



**Finance Report
August 1, 2024**

Table of Contents:

1) Information: FY24 Operational Dashboards..... 2
2) Information: FY24 Fund Balance Summary Dashboards7
3) Information: FY24 Budgets: Year-End Status.....10
 Other Financial Events (Thursday)..... 13
4) Information: HLC, Composite Financial Index.....14
5) Action: Campus Housing Corporation Appointments 16
6) Information: Facilities Report18

Appendix A: HLC, CFI Data FY21-FY24..... 20



Finance Dashboards

August 1, 2024

Agenda Item #1: FY24 Operational Dashboards

Information

Action

Discussion

Table 1: Approved General Fund Budget

The following table provides information on the Board approved FY24 plan for the General Fund (GF) by showing the unit's fund balance at the beginning of FY24 (or end-of-year for the previous fiscal year), the budgeted revenue, the budgeted expenditures which include transfers, and the end-of-year fund balance. The GF fund balance is expected to decrease by \$933,492 in FY24.

FY24 Performance Plan				
FY23 EOY Fund Balance	FY24 Budget Revenue	FY24 Budget Expenditures	FY24 Budget Gain/(Loss)	FY24 EOY Fund Balance
(187,930.24)	37,029,148.00	(37,962,640.00)	(933,492.00)	(1,121,422.24)

Table 2: General Fund Summary

(July 1, 2024)

Showing the Board approved budget alongside the actual year-to-date (YTD) revenues and expenditures.

Approved General Fund Budget			
	Budget FY24	Actual FY24	
Revenue			
Tuition and Fees	19,178,802	19,305,673	100.7%
State Appropriations	15,190,300	15,380,113	101.2%
State ITEM Funding	761,637	762,300	100.1%
Gifts-Other	611,828	214,983	35.1%
Interest Income	120,000		0.0%
Department Activity	778,190	699,975	89.9%
Norris Center Revenue	146,041	130,966	89.7%
Arts Center Revenue	14,000	20,868	149.1%
Other Income	78,350	64,436	82.2%
Indirect Cost Recovery	150,000	117,297	78.2%
Total Revenue	37,029,148	36,696,611	99.1%
Expenditures			
Permanent Salaries	12,296,650	12,385,976	100.7%
Adjunct/Overload	838,973	845,283	100.8%
Summer/Winter Salaries	360,507	315,509	87.5%
Special Assignments	198,000	231,947	117.1%
Student Wages	646,974	584,913	90.4%
Overtime/Temp	340,000	474,534	139.6%
Fringe Benefits	6,627,762	6,678,301	100.8%
Scholarships	5,135,352	5,664,678	110.3%
University Waivers	114,000	140,706	123.4%
Debt Service	1,908,851	1,711,692	89.7%
Transfers	1,930,000	1,520,637	78.8%
Utilities	1,933,690	1,684,468	87.1%
Supplies & Services	5,631,882	4,956,459	88.0%
Total Expenditures	37,962,640	37,195,104	98.0%
Net Income/(Loss)	(933,492)	(498,493)	

Table 3: Housing Fund Summary

The following table provides information on the Board approved FY24 plan for Housing by showing the unit’s fund balance at the beginning of FY24 (or end-of-year for the previous fiscal year), the budgeted revenue, the budgeted expenditures which include transfers, and the end-of-year fund balance. The Housing fund balance is expected to decrease by \$21,989 in FY24.

FY24 Performance Plan				
FY23 EOY Fund Balance	FY24 Budget Revenue	FY24 Budget Expenditures	FY24 Budget Gain/(Loss)	FY24 EOY Fund Balance
497,074.40	3,934,661.00	(3,956,650.00)	(21,989.00)	475,085.40

Table 4: Housing Detail (Revenue and Expenditures)
(April 29, 2024)

	FY24 Budget Revenue	FY24 Actual Revenue	% Budget Revenue	FY24 Budget Expenditures	FY24 Actual Expenditures	% Budget Expenditures
Housing Administration	37,250.00	5,433.02	14.59%	(1,286,687.00)	(1,355,590.69)	105.36%
Washer-Dryer	700.00	420.52	60.07%	(1,615.00)		0.00%
425 West Easterday House	10,000.00	-	0.00%	(4,565.00)	(1,844.67)	40.41%
Brady Hall	724,043.00	751,933.88	103.85%	(276,250.00)	(273,138.21)	98.87%
Osborn Hall	640,787.00	740,300.46	115.53%	(312,600.00)	(298,767.71)	95.58%
Student Village	928,433.00	1,035,308.63	111.51%	(236,800.00)	(222,111.18)	93.80%
Townhouses	603,511.00	536,617.23	88.92%	(151,800.00)	(117,188.03)	77.20%
Ontario Hall	70,069.00	33,588.38	47.94%	(20,600.00)	(26,019.39)	126.31%
Huron Hall	81,639.00	73,136.74	89.59%	(30,600.00)	(27,742.49)	90.66%
Laker Hall	59,184.00	76,313.82	128.94%	(17,900.00)	(15,387.18)	85.96%
Chippewa House	81,639.00	84,070.90	102.98%	(27,500.00)	(24,919.40)	90.62%
Erie Hall	74,860.00	74,735.50	99.83%	(32,300.00)	(29,697.87)	91.94%
Hillside House				(9,000.00)	(15,527.46)	172.53%
Ryan House				(12,000.00)	(14,439.16)	120.33%
Easterday House	61,922.00	76,156.00	122.99%	(10,900.00)	(11,951.23)	109.64%
Brown Hall		2,625.00		(4,750.00)	(50,495.05)	1063.05%
Moloney Hall	335,895.00	311,691.43	92.79%	(81,500.00)	(70,447.16)	86.44%
Neveu Hall	224,729.00	199,615.84	88.83%	(67,300.00)	(59,610.12)	88.57%
	3,934,661.00	4,001,947.35	101.71%	(2,584,667.00)	(2,614,877.00)	101.17%
Transfers				(1,371,983.00)	(1,257,641.00)	91.67%
Balance (End-of-Year)				(21,989.00)		
Balance (Current)					129,429.35	

Table 5: Cisler Operations Fund Summary

The following table provides information on the Board approved FY24 plan for Cisler Operations by showing the unit’s fund balance at the beginning of FY24 (or end-of-year for the previous fiscal year), the budgeted revenue, the budgeted expenditures which include transfers, and the end-of-year fund balance. The Cisler Operations fund balance is expected to decrease by \$340,433 in FY24.

FY24 Performance Plan				
FY23 EOY Fund Balance	FY24 Budget Revenue	FY24 Budget Expenditures	FY24 Budget Gain/(Loss)	FY24 EOY Fund Balance
(992,284.15)	3,408,800.00	(3,749,232.75)	(340,432.75)	(1,332,716.90)

Table 6: Cisler Operations Detail (Revenue & Expenditures)
(April 29, 2024)

	FY24 Budget Revenue	FY24 Actual Revenue	% Budget Revenue	FY24 Budget Expenditures	FY24 Actual Expenditures	% Budget Expenditures
Food Services	2,277,400.00	2,271,268.84	99.73%	(2,852,264.00)	(2,418,682.46)	84.80%
Laker Cafe	-	-	0.00%	(1,200.00)	(985.16)	82.10%
Snack Bar-Galley	650,000.00	634,721.91	97.65%	(174,900.00)	(461,399.07)	263.81%
Library Grab n' Go	0.00	-		0.00	(35.75)	
Snack Shack-Norris	120,000.00	146,835.30	122.36%	(95,900.00)	(105,454.85)	109.96%
Catering & Bar Operations	309,300.00	377,976.82	122.20%	(353,500.00)	(408,092.72)	115.44%
Walker Cisler Center	29,500.00	35,023.19	118.72%	(270,268.75)	(242,632.61)	89.77%
WCC Guest Rooms	5,000.00	9,780.00	195.60%	(1,000.00)	(106.00)	10.60%
ID Cards	1,500.00	778.23	51.88%	(200.00)	(1,270.04)	635.02%
	3,392,700.00	3,476,384.29	102.47%	(3,749,232.75)	(3,638,658.66)	97.05%
Balance (End-of-Year)				(356,532.75)		
Balance (Current)					(162,274.37)	

Table 7: Athletics Fund Summary

The following table provides information on the Board approved FY24 plan for Athletics by showing the unit’s fund balance at the beginning of FY24 (or end-of-year for the previous fiscal year), the budgeted revenue, the budgeted transfers, the budgeted expenditures, and the end-of-year fund balance. The Athletics fund balance was expected to decrease by \$933,499 in FY24.

FY24 Performance Plan					
FY23 EOY Fund Balance	FY24 Budget Revenue	FY24 Budget Transfers	FY24 Budget Expenditures	FY24 Budget Gain/(Loss)	FY24 EOY Fund Balance
(995,054.28)	689,100.00	1,638,607.00	(3,261,205.96)	(933,498.96)	(1,928,553.24)

Table 8: Athletics Detail (Revenue & Expenditures)
(April 29, 2024)

	FY24 Budget Revenue	FY24 Actual Revenue	% Budget Revenue	FY24 Budget Expenditures	FY24 Actual Salaries	FY24 Actual Supplies	% Budget Expenditures
Athletic Administration	155,000.00	128,413.75	82.85%	(527,410.05)	(466,905.11)	(88,827.81)	105.37%
Sports Information				(74,600.01)	(159,221.27)	(11,310.48)	228.59%
Athletic Trainer				(118,645.00)	(100,244.66)	(6,263.25)	89.77%
Mens Hockey	437,700.00	304,743.55	69.62%	(1,100,849.96)	(522,695.60)	(586,870.65)	100.79%
Mens Basketball	34,500.00	36,481.85	105.74%	(364,194.92)	(209,186.97)	(159,672.57)	101.28%
Mens Tennis				(50,801.01)	(26,921.66)	(35,230.75)	122.34%
Mens Golf	1,600.00	11,369.31	710.58%	(39,754.00)	(8,936.37)	(42,572.79)	129.57%
Mens Junior Varsity Basketball				(2,249.92)	(14,050.15)	(1,033.39)	670.40%
Mens Swimming & Diving					(6,760.76)	(1,076.76)	
Womens Volleyball	16,000.00	16,800.50	105.00%	(136,275.13)	(60,563.83)	(97,306.70)	115.85%
Womens Basketball	35,700.00	26,231.48	73.48%	(283,595.01)	(117,669.17)	(125,442.78)	85.73%
Womens Tennis				(50,800.99)	(26,921.77)	(34,231.31)	120.38%
Womens Golf	600.00	11,223.09	1870.52%	(39,754.00)	(8,936.37)	(26,513.42)	89.17%
Womens Junior Varsity Basketball				(2,249.92)	(13,502.62)		
Womens Swimming & Diving					(6,760.80)	(1,076.77)	
Cross Country				(218,521.00)	(44,209.48)	(27,089.70)	32.63%
Track-Field	8,000.00	14,879.28	185.99%	(251,505.04)	(44,209.30)	(87,719.64)	52.46%
	689,100.00	550,142.81	79.83%	(3,261,205.96)	(1,837,695.89)	(1,332,238.77)	97.20%
Transfers				1,638,607.00	1,538,651.00		93.90%
Balance (End-of-Year)				(933,498.96)			
Balance (Current)					(1,081,140.85)		

Table 9: Institutional Cash

Institutional and Component Unit cash holdings as of June 30, 2024.

	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar	30-Apr	31-May	30-Jun
Cash at CSB	5,081,232	9,241,548	5,298,741	4,243,114	4,858,296	5,921,226	7,602,546	4,320,183	6,045,103	5,990,554	2,994,543	3,617,629
Cash at Huntington	1,825,140	1,830,472	1,835,658	1,841,032	1,846,247	1,851,652	1,857,058	1,862,129	3,427,582	3,437,270	3,447,319	3,457,068
Cash at Nicolet	267,245	267,805	268,331	268,912	269,458	269,987	270,590	271,121	271,653	272,241	272,812	273,329
Cash at BMO - USD	0	0	0	0	0	0	0	0	0	0	0	725,842
Cash at BMO - Canadian \$	0	0	0	0	0	0	0	0	0	0	0	0
CD at Soo Co-op	278,230	279,092	279,957	280,797	281,668	282,513	283,389	284,267	285,091	285,975	286,833	287,722
CD at Old Mission (4Front)	271,598	271,690	271,782	271,872	271,964	272,053	272,146	272,238	272,325	272,417	272,507	272,599
LSSU Investments at Schwab	3,835,732	3,830,801	3,773,629	5,300,000	5,313,275	9,352,428	6,869,516	6,898,800	6,923,609	6,949,089	6,978,615	7,011,256
Foundation Cash invest at Schwab	(1,595,283)	(1,595,283)	(1,595,283)	(2,570,205)	(2,570,205)	(2,570,205)	(2,570,205)	(2,570,205)	(2,570,205)	(2,570,205)	(2,570,205)	(2,570,205)
Foundation Cash for CFRE	56,644	56,644	81,644	81,644	81,644	86,644	86,644	86,644	86,644	86,644	84,424	52,959
Foundation Unrestricted Cash	(249,638)	(249,638)	(249,688)	(249,738)	(249,841)	(249,891)	(249,941)	(249,991)	(250,041)	(250,085)	(250,135)	(250,185)
LSSU Cash at GovMIC	1,613,048	1,620,509	3,630,507	3,647,449	2,661,419	2,673,896	2,686,304	2,697,827	2,710,146	2,722,075	2,734,436	1,744,984
LSSU Cash at Schwab	701,193	701,460	701,728	103,191	113,651	103,690	103,809	103,848	104,290	104,661	104,700	104,740
Treasury Bill at Huntington	1,507,055	1,513,932	1,520,805	1,527,609	1,534,409	1,540,899	1,547,459	1,553,991	0	0	0	0
Total	13,592,197	17,769,034	15,817,813	14,745,677	14,411,985	19,534,893	18,759,314	15,530,853	17,306,199	17,300,637	14,355,850	14,727,738

Suggested Actions/Motions:

None

Finance Dashboards

August 1, 2024

Agenda Item #2: FY24 Fund Balance Summary Dashboards

Information
 Action
 Discussion

Purpose:

The purpose of this item is to provide an overview of the University’s financials by summarizing the fund balances of the major fund areas of the University. Six years of history and the current year-to-date values are provided. Some discussion is provided for each major fund.

Background:

During the July 2023 Board meeting, a broader presentation of the financials was requested by the Board. This agenda item provides that broader view. All LSSU fund areas are discussed and where appropriate, financial summaries are provided. All dashboard data was acquired on July 1, 2024.

Information:

General Funds (1xxx):

The General Fund contains Fund 1000 (commonly referred to as the General Fund (GF)) and 118 other funds (1001 – 1Z99), commonly referred to as Professional Development (PD) funds. Fund 1000 (the GF) is the University’s main operating fund.

	2018	2019	2020	2021	2022	2023	2024
Fund 1000 (General Fund)	(927,654.44)	(1,504,849.18)	(3,390,975.11)	14,494.84	27,702.54	(187,930.24)	(686,423.39)
Funds 1001 - 1Z99	336,151.13	349,906.68	418,112.75	579,291.27	649,786.34	618,243.43	687,269.20
	(591,503.31)	(1,154,942.50)	(2,972,862.36)	593,786.11	677,488.88	430,313.19	845.81

Designated Funds (15xxxx):

There are 63 active Designated Funds. These funds were created for specific (designated/restricted) purposes; about 25 hold funds that have been transferred in from the Foundation for a designated purpose. The largest fund in the group is the Charter School 3% fund with about \$2.5M in annual activity. There are 4 funds with balances over \$50,000. Three funds are designated as unrestricted and are broken out in the following table.

	2018	2019	2020	2021	2022	2023	2024
Designated Funds	1,103,113.66	1,179,851.47	1,332,964.57	1,101,563.08	957,303.40	561,174.92	1,500,932.44
Unrestricted Funds	447,156.06	474,165.76	508,281.64	352,367.89	1,306,529.01	575,614.88	284,763.32
	1,550,269.72	1,654,017.23	1,841,246.21	1,453,930.97	2,263,832.41	1,136,789.80	1,785,695.76

External Funds (2xxxx & 2xxxxx):

The External Funds are comprised of grants and the expendable amounts of the Scholarships. There are over 300 funds in this grouping. No dashboard will be presented.

Auxiliary Funds (3xxx):

There are 57 active Auxiliary Funds; grouped by functional area.

	2018	2019	2020	2021	2022	2023	2024
Housing (31xx)	436,050.28	430,359.07	595,344.72	298,235.64	384,384.93	497,074.40	647,243.68
Cisler Operations (32xx)	(1,831,256.64)	(2,025,130.56)	(1,956,014.00)	(1,447,443.32)	(752,184.38)	(992,284.15)	(1,154,558.52)
Health Care Center (36xx)	105,015.07	2,107.84	(111,819.55)	(105,110.67)	73,389.42	(32,077.66)	(141,034.68)
Athletics (37xx)	(293,156.10)	(381,733.09)	(385,423.00)	(47,753.17)	(240,867.61)	(1,005,126.54)	(2,088,892.83)
Student Government (38xx)	155,571.54	185,668.65	244,012.82	324,218.09	178,976.60	152,243.58	149,885.39
Club Sports (39xx)	5,339.59	4,960.02	4,387.84	3,973.58	15,660.84	96,252.26	36,003.55
Other Auxiliary	<u>1,190,790.11</u>	<u>1,201,471.14</u>	<u>1,126,148.65</u>	<u>930,488.01</u>	<u>1,364,109.94</u>	<u>1,172,676.01</u>	<u>1,037,246.31</u>
	(231,646.15)	(582,296.93)	(483,362.52)	(43,391.84)	1,023,469.74	(111,242.10)	(1,514,107.10)

Loan Funds (4xx & 4xxx):

Loan Funds contain funding for students. There are about 10 loans available. Loan Funds are not directly utilized by LSSU. No dashboard will be presented.

LSSU Endowment (6xxxx):

The 6xxxx funds hold 62 endowments held by LSSU. The endowments were set up before the LSSU Foundation existed. There is no active fund raising occurring within this fund group. For the most part, these funds are utilized for student scholarships. Unrestricted funds are shown separately.

	2018	2019	2020	2021	2022	2023	2024
Unrestricted	237,207.51	251,850.66	279,809.22	323,682.98	344,613.24	344,867.21	324,048.51
Restricted	<u>11,777,199.23</u>	<u>11,995,533.38</u>	<u>11,776,179.52</u>	<u>15,143,064.60</u>	<u>12,198,104.62</u>	<u>13,393,831.13</u>	<u>14,464,278.53</u>
	12,014,406.74	12,247,384.04	12,055,988.74	15,466,747.58	12,542,717.86	13,738,698.34	14,788,327.04

Reserve Funds (7xx):

The Reserve Funds were historically created to hold funding for LSSU when it was self-insured. While self-insured, there was a need to hold funds for claims and deductibles; sometimes as high as \$500,000 per claim. Now that LSSU is fully insured for health insurance and worker compensation, the need to hold larger fund balances has diminished.

The largest volume of activity has historically been in the health insurance reserve fund (\$4.5M annually). LSSU and employees pay into the fund, and payments to carriers are made from the fund.

Currently, the MUSIC fund is holding insurance claims from the CAS fire. Given LSSU's \$50,000 deductible, this fund is expected to decline by \$50,000 by year-end. As of this writing, it is holding about \$150,000 in unpaid claims, hence the larger fund balance.

	2018	2019	2020	2021	2022	2023	2024
MUSIC-Insurance Reserve	251,347.48	251,347.48	251,347.48	251,347.48	251,347.48	251,347.48	350,529.19
Workers Comp	1,918,606.44	1,976,172.18	2,049,664.91	2,098,415.17	584,456.97	572,558.28	554,594.07
Unemployment Comp	209,963.02	276,925.87	325,870.96	389,671.18	426,304.79	449,466.19	478,430.56
Empl Tuition Waiver-Rebate							(7,793.59)
Health Insurance Res	<u>1,434,446.47</u>	<u>1,610,730.94</u>	<u>1,458,091.37</u>	<u>1,612,407.83</u>	<u>560,357.54</u>	<u>637,083.51</u>	<u>316,340.91</u>
	3,814,363.41	4,115,176.47	4,084,974.72	4,351,841.66	1,822,466.78	1,910,455.46	1,692,101.14

Agency Funds (8xxx):

There are 48 active agency funds. These are generally a combination of LSSU-based or LSSU-connected entities that have funds at LSSU; where the funds are intended for LSSU’s use. Examples of agency funds are scholarships and University clubs. These funds are also used as clearing areas for LSSU benefits. No dashboards will be presented.

Foundation Endowments (8xxxxx):

There are about 480 active funds in this area, including six unrestricted, operational funds. All endowed funds are broken into two areas: the endowed portion and an expendable portion. Non-endowed funds are just listed as expendable.

	2018	2019	2020	2021	2022	2023	2024
Unrestricted	841,564.44	1,549,802.25	1,500,611.39	494,839.06	387,604.55	417,862.96	264,433.25
Restricted	<u>16,619,937.66</u>	<u>16,874,942.73</u>	<u>17,065,324.72</u>	<u>19,822,076.82</u>	<u>22,175,412.78</u>	<u>23,616,571.11</u>	<u>23,830,221.07</u>
	17,461,502.10	18,424,744.98	18,565,936.11	20,316,915.88	22,563,017.33	24,034,434.07	24,094,654.32

Plant Funds (9xxx):

Plant Funds are comprised of funds that can be used to maintain or improve the campus infrastructure as well as funds that are used for debt-service. Debt-service funds have been omitted from this discussion. Occasionally, grant funds may reside here if there is a significant component of infrastructure development. Those grant funds are not shown here.

	2018	2019	2020	2021	2022	2023	2024
Marine Laker Collect	199.31	199.31	199.31	199.31	199.31	199.31	199.31
Other Norris Project	3,333.47	106,399.12	3,233.47	3,233.47	0.00	0.00	0.00
Norris Maintenance	2,474.00	0.00	3,528.50	3,528.50	3,528.50	3,528.50	(65,387.50)
Capital Reserve	12,397.90	113,696.56	161,252.74	344,666.98	580,671.90	759,181.72	882,734.76
Renovation-Ada Project	15,318.00	15,318.00	15,318.00	15,318.00	15,318.00	11,817.05	11,817.05
Norris Gem	0.00	0.00	0.00	0.00	0.00	0.00	116,896.00
Auxiliary R-R	632,062.05	290,735.30	66,133.77	245,378.25	501,260.61	480,246.20	(9,750.51)
Housing Furnishings	164,549.77	78,374.43	58,610.74	70,026.55	89,072.03	132,250.06	30,723.76
Telephone Reserve	84,327.56	84,327.56	84,327.56	84,327.56	84,327.56	84,327.56	84,327.56
Parking Reserve	267,923.96	230,248.96	130,248.96	61,377.96	111,377.96	136,535.73	170,230.73
Cooper Gym Floor Replacement-Norris	0.00	0.00	0.00	0.00	42,520.08	42,520.08	42,520.08
CFRE Construction-Non-State Reimb	0.00	0.00	10.89	(38,716.53)	39,783.26	0.00	(283,407.50)
Campus Expansion	(51,160.00)	(49,760.00)	(46,360.00)	99,123.90	102,623.90	106,023.90	109,136.90
CFRE - State Project	0.00	11,367.41	1,116,604.21	(955,084.83)	(217,250.65)	(25,000.00)	(24,159.50)
ARL Htchery Renovations 2018	<u>430,549.50</u>	<u>430,549.50</u>	<u>430,549.50</u>	<u>428,619.79</u>	<u>399,144.48</u>	<u>399,144.48</u>	<u>385,940.48</u>
	1,561,975.52	1,311,456.15	2,023,657.65	361,998.91	1,752,576.94	2,130,774.59	1,451,821.62

Overall Operational Fund Summary:

The following funds are considered the core operational areas of LSSU.

	2018	2019	2020	2021	2022	2023	2024 - YTD
General Fund (1000)	(927,654.44)	(1,504,849.18)	(3,390,975.11)	14,494.84	27,702.54	(187,930.24)	(686,423.39)
General Fund (1xxx)	336,151.13	349,906.68	418,112.75	579,291.27	649,786.34	618,243.43	687,269.20
Auxiliary Funds	(231,646.15)	(582,296.93)	(483,362.52)	(43,391.84)	1,023,469.74	(111,242.10)	(1,514,107.10)
Designated Funds	1,550,269.72	1,654,017.23	1,841,246.21	1,453,930.97	2,263,832.41	1,136,789.80	1,785,695.76
Reserve Funds	3,814,363.41	4,115,176.47	4,084,974.72	4,351,841.66	1,822,466.78	1,910,455.46	1,692,101.14
Plant Funds	<u>1,561,975.52</u>	<u>1,311,456.15</u>	<u>2,023,657.65</u>	<u>361,998.91</u>	<u>1,752,576.94</u>	<u>2,130,774.59</u>	<u>1,451,821.62</u>
	6,103,459.19	5,343,410.42	4,493,653.70	6,718,165.81	7,539,834.75	5,497,090.94	3,416,357.23

Finance Report

August 1, 2024

Agenda Item #3: FY24 Budgets: Year-End Status

Information

Action

Discussion

Purpose:

The purpose of this item is to provide timely and accurate information on the General and Auxiliary funds, as well as other significant financial events.

Background:

The Board approved the General Fund (GF) budget at the November 2023 Board meeting. Auxiliary Fund budgets were also approved at the November 2023 Board meeting.

FY24 General Fund Report (Tables 1 and 2):

For FY24, the Board approved a GF budget that would increase the GF deficit from \$187,930 to \$1,121,422; a loss of \$933,492. The GF performance plan is shown in Table 1.

Table 2 shows GF revenues of \$36.7M. Revenues are at 99% of budget. Some of the shortfalls include:

- 1) Lower than expect summer tuition (tuition, course fees, and online fees).
- 2) Interest has not yet been calculated or posted.
- 3) Lower than expected Foundation Support for CoGLEE/CFRE startup costs.
- 4) Indirect Cost Recovery is not yet complete.

Expenditures are at 98% of budget. Areas that are running higher than expected:

- 1) Salaries (over \$100,000 with 1/2 payroll left).
- 2) Scholarships (over \$480,000).
- 3) Fringes (driven by salaries)

Debt Service and Transfers are expected to end near budget. The remaining areas are expected to end just below budget. There are numerous grants that need to be reconciled that will reduce GF expenditures. LSSU expects the GF to end near the budgeted amount (a deficit of \$1M).

FY24 Housing Report (Tables 3 and 4):

Table 3 shows the FY24 plan for Housing. The Board approved a budget that would reduce the fund balance from \$497,000 to \$475,000 by year-end.

Table 4 shows year-to-date (YTD) revenues and expenditures. Revenues are at 102% of budget. Expenditures are at 101% of budget.

There are no concerns at this time with Housing revenues or expenditures. Housing is expected to end the year with a near-balanced budget.

FY24 Cisler Operations Report (Tables 5 and 6):

Table 5 shows the FY24 plan for Cisler Operations. The Board approved a budget that would increase the deficit from \$992,000 to a deficit of \$1.3M by year-end.

Table 6 shows year-to-date (YTD) revenues and expenditures. Revenues are at 102% of budget. Expenditures are at 97% of the budget.

No substantial additional revenue is expected. Cisler Operations is expected to end FY24 near budget (a deficit of \$300,000).

FY24 Athletics Report (Tables 7 and 8):

Table 7 shows the FY24 plan for Athletics. The Board approved a budget that would increase the deficit from \$995,054 to a deficit of 1.93M by year-end.

Table 8 shows year-to-date (YTD) revenues and expenditures. Revenues are at 80% of budget. Expenditures are at 97% of budget.

The current FY24 deficit is \$1.1M. Transfers in the amount of \$80,000 from the Foundation and Activity Funds have been discussed, but not finalized. Athletics is expected to end the year with a \$1M deficit.

Cash Balances (Table 9):

LSSU and Foundation cash is comingled in some cash funds. Since some of the Foundation cash is designated as unrestricted, it has been broken out. This is also the first time that we are presenting the balances.

The overall balance has decreased about \$2.6M since the last meeting; as is typical over this period. Cash will continue to decrease through July, until fall revenue begins to appear.

Please note that the cash report includes restricted and unrestricted funds. Only unrestricted funds can be used for the day-to-day operation of LSSU, therefore not all these funds are available for typical operation. Additionally, a positive fund balance does not necessarily indicate an availability of cash. In other words, the General Fund and Auxiliary Fund only have a small claim to this cash. It generally belongs to other funds.

Fund Balance Dashboard Notes:

General Fund: The overall balance is \$800, with Fund 1000 showing a deficit of \$680,000. The fund balance is expected to decrease as we close the year.

Designated Funds: \$1M in Charter School funds makes up the bulk of the funds. The Fund Balance is expected to decrease as we close the year, but end stronger than FY23 year-end.

Auxiliary Funds: Due to increased fund balance deficits in Athletics, the Health Care Center, and Cisler Operations, the Auxiliary Fund is expected to end the year with a deficit of about \$1.7M.

Reserve Funds: These are overstated by about \$150,000 due to insurance payments, related to the CAS fire, which have not yet been disbursed to contractors. The Health Insurance had been underfunded to take some burden off the General Fund. Overall the Reserve Funds are expected to be down about \$200,000 at year-end, compared to the beginning fund balance.

Plant Funds: The Plant Funds have begun to recover from the \$1M in FY23 purchases that were recorded in FY24. Several projects (sidewalks, parking lots, steam plant, roofs, etc.) are planned for the summer. The timing of those projects will determine the year-end fund balance.

Overall Summary: Year-end, operational, fund balances are down about \$2M from FY23 year-end balances. This is consistent with the budgets that were approved.

Note: A positive fund balance does not necessarily correlate to an equal amount of cash. Generally cash is less than the fund balance.

Other Financial Events:

None to report.

Suggested Actions/Motions:

No action required.

Finance Report

August 1, 2024

Agenda Item #4: HLC, Composite Financial Index

Information

Action

Discussion

Purpose:

The purpose of this item is to provide an update and comparative review of various financial metrics of LSSU and to demonstrate how they are used by external agencies.

Background:

External agencies, such as the HLC, Standard & Poors (S&P), U.S. Bank, Potential Lenders, Auditors, etc., monitor the financial health of LSSU, and other institutions, as a matter of practice.

Some of the metrics include:

Primary Reserve Ratio:

This ratio, used by the HLC, is a measure to determine if resources are sufficient and flexible enough to support the mission of the institution. It is a good indicator of the institution's ability to weather a short-term loss, or less than expected revenue - while still maintaining operation. A ratio of 1.0 would indicate that an institution could operate for a year without additional revenue.

Viability Ratio:

This ratio, used by the HLC, measures the institution's net assets available through additional borrowing capacity.

Return on Net Assets Ratio:

This ratio, used by the HLC, helps to determine if asset performance and management support the strategic direction. It is a measure of the change in net assets over the year.

Net Operating Revenue Ratio:

This ratio, used by the HLC, helps to determine if the institution is living within available resources.

Debt Service Coverage Ratio:

This ratio is a measurement of an institution's available cash flow to pay current and future debt obligations. Lending agencies use this to determine an institution's ability to add additional debt service. It is less stringent than the Viability Ratio, since it assumes the institution will take any action(s) necessary to secure funds to pay its current and future debt service.

MADS:

This is not a ratio, it's a measure of the Maximum Annual Debt Service; now and into the future. LSSU's debt is not constant. For LSSU, the MADS ratio is structured to grow until 2032.

The first four ratios are used by the HLC, from which they determine a Composite Financial Index (CFI). Many agencies recommend institutions achieve a CFI > 3.0, however, the HLC requires that it not fall below one (1.0). The data that drives the CFI is presented in Appendix A.

Information:

The following table provides the history of LSSU's CFI, as well as four other ratios that are used in deriving the CFI. The CFI is calculated after the annual audit is complete. Data from the audit has been entered into the HLC data collection system. The report can be found as Appendix A.

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Desired
Primary Reserve Ratio	0.490	0.550	0.310	0.230	0.345	0.312	0.275	0.186	0.460	0.417	0.569	> 0.40
Net Operating Revenue Ratio	0.000	0.000	(0.020)	(0.050)	0.013	(0.016)	(0.027)	(0.090)	0.130	0.020	0.065	> 0.04
Return on Net Assets Ratio	0.040	0.060	(0.190)	(0.002)	0.112	0.062	0.011	(0.037)	0.310	0.056	0.114	> 0.06
Viability Ratio	1.010	1.240	0.780	0.620	0.899	0.877	0.357	0.243	0.560	0.569	0.815	> 1.25
CFI	2.600	3.100	0.500	1.700	2.880	2.080	0.930	(0.080)	4.680	2.290	3.930	> 1.00

The Primary Reserve Ratio indicated that LSSU had 207 days of reserves as of FY23 year-end. The Net Operating Reserve Ratio indicated that LSSU did operate within its revenue for FY23. The Return on Net Assets Ratio indicates that LSSU saw a good return on its assets in FY23. The Viability Ratio indicates that LSSU does not have sufficient resources to assume additional debt.

The CFI for FY23 remained strong. The reasons are as follows:

- 1) State Appropriations increased from \$17.9M in FY22 to 24.1M in FY23; a \$6M increase. \$7M of that was used to pay down LSSU's MPSERS liability.
- 2) Investments performed well; increasing from a loss of \$2.9M in FY22 to a gain of \$1.9M in FY23 – this is mainly outside of LSSU's control.
- 3) One-time Capital Outlay funds from the State of \$600,000 for CFRE.
- 4) \$1M in expenditures committed in FY23, but were paid in FY24.
- 5) All ratios include the Foundation as a Component Unit of LSSU.

As such:

- 1) The Primary Reserve Ratio includes about \$9M (net positive) revenue attributed to the Foundation. Removing this brings the ratio to 0.38 (0.40 is recommended).
- 2) The Net Operating Reserve Ratio contains the MPSERS funds from the State and \$2M in Foundation assets. Removing these yields a negative number.
- 3) About 1/3 of the Return on Net Assets Ratio is attributed to the Foundation.
- 4) The Viability Ratio includes \$11M in Foundation funds.

Suggested Action/Motion:

No action required.



Finance Report

August 1, 2024

Agenda Item #5: Campus Housing Corporation Appointments

Information

Action

Discussion

Purpose:

The purpose is to recommend Board action to announce appointments to the Campus Housing Corporation.

Background:

In March of 2019, the LSSU Board of Trustee took action to establish the LSSU Campus Housing Corporation (CHC) at part of its efforts to engage in a public-private-partnership (P3).

One charge to the CHC was:

To provide support for the Board of Trustees of Lake Superior State University (the “University”), a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, as amended; to assist in an exclusively educational and charitable manner in the accomplishment of the educational purposes of the University; and to augment the facilities thereof in such manner as may be designated, directed or desired by the University. In that regard, the corporation will hold, administer, finance and/or lease real and personal property used in the University’s campus housing system in furtherance of the University’s Housing Master Plan or as otherwise directed by the University.

At that same time, the Board further resolved:

NOW THEREFORE BE IT RESOLVED, that the Board approves the formation of the Corporation as an organization that provides support for the University, approves the articles of incorporation and bylaws of the Corporation in the form presented to this Board and authorizes their filing as well as filings with the Internal Revenue Service for recognition of the Corporation under Section 501(c)(3) of the Code...

The CHC has continued to meet and fulfill its obligations since that time.

Other Information:

The CHC Bylaws state:

The President of the University shall be an ex-officio voting member of the Board by virtue of the office he or she holds at the University without formal election. Should the title of the office be changed at some future date, the chief executive officer of the University holding such responsibilities shall succeed to such position. Such person shall be automatically replaced by his or her successor upon selection by the University of a successor President of the University. In addition, the University shall appoint three members of the University’s Board of Trustees to serve as voting members of the Board (each a “University Board Member”). An appointment of a

University Board Member to serve on the Board shall continue until the earlier of (i) such person no longer serves as member of the University Board of Trustees; (ii) the replacement of such Board member by the University Board of Trustees; or (iii) resignation or removal of such Board member in accordance with these Bylaws. The University's Board of Trustees shall have the sole power to appoint the University Board Members. The Board members identified in this Section 2 are referred to herein as the "Ex-Officio Directors."

Suggested Actions/Motions:

With a potential P3 under discussion, the President recommends the Board formally appoint or reappoint members to the CHC.

Finance Report

August 1, 2024

Agenda Item #6: Facilities Report

Information

Action

Discussion

Purpose:

The purpose of this item is to provide an update on activities related to campus wide facilities. Topics will typically include major repairs and renovations, future infrastructure needs and plans, and capital outlay project updates.

Facility Accomplishments and Activities:

A number of items have been accomplished, or are underway, since the last Board meeting. These include:

- ✓ Repaired a water main break between Fletcher and CANUSA
- ✓ Repaired a water main break for lines to Moloney and Neveu
- ✓ Repaired the Norris Compressor
- ✓ Repaired a piping system leak for the refrigerant system for the rink ice
- ✓ Installed backflow preventers: Crawford, Library, Huron, Fine Arts, Norris, and Cisler
- ✓ Repaired/Replaced numerous systems in the Library: Air Handling Units, Variable Speed Drivers, Controllers, Pumps, Impellers, Actuators, etc.
- ✓ Repaired a compressor for student village
- ✓ Replaced a compressor in CASET
- ✓ Replaced a compressor at the Arts Center
- ✓ Several steam traps were replaced in the steam tunnels
- ✓ Completed annual repairs/maintenance for the Central Heating Plant (CHP) boilers and associated systems
- ✓ Completed CHP onsite Boiler Training
- ✓ Fixed tile and structure in/around Norris Lap Pool
- ✓ Completed steam tunnel inspections during shut down
- ✓ Completed steam tunnel expansion joint inspection during shut down
- ✓ Replaced condensate pump in CHP

- ✓ Working to replace Chiller Coil at Crawford
- ✓ Beginning new roof membrane installation for the Arts Center
- ✓ Beginning Controller replacement: Norris, Cisler, Library, and Crawford
- ✓ Working to build a new ramp and platform for south entrance of Health Care Center

- ✓ Preparing for campus wide sidewalk project
- ✓ Preparing for roof inspections of all buildings

IT Accomplishments and Activities:

- ✓ Successfully completed upgrading Access Points (APs) in all residence halls, with the exception of those currently occupied in the townhouses. Starting next week, all academic buildings will undergo upgrades to Fortinet APs, ensuring complete coverage before the semester begins.
- ✓ Successfully upgraded all classroom computers. Lab computers are next on the replacement schedule and will be ordered and replaced within this fiscal year.
- ✓ Completed the network security plan and are currently drafting policies for submission to the Senior Management Team.
- ✓ The Degree Works upgrade has been completed successfully.
- ✓ Providing support to Housing, and other areas, as needed to ensure processes run efficiently and as expected.
- ✓ Institutional Research (IR) has been actively correcting reports from previous years and ensuring all current reports are accurate and submitted on time. Collaborating closely with IT to facilitate cross-training initiatives.
- ✓ The CCURE license expired, and JCI did not upgrade it. IT successfully obtained a new license and completed the upgrade.
- ✓ Actively tracking down and replacing old unmanaged devices, primarily focusing on outdated Windows 7 machines.

IT continues to work with staff from all areas of the campus to complete multiple automation projects that will improve work efficiency and data accuracy.

Suggested Actions/Motions:

No action required.

Appendix A

HLC, CFI Data FY21-FY24

	2024	2023	2022	2021
Institution unrestricted net assets	(813)	(6,017)	(11,275)	(16,585)
Institution expendable restricted net assets	21,369	19,543	20,770	17,320
Component Unit (C.U.) unrestricted net assets	346	165	535	1,526
C.U. temporarily restricted net assets	11,141	8,526	12,383	7,642
C.U. net investment in plant	0	0	0	0
Numerator total	32,043	22,217	22,413	9,903
Institution operating expenses	52,706	49,698	44,698	48,085
Institution nonoperating expenses	1,470	1,558	1,724	1,644
C.U. total expenses	2,167	2,012	2,680	3,374
Denominator total	56,343	53,268	49,102	53,103
Primary reserve ratio	0.57	0.42	0.46	0.19
Primary reserve strength	4.28	3.14	3.46	1.4
Primary reserve weight	0.35	0.35	0.35	0.35
Primary reserve CFI	1.5	1.1	1.21	0.49
Institution operating income (loss)	(22,302)	(19,510)	(16,429)	(19,976)
Institution net nonoperating revenues	26,947	20,978	25,011	15,657
C.U. change in unrestricted net assets	180	(370)	(990)	(47)
Numerator total	4,825	1,098	7,592	(4,366)
Institution operating revenues	30,404	30,188	28,269	28,109
Institution nonoperating revenues	28,417	22,535	26,735	17,300
C.U. total unrestricted revenues	2,347	1,642	1,690	3,327
Denominator total	61,168	54,365	56,694	48,736
Net operating revenue ratio	0.08	0.02	0.13	-0.09
Net operating revenue strength	6.07	1.55	10	-4
Net operating revenue weight	0.1	0.1	0.1	0.1
Net operating revenue CFI	0.61	0.16	1	-0.4
Change in net assets plus C.U. change in net assets	9,314	4,332	18,198	(2,300)
Total net assets plus C.U. total net assets (beginning of year).	81,679	77,562	59,365	61,665
Return on net assets ratio	0.11	0.06	0.31	-0.04
Return on net assets strength	5.7	2.79	10	-1.86
Return on net assets weight	0.2	0.2	0.2	0.2
Return on net assets CFI	1.14	0.56	2	-0.37
Numerator – expendable net assets (from Primary Reserve Numerator)	32,043	22,217	22,413	9,903
Institution long-term debt (total project-related debt)	39,334	39,071	39,739	40,727
C.U. long-term debt (total project-related debt)	0	0	0	0
Denominator – total long-term + C.U. debt (total project related debt)	39,334	39,071	39,739	40,727
Viability ratio	0.81	0.57	0.56	0.24
Viability strength	1.95	1.36	1.34	0.58
Viability weight	0.35	0.35	0.35	0.35
Viability CFI	0.68	0.48	0.47	0.2
Total Composite Financial Indicator Score	3.93	2.29	4.68	-0.08