211,890
Postage, printing and publications	15,576	67,470	1,887	495	85,428	14,654	70,038	493	170,613
Telephone	7,077	9,534	378	72,448	89,437	21,763	-	5,365	116,565
Professional development	4,324	4,675	3,051	635	12,685	9,024	-	5,834	27,543
Total other	3,790,723	3,146,571	1,278,123	2,849,456	11,064,873	17,317,598	363,827	459,581	29,205,879
Total expenses before plant allocation	27,547,281	9,719,174	5,968,381	4,839,666	48,074,502	26,702,575	1,778,409	6,482,727	83,038,213
Plant Allocation	2,229,119	841,622	500,263	411,805	3,982,809	2,342,678	157,240	(6,482,727)	-
Total expenses	\$ 29,776,400	\$ 10,560,796	\$ 6,468,644	\$ 5,251,471	\$ 52,057,311	\$ 29,045,253	\$ 1,935,649	\$ -	\$ 83,038,213

The accompanying notes are an integral part of these statements.