



Board of Trustees
Financial Affairs Committee

December 2, 2024

3:00 p.m.

Via Zoom

In accordance with Massachusetts Executive Order Suspending Certain Provisions of the
Open Meeting Law, G.L. c. 30A, § 20 dated March 12, 2020

Committee Members: Chair George Gilmer, Vice Chair Jason Queenin, Secretary Chris Montemayor,
Daniel Carrier, and Theresa Jasmin

A live stream of the meeting for public viewing will also take place at the following link: <https://www.westfield.ma.edu/live>

- | | |
|--|-------------------------------|
| 1. Call to Order | Committee Chair Gilmer |
| 2. Approval of Minutes | Committee Chair Gilmer |
| a. October 23, 2024, Financial Affairs Committee | |
| b. October 18, 2024, Investment Subcommittee | |
| 3. Items for Action | |
| a. Motion – Dissolution of Investment Subcommittee | Committee Chair Gilmer |
| b. Motion – University Business Expenses Policy (0300) | Melinda Phelps/Stephen Taksar |
| c. Motion – FY25 Operating Budget (Revision) | Stephen Taksar |
| d. Motion – Residential Hall Capital Project Funding/Borrowing | Stephen Taksar |
| 4. Items for Discussion | |
| a. Investment Policy (0430) | Stephen Taksar |
| b. Facilities and Capital Projects Update | Maureen Socha |
| 5. Items for Information | |
| a. Annual Debt Report and Ratios | Stephen Taksar/Lisa Freeman |
| b. Fixed Assets Inventory Progress Report | Steven Scibelli |
| 6. Adjournment | Committee Chair Gilmer |

Attachment(s):

- a. Minutes 10-23-24 (Draft) Financial Affairs Committee
- b. Minutes 10-18-24 (Draft) Investment Subcommittee
- c. Motion – Dissolution of Investment Subcommittee
- d. Motion – University Business Expenses Policy (0300)
- e. University Business Expenses Policy (0300) Clean
- f. University Business Expenses Policy (0300) Track Changes
- g. Motion – FY25 Operating Budget (Revision)
- h. FY25 Operating Budget (Revision)
- i. Motion – Residential Hall Capital Project Funding/Borrowing
- j. Residential Hall Capital Project Funding/Borrowing
- k. Facilities and Capital Projects Update
- l. Annual Debt Report and Ratios
- m. Fixed Assets Inventory Progress Report



Board of Trustees

Financial Affairs Committee

October 23, 2024

2:00 PM

President's Boardroom, Horace Mann Center

A live stream of the meeting for public viewing will also take place at the following link: <https://www.westfield.ma.edu/live>

Committee Members Present: Committee Chair George Gilmer, Secretary Chris Montemayor, and members Daniel Currier and Tessa Lucey.

Committee Members Excused: Committee Vice Chair Paul Boudreau

Also present and participating were Westfield State University President, Dr. Linda Thompson; Vice President of Administration & Finance, Stephen Taksar; Associate Vice President of Facilities & Capital Planning, Maureen Socha; Thomas Therrien, Executive Director, Facilities and Operations; Associate Provost, Brian Jennings; Associate Director, Facilities and Budgets, Jennifer Gould; Director Procurement and Administrative Services, Gary Duggan; Interim Dean, College of Arts and Sciences, Sabine Klein; Director of Financial Accounting, Steve Scibelli; Associate Vice President of Administration and Finance, Maria Feuerstein; Associate Vice President of Financial Accounting, Lisa Freeman and Associate Vice President Human Resources, Trish Bonica.

Committee Chair Gilmer called the meeting to order at 2:00 PM did a roll call of attendees listed above, and stated the meeting was being livestreamed and recorded.

MOTION made by Trustee Currier and seconded by Trustee Montemayor, to approve the minutes of the June 20, 2024, Financial Affairs Committee meeting. A roll call was taken and there being no discussion, **motion passed unanimously**.

Director of Financial Accounting, Steve Scibelli advised the Board of the minor language edits to the following policies. There were no questions or discussion.

MOTION made by Trustee Currier and seconded by Trustee Montemayor, to approve the revised University Business Expenses and Petty Cash Funds Policy (0300), as presented. A roll call was taken and there being no discussion, **motion passed unanimously**.

MOTION made by Trustee Currier and seconded by Trustee Montemayor to approve the revised Administration and Control of Petty Cash and Cash Receipts Policy (0400), as presented. A roll call was taken and there being no discussion, **motion passed unanimously**.

MOTION made by Trustee Currier and seconded by Trustee Montemayor to approve the revised Unaccounted for Variances, Losses, Shortage or Theft of Funds or Property Reporting Policy (0490), as presented, as presented. A roll call was taken and there being no discussion, **motion passed unanimously**.

MOTION made by Trustee Currier and seconded by Trustee Montemayor to approve the revised Taxation of Gifts, Prizes, and Awards Policy (0603), as presented. A roll call was taken and there being no discussion, **motion passed unanimously**.

Annual review of FY24 with a variance of \$9.7M which includes rollovers and underspending. Primary reasons are:

- a. Underspending rollovers of \$4.6 M
- b. Residential Life debt was refinanced - \$3M
- c. DGCE had higher revenue and lower expenses
- d. Dining has unspent rollover for furniture that wasn't purchased.

Cited in the NECHE report the need to demonstrate as a university in linking resource decisions to campus strategies. With this in mind, FY25 resource allocation strategy was explained by Vice President of Administration & Finance, Stephen Taksar. He then described the financial accomplishments of FY25 which included;

- a. Aligned resource allocations to campus strategies,
- b. Implemented new position for Academic Affairs to support grants, faculty center, and institutional research
- c. Funding to support colleges' structure
- d. \$4M for deferred maintenance
- e. Enrollment investments
- f. Innovation Fund

A key financial issue is restructuring the budget/ expense tracking for rollovers in FY25 for FY26. George Gilmer wants to see a realistic expense budget.

MOTION made by Trustee Currier and seconded by Trustee Montemayor to conditionally approve the FY25 campus budget, as presented, including, but not limited to the following elements: operating budget, capital budget, vehicle lease/purchase program and sponsorships. Conditional approval requires a full review of a revised 2025 budget for the December 9, 2024 meeting. Further, to authorize the President and/or the Vice President for Administration and Finance to make budget adjustments to these funds as allowed in the Trust Fund Management Policy (0604). A roll call was taken and there being no further discussion, **motion passed unanimously**.

Discussion: Process following today with rollovers and grossing up expenses that we will spend in a budget perspective. Clarify what the expenses are and to clear up the needs of the university. The reserves were discussed in depth. Associate Vice President of Administration and Finance, Maria Feuerstein explained why there are large rollovers and gave her ideas on solutions towards spending versus not.

FY26 Budget Planning Assumptions and Timeline

Need an early assumption of projections even if not exact, what we think will happen. A planning strategy for the cost of attendance therefore there needs to be discussion regarding fees.

Travel Expenses of the President and the President's Direct Reports July 1, 2023 - June 30, 2024

The information is in the meeting books therefore it wasn't reviewed.

Five Year Financial Forecast Update

Process update - integrating planning, data informed forecasting. Challenges are; revenue modeling regarding metrics, predictable versus not predicable returns and strategic planning five years out.

There being no further business, **MOTION** made by Trustee Currier and seconded by Trustee Montemayor, to adjourn the meeting. There being no discussion, **motion passed unanimously**. Meeting adjourned at 2:58 PM.

Materials

- a. Minutes 6-20-24 (Draft)
- b. Motion – University Business Expenses and Petty Cash Funds Policy (0300)
- c. Policy – University Business Expenses and Petty Cash Funds (0300) CLEAN
- d. Policy – University Business Expenses and Petty Cash Funds (0300) TRACK CHANGES
- e. Motion – Administration and Control of Petty Cash and Cash Receipts Policy (0400)
- f. Policy – Administration and Control of Petty Cash and Cash Receipts (0400) CLEAN
- g. Policy – Administration and Control of Petty Cash and Cash Receipts (0400) TRACK CHANGES
- h. Motion – Unaccounted for Variances, Losses, Shortage, Theft and Reporting Policy (0490)
- i. Policy – Unaccounted for Variances, Losses, Shortage, Theft and Reporting (0490) CLEAN
- j. Policy – Unaccounted for Variances, Losses, Shortage, Theft and Reporting (0490) TRACK CHANGES
- k. Motion – Taxation of Gifts, Prizes, and Awards Policy (0603)
- l. Policy – Taxation of Gifts, Prizes, and Awards (0603) CLEAN
- m. Policy – Taxation of Gifts, Prizes, and Awards (0603) TRACK CHANGES
- n. Motion – FY25 Operating Budget
- o. FY25 Operating Budget (Narrative)
- p. FY25 Operating Budget
- q. FY26 Budget Planning Assumptions and Timeline
- r. Travel Expenses of the President and the President’s Direct Reports July 2023 – June 2024

Secretary’s Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Westfield State University Board of Trustees, Financial Affairs Committee meeting held on October 23, 2024.

Chris Montemayor, Secretary

Date



Board of Trustees Investment Subcommittee

October 18, 2024

2:00 PM – 3:30 PM

Via Zoom

In accordance with Massachusetts Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20 dated March 12, 2020

A live stream of the meeting for public viewing will also take place at the following link: <https://www.westfield.ma.edu/live>

Committee Members Present: Committee Chair Paul Boudreau, Secretary Theresa Jasmin, Members: Chris Montemayor, and Daniel Currier,

Committee Members Excused: Vice Chair George Gilmer and Board Chair Ali Salehi (Ex-Officio).

Also present were Vice President for Administrations and Finance, Stephen Taksar; Associate Vice President Financial Accounting, Lisa Freeman, and former WSU Foundation Board member, Sheridan Carey Also Nolan Bean, Stephan Hayes and Connor Dervin from Fund Evaluation Group.

Committee Chair Boudreau called the meeting to order at 2:02 p.m. Attendance taken by roll call.

MOTION made by Theresa Jasmin and second by Chris Montemayor for approval of the July 19, 2024 meeting minutes. There being no discussion, **motion passed unanimously with all in favor by roll call vote.**

3rd Quarter Review

Overview of the University's third quarter returns by sector. The Fund Evaluation Group, Stephen Haines discussed "headwinds" and "tailwinds," issues that may impact the money market fund in a positive or negative manner. Nolan Bean, Chief Investment Officer for Fund Evaluation Group, discussed WSU's performance with the investment account 70/30 stock bond, fixed income account. He then explained the University's fee analysis estimate and discussed alternative models for spending drawdowns in the Investment Policy. Regional exposure of the University's portfolio relative to the broad market index with the Fund Evaluation Group evaluating the right exposure for WSU funds. Reviewed quarterly performance and investment strategy as it relates to investment policy, leading to a policy change in FY25.

Investment Strategies Survey

Results of the discovery questionnaire were discussed in the following categories;

- -Governance - roles and responsibilities with the Board versus committees.
- -Meeting structure - focus on market updates and asset allocations.
- -Risk and Return objectives - Goals of the organization.
- -Asset Allocation response - future expected returns.
- -The spending rate needs to be looked at in the portfolios.

Asset Class Study Review

A summary was conducted on the asset allocation study.

Discussion over the pro's and con's of combining accounts and reevaluate the invest policy and get caught up with how we're operating today in a context of what we'll be doing in the future.

University Cash Summary

Not discussed.

There being no further business, **MOTION** made Theresa Jasmin and second by Daniel Currier to adjourn. **Motion passed unanimously will all in favor by roll call vote.**

Meeting adjourned at 3:42 p.m.

Materials:

Minutes 7/19/24 (Draft)

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Westfield State University Board of Trustees, Investment Subcommittee meeting held on October 18, 2024.

Theresa Jasmin, Secretary

Date



Board of Trustees

December 2, 2024

MOTION

To dissolve the Investment Subcommittee of the Financial Affairs Committee.



Board of Trustees

December 2, 2024

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To approve the revised University Business Expenses Policy (0300), as presented.

UNIVERSITY BUSINESS EXPENSES

PURPOSE

To define Westfield State University business expenses not pertaining to travel, provide a policy for timely reimbursement of expenses incurred on behalf of the University, and to meet auditing requirements.

DEFINITIONS

“University business expenses” refers to expenditures made on behalf of the University for reasonable business purposes.

“Reimbursable University business expenses” refers to expenditures made on behalf of the University for which the individual is entitled to reimbursement.

“Petty Cash Funds” refers to reimbursable expenditures made from an approved University cash-on-hand account that is maintained specifically to cover allowable, small dollar amount expenditures where reimbursement is made to make the petty cash account whole.

“Allowable” refers to those expenditures allowed under University policies.

POLICY

A. Statement

1. University business expenses must comply with all applicable statutes, regulations, policies, and procedures which include, but are not limited to, the Board of Higher Education – Standards for the Expenditures of Trust Funds.
 - a. The purchase of gift cards is specifically prohibited.
2. It is University policy to make payment/reimbursements for allowable expenses incurred on behalf of the University documented by original, itemized receipts. An **original** itemized receipt identifying the vendor, what was obtained, date, detailed cost, and purpose of expense, is required.
3. To request reimbursement, the **Authorization-to-Pay form** must be submitted with the **original** receipts attached. (Reimbursement for travel-related expenses requires a **Travel Reimbursement form** and cannot be charged to any petty cash funds.)

4. The University is exempt from paying sales tax and sales tax on meals and therefore does not normally reimburse for this component of an expense. Employees and students making purchases on behalf of the University must make every reasonable effort to avoid paying sales tax and sales tax on meals by presenting our Form ST-2 Certificate of Exemption to each vendor. This certificate is widely available – it is given to all campus constituents who request use of University retailer-specific procurement cards, and it is also available in the Documents site on myWestfield. This tax-exempt certificate must only be used for University business purposes. Any other use is considered fraudulent.

B. Controls

1. Reimbursement Timeliness:

- a. Requests for reimbursement must be received by the Financial Accounting office within 45 calendar days of the expense with one exception for year-end expenditures. Expenses not submitted with proper documentation within 45 days of incurrence will not be reimbursed by the University.
- b. Fiscal year-end (June) expenditures must be submitted no later than the third week of July as announced by Financial Accounting each year, in order to guarantee reimbursement. To avoid problems with year-end reimbursements, expenditures should be planned well in advance of the year-end deadline.
- c. The Accounts Payable office will process reimbursements within 10 business days of receipt.

2. Business Meals:

- a. Meals are considered a business expense only when they are part of a meeting or activity and when a clear and specific business discussion takes place. A **Business Meals form**, found on the Documents site of myWestfield, is required for each meal. An original itemized receipt is required. Gratuities are limited to 20%.
- b. A reasonable cost of meals for official University-sponsored events may be permitted based on moderate limits established by the Board of Trustees. All such expenditures must include the purpose and number of attendees.

- c. Food and/or beverages for on-and off-campus department meetings, retirement gatherings or similar expenses are not permitted.
- d. Alcohol is an allowable expense in limited situations for the benefit of the University providing the expense is incurred in the recruitment of employees, donor cultivation or other comparable activities. Only the President and Institutional Advancement staff, as authorized by the Vice President for Institutional Advancement are authorized to purchase alcohol. The preferred method of payment is with the procurement card (P-Card) but reimbursement of expenses incurred on a personal credit card is also allowable.

3. Equipment

Any equipment purchase made directly by an employee or student cannot be reimbursed. A purchase order must be issued to the vendor for equipment purchases to ensure proper inventory control. This is consistent with the Fixed Assets, Capitalization, and Inventory Control Policy (0601).

4. Contractor/Vendor Business Expenses

Contractors, vendors, and suppliers will only be reimbursed for pre-approved travel and other business expenses in accordance with their signed Contract for Services and all University policies and procedures.

ENFORCEMENT

This policy applies uniformly to all University employees. The Vice President for Administration and Finance will be responsible for consistently enforcing all travel, expense reimbursement, P-Card, and related expense policies.

TRAINING AND COMMUNICATION

The Administration and Finance Division will offer training documents for complying with expense payment policies as needed. Individual, department, or university-wide training sessions will be offered based on demand. Additionally, this policy will be communicated with the campus via email no less than two times per calendar year.

Westfield State University

Policy concerning:

section
number
Page

Administrative
0300
4 of 4

APPROVED: October 1996

REVIEWED:

December 2024

REVIEW

This policy will be reviewed every three years by the Associate Vice President of Finance.

UNIVERSITY BUSINESS EXPENSES

PURPOSE

To define Westfield State University business expenses not pertaining to travel, provide a policy for timely reimbursement of expenses incurred on behalf of the University, and to meet auditing requirements.

DEFINITIONS

“University business expenses” refers to expenditures made on behalf of the University for reasonable business purposes.

“Reimbursable University business expenses” refers to expenditures made on behalf of the University for which the individual is entitled to reimbursement.

“Petty Cash Funds” refers to reimbursable expenditures made from an approved University cash-on-hand account that is maintained specifically to cover allowable, small dollar amount expenditures where reimbursement is made to make the petty cash account whole.

“Allowable” refers to those expenditures allowed under University policies.

POLICY

A. Statement

1. University business expenses must comply with all applicable statutes, regulations, policies, and procedures which include, but are not limited to, the Board of Higher Education – Standards for the Expenditures of Trust Funds.
 - a. The purchase of gift cards is specifically prohibited.
2. It is University policy to make payment/reimbursements for allowable expenses incurred on behalf of the University documented by original, itemized receipts. An **original** itemized receipt identifying the vendor, what was obtained, date, detailed cost, and purpose of expense, is required.
3. To request reimbursement, the **Authorization-to-Pay form** must be submitted with the **original** receipts attached. (Reimbursement for travel-related expenses requires a **Travel Reimbursement form** and cannot be charged to any petty cash funds.)

4. The University is exempt from paying sales tax and sales tax on meals and therefore does not normally reimburse for this component of an expense. Employees and students making purchases on behalf of the University must make every reasonable effort to avoid paying sales tax and sales tax on meals by presenting our Form ST-2 Certificate of Exemption to each vendor. This certificate is widely available – it is given to all campus constituents who request use of University retailer-specific procurement cards, and it is also available in the Documents site on myWestfield. This tax-exempt certificate must only be used for University business purposes. Any other use is considered fraudulent.

B. Controls

1. Reimbursement Timeliness:

- a. Requests for reimbursement must be received by the Financial Accounting office within 45 calendar days of the expense with one exception for year-end expenditures. Expenses not submitted with proper documentation within 45 days of incurrence will not be reimbursed by the University.
- b. Fiscal year-end (June) expenditures must be submitted no later than the third week of July as announced by Financial Accounting each year, in order to guarantee reimbursement. To avoid problems with year-end reimbursements, expenditures should be planned well in advance of the year-end deadline.
- c. The Accounts Payable office will process reimbursements within 10 business days of receipt.

2. Business Meals:

- a. Meals are considered a business expense only when they are part of a meeting or activity ~~with a non-University associate~~ and when a clear and specific business discussion takes place. ~~An example of a business meal is taking a candidate for employment to dinner during the interview process.~~ A **Business Meals form**, found on the Documents site of myWestfield, is required for each meal. An **original** itemized receipt is required. Gratuities are limited to 20%.
- b. A reasonable cost of meals for official University-sponsored events may be permitted based on moderate limits established by the Board of Trustees. All such expenditures must include the purpose and number of attendees.

- c. Food and/or beverages for on and off-campus department meetings, retirement gatherings or similar expenses are not permitted.
- d. Alcohol is an allowable expense in limited situations for the benefit of the University providing the expense is incurred in the recruitment of employees, donor cultivation or other comparable activities. Only the President and Institutional Advancement staff, as authorized by the Vice President for Institutional Advancement are authorized to purchase alcohol. The preferred method of payment is with the procurement card (P-Card) but reimbursement of expenses incurred on a personal credit card is also allowable.

3. Equipment

Any equipment purchase made directly by an employee or student cannot be reimbursed. A purchase order must be issued to the vendor for equipment purchases to ensure proper inventory control. This is consistent with the Fixed Assets, Capitalization, and Inventory Control Policy (0601).

4. Contractor/Vendor Business Expenses

Contractors, vendors, and suppliers will only be reimbursed for pre-approved travel and other business expenses in accordance with their signed Contract for Services and all University policies and procedures.

ENFORCEMENT

This policy applies uniformly to all University employees. The Vice President for Administration and Finance will be responsible for consistently enforcing all travel, expense reimbursement, P-Card, and related expense policies.

TRAINING AND COMMUNICATION

The Administration and Finance Division will offer training documents for complying with expense payment policies as needed. Individual, department, or university-wide training sessions will be offered based on demand. Additionally, this policy will be communicated with the campus via email no less than two times per calendar year.

Westfield State University

Policy concerning:

section
number
Page

Administrative
0300
4 of 4

APPROVED: October 1996

REVIEWED:

~~October 2024~~

REVIEW

This policy will be reviewed every three years by the Associate Vice President of Finance.



Board of Trustees

December 2, 2024

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To approve the FY25 revised conditional campus budget of \$131,841,221, as presented, including, but not limited to the following elements: operating budget, capital budget, vehicle lease/purchase program. Further, to authorize the President and/or the Vice President for Administration and Finance to make budget adjustments to these funds as allowed in the Trust Fund Management Policy (0604).

Westfield State University
Financial Affairs Committee

FY25 Revised Conditional Budget
December 2, 2024

Summary

The University is presenting a revised conditional budget based on campus leadership and board of trustee's guidance. The current budget is still a work in progress, but it will be adjusted from the previously approved budget of \$142.4M to \$131.8M. This revised budget is more in line with the anticipated university's spending this year.

More work is needed to develop a more accurate assessment of projected campus spending coupled with investments to continue to advance critical institutional priorities. It is expected this work will be done after the December board meeting but before the February board meeting.

Key Highlights for the revised budget:

- Funds compensation and fringe rate increases of \$1.7M over last year primarily consisting of increases in collective bargaining/benefits for a full year.
- Includes higher debt payments for residential life/university of \$3.3M over last year. MSCBA refinancing in FY24 resulting in one year savings that won't repeat this year.
- University made strategic investments to increase financial aid for all incoming students increasing financial aid by \$1.7M.
- Capital investments are now budgeted on a cash flow basis and was increased by \$603k over last year based on 5-year DCAMM plan, pool repairs and switchgear testing.
- DGCE spending is projected to increase by \$887k over last year due to additional hiring and salary/benefit increases.
- Lammers project had significant upgrades over the summer for the premium single conversion totaling \$704k.

Next Steps

- The President's cabinet will continue to refine projected campus spending and the institutional investment plan with the goal of providing a more complete budget for FY25 in February 2025.
- New reports will be developed focusing on annual spending reports for FY24 and FY25 for the first two quarters of each fiscal year.
- A new budgeting process will be developed for FY26 based on previous year's spending, strategic plan strategies, and critical investments to move the university forward.

	a			b	= a - b	
	FY24 Actuals	FY25 Spend as of 11/13/24 Year-to Date	FY25 October Approved Conditional Budget	FY25 Revised Conditional Budget	FY24 Actuals vs. FY25 Revised Conditional Budget Incr/(Decr)	Variance Explanation
Revenue:						
State Appropriation	39,637,534	14,864,075	40,520,761	40,520,761	883,227	\$0.8M Formula Funding
Total Tuition/Fee Revenue	33,858,099	19,016,422	35,754,835	35,546,835	1,688,736	\$.8M due to 72 avg billable student increase & \$0.8M due to fee increases
Foundation	1,112,890	539,272	1,213,500	1,213,500	100,611	\$0.1M less foundation funds received in FY24. No significant increase for FY25
Grant Revenue	3,724,395	-	5,103,333	5,103,333	1,378,938	Increase in grant activity (NSF and state grants) and non-financial aid grant revenue.
Other Revenue	5,389,452	2,354,174	4,959,015	3,732,194	(1,657,258)	\$1.4M of OTF revenue not recognized in the FY25 Budget.
DGCE	12,964,603	6,504,382	13,410,276	13,410,276	445,673	Budget now accounts for revised SCH and Rate Increases
Residential Life	14,059,519	8,130,359	15,420,590	15,420,590	1,361,071	Occupancy increase of 76 students FYA; rate increase of 3%
Dining Services	9,671,959	5,261,979	10,806,937	10,806,937	1,134,977	5% increase to meal plan rates & impact of add'l enrollment
Grants: HEERF/ARPA	2,193,719		-	-	(2,193,719)	ARPA Grant fully exhausted in FY24
Total Revenue	\$ 122,612,170	\$ 56,670,663	\$ 127,189,246	\$ 125,754,425	\$ 3,142,255	
Reserve Funding:						
Strategic Investments			\$ 7,141,813	\$ 3,086,796	\$ 3,086,796	\$3M represents strategic investments from FY23/FY24
Capital Investments			\$ 2,038,822	\$ 3,000,000	\$ 3,000,000	Refer to project list; Ely pool, Switchgear, Deferred Maint.
Total Reserve Funded Investments	\$ -	\$ -	\$ 9,180,635	\$ 6,086,796	\$ 6,086,796	
Total Resources	\$ 122,612,170	\$ 56,670,663	\$ 136,369,881	\$ 131,841,221	\$ 9,229,051	
Expense:						
Compensation & Fringe	49,175,809	15,127,975	51,500,138	50,858,318	1,682,509	\$3M CBA; (\$0.6M) Permanent position savings through reductions; (\$0.7M) vacancy savings prior year
Department Operations	15,910,204	6,764,433	20,269,011	16,534,771	624,567	Represents FY25 Strategic Investments & cost reductions to align to spending plan
Utilities	2,885,348	596,139	3,403,383	3,103,383	218,035	Represents a flat budget YoY, representing savings in FY24 and inflationary impacts in FY25.
Financial Aid	5,112,963	3,422,658	6,826,425	6,826,425	1,713,462	Campus shift to higher tuition discount model
Debt Service	1,061,706	882,629	1,513,984	1,513,984	452,278	MSCBA refunding in FY24; normal debt schedule restored in FY25
Contingency	613,942	-	650,000	650,000	36,058	
Capital Investments	5,322,913	1,182,897	7,401,957	5,926,201	603,288	Revised spending plan; includes higher funding for deferred maint. in FY25
DGCE	9,426,159	2,828,584	10,513,425	10,313,425	887,266	\$0.4M CBA + Fringe; \$0.2M Add'l contribution, \$0.15M to support the 2 college structure
Residential Life	17,020,603	8,003,139	22,219,467	21,236,358	4,215,756	\$2.8M MSCBA Refunding in FY24; \$1M Lammers rehab projects; \$0.2M CBA; \$0.2M Utilities - Lammers
Dining Services	8,650,011	2,785,344	9,724,483	9,424,483	774,471	\$0.2M Campus Contribution; \$0.3M CBA + Fringe; \$0.1M Food & Bev.; \$0.1M Capital Reserve
Strategic Investments	177,165	5,000	328,677	328,677	151,512	\$0.17M Incr. to FY25 - Cabinet to resolve
All Other - Grants & OTF's	5,149,560	418,420	6,202,850	4,425,197	(724,364)	OTF's excluded
Innovation Fund	406,647	101,542	1,353,329	700,000	293,353	
FEMA Reimbursement Funds	876,782	130,679	549,547	-	(876,782)	\$0.5M FEMA Fund Rollover excluded; \$0.3M Spending Progress from FY24.
Total Expense	\$ 121,789,812	\$ 42,249,439	\$ 142,456,676	\$ 131,841,221	\$ 10,051,409	
Net Result Fav/(Unfav)	\$ 822,359	\$ 14,421,224	\$ (6,086,795)	\$ -	\$ (822,359)	
Use of Reserves - Cash						
Capital Projects			\$ 2,788,135			
Residential Life - Reserves			\$ 1,662,160			
Glide Path Use of Reserves			\$ 1,636,500			
Total Use of Reserves - Cash	-		6,086,795	-		
Difference Incr/(Decr)	-		-	-		

Note:
FY25 YTD Spend does not include Grants Revenue & Expenses of \$933k

Westfield State University
FY25 Revised December Capital Plan
As of 11/21/24

11/21/2024

As of 11/21/24			Funding Source						
Deferred Maintenance			Campus	Rollover Incomplete FY24 Projects	Campus Funded from Use of Reserves	DCAMM	MSCBA Debt Release Funds	MSCBA	Total
Physical Plant Projects									
1	Deferred Maintenance & Project Mgmt	Y	685,019			4,016,334		T.B.D.	4,701,353
2	Water Main Repairs/Replacement	Y	200,000						200,000
3	Scanlon Hall 3rd Floor Partial Renovation	Y	300,000						300,000
4	Replacement Fire Reporting System / City of Westfield	Y	250,000						250,000
5	Critical Repair Contingency	Y	140,000						140,000
6	Critical Equipment Repair		93,981						93,981
7	Facilities Planned Equipment Replacement	Y	150,000						150,000
8	CODE- Sprinkler Heads & Escutcheon	Y	125,000						125,000
9	Facilities Master Plan	Y	100,000						100,000
10	Emergency Equipment Failure	Y	100,000						100,000
11	Emergency Infrastructure Failure	Y	100,000						100,000
12	CODE- Fire Damper Study & Testing	Y	45,000						45,000
13	Steam Lime Emergency repairs	Y	100,000						100,000
14	Central Feed Water Pump Replacement	Y	100,000						100,000
15	CODE -Storm Water Mgt Plan, Testing & Repair	Y	50,000						50,000
16	Ely Library Certified Study	Y	50,000						50,000
17	Facilities Studies		50,000						50,000
Sub-total			2,639,000	-	-	4,016,334	-	-	6,655,334
Information Technology									
18	ODA Hardware Replacement		350,000						350,000
19	LMS Upgrade		225,000						225,000
20	Faculty Staff Lifecycle		200,000						200,000
21	Classroom Technology Lifecycle		150,000						150,000
22	Campus Computer Labs Lifecycle		125,000						125,000
23	Science Wing Network Upgrades		76,000						76,000
24	Banner Upgrades		55,000						55,000
Sub-total			1,181,000	-	-	-	-	-	1,181,000
Total			3,820,000	-	-	4,016,334	-	-	7,836,334
Projects Funded via Rollover									
25	Rollover Facility Projects	Y		882,677					882,677
26	Rollover for DCAMM Projects	Y		494,687					494,687
27	Rollover for IT Projects			64,579					64,579
28	Rollover for Dining Services								-
29	Rollover - Lammers (Hot water, Dryer)						500,000		500,000
Subtotal - Rollovers for FY24 Projects			-	1,441,944	-	-	500,000	-	1,941,944
Other - Use of Cash Reserves									
30	Ely Pool Restoration				340,722				340,722
31	Switchgear Testing & Repairs				323,535				323,535
Sub-total			-	-	664,257	-	-	-	664,257
Grand Total			3,820,000	1,441,944	664,257	4,016,334	500,000	-	10,442,535

Total Campus Funded 5,926,201

Notes:

- 1) MSCBA Projects are not yet known at the time of planning and may change as final decisions are made
- 2) \$5.9M = Campus \$3.8M + Incomplete Projects FY24 \$1.4M; and Campus Funded from Reserves \$0.6M

Westfield State University
FY25 Lease and Motor Vehicle Schedule

6/11/2024

Existing Vehicle Summary	Quantity	Cost/ Month	Annual Cost
Existing Lease Commitments:			
Facilities, Public Safety, Media Services, Mail Services, Catering, Information Technology	25	\$ 14,200	\$ 170,400
5% Escalation			\$ 8,520
Program Service fee			\$ 8,082
Vehicle Lease Contingency			\$ 27,621
FY25 Lease Schedule			\$ 214,623

FY24 Vehicle Lease Schedule	\$ 214,623
FY25 Vehicle Lease Schedule	\$ 214,623
Difference	\$ -

Notes:

1. The annual budget amount for leased vehicles is \$225k.
2. The Reduction in leased vehicle costs is a result of a 1-time offer from Ford to replace 15 of the vehicles that we lease at a lower cost. As of June 2024, we have received 12 of the 15 vehicles that we ordered through this program.



Fiscal Year : July 1st - June 30th
Financial Report (Consolidated)
Quarters Ending September 30, 2023 and 2024

		FY25		
	FY24 1st Qtr Actual	1st Qtr Actual	1st Qtr Adjustments	1st Qtr Actual (adjusted)
<u>Revenue</u>				
University/SGA	\$ 19,535,670	\$ 20,209,871	\$ 1,868,076	\$ 22,077,947
CGCE	4,144,489	6,545,546	(2,371,386)	4,174,160
Residential Life	3,610,142	7,994,863	(4,015,229)	3,979,634
Dining Services	2,451,524	5,145,465	(2,448,419)	2,697,046
Total Revenue	\$ 29,741,824	\$ 39,895,744	\$ (6,966,958)	\$ 32,928,786
<u>Expenses/Transfers</u>				
University/SGA	\$ 18,166,090	\$ 20,520,991	\$ (740,680)	\$ 19,780,311
CGCE	2,714,001	2,594,224	421,013	3,015,237
Residential Life	3,856,285	2,123,952	5,474,440	7,598,392
Dining Services	2,099,390	1,957,195	228,402	2,185,597
Total Expenses/Transfers	\$ 26,835,766	\$ 27,196,362	\$ 5,383,175	\$ 32,579,537
<u>Net</u>				
University/SGA	\$ 1,369,579	\$ (311,120)	\$ 2,608,756	\$ 2,297,636
CGCE	1,430,488	3,951,322	(2,792,399)	1,158,923
Residential Life	(246,143)	5,870,911	(9,489,669)	(3,618,758)
Dining Services	352,133	3,188,270	(2,676,821)	511,449
Total	\$ 2,906,058	\$ 12,699,382	\$ (12,350,133)	\$ 349,249

Notes:

- (1) This report provides a internally compiled summary of the revenues and expenses of Westfield State University for the subject period.
This information is unaudited and is for internal management purposes only.
- (2) For purposes of this report, the University recognizes revenue as follows:
Tuition and fee revenues (including room rent and board revenue) 50% of recorded fall semester revenue.
State Appropriation revenue 25% of total state appropriation revenue received to date.
Non financial aid grant revenue is recognized in the amount of YTD actual grant expenses.
All other revenues are recognized as YTD actuals.
- (3) For purposes of this report, the University reports scholarship expense at 50% of the fall semester YTD in order to match revenue recognized.
Financial aid grant scholarships such as PELL and various MA state grants are reported as contra-revenue not as expense.
- (4) Quarterly expenses are often adjusted based on timing of transactions and are indicated in a separate column above.
The following are examples of expense and revenue adjustments made:

July-September fringe expense \$1.6M	State Appropriation revenue \$9.9M
Utilities \$.3M	Fall Revenue -50% (\$17.1M)
Scholarship expense -50% (\$1.7M)	September interest income \$.2M
MSCBA debt \$5.2M	

Westfield State University
FY24 Quarterly Reports Q1 - Q4
Financial Report (Consolidated)

11/14/2024

	1st Qtr Actual	2nd Qtr Actual	3rd Qtr Actual	4th Qtr Actual
Revenue				
University/SGA	19,535,670	43,214,209	84,014,342	85,916,088
CGCE	4,144,489	6,228,719	11,383,313	12,964,603
Residential Life	3,610,142	7,146,757	13,887,586	14,059,519
Dining Services	2,451,524	5,068,400	9,344,288	9,671,959
Total Revenue	29,741,824	61,658,085	118,629,529	122,612,170
Expenses/Transfers				
University/SGA	18,166,090	41,006,639	62,733,238	84,339,775
CGCE	2,714,001	5,808,860	8,894,348	12,176,637
Residential Life	3,856,285	8,743,082	13,509,603	15,525,880
Dining Services	2,099,390	4,900,919	7,800,534	9,747,520
Total Expenses/Transfers	26,835,766	60,459,499	92,937,723	121,789,812
Net				
University/SGA	1,369,579	2,207,570	21,281,104	1,576,314
CGCE	1,430,488	419,859	2,488,965	787,966
Residential Life	(246,143)	(1,596,325)	377,983	(1,466,360)
Dining Services	352,133	167,481	1,543,754	(75,561)
Total	2,906,058	1,198,586	25,691,807	822,359

Notes:

- (1) This report provides a internally compiled summary of the revenues and expenses of Westfield State University for the subject period. This information is unaudited and is for internal management purposes only.
- (2) This report represents an estimate of the expected results based on allocating revenue and expenditures by quarter using a variety of metrics.



Board of Trustees

December 2, 2024

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To approve a \$4.4 million dollar debt borrowing, through the MSCBA, to fund the critical repairs as outlined in the summary document presented today for the on-campus apartments. Further that the assumptions in Option A will be the approved financing plan in working with the MSCBA on the next bond issuance in FY25/FY26.

Westfield State University
Financial Affairs Committee

Summary of Campus Apartment Stack Project
December 2, 2024

Overview

The Apartment Complex, comprised of Conlin, Seymour, and Welch Halls, has been experiencing significant issues in the plumbing stacks. Last year, repairs were completed in one area of Welch Hall which revealed the need to replace the plumbing in all three buildings. There are 16 apartments per building for a total of 48 units. This student housing is a high demand housing option for our residential students and is typically full each year.

The buildings were constructed in 1975 and have not had any major upgrades or replacements to the plumbing systems since they opened. Failure to address this urgent issue could lead to an unplanned shutdown mandate an emergency relocation of students.

In addition to this critical plumbing issue, there are several other deficiencies that require action as outlined below. Addressing all of these issues simultaneously would maximize efficiency in attending to deferred maintenance needs and minimize the impact and disruption for students.

Emergency Stairwell Deficiencies – Following a structural review in January 2024, it was determined that there are building code compliance issues that need to be addressed.

Hot Water Heating Pumps - Existing hot water pumps are original to the building, obsolete, and experience frequent failure. This, coupled with isolation valves that no longer function, results in interruption to heat services to work on the system in the winter. Replacing these pumps would provide a reliable heating system until a complete system upgrade can be funded.

Apartment Heating Zone Controls – Control valves and thermostats are original to the building. have failed meaning that students cannot control the temperature in their spaces. Currently, water temperatures driving heat are based off outdoor air, not the actual temperature in the room significantly impacting the student experience.

In collaboration with Residential Life, the project would be divided into three phases, one for each building and be completed in 12 months. Project would start in May 2025 and take one building offline for four months or one per semester and complete full project by June 2026.

Financial Summary

Project Costs

The total estimated cost to address all of the deficiencies listed above is approximately \$6M as outlined below. MSCBA will fund \$1.7M for the plumbing stacks project, the campus will be required to fund the remaining costs totaling \$4,380,000. Project specific cost projections are as follows:

Project Description	Projected Costs
Apartment Plumbing Stacks – Campus	\$3,300,000
Apartment Plumbing Stacks – MSCBA	\$1,700,000
Sub-Total Stacks	\$5,000,000
Exterior Stairwell Deficiencies	\$420,000
Hot Water Heating Pump Replacement	\$300,000
Failed Zone Controls	\$360,000
Sub-Total Other Projects	\$1,080,000
Total All Projects	\$6,080,000

Financing Options

Option A – Borrow Funds through MSCBA

- Borrow the campus portion at current projected bond rates of 5% over 10 years for an average annual debt service of \$570,000 per year beginning in FY26 (rates will vary until bonds are sold in the market, in late spring or summer).
- For FY26, defer principal payments to FY27 which results in about half of the total debt payment for FY26, with the full debt payment starting in FY27.
- MSCBA would fund any initial costs in FY25 while the university would provide funding from borrowing in FY26.

Option B – Use University Cash Reserves of \$4.4M in FY26.

- Use university cash reserves in FY26. MSCBA would require full funding up front.

Project Schedule

- January 2025 Complete Design
- March 2025 Complete Bid Process
- May 2025 Begin Project – Building 1
- August 2025 Complete Building 1/Start Building 2
- January 2026 Complete Building 2/Start Building 3
- May 2026 Complete Building 3

Recommendation

Renovations for the primary plumbing stacks cannot be completed if the building is occupied. This allows other disruptive projects to be completed as the contractors would have full access to one building and repair/upgrade other associated infrastructure issues. This plan has multiple benefits. If the university does not proceed with the recommended projects, it is likely that it is only a matter of time before there is a system failure and the building will have to be closed, occupants moved to other housing and repairs would have to be completed under an emergency plan. This is a must-do project, and the only issue is how to fund the overall costs.

The campus recommends Option A, borrow the funds from MSCBA in the next bond issuance. Spread the cost over 10 years and defer principal payments until FY2027. This also preserves the university's cash reserves for other projects or investments that will come forward with the next strategic plan.



Facilities & Capital Planning

Board of Trustees Meeting
December 2024



Overview



- ✓ Project Updates
- ✓ DCAMM 5 Year Plan
- ✓ Executive Order 594 - Decarbonization
- ✓ Campus Conditions & Deferred Maintenance
- ✓ Critical Deferred Maintenance Needs

Project Updates

Completed

- ✓ Trades Roof
- ✓ DC Machine Room
- ✓ DC Beverage Station
- ✓ Scanlon Hall Walk-In Cooler
- ✓ Common Area Furniture Upgrades
- ✓ Softball Infield
- ✓ CARE Center Improvements
- ✓ Scanlon Hall 3rd Floor Renovation

In Progress

- ✓ Facilities Master Plan
- ✓ Academic Space Renovations/Furniture Upgrades
- ✓ Outdoor Screen Replacement
- ✓ Replacement Fire Reporting System
- ✓ Fairshare BMS Replacement (various)
- ✓ Fairshare Security Upgrades

In Design

- ✓ Ely Pool
- ✓ R22 Replacement

In Study/Code Review

- ✓ Fire Damper Study/Testing
- ✓ Central Feed Water Pump Replacement
- ✓ Ely Library Humidity Study
- ✓ DGCE Office Renovations
- ✓ Wayfinding/Beautification

Ongoing

- ✓ Emergency Infrastructure/Equipment
- ✓ Bates PA Classroom

DCAMM 5 Year Plan

Transfer of funds from the state to WSU (via ISA)

- ✓ One lump sum for duration of Project/Bond (FY24-28)
- ✓ Required University Match 31.76%
- ✓ If 50% of \$9.2M not spent by 2026 there will be a 15% decrease in our funding
- ✓ If 50% of our \$9.2 IS spent, we are eligible for additional funding
 - ✓ 50% spending equals \$4.6M
 - ✓ Currently on target to hit this mark in early FY26

FY24-28 Updated November 2024

Project	Adjusted Budget Approved 4/24	11/2024 Suggested	2023 Actual Advance for Studies - DCAMM	2024 Actual - DCAMM Funds	2024 Actual University Match	2025 Projected DCAMM Funds	2025 Projected University Funds & Reserves	2026 Projected DCAMM Funds	2026 Projected University Funds	2027 Projected DCAMM Funds	2027 Projected University Funds	2028 Projected DCAMM Funds	2028 Projected University Funds
Ely Pool Restoration	3,850,642	3,850,642	3,300	29,558		1,042,408	477,062	1,563,383	715,592				
R22 Replacement	2,424,574	2,424,574		94,877		977,589	499,143	582,063	270,902				
Facility Emergencies	1,054,965	1,000,000				170,600	79,400	170,600	79,400	170,600	79,400	170,600	79,400
Road & Sidewalk Repairs	670,136	1,052,715		16,100				223,157	103,861	223,157	103,861	257,369	125,210
Match Relief	851,538	841,056			160,391		158,395		163,147		186,041		173,082
Parenzo Banacos Offset	579,864	579,864		564,864			15,000						
Water Main Study & Repairs	203,196	-											
Completed, Closed or Removed from Plan													
Wilson Hall Roof		52,000.00	48,100	3,900									
DC Beverage Station Drain Repair (partial)		-											
Steam Emergencies FY24 (DAV/WIL/INT)		-											
Trades Building Roof	201,535	211,771	41,500	130,742	5,116		34,413						
Dining Machinery Room	253,000	236,828		161,611	53,564		21,652						
Total	10,249,450	10,249,450	51,400	709,300	160,391	2,190,597	1,229,000	2,539,203	1,332,902	393,757	369,302	427,969	377,692

Project Planning with DCAMM Funding

The scope of campus projects has significantly increased in size and complexity over the past 5 years due to identified campus needs, changing building codes, and mandated efforts to move towards decarbonization.

Timing of Projects

Scope development & project documentation	3-4 months
Internal review with Department & Facilities	1 month
DCAMM Certified Study (If approved)	1 month
Public Bid Award, Contracts & NTP	1-2 months
Total time BEFORE work commences	6-8 months

July budget approval yields commencement of projects in March/April at best. Many projects require disruption to services, utilities or roadways and cannot take place while campus is fully occupied leading work requiring completion in the May-July window and requiring contracts and funding to span fiscal years.

Executive Order 594 – Leading by Example

This decarbonization effort by the Commonwealth requires net zero greenhouse gas emissions by 2050 through a number of efforts including, but not limited to, elimination of use of fossil fuels, increasing efficiency efforts, and increasing renewable energy generation.

Impacts today include:

- ✓ Increased complexity and cost of projects as we can no longer replace equipment in kind
- ✓ Increased operational costs for equipment maintenance
- ✓ Strain on staff to meet preventative maintenance needs, keep current on new training and address regular ongoing repair and response needs across campus

Initial study estimates for Westfield State to hit these targets is in excess of \$542M

- ✓ How these targets will be funded, and the state's contribution remains unknown
- ✓ The start of this work will have immediate impacts on the University's current steam operation as boiler capacity will exceed campus demand
- ✓ Significant impacts to operations will be likely throughout work periods

Campus Condition & Deferred Maintenance Overview

Estimated Deferred Maintenance Totals (5-year needs)

✓ Academic Buildings	\$95,813,570
✓ Residence Halls	\$24,604,021
✓ Site work needs	\$3,500,000

Escalation, adjustment for total project costs and abatement considerations bring needs approximately \$150M.

Notes:

- ✓ Numbers do not include infrastructure needs (steam lines, water lines, electrical, etc)
- ✓ Residence Hall assessment by the MSCBA was less comprehensive than the academic building assessment
- ✓ Site work only includes information from the Roads & Sidewalk study and is not reflective of all improvements needed
- ✓ Deficiencies identified via regulatory testing are found annually. F&O is working to track and quantify these needs.

Campus Condition & Deferred Maintenance Overview con't

Prioritization Strategy

- ✓ High-risk or critical systems
 - ✓ Compliance with regulatory requirements
 - ✓ Enhanced safety & operational continuity
- ✓ Potential of full or partial building shut down (likely without funding)

Budget Allocations

- ✓ Project estimates & schedules (cash flow now used for budgeting purposes)
- ✓ Funding sources identified (University, DCAMM, other)
- ✓ All emergencies are funded by University or DCAMM 5-year plan (if spending plan allows)

Critical DM Needs Known Today

The average age of our buildings is 50 years old. The infrastructure in the buildings, underground and building envelope needs are increasing daily. More emergencies and shutdowns should be expected, and we discover urgent needs the capital budget plan must be able to adapt and change. The size and scope of projects has grown tremendously as our understanding of the deferred maintenance grows.

Critical needs we are currently aware of include:

- ✓ Residence Halls
 - ✓ Lammers Hall hot water & heating systems
 - ✓ Apartment Complex plumbing, structural and hot water issues
- ✓ Water distribution system
- ✓ Steam distribution system
- ✓ Electrical system
 - ✓ Switchgear Year 1 findings identified over \$7M in needed repairs
- ✓ Bates Hall full renovation
- ✓ Wilson Hall full renovation
- ✓ Dower Hall Renovation & Elevator
- ✓ R22 HVAC Equipment containing R22 (decarbonization impact)

Conclusion

Deferred Maintenance continues to be a critical need.

Current allocations do not keep pace with escalation, increasing the DM gap by over \$400k annually.

Inadequate funding results in increased emergency failures of both equipment and infrastructure which can impact operating funds, require the unplanned use of reserve funds and/or under certain scenarios could result in closure of buildings impacting campus operations and the student experience.

Preventative maintenance is increasingly difficult to keep pace with as staff are diverted to addressing emergency failure issues.

DCAMM/MSCBA *must* provide adequate funding to support deferred maintenance and critical repairs.

QUESTIONS & ANSWERS





Thank you

Westfield State University
Financial Affairs Committee

Annual Debt Report and Ratios
December 2, 2024

The information in this report is being provided to comply with the reporting requirement of the University's Debt policy (#0480). The performance ratios and debt information presented below demonstrates that the University is in compliance with the policy. The University does not currently have any debt covenants on our outstanding debt.

The University's future annual debt service payments on bonds payable is as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 2,001,988	2034	\$ 1,118,561	2043	\$ 732,394
2026	\$ 2,004,286	2035	\$ 1,099,412	2044	\$ 711,197
2027	\$ 2,004,222	2036	\$ 1,103,434		
2028	\$ 1,787,157	2037	\$ 834,898		
2029	\$ 1,987,812	2038	\$ 812,163		
2030	\$ 1,977,650	2039	\$ 790,533		
2031	\$ 1,687,279	2040	\$ 782,993		
2032	\$ 1,329,882	2041	\$ 759,975		
2033	\$ 1,120,368	2042	\$ 753,590	Total	<u>\$25,399,794</u>

The University's bonds payable balance was \$19,876,238 at June 30, 2024 and consisted of the following:

<u>Financing Source</u>	<u>Project</u>	<u>Balance</u>	<u>Maturity</u>
MSCBA	Stevens Science and Innovation Center	\$ 11,702,029	FY 2044
MSCBA	Ely Hall Renovation Project	\$ 4,653,738	FY 2044
Mass Development	Solar Array	\$ 39,894	FY 2027
MSCBA	Dining Hall Renovation Project	\$ 2,324,742	FY 2044
MSCBA	Dining Facility Equipment Replacement	\$ 1,155,835	FY 2032
Total Bonds Payable at 6/30/24		<u>\$ 19,876,238</u>	

Lease Liabilities related to MSCBA and equipment leases

The University implemented GASB 87 *Leases* during the fiscal year ended June 30, 2022. As a result of this accounting/reporting change, the University recorded additional debt on our books, mostly related to the leasing of the residence halls from the Massachusetts State College Building Authority. The University's lease liability balances at June 30, 2024 are as follows:

<u>Description</u>	<u>Lease Liability</u>
Equipment Leases	\$ 581,467
MSCBA 04A-New Hall	26,696,051
MSCBA 04A-Renewal	359,147
MSCBA 06A-Renewal (2006)	805,711
MSCBA 06A-Renewal (2007)	1,800,082
MSCBA 08A-Renewal (20)	370,460
MSCBA 08A-Renewal (30)	2,109,648
MSCBA 09A-Renewal	1,061,311
MSCBA 09C-Renewal	2,252,309
MSCBA 10B-Renewal	1,108,761
MSCBA12A-Renewal	1,277,234
MSCBA 12A-University Hall	45,533,639
MSCBA 12C-Renewal	2,214,710
MSCBA 14A-Davis	1,503,810
MSCBA 14C-Dickinson	3,169,750
MSCBA 15A-Davis	4,144,744
MSCBA 99A-Pooled Debt Service	1,662,358
Total	<u>\$ 96,651,192</u>

Remaining lease terms vary from 4 years to 20 years. Annual requirements to amortize the lease liability and related interest subsequent to June 30, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,470,920	\$ 5,272,449	\$ 10,743,369
2026	5,729,719	4,997,062	10,726,781
2027	5,923,395	4,654,106	10,577,501
2028	6,466,833	4,113,713	10,580,546
2029	5,673,644	2,873,055	8,546,699
2030-2034	26,307,457	10,956,190	37,263,647
2035-2039	24,855,336	6,037,221	30,892,557
2040-2044	16,223,888	1,271,993	17,495,881
	<u>\$ 96,651,192</u>	<u>\$ 40,175,789</u>	<u>\$ 136,826,981</u>

Financial Ratio Calculations (as of 6/30):

All ratios are calculated to include Westfield State University's Foundation as a component unit of the university, unless otherwise noted. The Department of Higher Education requires that each university include the foundation in their reported ratio analysis.

<u>Ratio *</u>	<u>FY 2024 with GASB 68 and GASB 75</u>	<u>FY 2024 without GASB 68 and GASB 75</u>	<u>Adjusted - FY 2024 without GASB 68, 75, 87, and Foundation</u>	<u>Target</u>
Debt Burden Ratio	8.0%	7.3%	1.1%	< 5%
Viability Ratio	0.0	0.7	3.5	>1
Primary Reserve Ratio	1.6%	54.7%	47.2%	25%
Return on Net Assets Ratio	22.3%	5.4%	4.2%	>2%
Net Operating Revenues Ratio	9.5%	0.8%	0.6%	>2%
Composite Financial Index	3.0	2.6	4.6	3.0

*Green shading indicates the ratio is within the target while the red shading indicates the University did not meet the target

GASB 68 and GASB 75 relate to pension and OPEB activity while GASB 87 relates to Leases

The third column in the above chart was added for illustrative purposes to show the impact of significant one-time funding or single-year financial events which skews the standard ratio reporting format. Excluding all of the GASB adjustments and the Foundation's financials from our ratio calculations presents a more accurate picture of the University's fiscal health at the end of fiscal year 2024. Without these adjustments, the interpretation of fiscal health may be misleading.

Debt Burden Ratio - This ratio expresses annual debt service payments as a percent of total annual expenses. It measures the University's ability to repay debt service on all outstanding debt and its impact on the University's overall budget. The standard is <5% debt burden of total expenses. The University has been well within the target until the implementation of GASB 87 and the recording of leases on the University's statement of net position. The effect is evidenced by referring to the third column above.

Viability Ratio - This ratio measures the availability of expendable net assets to pay off long-term debt. A ratio of 1.0 or higher indicates the University has sufficient net assets to satisfy debt requirements. The University (excluding GASB 68 and 75 adjustments) was well within the target until fiscal year 2022 when the University implemented GASB 87, leases. The effect is ongoing in fiscal year 2024 and is evidenced by referring to the third column above.

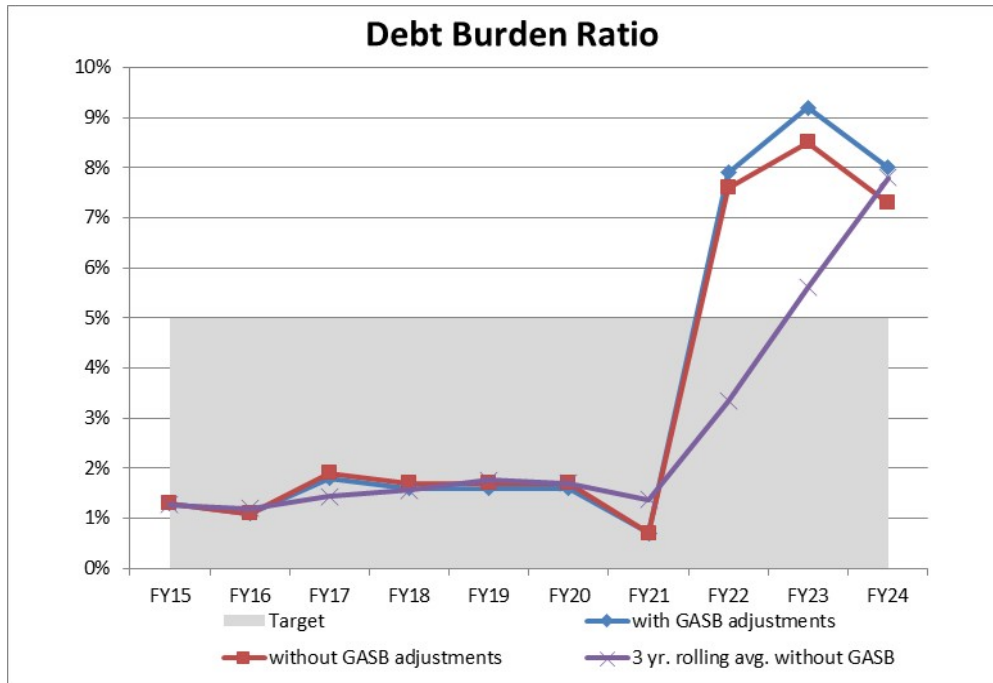
Primary Reserve Ratio – This ratio provides a snapshot of the University’s financial strength and flexibility. It indicates how long the University could operate using expendable reserves without relying on additional new assets generated by operations. Trend analysis indicates whether the University has increased its net worth in proportion to its rate of growth. The University has seen a positive trend over the years (excluding GASB 68 and 75 adjustments).

Return on Net Assets Ratio – This ratio reports whether university resources are growing and if it is financially better off than in previous years. A positive trend analysis would indicate an increase in net assets and an increased likelihood that the University is able to set aside financial resources to strengthen future flexibility. Single year events, like a significant state capital appropriation for example, can cause significant year-to-year volatility. The University has historically seen positive trends over the years (exclusive of GASB 68 and 75 adjustments).

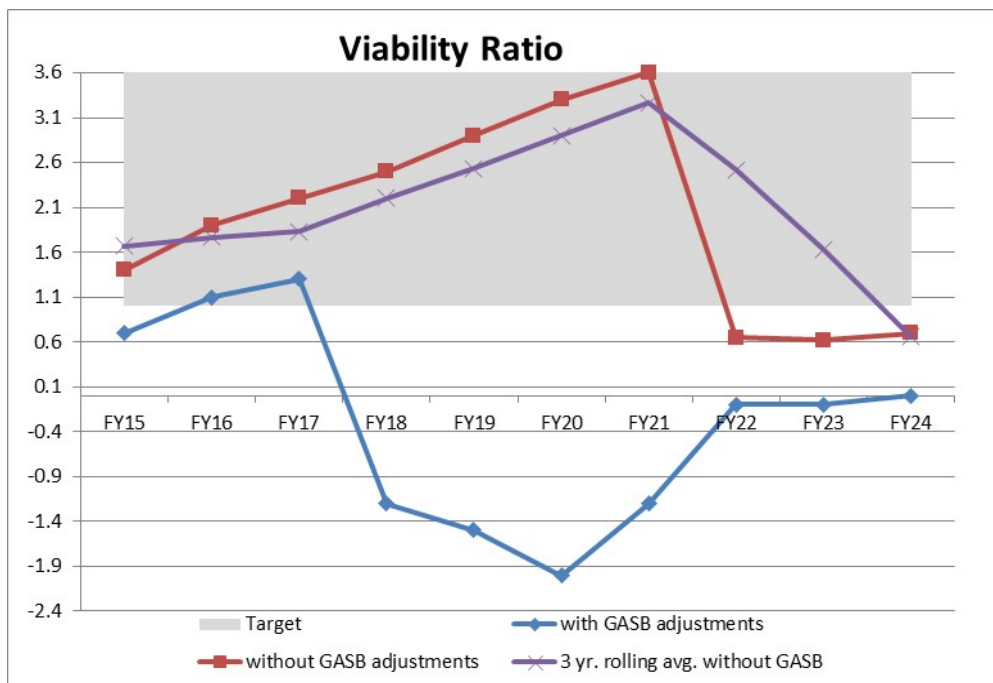
Net Operating Revenues Ratio – This ratio indicates whether operating activities resulted in a surplus or deficit. A positive ratio indicates the University experienced an operating surplus while a continuing decline or pattern of deficits indicates financial problems. The standard is a positive five-year trend. In FY24, the ratio without GASB 68 and 75, decreased from FY23 due to the increase in expenses outpacing the increase in revenues by \$3.3M.

Composite Financial Index – This index provides a more complete picture of the University’s financial health by combining into a single measure the strength of four of the ratios mentioned above. This score offers a stable long-term view of financial performance and it is less susceptible to year-to-year volatility. Generally a CFI score of 3 is the threshold of institutional financial strength. The University’s CFI in FY24 (exclusive of GASB 68 and 75 adjustments) dropped below the threshold of 3.0 to 2.6 due to the effect of decreases in both the net operating revenues ratio and return on net assets ratio for the reasons indicated above.

Westfield State University
Ratio Analysis Comparing GASB Impact FY15-24
As of June 30, 2024



This ratio expresses annual debt service payments as a percent of total annual expenses.
The target for this ratio is less than 5% which means that the lower the number, the better the result.



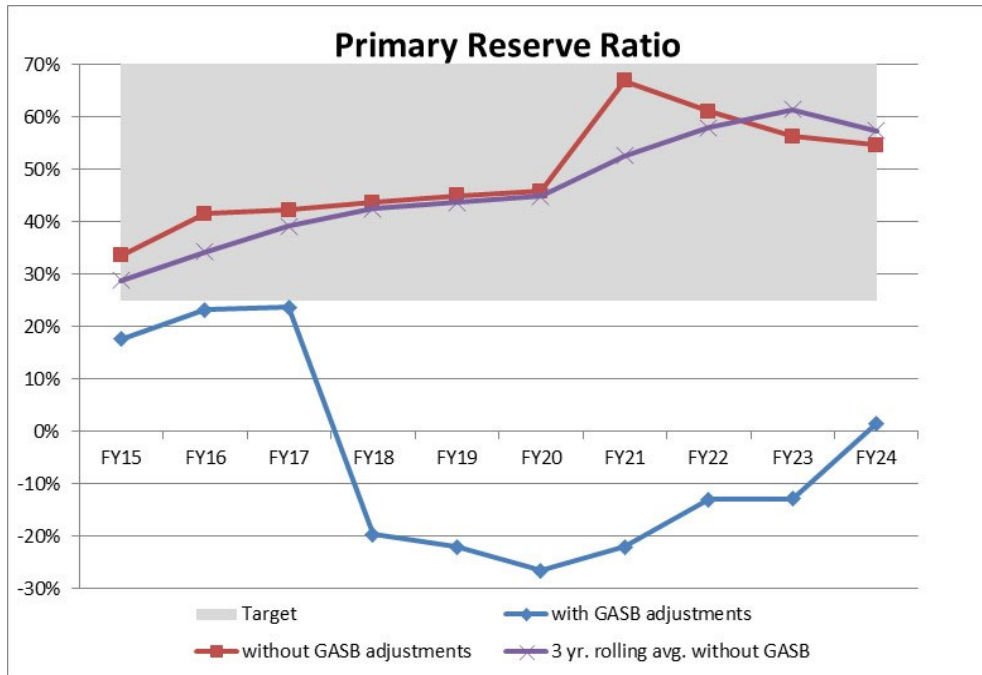
This ratio measures the availability of expendable net assets to pay off long-term debt.
The target for this ratio is 1.0 or higher which means that the higher number, the better the result.

Notes:

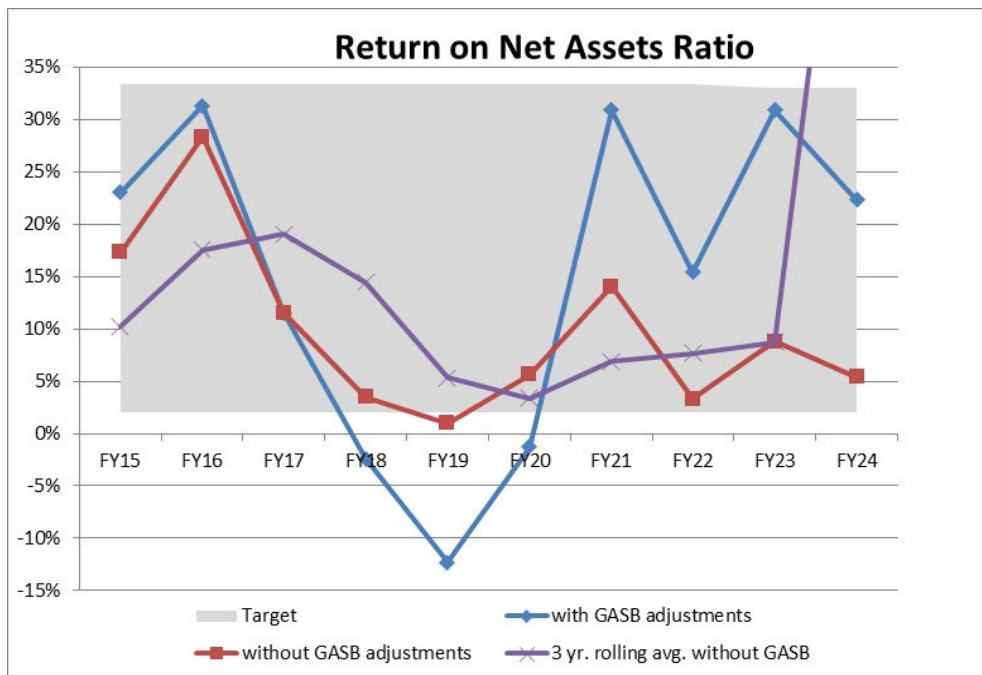
FY17-FY24 ratios include Westfield State Foundation, Inc.

The Department of Higher Education Metrics will now include Foundations in Ratios

Westfield State University
Ratio Analysis Comparing GASB Impact FY15-24
As of June 30, 2024



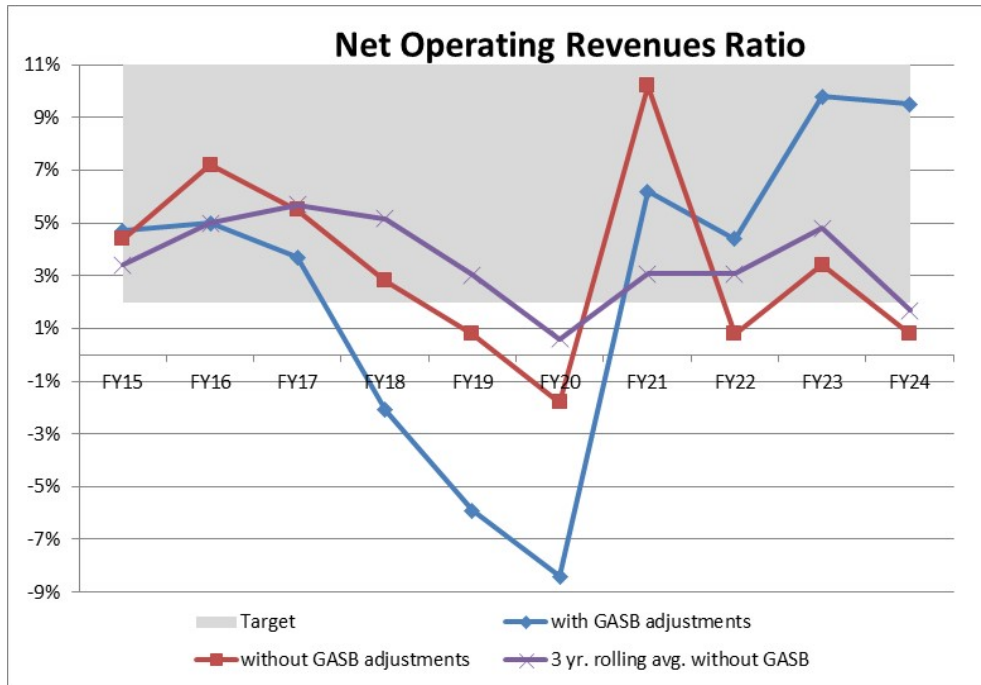
This ratio provides a snapshot of the University's financial strength and flexibility. The target for this ratio is 25% and a positive trend over time, which means that the higher the number, the better the result.



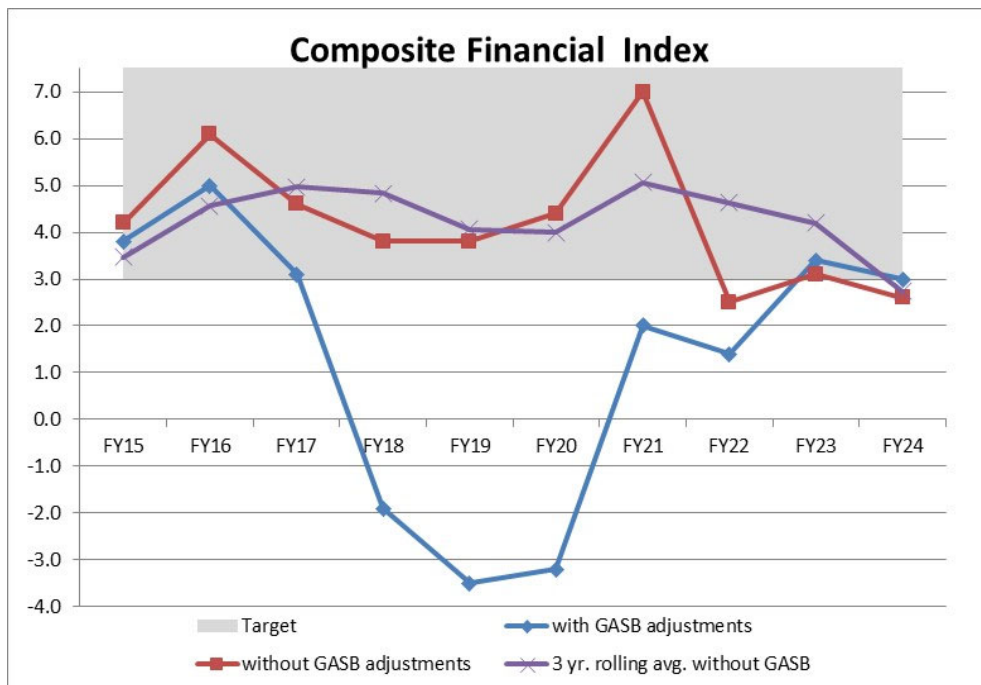
This ratio reports whether university resources are growing and if it is financially better off than in previous years. The target for this ratio is greater than 2% and a positive trend over time, which means that the higher the number, the better the result.

Notes:
 FY17-FY24 ratios include Westfield State Foundation, Inc.
 The Department of Higher Education Metrics will now include Foundations in Ratios

Westfield State University
Ratio Analysis Comparing GASB Impact FY15-24
As of June 30, 2024



This ratio indicates whether operating activities resulted in a surplus or deficit. The target for this ratio is greater than 2% and a positive 5-year trend, which means that the higher the number, the better the result.



This index provides a more complete picture of the University's financial health by combining into a single measure the strength of four of the ratios above. The target for this ratio is greater than 3, which means that the higher the number, the better the result.

Notes:
 FY17-FY24 ratios include Westfield State Foundation, Inc.
 The Department of Higher Education Metrics will now include Foundations in Ratios

Westfield State University
Financial Affairs Committee

Fixed Assets Inventory Progress Report

December 2, 2024

At the close of fiscal year 2024, Westfield State University held just over 3,300 capitalized fixed assets on its books. Except for almost 500 items which cannot have a barcode physically attached (includes intangible items such as legacy software and comprehensive items such as building improvements), all assets in our records have a barcode sticker affixed for identification and inventory purposes. In addition to our capital assets, barcodes are affixed to over 3,900 non-capitalized assets which are also maintained on our inventory records. The inventory control office is responsible for the tagging, recordkeeping, inventory, and disposal of all University capital assets and equipment. The office is now staffed by our Senior Staff Accountant and our new Accounting and Inventory Analyst.

The FY24 inventory report shows that 97.8% of our tagged assets have been physically inventoried in the previous twelve months. Another 1.1% of the assets have most recently been inventoried during the preceding twelve-month period. As for the remaining assets, approximately 1.1% have not been inventoried in over two years.

As of close of FY24 (capitalized and un-capitalized)			
Count	Percent	Barcoded assets	Original Cost
6,567	97.8%	Last inventoried in past 12 months (FY24)	\$ 19,392,658.13
78	1.1%	Last inventoried in preceding 12 months (FY23)	114,066.59
72	1.1%	Last inventoried over 24 months ago (FY22 and prior)	116,580.84
6,717	100%	Total barcoded assets	22,340,964.94
499		Non-barcoded assets (N-numbers & buildings)	184,059,342.87
7,216		Total tagged assets, FY24	\$ 203,682,648.43

As of close of FY23 (capitalized and un-capitalized)			
Count	Percent	Barcoded assets	Original Cost
6,395	97.4%	Last inventoried in past 12 months (FY23)	\$ 18,538,648.47
85	1.3%	Last inventoried in preceding 12 months (FY22)	307,136.32
83	1.3%	Last inventoried over 24 months ago (FY21 and prior)	144,369.41
6,563	100%	Total barcoded assets	18,990,154.20
502		Non-barcoded assets (N-numbers & buildings)	181,603,821.35
7,065		Total tagged assets, FY23	\$ 200,593,975.55

The inventory control function was previously operated by one manager and supplemented by Financial Accounting staff. That manager recently retired and inventory duties have been reorganized. Our Senior Staff Accountant now leads this function and is assisted by our new Accounting and Inventory Analyst.

A significant portion of the annual inventory (57% of the overall 97.8% completed) was performed during the final two months of the fiscal year. The most significant segments of inventory completed during the end of FY24 were the Information Technology and Facilities departments, where assets are scattered throughout the entire campus. Our staff were able to get more of a head start over last year (while juggling other important responsibilities), which enabled us to spend more time researching missing assets. We intend to evaluate our timelines even further in the upcoming year, leveraging available data to improve scheduling of inventories in relation to ongoing campus functions during semesters, as well as availability of department staff necessary for access and assistance.

The completion of off-campus asset inventory decreased slightly from 96.1% in FY23 to 95.4% in FY24. With several employees still working remotely at least part of the time, off-campus inventory was completed for the most part by employees submitting photos of the assets in their possession and the photos were required to include the current date in the picture itself. While this may seem unconventional, it is important to document records for auditability that are differentiated by fiscal year. The disadvantage with photos is that scanning is not possible with our current technology and manual entry is required. Considerable effort continues to be expended to inventory this very small portion (5.8%) of overall university assets due to them being located off-campus or otherwise mobile. This continues to be a major challenge as our campus, like many organizations, has shifted to more mobile devices and less desktop computers.

The Financial Accounting office will continue to utilize a combination of methods to complete annual asset inventory. We are making significant progress in our efforts to replace our outdated scanning hardware and software. We are surveying staff at other MA state universities and community colleges and have begun using the results to narrow down commercial vendors. At the same time, we are working to explore already available software in the Microsoft 365 suite, both as a potential scanning solution and to eliminate any remaining paper processes for departments submitting asset inventory information. Finally, we have also started to utilize existing data in Banner and Microsoft 365 to further improve efficiency. Namely, course schedules can be queried to determine the best times to perform inventory functions without disrupting faculty and students, and Active Directory data has been used to locate missing assets based on activity on the campus network. We look forward to even more progress in the coming year.