

Simmons College

Financial Statements

June 30, 2015 and 2014

Simmons College
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June 30, 2015 and 2014

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Independent Auditor's Report

To the Board of Trustees of Simmons College:

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

Management's Responsibility 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; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 our 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, we consider internal control relevant to the College'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 College'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 Simmons College at June 30, 2015 and June 30, 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.

PricewaterhouseCoopers LLP

November 4, 2015

Simmons College
Statements of Financial Position
June 30, 2015 and 2014

(in thousands of dollars)

	2015	2014
Assets		
Cash and cash equivalents	\$ 26,639	\$ 23,655
Accounts receivable, net	11,003	8,019
Contributions receivable, net	7,242	8,363
Amounts held under agreement with bond trustee	3,130	4,169
Investments	190,667	191,176
Loans to students, net	4,158	4,728
Other assets	5,350	4,116
Deferred charges, net	3,161	3,350
Property, plant, and equipment, net	176,205	181,697
Total assets	<u>\$ 427,555</u>	<u>\$ 429,273</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 9,922	\$ 8,510
Deposits payable and deferred revenues	14,608	9,042
Bonds payable	169,696	173,974
Loan payable	518	741
U.S. government loan advances	3,088	3,099
Other liabilities	3,302	3,388
Total liabilities	<u>201,134</u>	<u>198,754</u>
Net assets		
Unrestricted	70,941	76,761
Temporarily restricted	81,628	82,269
Permanently restricted	73,852	71,489
Total net assets	<u>226,421</u>	<u>230,519</u>
Total liabilities and net assets	<u>\$ 427,555</u>	<u>\$ 429,273</u>

The accompanying notes are an integral part of these financial statements.

Simmons College
Statements of Activities
Years Ended June 30, 2015 and 2014

(in thousands of dollars)

	Unrestricted		Temporarily Restricted		Permanently Restricted		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Operating activities								
Operating revenues								
Undergraduate and Graduate Tuition and Fees	\$ 108,200	\$ 109,798	\$ -	\$ -	\$ -	\$ -	\$ 108,200	\$ 109,798
Online Revenue Tuition and Fees	24,446	5,439					24,446	5,439
Less: Student aid	(34,924)	(32,738)					(34,924)	(32,738)
Net tuition and fees	97,722	82,499	-	-	-	-	97,722	82,499
Auxiliary enterprises	15,858	16,550					15,858	16,550
Investment return in support of operations	11,076	6,760					11,076	6,760
Gifts	3,987	3,885					3,987	3,885
Government and private grants	2,492	2,256					2,492	2,256
Leases	3,146	3,102					3,146	3,102
Other	3,816	4,109					3,816	4,109
Net assets released from restriction	1,384	2,795					1,384	2,795
Total operating revenues	139,481	121,956	-	-	-	-	139,481	121,956
Operating expenses								
Salaries and wages	57,990	57,443					57,990	57,443
Employee benefits	15,024	14,835					15,024	14,835
Materials, supplies, and services	29,525	28,167					29,525	28,167
Partner share of online revenue	16,849	3,793					16,849	3,793
Interest expense	6,863	6,420					6,863	6,420
Total operating expenses	126,251	110,658	-	-	-	-	126,251	110,658
Results from operations before depreciation	13,230	11,298	-	-	-	-	13,230	11,298
Depreciation expense	11,711	11,839					11,711	11,839
Results from operations after depreciation	1,519	(541)	-	-	-	-	1,519	(541)
Nonoperating revenues, gains, and losses								
Gifts	7	-	1,682	3,847	2,416	4,681	4,105	8,528
Total Investment Return	855	6,548	3,970	15,867	(119)	820	4,706	23,235
Distribution of investment return in support of operations	(11,076)	(6,760)					(11,076)	(6,760)
Realized loss on property sale	(8)	(20)					(8)	(20)
Loss on extinguishment of debt	(1,960)	(3,724)					(1,960)	(3,724)
Net assets released from restriction	4,843	4,490	(6,293)	(8,047)	66	762	(1,384)	(2,795)
Change from nonoperating activity	(7,339)	534	(641)	11,667	2,363	6,263	(5,617)	18,464
Change in net assets	(5,820)	(7)	(641)	11,667	2,363	6,263	(4,098)	17,923
Net assets								
Beginning of year	76,761	76,768	82,269	70,602	71,489	65,226	230,519	212,596
End of year	\$ 70,941	\$ 76,761	\$ 81,628	\$ 82,269	\$ 73,852	\$ 71,489	\$ 226,421	\$ 230,519

The accompanying notes are an integral part of these financial statements.

Simmons College
Statements of Cash Flows
June 30, 2015 and 2014

(in thousands of dollars)

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (4,098)	\$ 17,923
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and accretion expense	11,539	11,666
Amortization of bond premium/discount and bond issuance costs	(84)	402
Loss on extinguishment of long-term debt	1,960	3,724
Noncash contribution securities received	(539)	(1,515)
Proceeds from sale of contributed securities	325	309
Net realized and unrealized loss (gains) on investments	(3,388)	(21,912)
Net realized loss on disposals of PP&E	8	19
Contributions for long-term purposes	(782)	(1,933)
Cash premium received upon issuance of bonds		263
Change in reserve for bad debt	106	81
Changes in assets and liabilities		
(Decrease) in account receivable and other assets	(3,022)	(6,611)
Increase (Decrease) in accounts payable and accrued liabilities	2,053	218
Increase in deferred revenues and deposits payable	5,566	2,256
Net cash provided by operating activities	<u>9,644</u>	<u>4,890</u>
Cash flows from investing activities		
Purchases of property, plant, and equipment	(6,344)	(5,667)
Proceeds from the sale of PP&E	4	3
Proceeds from the sale and maturities of investments	108,359	74,854
Purchases of investments	(104,351)	(74,615)
Student loans advanced	(364)	(374)
Student loans collected	751	794
Net cash used in investing activities	<u>(1,945)</u>	<u>(5,005)</u>
Cash flows from financing activities		
Repayments of long-term debt	(4,012)	(4,752)
Deposits into refunding trusts	(10,894)	(20,150)
Proceeds from bond issuance	9,662	19,387
Payments to annuity beneficiaries	(349)	(349)
Contributions to be used for long-term purposes	782	1,933
Proceeds from sale of contributed securities for long-term purposes	96	1,000
Net cash used in financing activities	<u>(4,715)</u>	<u>(2,931)</u>
Net Increase (Decrease) in cash and cash equivalents	2,984	(3,046)
Cash and cash equivalents		
Beginning of year	<u>23,655</u>	<u>26,701</u>
End of year	<u>\$ 26,639</u>	<u>\$ 23,655</u>
Supplemental Data / Non-cash Investing and Financing Activity		
Interest paid	\$ 6,617	\$ 6,331
Purchases of property, plant, and equipment in accounts payable and accrued liabilities	292	646
Transfer of amounts held under agreement with bond trustee to refunding trusts	1,039	1,811

The accompanying notes are an integral part of these financial statements.

Simmons College

Notes to Financial Statements

June 30, 2015 and 2014

1. Accounting Policies

Organization

Simmons College (the "College") is a private, nonsectarian institution located in Boston's Back Bay that currently serves approximately 1,700 undergraduate women and over 4,000 men and women in its graduate programs at the master and doctoral levels.

Basis of Presentation

The financial statements of the College have been prepared on the accrual basis of accounting.

Accounting principles generally accepted in the United States of America (GAAP) for private, not-for-profit organizations require classification of net assets, revenues, expenses, gains, and losses into three categories based on the existence or absence of externally imposed restrictions. The categories – unrestricted, temporarily restricted, and permanently restricted net assets – are defined as follows:

Unrestricted Net Assets

Unrestricted net assets are the net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the College's Board of Trustees (the "Trustees").

All expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted either by donor stipulation or by law.

The College records as unrestricted net assets any donor-restricted contributions for which the donor-imposed restrictions are met in the same reporting period as the contribution is received.

Temporarily Restricted Net Assets

Temporarily restricted net assets are the net assets subject to donor-imposed stipulations that will be met either by actions of the College or the passage of time as well as unexpended endowment income allocated under the spending formula. When the stipulations have been met (i.e., the time requirement has expired, the restricted purpose is accomplished or spending has been appropriated), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets are the net assets that are subject to donor-imposed stipulations that they be maintained in perpetuity by the College. Generally, the donors of these assets permit the College to use all or part of the income earned and gains, if any, on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless their use is subject to donor-imposed restrictions. In those cases, amounts received that are permanently or temporarily restricted by the donor are reported as increases to those net asset classes.

Nonoperating Revenues, Gains and Losses

The non-operating revenues, gains and losses include investment income, realized and unrealized investment gains and losses net of amounts distributed in support of operations, contributions to temporarily restricted and permanently restricted net assets, realized gains on the sale of property, loss on extinguishment of debt and the non-operating net assets utilized or released from restriction.

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Expenses associated with fund-raising were \$1,774,884 and \$1,880,000 in 2015 and 2014, respectively, and are included in institutional support expenditures disclosed in Note 13.

Cash Equivalents

Cash and cash equivalents include highly liquid investments purchased with an initial maturity date of three months or less. For purposes of the statements of financial position and statements of cash flows, cash and cash equivalents exclude such amounts which are included within the investment accounts. Included in Cash Equivalents are money market investments valued at approximately \$4,796,000 and \$1,774,000 in 2015 and 2014. These balances are considered Level 1 investments.

Investments and Life Income Funds

Investments and life income funds are reported at fair value. Fair value is 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. Gains or losses on investments are recognized as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Certain investments are not publicly traded and are referred to as alternative investments. The alternative investments are carried at estimated fair values as provided by the investment managers (Note 4 and Note 5).

The College invests in various securities, including U.S. government securities, corporate debt instruments, hedge funds, private equities, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes could occur and materially affect the amounts reported in the financial statements.

Endowment Investment and Spending Policies

On July 2, 2009, The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was signed into law in Massachusetts. UPMIFA provides greater flexibility for organizations that may consider spending from underwater endowment funds. The College did not spend from underwater endowment funds in fiscal year 2015 and 2014.

The Trustees have interpreted state law as requiring realized and unrealized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Trustees and expended.

The College has adopted investment and spending policies for endowment assets to provide long-term capital appreciation to supply funds for the specified purposes for which the original endowed gifts were given (e.g., scholarships, endowed chairs and operations). The time horizon for the endowment is perpetuity. The assets of the College are managed accordingly by external professional investment managers or invested in professionally managed funds, including funds of funds or managers of managers. The appointment of such managers or funds is the responsibility of the Investment Committee, a standing committee of the Board of Trustees. Investment managers have discretion over their investment programs, subject to appropriate constraints reflected in the College's Investment Policy Statement or in the applicable investment management contracts.

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Notes to Financial Statements
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The long-term objective of the College is to achieve a total return equivalent to or greater than the expected return. The expected return is the sum of the annual spending rate, the long-term inflation rate and any growth factor which the Investment Committee may deem appropriate. The spending rate for the years ended June 30, 2015 and June 30, 2014 was 4.5%. The annual spending rate calculation is based on the average of the prior twelve quarter end market values as of December 31. To the extent that current yield is inadequate to meet the spending rate a portion of cumulative realized and unrealized net gains is also available for current use.

For fiscal year 2015, Investment return in support of operations on the Statement of Activities includes an additional \$4,000,000 distribution that was approved by the College's Trustees.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost or, if acquired by gift, at fair market value on the date of receipt. Depreciation is computed by the straight-line method based on the estimated useful lives of the assets. The College reports gifts of property and equipment as unrestricted net assets, unless explicit donor stipulations specify how the donated assets must be used.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the College reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The estimated useful lives used in computing depreciation are as follows:

Furniture, fixtures and equipment	3–15 years
Land improvements	10 years
Library books	10 years
Building renovations	20 years
Buildings	40–50 years

Asset Retirement Obligations

The College has recognized an asset retirement obligation for the future remediation of asbestos in campus facilities. The College recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statements of activities. The accrual balance for this obligation as of June 30, 2015 and 2014 is included in other liabilities in the statements of financial position. Changes in this balance for the years ended June 30 are as follows:

<i>(in thousands of dollars)</i>	2015	2014
Balances at beginning of year	\$ 1,593	\$ 1,535
Accretion expense	61	58
Balances at end of year	<u>\$ 1,654</u>	<u>\$ 1,593</u>

Simmons College

Notes to Financial Statements

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Fair Value of Financial Instruments Other Than Investments

The carrying amounts of cash equivalents, accounts receivable, accrued interest receivable, accounts payable, and student deposits approximate fair value because of the short maturities of these financial instruments.

Reasonable estimates of the fair values of the notes receivable from students under government loan programs and advances from the federal government for student loans could not be made because the notes receivable are not saleable and can only be assigned to the U.S. government or its designees.

The fair market value of the College's financial debt instruments based on current borrowing rates for loans with similar maturities and average maturities was estimated to be approximately \$176,066,590 and \$182,823,000 as of June 30, 2015 and 2014, respectively. The inputs used in the valuation of the debt qualify as Level 2 inputs.

Tuition and Fees Revenue

The College recognizes tuition and fees revenue in the period in which the educational instruction is performed. Accordingly, tuition and fees received in advance are deferred until the educational instruction is provided and related expenses incurred. Revenue from the Simmons online program is included in tuition and fees. The College pays its online partner fees to use the online platform. These fees are included within operating expenses on the statement of activities.

Contributions

Contributions received, including unconditional promises, are recognized as revenues when the donors' commitments are received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Promises of noncash assets are recorded at their fair market values. Conditional promises are recorded at their fair values when donor stipulations are substantially met.

Contributed Securities

Contributed securities that are immediately sold are presented within cash flows from operations if there are no donor imposed restrictions and within cash flows from financing if there are donor imposed restrictions for a long term purpose.

Lease Revenue

The College leases parking garage and office space under operating leases. The operating leases have scheduled annual increases which the College recognizes on a straight-line basis over the lease term beginning with the start of the lease.

Tax Status

The College is a qualified tax-exempt organization under the provisions of Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

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.

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Notes to Financial Statements
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Funds with Shortfalls

From time to time, the market value of assets associated with permanently restricted funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. Shortfalls of this nature are reported in unrestricted net assets, and totaled \$6,500 and \$96,000 as of June 30, 2015 and 2014, respectively.

Reclassification

Certain amounts in the 2014 financial statements have been reclassified to conform with the 2015 presentation.

Revision

The College has revised its 2014 statement of cash flows primarily to correct for an error resulting from the incorrect classification of realized gains and losses. As a result of such revision, the College has also revised its 2014 statement of financial position and statement of activities to correct for other errors related to other assets, accruals, revenue and the classification of net assets. The College has concluded that the impact of these errors are immaterial to the previously presented statements.

Simmons College
Notes to Financial Statements
June 30, 2015 and 2014

The effect of the revisions to the previously presented statement of financial position, statement of activities and statement of cash flows for the year ended June 30, 2014 are as follows:

<i>(amounts in thousands)</i>	As Previously Reported	Adjustments	As Revised
Statement of Financial Position			
Accounts receivable, net	\$ 8,582	\$ (563)	\$ 8,019
Other assets	4,293	(177)	4,116
Property, plant and equipment, net	181,836	(139)	181,697
Total assets	430,152	(879)	429,273
Accounts payable and accrued liabilities	8,161	349	8,510
Deposits payable and deferred revenues	8,891	151	9,042
Total liabilities	198,254	500	198,754
Unrestricted net assets	79,621	(2,860)	76,761
Temporarily restricted net assets	81,221	1,048	82,269
Permanently restricted net assets	71,056	433	71,489
Total liabilities and net assets	430,152	(879)	429,273
Statement of Activities			
Undergraduate and graduate tuition and fees	\$ 109,949	\$ (151)	\$ 109,798
Total net tuition and fees	82,650	(151)	82,499
Other revenues	4,359	(250)	4,109
Total operating revenues	122,357	(401)	121,956
Salaries and wages	57,094	349	57,443
Materials, supplies and services	27,538	629	28,167
Total operating expenses	109,680	978	110,658
Results from operations before depreciation	12,677	(1,379)	11,298
Results from operations after depreciation	838	(1,379)	(541)
Net assets released from restrictions- unrestricted	5,971	(1,481)	4,490
Net assets released from restrictions- temporarily restricted	(9,095)	1,048	(8,047)
Net assets released from restrictions- permanently restricted	329	433	762
Change in nonoperating activity- unrestricted	2,015	(1,481)	534
Change in nonoperating activity- temporarily restricted	10,619	1,048	11,667
Change in nonoperating activity- permanently restricted	5,830	433	6,263
Change in net assets- unrestricted	2,853	(2,860)	(7)
Change in net assets- temporarily restricted	10,619	1,048	11,667
Change in net assets- permanently restricted	5,830	433	6,263
Total change in net assets	19,302	(1,379)	17,923
Net assets, end of year	231,898	(1,379)	230,519
Statement of Cash Flows			
Net cash provided by operating activities	\$ 10,801	\$ (5,911)	\$ 4,890
Net cash used in investing activities	(10,916)	5,911	(5,005)

2. Accounts Receivable

At June 30 accounts receivable consisted of the following:

<i>(in thousands of dollars)</i>	2015	2014
Accounts receivable - student and other	\$ 12,231	\$ 9,130
Accounts receivable for sponsored programs	298	202
Less: Allowance for doubtful accounts	(1,526)	(1,313)
Accounts receivable, net	<u>\$ 11,003</u>	<u>\$ 8,019</u>

Simmons College
Notes to Financial Statements
June 30, 2015 and 2014

3. Loans to Students

Loans to students are net of an allowance for uncollectible loans of \$537,000 at June 30, 2015 and \$355,000 at June 30, 2014.

The College regularly assesses the adequacy of the allowance for doubtful accounts related to loans to students by performing ongoing evaluations of the student loan portfolio, including such factors as the economic environment in which the borrowers operate and the level of delinquent loans. The College also performs a detailed review of the aging of the student loan receivable balances in comparison to prior years. The level of the allowance is adjusted based on the results of this analysis. The College considers the allowance recorded at June 30, 2015 and June 30, 2014 to be reasonable and adequate to absorb the potential credit losses inherent in the student loan portfolio.

4. Investments

The fair value of investments by type, including investments under split interest agreements and charitable remainder trusts, as of June 30 were as follows:

<i>(in thousands of dollars)</i>	2015	2014
Cash and cash equivalents	\$ 9,364	\$ 19,306
Fixed income	26,708	19,906
Equities	89,999	90,003
Alternative investments	63,891	61,778
Other	705	183
Total investments	<u>\$ 190,667</u>	<u>\$ 191,176</u>

Alternative investments consist primarily of hedge fund and private equity holdings. The fair value of certain private equity, real estate, natural resource and other equity investments represents the College's ownership interest in the capital account of limited partnerships. The value of these investments is determined by the general partner and is based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the underlying investment, the fair value is determined by the general partner taking into consideration among other things, multiples of comparable companies in the public markets and/or discounted cash flow analyses. The College performs additional procedures with respect to valuation including due diligence reviews on its investments in limited partnerships and including, but not limited to, general partners' compliance with the Fair Value Measurements standard, price transparency and valuation procedures in place. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a materially different estimate of fair value at the reporting date.

Beneficial interests in perpetual trusts and assets of split-interest agreements are valued by the trustees of the agreements and are based on valuation of the underlying marketable securities or for those securities which do not have a readily determinable fair value by the trustee based on appraisals or other estimates which require judgment. These balances are included within Level 3. The primary unobservable inputs used in the fair value measurement of the perpetual trust assets are the underlying securities held by the trust. Significant fluctuation in the discount rates utilized in this calculation could result in a material change in fair value.

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The College is obligated under certain alternative investment agreements to periodically advance additional funding up to their contractual levels.

The composition of investment gains (loss) for the years ended June 30 is as follows:

<i>(in thousands of dollars)</i>	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividend income	\$ 237	\$ 1,301	\$ 1	\$ 1,539
Net realized gains	1,088	3,023	217	4,328
Net change in unrealized gains on investments	<u>(470)</u>	<u>(354)</u>	<u>(337)</u>	<u>(1,161)</u>
Total investment return on long-term investments	<u>\$ 855</u>	<u>\$ 3,970</u>	<u>\$ (119)</u>	<u>\$ 4,706</u>

<i>(in thousands of dollars)</i>	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividend income	\$ 70	\$ 1,102	\$ 2	\$ 1,174
Net realized gains	1,634	4,116	22	5,772
Net change in unrealized gains on investments	<u>4,844</u>	<u>10,649</u>	<u>796</u>	<u>16,289</u>
Total investment return on long-term investments	<u>\$ 6,548</u>	<u>\$ 15,867</u>	<u>\$ 820</u>	<u>\$ 23,235</u>

Internal Borrowing from Endowment

In September 2008, the College's Board of Trustees approved an internal borrowing from the endowment to provide funding for the construction of the School of Management building and garage, and the expansion of the Fens Cafeteria. The loan carries an interest rate of 5% which was approved by the Board of Trustees based on its determination of rates for similar instruments at the time of authorization. The principal amount of the loan outstanding was \$4,086,000 and \$5,514,000 at June 30, 2015, and 2014, respectively. Annual principal payments began in fiscal year 2011 and continue through fiscal year 2018 or until completely paid.

5. Fair Value Measurements

U.S. GAAP permits, as a practical expedient, an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. U.S. GAAP requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor's ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee.

The College establishes the fair value as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques.

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As a basis for considering assumptions, the College uses a three-tier fair value hierarchy based upon whether the value of the asset or liability can be readily determined from publicly available data or not. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs mean that the market data is readily available from independent sources to help quantify the valuations, while unobservable inputs mean that the market data is not readily available, and therefore, the value of the asset or liability in the portfolio must be based on other information including the reporting entity's own assumptions about how market participants would value the asset or liability.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis. The three levels of inputs and a description of the College's valuation methodologies for assets measured at fair value are as follows:

- Level 1 Inputs that are based on unadjusted quoted prices in active markets for identical assets that the College is able to access on the date of valuation. Instruments categorized in Level 1 would be common stocks, bonds held in custody in the College's name and mutual funds with daily NAV that are publicly listed on market exchanges and have daily process and trading activity.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Level 2 investments can include thinly traded securities and private investments in publicly traded companies. Commingled funds with documented transactions on the reporting date at an established NAV, and the ability to liquidate at NAV in the near-term (90 days or less) would also be classified as Level 2.
- Level 3 Inputs that are typically unobservable, in illiquid markets and rely on assumptions and estimates about pricing derived available information. Typical Level 3 investments include private equity, private real estate partnerships and other illiquid securities with little or no regular market activity. Typically private equity partnerships can never be redeemed, but rather that the College receives distribution through the liquidation of the partnerships' underlying assets. Investments that are not redeemable at NAV in the near-term (greater than 90 days) are also classified as Level 3.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future values. In addition, while the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a materially different estimate of fair value at the reporting date.

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The College's assets measured at fair value are as follows:

<i>(in thousands of dollars)</i>	Assets at Fair Value at June 30, 2015			
	Level 1	Level 2	Level 3	Total
Investments				
Cash and cash equivalents	\$ 8,512	\$ -	\$ -	\$ 8,512
Fixed income securities	24,212	150	-	24,362
Equity securities	49,815	33,554	-	83,369
Alternative investments - hedge funds	-	2,745	29,793	32,538
Alternative investments - private equity	-	-	31,336	31,336
	<u>82,539</u>	<u>36,449</u>	<u>61,129</u>	<u>180,117</u>
Charitable annuities and pooled income funds				
Cash and cash equivalents	41	-	-	41
Fixed income securities	-	817	-	817
Equity securities	-	1,148	-	1,148
Trusts held by third parties	-	-	8,544	8,544
	<u>41</u>	<u>1,965</u>	<u>8,544</u>	<u>10,550</u>
	<u>\$ 82,580</u>	<u>\$ 38,414</u>	<u>\$ 69,673</u>	<u>\$ 190,667</u>

<i>(in thousands of dollars)</i>	Assets at Fair Value at June 30, 2014			
	Level 1	Level 2	Level 3	Total
Investments				
Cash and cash equivalents	\$ 18,661	\$ -	\$ -	\$ 18,661
Fixed income securities	17,195	-	-	17,195
Equity securities	36,767	46,247	-	83,014
Alternative investments - hedge funds	-	2,807	26,977	29,784
Alternative investments - private equity	-	-	31,330	31,330
	<u>72,623</u>	<u>49,054</u>	<u>58,307</u>	<u>179,984</u>
Charitable annuities and pooled income funds				
Cash and cash equivalents	38	-	-	38
Fixed income securities	-	1,091	-	1,091
Equity securities	-	1,390	-	1,390
Trusts held by third parties	-	-	8,673	8,673
	<u>38</u>	<u>2,481</u>	<u>8,673</u>	<u>11,192</u>
	<u>\$ 72,661</u>	<u>\$ 51,535</u>	<u>\$ 66,980</u>	<u>\$ 191,176</u>

A summary of changes in the fair value of the College's Level 3 assets for the year ended June 30, 2015 is as follows:

<i>(in thousands of dollars)</i>	Private Equity	Hedge Funds	Perpetual Trusts	Total
Balances at beginning of year	\$ 31,330	\$ 26,977	\$ 8,673	\$ 66,980
Realized gains (losses)	2,277	16	213	2,506
Unrealized gains (losses)	3,535	1,154	(342)	4,347
Purchases and capital calls	1,107	6,181	-	7,288
Sales and redemptions	(6,913)	(4,535)	-	(11,448)
Balances at end of year	<u>\$ 31,336</u>	<u>\$ 29,793</u>	<u>\$ 8,544</u>	<u>\$ 69,673</u>

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A summary of changes in the fair value of the College's Level 3 assets for the year ended June 30, 2014 is as follows:

<i>(in thousands of dollars)</i>	Private Equity	Hedge Funds	Perpetual Trusts	Total
Balances at beginning of year	\$ 30,251	\$ 11,392	\$ 8,051	\$ 49,694
Realized gains (losses)	666	551	-	1,217
Unrealized gains (losses)	3,373	77	861	4,311
Purchases and capital calls	1,824	22,585	-	24,409
Sales and redemptions	<u>(4,784)</u>	<u>(7,628)</u>	<u>(239)</u>	<u>(12,651)</u>
Balances at end of year	<u>\$ 31,330</u>	<u>\$ 26,977</u>	<u>\$ 8,673</u>	<u>\$ 66,980</u>

The following table for June 30, 2015, sets forth a summary of the College's investments with a reported NAV:

<i>(in thousands of dollars)</i>	Fair Value Estimated Using Net Asset Value		
	June 30, 2015		
	Fair Value	Unfunded Commitments	Redemption Frequency
Investment			
Fixed income securities ^(a)	\$ 967	\$ -	Daily
Equity securities ^(b)	34,702	-	Varies from 100% daily, less than 30 days, to 30-60 days
Limited partnerships - NAV ^(c)			
Hedge funds	32,538	-	Varies from quarterly with 30 days notice, semi-annually with 30-180 days notice, to none.
Private equity	<u>31,336</u>	<u>7,247</u>	N/A
	<u>\$ 99,543</u>	<u>\$ 7,247</u>	

- a. This category includes investments in funds with the objective to achieve an inflation protected return.
- b. This category includes investments with the objective to achieve long-term growth from a diversified portfolio of equity securities. To achieve this objective the College has selected investment managers that focus on both U.S. and international markets in various business sectors including commodities, industrial material, healthcare, information technology, utilities and others.
- c. This category includes investments with the objective to achieve long-term growth from a diversified portfolio of limited partnerships. The objective is to generate long term returns significantly higher than public equity markets.

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6. Donor-Restricted and Board-Designated Funds

Donor-restricted and board-designated net assets by type of fund as of June 30, 2015 are as follows:

<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets				
Donor restricted	\$ -	\$ 71,537	\$ 64,718	\$ 136,255
Board designated	49,775	-	-	49,775
Total endowment net assets	<u>49,775</u>	<u>71,537</u>	<u>64,718</u>	<u>186,030</u>
Designated for specific purposes				
Perpetual trusts held by third parties	-	-	7,401	7,401
Annuity and life income funds	-	1,677	(176)	1,501
Donor-restricted funds	-	8,414	1,909	10,323
	<u>\$ 49,775</u>	<u>\$ 81,628</u>	<u>\$ 73,852</u>	<u>\$ 205,255</u>

Changes in donor-restricted and board-designated net assets for the fiscal year ended June 30, 2015 are as follows:

<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted and board-designated funds, beginning of year	\$ 54,728	\$ 82,269	\$ 71,489	\$ 208,486
Contributions	-	1,682	2,416	4,098
Investment income	215	589	1	805
Net appreciation (depreciation)	967	3,381	(120)	4,228
Amounts appropriated for expenditure	(6,135)	(6,293)	66	(12,362)
Donor-restricted and board-designated funds, end of year	<u>\$ 49,775</u>	<u>\$ 81,628</u>	<u>\$ 73,852</u>	<u>\$ 205,255</u>

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Donor-restricted and board-designated net assets by type of fund as of June 30, 2014 are as follows:

<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets				
Donor restricted	\$ -	\$ 72,628	\$ 62,147	\$ 134,775
Board designated	54,728	-	-	54,728
Total endowment net assets	<u>54,728</u>	<u>72,628</u>	<u>62,147</u>	<u>189,503</u>
Designated for specific purposes				
Perpetual trusts held by third parties	-	-	7,527	7,527
Annuity and life income funds	-	1,964	(94)	1,870
Donor-restricted funds	-	7,677	1,909	9,586
	<u>\$ 54,728</u>	<u>\$ 82,269</u>	<u>\$ 71,489</u>	<u>\$ 208,486</u>

Changes in donor-restricted and board-designated net assets for the fiscal year ended June 30, 2014 are as follows:

<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted and board-designated funds, beginning of year				
	\$ 50,155	\$ 70,602	\$ 65,226	\$ 185,983
Contributions	-	3,847	4,681	8,528
Investment income	269	334	2	605
Net appreciation	6,279	15,533	818	22,630
Amounts appropriated for expenditure	<u>(1,975)</u>	<u>(8,047)</u>	<u>762</u>	<u>(9,260)</u>
Donor-restricted and board-designated funds, end of year				
	<u>\$ 54,728</u>	<u>\$ 82,269</u>	<u>\$ 71,489</u>	<u>\$ 208,486</u>

Total endowment net assets include the balance of the internal loan which was \$4,086,000 and \$5,514,000 at June 30, 2015 and 2014, respectively.

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7. Contributions Receivable

Contributions receivable as of June 30 consist of the following:

<i>(in thousands of dollars)</i>	2015	2014
Due in one year or less	\$ 2,431	\$ 5,104
Due between one year and five years	4,695	3,300
Beyond five years	<u>545</u>	<u>690</u>
	7,671	9,094
Less: Allowance for uncollectible contributions	(155)	(447)
Less: Discount to present value (discount rates range from .72%–1.8%)	<u>(274)</u>	<u>(284)</u>
Contributions receivable, net	<u>\$ 7,242</u>	<u>\$ 8,363</u>

The change in contributions receivable, net during the year ended June 30, 2015, is summarized as follows:

<i>(in thousands of dollars)</i>	
Balance at June 30, 2014	\$ 8,363
New pledges	1,757
Collections on pledges	(3,180)
Decrease in allowance for uncollectible contributions	292
Net decrease in unamortized discounts	<u>10</u>
Balance at June 30, 2015	<u>\$ 7,242</u>

Fluctuations in the allowance for uncollectible contributions are recorded as a net against the associated gift revenue on the Statement of Activities.

8. Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or fair value at date of gift, less accumulated depreciation, and as of June 30 are summarized as follows:

<i>(in thousands of dollars)</i>	2015	2014
Land and improvements	\$ 815	\$ 815
Buildings and improvements	248,950	247,819
Furniture, fixtures, and equipment	45,219	42,463
Library books	10,171	9,770
Construction In Progress	<u>5,016</u>	<u>3,484</u>
	310,171	304,351
Less: Accumulated depreciation	<u>(133,966)</u>	<u>(122,654)</u>
Property, plant, and equipment, net	<u>\$ 176,205</u>	<u>\$ 181,697</u>

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The College has contractual obligations outstanding, related to various renovations on campus, of \$1,006,000 and \$2,024,000 at June 30, 2015 and 2014, respectively.

9. Bonds Payable

Bonds payable as of June 30 consisted of the following:

<i>(in thousands of dollars)</i>	2015	2014
Massachusetts Development Finance Agency (MDFA)		
Revenue Bonds		
Simmons College Series C, 4%–5.125%, payable through 2028	\$ 8,030	\$ 8,415
Simmons College Series I, 6.00%–8%, payable through 2039	30,670	42,785
Simmons College Series G Variable Rate Demand Variable Mode Revenue Bonds, payable through 2036	49,360	49,510
Simmons College Series H, 4%–5.25%, payable through 2033	37,305	37,585
Simmons College Bonds Series 2008 Taxable, variable rate, payable through 2022	12,865	13,930
Simmons College Series J, 5.125%–5.5%, payable through 2039	18,970	18,970
Simmons College Series K-2 1.80%–4.1%, payable through 2022	9,850	-
	<u>167,050</u>	<u>171,195</u>
Unamortized bond premium/discount, net	2,646	2,779
Total MDFA Revenue Bonds	<u>\$ 169,696</u>	<u>\$ 173,974</u>

On January 4, 2007, the College issued MDFA Revenue Bonds, Simmons College Series H (the “Series H Bonds”) in the amount of \$45,344,000. The primary purpose of this issue was to refinance portions of the Simmons College Series C Bonds, Series D Bonds, and Series F Bonds.

The defeasance was achieved through the deposit of \$44,283,000 of the proceeds of the Series H Bonds in a refunding trust and has been accounted for as legal defeasance. Accordingly, the defeased bonds and the assets in the defeasance trust were removed from the statements of financial position in 2007.

Monies in the defeasance trust have been applied to the purchase of noncancelable direct obligations of the U.S. government. The government obligations, together with the interest thereon, will be sufficient in amount and available when necessary to pay the principal and interest on the defeased Series F Bonds when due or called.

On April 1, 2008, the College remarketed its Series G Bonds. The purpose of the remarketing was to provide for the cancellation of the bond insurance policy that previously secured the Series G Bonds, due to a downgrade of the bond insurer’s credit rating, and to replace the bond insurance with a letter of credit. The interest rate on these bonds is determined weekly based upon the Securities Industry and Financial Market Association Municipal Swap Index (SIFMA). The average interest rate in fiscal year 2015 on these bonds was .05%.

On February 21, 2008, the College issued the Simmons College Series 2008 (Taxable) Bonds in the amount of \$18,730,000. The primary purpose of this issue was to finance the construction of a portion of an approximately 715-car garage located behind the College’s Main Academic Building. The interest rate on these bonds is determined weekly based upon the SIFMA. The average interest rate on these bonds in fiscal year 2015 was .12%.

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On January 22, 2009, the College issued MDFA Revenue Bonds, Simmons College Issue, Series I (the "Series I Bonds") in the face amount of \$61,055,000. The primary purpose of this issue was to retire the Series E Bonds at the par value of \$31,140,000, including the payment due in connection with the termination of the interest rate hedge contract related to the Series E Bonds, and to finance the completion of the School of Management Building and expansion of the Fens Cafeteria.

On September 5, 2013 the College issued MDFA Revenue Bonds, Simmons College Issue, Series J (the "Series J Bonds") in the face amount of \$18,970,000. The primary purpose of this issue was to refinance portions of the Simmons College MDFA Series F and MDFA Series I Bonds.

The proceeds from Series J were used to current refund outstanding maturities of Series I and advance refund Series F. The advance refunding of these issues resulted in increased bond principal of \$1,600,000 and an accounting charge of \$3,724,000. The accounting charge represents the write off of capitalized debt issuance costs and unamortized bond discounts and premiums on the extinguished issues. The College also chose to redeem Series F bonds totaling \$965,000 with a call date of October 7, 2013. The refunded and redeemed bonds were legally defeased and, as such, are not reflected in "Bonds Payable" at June 30, 2014.

The defeasance was achieved through the deposit of \$18,736,000 of the Series J proceeds into a Refunding Trust and the release and transfer of \$1,811,000 previously held in the Series I Debt Service Reserve Fund to the Refunding Trust.

Monies in the defeasance trust have been applied to the purchase of noncancelable direct obligations of the U.S. government. The government obligations, together with the interest thereon, will be sufficient in amount and available when necessary to pay the principal and interest on the defeased Series F and Series I Bonds when due or called.

On May 20, 2015 Simmons issued \$9,850,000 of Series K-2 taxable, fixed rate bonds maturing between October 1, 2016 and October 1, 2022. The main purpose of this issue was to refinance a portion of the Simmons College MDFA Series I bonds. This issuance resulted in an accounting charge of \$1,960,000 which represents the write off of capitalized debt issuance costs and bond issuance discount on the extinguished issue.

The defeasances were achieved through the deposit of \$11,934,000 into the Series I Refunding Trusts which represents bond proceeds of \$9,703,000, Institutional Contribution of \$1,192,000 and the Release of Debt Service Reserve Funds of \$1,039,000.

Monies in the defeasance trust have been applied to the purchase of noncancelable direct obligations of the U.S. government. The government obligations, together with the interest thereon, will be sufficient in amount and available when necessary to pay the principal and interest on the defeased Series I Bonds when due or called.

Collateral

The College has pledged its tuition receipts as collateral for the bonds detailed above. In addition, the College has granted a mortgage on its residence campus in connection with the issuance of the Series I Bonds. The net book value of the property comprising the residence campus is \$19,352,000. See footnote 16 subsequent events.

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Loan Payable

In July 2008, the College acquired a nine-year \$2,000,000 loan from its cafeteria management vendor to assist with the expansion of the Fens Cafeteria. Principal payments of \$222,000 are due each year. The note carries no stated interest. The balance as of June 30, 2015 is \$518,000.

Aggregate principal payments related to bonds payable and the loan payable are as follows:

(in thousands of dollars)

Years Ending June 30,	
2016	\$ 4,362
2017	6,312
2018	6,374
2019	6,535
2020	6,790
Thereafter	<u>137,195</u>
	<u>\$ 167,568</u>

Included in the College's debt is \$62,225,000 of variable rate demand bonds ("VRDBs"). In order to secure bond repayment and interest obligations associated with these VRDBs, the College has entered into irrevocable letters of credit ("LOC") with two financial institutions.

On September 1, 2013 the College amended its existing two letters of credit for the purpose of extending the maturity dates from September 1, 2016 to September 1, 2018. The providers, balances of letters of credit as of June 30, 2015 are as follows:

(in thousands of dollars)

Issue	Provider	Balance	Maturity Date
Series G Bonds	JPMorgan Chase	\$ 50,090	September 1, 2018
2008 Taxable	TD Bank	13,055	September 1, 2018

To date, the College has never had an instance where its VRDBs failed to be remarketed. However, in the unlikely event that the VRDBs cannot be remarketed successfully, they may be "put" in part or in full to the above LOC provider. Based on the repayment and maturity terms under the LOC, if they failed to remarket in their entirety, as of June 30, 2015 the aggregate scheduled principal payments would be as follows: \$19,153,000, \$20,477,000, \$21,918,000, \$677,000 in fiscal years 2016, 2017, 2018, and 2019, respectively.

Bank Lines

The College maintains a line of credit with a bank in the amount of \$7,500,000. There were no amounts outstanding on the line at June 30, 2015 and 2014.

Loan Covenants

Several of the loan agreements contain covenants and financial ratios which require compliance by the College. Certain of the agreements also provide for restrictions on additional indebtedness.

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10. Other Liabilities

Other liabilities as of June 30 consist of the following:

<i>(in thousands of dollars)</i>	2015	2014
Present value of charitable annuities payable	\$ 1,648	\$ 1,795
Asset retirement obligation liability	1,654	1,593
Total other liabilities	<u>\$ 3,302</u>	<u>\$ 3,388</u>

11. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30 consist of the following:

<i>(in thousands of dollars)</i>	2015	2014
Educational and general purposes	\$ 8,647	\$ 8,836
Capital needs	147	153
Annuity and life income agreements	1,677	1,964
Net appreciation of permanently restricted net assets available for board appropriation	<u>71,157</u>	<u>71,316</u>
Total temporarily restricted net assets	<u>\$ 81,628</u>	<u>\$ 82,269</u>

Net appreciation of permanently restricted net assets available for board appropriation includes unappropriated gains from fund with the purpose of supporting the general operations of the College of approximately \$33,215,000 and \$33,725,000 in 2015 and 2014, respectively.

12. Permanently Restricted Net Assets

Permanently restricted net assets are restricted to the following at June 30:

<i>(in thousands of dollars)</i>	2015	2014
True Endowment - general	\$ 64,718	\$ 62,147
True Endowment - student loans	1,909	1,909
Annuity and life income agreements	(176)	(94)
Perpetual trusts held by third parties	<u>7,401</u>	<u>7,527</u>
Total permanently restricted net assets	<u>\$ 73,852</u>	<u>\$ 71,489</u>

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13. Functional Classifications of Expenditures

The statements of activities present operating expenditures by natural classification. The operating expenditures on a functional basis as of June 30 are as follows:

<i>(in thousands of dollars)</i>	2015	2014
Instruction and academic support	\$ 87,867	\$ 73,730
Student services	6,892	6,552
Institutional support and advancement	31,912	30,193
Sponsored activities	902	1,045
Auxiliary operations and other	10,389	10,977
Total expenses	<u>\$ 137,962</u>	<u>\$ 122,497</u>

14. Retirement Plans

Substantially all employees of the College have individual annuity accounts with the Teachers Insurance and Annuity Association and the College Retirement Equities Fund. Total retirement expense charged to operations was \$3,300,000 and \$3,360,000 for 2015 and 2014, respectively.

15. Commitments and Contingencies

In conducting its activities, the College, from time to time, is the subject of various claims and also has claims against others. In management's opinion, the ultimate resolution of such claims at June 30, 2015, would not have a material effect on the financial position of the College.

The College receives funds from the federal government. Entitlements to the resources are generally conditional upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially, all federal financial assistance is subject to financial and compliance audits. Any disallowances become liabilities of the College.

16. Subsequent Events

Subsequent events have been evaluated through November 4, 2015, which is the date when the financial statements were issued. No events were identified, other than described below, that require adjustments to the audited financial statements or disclosures in the notes to the audited financial statements.

Issuance of Series K-1 Tax-exempt Bonds

The Series K-1 tax exempt bonds were issued on July 8, 2015. The Series K-1 tax-exempt bonds current refunded \$8,030,000 of the remaining Series C bonds, \$24,405,000 of the Series I bonds, and advance refunded \$6,265,000 of the Series I bonds. This issuance resulted in an accounting charge of \$2,718,000 which represents the write off of capitalized debt issuance costs and bond issuance discount on the extinguished issues. With the issuance of the Series K-1 tax exempt bonds, the mortgage on the residence campus was released.

With the issuance of the Series K-1 tax exempt bonds the principal payments will be as follows: \$3,162,000, \$5,067,000, \$5,089,000, \$5,200,000, \$5,405,000 and \$139,540,000 in fiscal years 2016, 2017, 2018, 2019, 2020 and thereafter respectively.