



Fiscal year 2008 marked a record year for Lawrence. Over \$31 million was raised in gifts! The Warch Campus Center, which has been fully funded through cash gifts and pledges, is expected to be open for the 2009-10 academic year.

While the Endowment Fund experienced an unrealized loss of \$25 million in fiscal year 2008 as a result of a softening in the market, endowment gifts received were significant and added to our strong endowment base to provide for Lawrence for the long term. Lawrence's Investment Committee continues to work with investment advisors to strengthen and diversify the investment portfolio to maximize long-term capital growth while providing for the annual distribution to Lawrence operations.

In fiscal 2008, total operating revenues reached \$51 million, which is down about \$1.5 million from last year. Net student revenue increased about \$800,000 in fiscal 2008 compared to fiscal 2007. Interest earnings on gifts received for the Warch Campus Center contributed substantially to the growth in other income.

Operating expenses, including depreciation, were \$54.8 million in fiscal 2008, compared to \$52 million in fiscal 2007. Lawrence experienced increased costs in our first year with a self-insured health insurance plan.

Lawrence is not immune from the effects of the global economic challenges that have occurred over the last few months. The university has been proactive in finding opportunities to reduce expenses and finding new revenue sources, while remaining passionate and focused on our academic and artistic mission, which truly makes Lawrence an exciting and unique experience for our students. We are thankful for the generous support of our alumni and friends, and the hard work of our talented and dedicated faculty, staff, and Board of Trustees.

*Dawn Rost*

Dawn M. Rost, CPA, CMA  
Director of Financial Services

## STATEMENT OF ACTIVITIES

for the fiscal year ended June 30, 2008, with comparative totals for 2007

	2008	2007
<b>OPERATING REVENUES</b>		
Net student revenue	\$33,696,352	\$32,884,486
Auxiliary enterprises	2,220,127	2,077,141
Investment return designated for current operations	11,000,000	11,000,000
Government grants	744,089	815,890
Contribution revenue	2,445,797	5,371,100
Other income	1,269,229	794,059
<b>Total operating revenues</b>	<b>\$51,375,594</b>	<b>\$52,942,676</b>
<b>OPERATING EXPENSES</b>		
Instruction	\$16,792,702	\$15,986,726
Research	421,759	426,458
Public service	2,232,440	1,743,750
Academic support	3,830,598	3,653,965
Student services	4,464,299	4,354,330
Institutional administration	8,768,065	8,375,004
Facility service operations	6,375,630	6,005,186
Student financial aid	218,100	143,109
Auxiliary enterprises	3,744,298	3,416,264
Interest expense	2,636,698	2,557,751
Depreciation	5,309,446	5,405,300
<b>Total Operating Expenses</b>	<b>\$54,794,035</b>	<b>\$52,067,843</b>
<b>NONOPERATING INCOME (Expenses)</b>		
Investment return (deficient) in excess of amounts designated for current operations	\$(25,544,975)	\$25,514,285
Contributions for long-term purposes	17,700,103	577,042
Decrease in beneficial interests in trust	(368,163)	(90,851)
Change in value of split interest agreements	129,793	(34,293)
Other nonoperating items, net	(187,317)	30,798,114
<b>Total Nonoperating Income</b>	<b>\$(8,270,559)</b>	<b>\$56,764,297</b>
<b>Change in net assets</b>		
Net assets, beginning of year	294,645,238	237,006,108
<b>Net assets, end of year</b>	<b>\$282,956,238</b>	<b>\$294,645,238</b>

## STATEMENTS OF FINANCIAL POSITION

as of June 30, 2008 and 2007

	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$23,618,111	\$700,087
Receivables		
Student accounts, net of allowance for doubtful accounts of \$215,000 and \$195,000	341,819	110,751
Government grants	400,533	160,841
Accrued interest	997,614	458,397
Contributions, net of allowance for doubtful accounts of \$80,000 and \$51,000	15,150,592	25,947,053
Other	105,415	173,694
Inventories	225,890	291,201
Prepaid expenses and other assets	3,585,578	3,299,018
Student loans receivable, net of allowance for doubtful loans of \$320,000 and \$315,000	4,952,689	4,459,461
Investments	213,523,267	240,422,223
Property and equipment, less accumulated depreciation	98,220,910	86,807,763
<b>Total assets</b>	<b>\$361,122,418</b>	<b>\$362,830,489</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$3,123,180	\$2,937,099
Accrued liabilities	5,554,657	4,412,615
Deferred income and deposits	1,154,531	796,509
Due to student organizations	151,622	-
Line of credit	6,399,711	5,368,000
Postretirement obligation	2,180,577	2,077,248
Asset retirement obligation	3,027,796	3,320,187
Annuities payable	1,862,218	1,565,976
Long-term debt	52,784,942	45,736,012
U.S. government grants refundable	1,926,946	1,971,605
<b>Total Liabilities</b>	<b>\$78,166,180</b>	<b>\$68,185,251</b>
<b>NET ASSETS</b>		
Unrestricted	\$82,809,155	\$109,265,178
Temporarily restricted	71,023,953	67,491,014
Permanently restricted	129,123,130	117,889,046
<b>Total Net Assets</b>	<b>\$282,956,238</b>	<b>\$294,645,238</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$361,122,418</b>	<b>\$362,830,489</b>