



Financial Statement Summary

For the Period Ending June 30, 2025

Overview

Fiscal year 2025 was a year of progress for Lesley University as it advanced its multi-year campus plan and continued academic and operational changes aimed at building a stable foundation for the future.

The FY25 audited financial statements highlight the University's investment in its campus plan, set against the broader financial pressures affecting higher education. The University received a clean (unmodified) audit opinion, indicating that the financial statements are fairly presented in accordance with U.S. GAAP.

As in FY24, the University used board-designated endowment funds, through its internal line of credit, temporarily to support the campus plan while enrollment and revenue continue to stabilize. These uses served as a short-term internal source of funding and were key drivers of FY25 cash flows.

Statement of Financial Position (Total Assets, Total Liabilities, and Net Assets)

Total Assets

Total assets decreased from \$435.2 million in FY24 to \$426.8 million in FY25, a decline of \$8.4 million (-1.9%).

Key drivers include:

- Property & equipment increased by \$16.8 million, reflecting \$32.2M of FY25 cash capital spending for the campus plan.
- Investments decreased by \$24.3 million, reflecting temporary use of board-designated endowment funds for the campus plan.
- "Held for sale" property increased to \$4.6 million, reflecting real estate being actively marketed or under agreement.
- Cash decreased by \$6.1 million, reflecting operating deficits, capital investments, and overall investing and financing activity.

Total Liabilities

Total liabilities decreased slightly from \$133.2 million to \$130.2 million, a reduction of \$3.0 million (-2.3%), primarily due to:

- Scheduled principal payments on bonds, notes, and loans payable.

Net Assets

Total net assets decreased from \$302.0 million to \$296.6 million, a decline of \$5.4 million (-1.8%).

- Without donor restrictions decreased \$11.6 million, primarily reflecting the impact of operating activities and temporary use of board-designated endowment funds through the internal line of credit for the campus plan.
- With donor restrictions increased \$6.2 million, due to new contributions and investment gains.

Statement of Activities

Operating Results

Operating revenues increased to \$107.3 million in FY25 from \$85.3 million in FY24, reflecting temporary use of endowment funds for the campus plan.

Key points:

- Tuition, fees, room & board decreased to \$55.1M, down from \$60.5M, reflecting lower enrollment and student mix.
- Government and private grants declined by a combined \$1.7M year-over-year, primarily due to the expiration of a one-time FY24 ARPA grant not available in FY25.
- Amounts reclassified under board designations increased to \$34.5M (from \$6.1M in FY24), reflecting temporary use of board-designated endowment funds for the campus plan.

Operating expenses totaled \$96.2 million, a decrease of \$6.0 million from FY24, achieved despite inflationary pressures.

Non-Operating Results

FY25 non-operating activity resulted in a net loss of \$17.2M, driven by:

- \$9.8M gain on real estate sales, part of the ongoing campus plan implementation.
- \$14.4M investment gains, reflecting a positive market year.
- (\$34.5M) downward impact from the reclassification of supplemental board-designated draws.

- (\$1.3M) restructuring costs, consistent with the multi-year transition plan.

Change in Net Assets

While the reported change in net assets includes significant gains from the sale of property and equipment (\$9.8M in FY25 and \$43.2M in FY24), removing these one-time items shows a more comparable year-over-year result. On this basis, the university’s change in net assets improved slightly, from a deficit of \$16.7M in FY24 to a deficit of \$15.2M in FY25.

Metric	FY25	FY24
Change in Net Assets	(5.4M)	26.6M
Less: One-Time Real Estate Gain/Loss	9.8M	43.2M
Adjusted Change in Net Assets	(15.2M)	(16.7M)

Key FY25 Activities and Drivers

Campus Master Plan

Capital investment continued in FY25:

- \$32.2M in FY25 cash capital additions
- Renovations of student spaces, academic areas, and campus housing
- \$10.5M in property sales (net gain: \$9.8M)
- Additional properties moved to “held for sale” status, with anticipated proceeds designated for the endowment

The plan remains funded through:

- Reallocation of proceeds from property sales
- Board-designated endowment draws used temporarily for the campus plan
- Traditional spending-policy draws

Endowment & Investments

- Total investments declined from \$184.9M to \$160.6M
- This reflects:
 - \$9.7M spending-policy draw
 - \$6.1M supplemental board-approved draw

- \$29.2M of board-designated endowment funds used temporarily through the internal line of credit for the campus plan
- Positive market performance partially offset these draws.
- The University has begun replenishing board-designated funds with FY26 real-estate proceeds (\$17M) and is exploring a new external line of credit.

Real Estate Strategy

Consistent with FY24:

- The University continued divesting smaller properties and reinvesting proceeds in modern, student-centered spaces.
- FY25 real estate sales generated a \$9.8M gain, continuing the multi-year strategy of reallocating real estate assets, although gains were smaller than FY24's \$43.2M as the most substantial property sales occurred last year.

Conclusion

FY25 reflects a University investing in its campus and academic programs while navigating enrollment pressures and operational challenges. Key metrics show progress in selectivity, yield, and program alignment, laying the foundation for sustainable growth in the coming years.