

**FRAMINGHAM STATE
UNIVERSITY**
(an agency of the Commonwealth of Massachusetts)

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

JUNE 30, 2025

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

**Financial Statements
and Supplemental Information**

June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Framingham State University:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Framingham State University (an agency of the Commonwealth of Massachusetts) (the "University"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University and its discretely presented component unit as of June 30, 2025 and 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Framingham State University Foundation, Inc. (the "Foundation") which represents 100 percent of the component unit activity for the years ended June 30, 2025 and 2024. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS and *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the University's basic financial statements. The supplemental schedules listed in the accompanying table of contents, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, professional style.

October 21, 2025



FRAMINGHAM STATE UNIVERSITY
FY2025 Financial Statements
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025, 2024 and 2023
Unaudited

INTRODUCTION

The following discussion and analysis provide an overview of the financial position and results of operations of Framingham State University (the "University") for the years ended June 30, 2025 (Fiscal Year 2025); June 30, 2024 (Fiscal Year 2024); and, June 30, 2023 (Fiscal Year 2023). This discussion and analysis has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, as separately provided.

These financial statements continue to reflect the significant impact of implementation of Governmental Accounting Standards Board Statement Number 68 (GASB 68) and Number 75 (GASB 75) that requires accounting for pension and other post-employment benefits (OPEB) liabilities on public institutions' financial statements. These liabilities are included in institutions' financial statements even though, in Massachusetts, these payment liabilities are retained by the state and are not ultimately an obligation of the institution where the liability was accrued. The impact of including these liabilities on institutions' financial statements is essentially a reduction in reported Unrestricted Net Position and Total Net Position. As such, this Management's Discussion and Analysis (MD&A) includes both the Statement of Net Position that includes these liabilities as well as Net Position Adjusted for Pension and OPEB obligations as the latter is more reflective of the financial condition of the university.

Further, these statements also account for the impact of implementation of Governmental Accounting Standards Board Statement Number 87 (GASB 87) that requires lessees to recognize lease liabilities on their statements as right of use assets. For Framingham State University (FSU), these are largely attributable to the use of the residence halls that are owned by the Massachusetts State College Building Authority. The implementation of this standard has a significant impact on both lease liabilities and associated capital asset accounting. This change is reflected in previously restated FY2021 financial statements as well as the FY2022 and FY2023 financial statements. Implementation of GASB 87 does make trend analysis difficult as prior years' statements (FY2020 and before) do not account for this significant adjustment.

In FY2023, FSU adopted Governmental Accounting Standards Board Statement Number 96, Subscription based Information Technology Arrangements (SBITAs). This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of the subscription liability, principal and interest requirements for the subscription liability, and other essential information. The implementation of GASB 96 on SBITA liabilities and capital asset accounting similar to GASB 87 requirements.

Of note: FSU develops its annual “All Funds” fiscal year budget essentially on a cash-basis; that is, reflecting operational revenues (cash in) and expenditures (cash out), as well as projected fiscal year capital and financial aid funding/expenditures. The Board of Trustees-approved FY2025 All Funds Budget projected an aggregate Trust Funds operations deficit that was ultimately addressed over the course of the fiscal year. Elimination of this deficit can largely be attributed to (on the revenue side) increased tuition, fees and auxiliary revenues coupled with additional state appropriation operations funding; further (on the expenditure side), fringe benefits costs associated with increased state funding were assumed by the state (that is, this reduced FSU’s costs), and other expenditures (such as utilities costs) came in below budget.

These financial statements utilize accrual accounting resulting in “Net Position” outcomes that differ from what is essentially Operations Net Income under a cash-basis operating budget. Some differences result from treatment of depreciation and pension/OPEB/leases/subscriptions liabilities, as well as the impact of state funding of capital projects and investment returns (actual versus budgeted). In FY2025, a number of factors impacted changes in Net Position including differences in pension/OPEB liabilities, state funding for capital that increases institutional assets/Net Position, and greater “non-operating”-classified revenues – particularly investments returns - above budgeted assumptions.

To assist the reader of the MD&A, key items/context will be noted in **text boxes** in each section.

SUMMARY

Framingham State University’s Fiscal Year 2025 financial statements reflect the lingering impact of the Covid-19 pandemic on enrollment and operations; the impact of relief funding (whose final allocations occurred in FY2023); the impact of bond restructurings; the impact of accounting standards changes; and, the impact of annual capital funding and investments performance over the past three years.

Operations Financial Impact:

- Operating Revenues of \$75.1 million represent an increase of +\$5.2 million from FY2024
- Operating Expenses of -\$135.1 million represent a net increase in expenditures of +\$4.5M million from FY2024
- Non-Operating and Capital & Endowment Income of \$67.8 million represent a net decrease of -\$1.3 million from FY2024 that included differences in capital funding, and investments income.
- **Change in FY2025 Net Position was +\$7.9M (versus a FY2024 Change in Net Position of +\$8.5M).**

FY2025 FINANCIAL STATEMENTS HIGHLIGHTS

- The University’s total assets at the end of Fiscal Year 2025 were \$327.1 million (a decrease of -\$4.2 million, or -1.3% from FY2024), liabilities were \$163.1 million (a decrease of -\$5.9M million, or -3.5%, from FY2024) and there were \$20.2 million in net deferred outflow/inflow of resources (primarily associated with booked pension and OPEB obligations).

Net Position (including the impact of noted accounting standards), which represents the residual interest in the University’s assets after liabilities and deferred inflows/outflows, increased +\$7.9 million, or +5.8%, from \$135.9 million in Fiscal Year 2024 to \$143.8 million in Fiscal Year 2025.

- **Unrestricted net position totaled \$73.0 million (an increase of +\$11.2M from FY2024). Restricted net position and net investment in capital assets accounts totaled \$70.8 million (a decrease of -\$3.4 million from FY2024) and include: \$67.2 million net investment in capital assets, \$1.5 million in scholarship reserves, and \$2.1 million in other restricted accounts.**

- The aggregate impact of the accounting of pension and OPEB liabilities as well as associated deferred outflows/inflows for pension and OPEB obligations totaled \$23.7 million in FY2025; \$31.1 million in FY2024; and \$38.0M in FY2023. This impact is ultimately reflected in a reduction in Unrestricted Net Position. **Adjusted Unrestricted Net Position – backing out pension and OPEB liabilities that are not ultimately the university’s future responsibility - was \$96.7 million at the end of FY2025.**

Total Net Position, adjusted for Pension and OPEB liabilities, increased from \$167.1M in FY2024 to \$167.5M in FY2025 (or +\$.4M).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Framingham State University’s basic financial statements. These statements are comprised of two components: 1) the financial statements and 2) the notes to the financial statements. The University’s financial report includes four financial statements: the Statement of Net Position, the Statement of Revenues and Expenses, the Statement of Changes in Net Position, and the Statement of Cash Flows.

The Financial Statements. The financial statements are designed to provide readers with a broad overview of the University’s finances in a manner similar to a private-sector University.

The *Statement of Net Position* presents information on the University’s assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the residual balance being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the University is improving.

The *Statement of Revenues and Expenses* presents information showing how the University’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., the accrual for compensated absences).

The *Statement of Changes in Net Position* presents information summarizing how the University’s net position changed during the most recent two fiscal years.

The *Statement of Cash Flows* is reported on the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of operating receipts (e.g., tuition and fees) and disbursements (e.g., cash paid to employees for services).

Framingham State University reports its activity as a business-type activity under GASB using the full accrual measurement focus and basis of accounting. The University is a department of the Commonwealth of Massachusetts. Therefore, the results of the University’s operations, its net position and cash flows are also summarized in the Commonwealth’s Annual Comprehensive Report in its government-wide financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the separately attached financial statements.

Other Information. In addition to the financial statements and accompanying notes, supplemental information is also provided. The financial statements and related footnotes are presented separately from this discussion and analysis.

FINANCIAL ANALYSIS

Statement of Net Position

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets and deferred outflows of resources less liabilities and deferred inflows of resources of the University. The difference between these amounts – net position – is one indicator of the current financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved during the year. Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally measured using current values. A condensed comparison of the University’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2025, June 30, 2024 and June 30, 2023 is as follows:

University Accounts

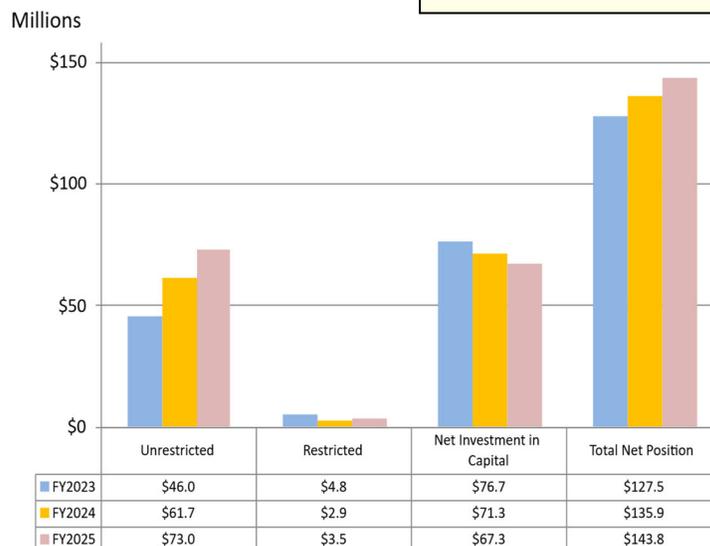
<i>(In Thousands)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current Assets	\$68,009	\$68,355	\$49,399
Capital Assets	\$201,036	\$211,741	\$222,221
Other Noncurrent Assets	<u>\$58,075</u>	<u>\$51,202</u>	<u>\$63,043</u>
Total Assets	<u>\$327,120</u>	<u>\$331,298</u>	<u>\$334,663</u>
Total Deferred Outflows of Resources	<u>\$1,707</u>	<u>\$2,591</u>	<u>\$4,422</u>
Current Liabilities	\$25,644	\$22,855	\$24,203
Noncurrent Liabilities	<u>\$137,446</u>	<u>\$146,155</u>	<u>\$157,227</u>
Total Liabilities	<u>\$163,090</u>	<u>\$169,010</u>	<u>\$181,430</u>
Total Deferred Inflows of Resources	<u>\$21,906</u>	<u>\$28,931</u>	<u>\$30,167</u>
Net Position:			
Net Investment in Capital Assets	\$67,286	\$71,256	\$76,651
Restricted	\$3,508	\$2,937	\$4,837
Unrestricted	<u>\$73,037</u>	<u>\$61,755</u>	<u>\$46,000</u>
Total Net Position	<u>\$143,831</u>	<u>\$135,948</u>	<u>\$127,488</u>

Changes in Capital Assets reflect the impact of GASB 87.

The University’s net position as of June 30, 2025 reflects changes resulting from operations; as well as the impact of bond restructuring savings; changes in GASB accounting standards and associated charges; and, the impact of investments returns.

Trend Analysis: Net Position

FY2025 Unadjusted Total Net Position has increased from FY2024 by \$7.9M.



Total Net Position (including Pension/OPEB and Lease assessments impact) increased +\$7.9 million, or +5.8%, from the end of FY2024 to the end of FY2025 while Unrestricted Net Position increased to a total of \$73.0M as of the end of FY2025.

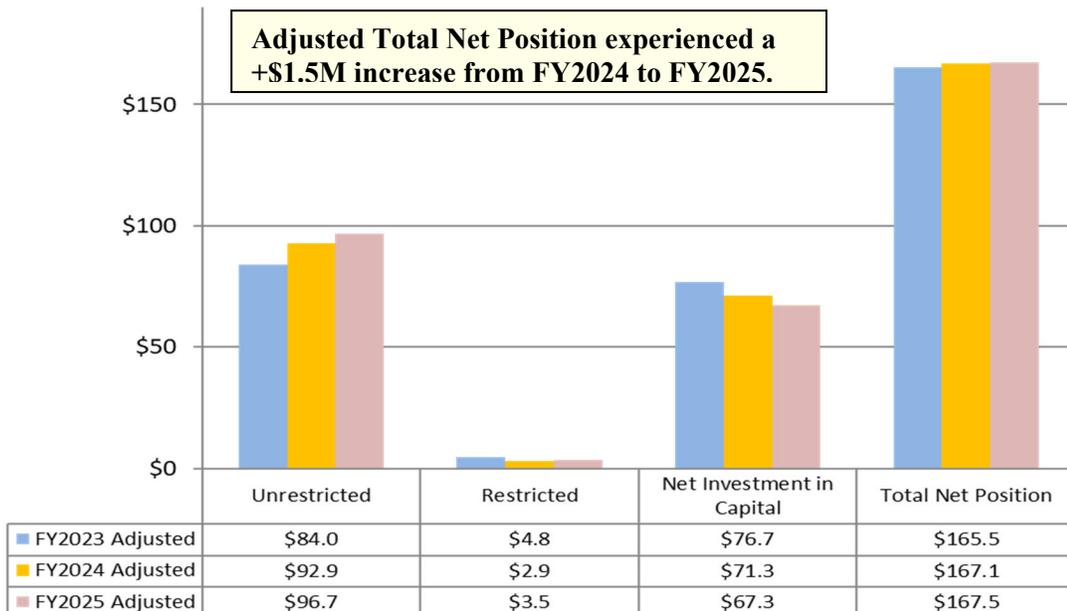
Net Impact of Accounting for Pension and OPEB Obligations

<i>(In Thousands)</i>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2023</u>
Pension and OPEB Liabilities:			
Net Pension Liability	\$5,243	\$6,257	\$6,980
Net OPEB Liability	<u>\$5,910</u>	<u>\$6,655</u>	<u>\$8,784</u>
Allocated Pension/OPEB Liability	\$11,153	\$12,912	\$15,764
Net Deferred Outflows/Inflows:			
Deferred Outflows for Pensions	(\$1,041)	(\$1,457)	(\$1,764)
Deferred Outflows for OPEB	(\$551)	(\$849)	(\$1,724)
Deferred Inflows for Pensions	\$4,093	\$5,659	\$7,348
Deferred Inflows for OPEB	\$10,036	\$14,837	\$18,425
Net Deferred Outflows/Inflows	<u>\$12,537</u>	<u>\$18,190</u>	<u>\$22,285</u>
Net Impact of Accounting for Pension and OPEB Obligations:	\$23,690	\$31,102	\$38,049
<i>Unrestricted Net Position: Pre-Adjust.</i>	<u>\$73,037</u>	<u>\$61,755</u>	<u>\$46,000</u>
<i>Unrestricted Net Position Adjusted for Pension and OPEB Obligations:</i>	\$96,727	\$92,857	\$84,049
<i>Total Net Position: Pre-Adjustment</i>	<u>\$143,831</u>	<u>\$135,948</u>	<u>\$127,488</u>
<i>Total Net Position Adjusted for Pension and OPEB Obligations:</i>	\$167,521	\$167,050	\$165,537

The impact of the accounting for Pension (GASB 68) and OPEB (GASB 75) obligations on both Unrestricted Net Position and Total Net Position was \$23.7 million in FY2025, \$31.1 million in FY2024, and \$38.0M in FY2023. Adjusted Net Position – backing out the impact of Pension and OPEB obligations – is as follows:

**Trend Analysis: Adjusted Net Position
Revised to Net Out impact of Pension (GASB 68) and OPEB (GASB 75) Obligations**

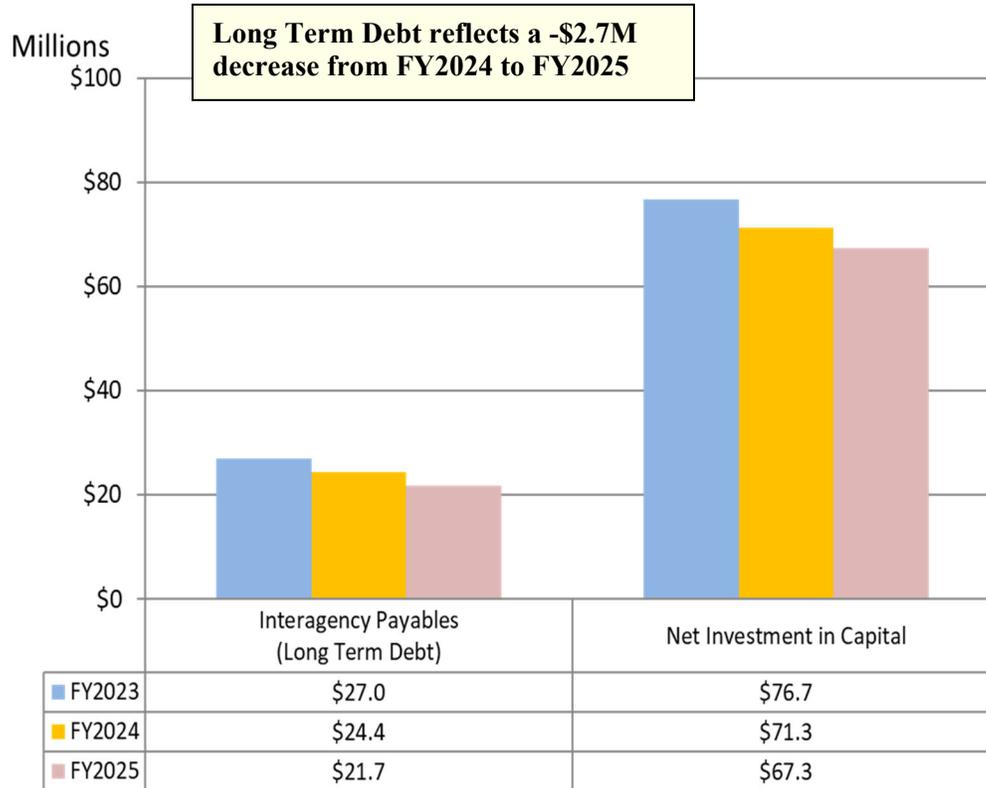
Millions



Capital Assets and Long-Term Debt

It should be noted that “Net Position: Net Investment in Capital Assets” represents a conservative accounting (cost approach) of the University’s capital assets. This figure is net of related debt and net of accumulated depreciation and deferred inflow of resources that are attributable to the acquisition, construction or improvement of those assets. Capital Assets figures also represent new GASB accounting standards related to leases. **The University has \$21.7 million in aggregate interagency payables (predominantly long-term capital debt) as of the close of FY2025 (a decrease of -\$2.6M million over FY2024). Net Investment in Capital Assets was \$67.3 million at the end of FY2025.**

Trend Analysis: Interagency Payables (Long Term Debt); Net Capital Investment

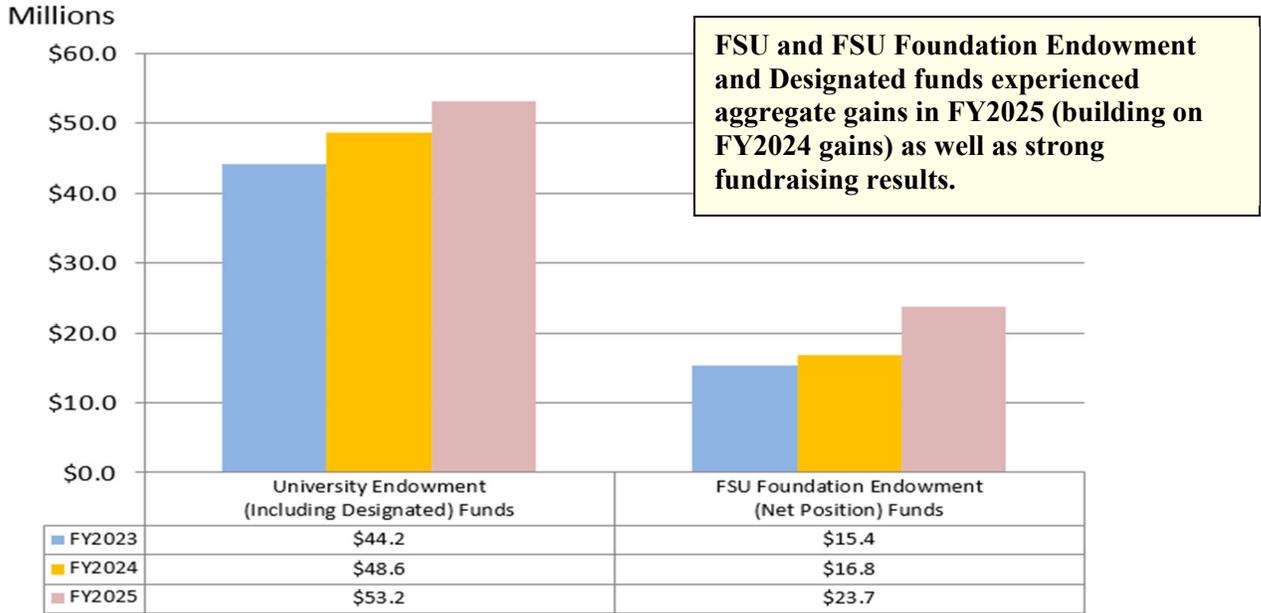


Endowment Funds

A portion of the restricted net position includes endowment funds held by the University. The University itself has a very small designated endowment; \$1.5 million of non-expendable restricted funds. An additional \$2.1 million, at June 30, 2025, in restricted scholarship funds (designated as “expendable” but in practice allocations are limited to proceeds) acts as “quasi-endowment” funds.

Further, the Board of Trustees has designated unrestricted net position with end of FY2025 value of \$49.6 million as quasi-endowment (included in “Core Investment” funds in the University’s annual approval of its Cash Management and Investment Policy). **Aggregate endowment and designated quasi-endowment funds held by the University total \$53.2 million (representing an increase of +\$4.6 million, or +9.5%, from FY2024).** The University invests these assets, along with other cash holdings, in the Massachusetts Municipal Depository Trust (MMDT), the Common Fund, Corient (Eaton Vance), Brown Advisory, and Boston Trust Walden. The University budgets 5% of the three-year-rolling-average of contingency and core investment fund balances in support of university operations.

Trend Analysis: Endowment (Including Designated) Funds



Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position represents the University’s results from operations. A condensed summary of the University’s revenues, expenses and changes in net position for the years ended June 30, 2025; June 30, 2024 and June 30, 2023 is as follows:

<i>(In Thousands)</i>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2023</u>
Operating Revenues:			
Tuition and Fees	\$36,420	\$33,552	\$34,286
Less Scholarships	(\$10,342)	(\$8,978)	(\$8,335)
Net Student Tuition & Fees	\$26,078	\$24,574	\$25,951
Federal Grants and Contracts	\$11,016	\$8,306	\$9,203
State and Local Grants & Contracts	\$11,107	\$10,905	\$6,988
Private Grants	\$1,900	\$2,777	\$2,156
Sales and Services	\$1,142	\$980	\$726
Auxiliary Enterprises	\$22,759	\$21,208	\$19,783
Other Revenues	<u>\$1,147</u>	<u>\$1,137</u>	<u>\$2,019</u>
Total Operating Revenues	\$75,149	\$69,887	\$66,826
Operating Expenses:			
Instruction	(\$33,402)	(\$31,991)	(\$29,510)
Research	(\$25)	(\$89)	(\$55)
Academic Support	(\$16,418)	(\$14,831)	(\$15,397)
Student Services	(\$17,948)	(\$16,467)	(\$14,588)
Institutional Support	(\$14,661)	(\$14,992)	(\$12,652)
Operation/Maintenance of Plant	(\$11,366)	(\$13,435)	(\$19,678)
Depreciation	(\$14,078)	(\$13,912)	(\$14,334)
Auxiliary Enterprises	(\$14,671)	(\$14,085)	(\$12,344)
Scholarships	<u>(\$12,525)</u>	<u>(\$10,749)</u>	<u>(\$6,852)</u>
Total Operating Expenses	(\$135,094)	(\$130,551)	(\$125,410)
Operating Loss	(\$59,945)	(\$60,664)	(\$58,584)

Notes:
 FY2023 Scholarships expenditures reflects HEERF student aid allocations.
 Plant O&M includes directed HEERF capital funded expenditures.

Net-Operating Revenues/(Expenses):	<u>FY2025</u>	<u>FY2024</u>	<u>FY2023</u>
State Appropriations (net)	\$61,766	\$54,394	\$54,994
Gifts	\$356	\$659	\$654
Net Investment Income	\$8,846	\$10,886	\$8,052
State Capital Appropriation/Grants	\$1,139	\$3,866	\$5,572
Interest Expense	(\$6,762)	(\$7,147)	(\$7,431)
Other Non-Operating Revenue	\$2,485	\$1,466	\$3,915
State and Federal Grants	\$0	\$0	\$2,968
Transfers (to)/from State Agencies	\$0	\$0	\$0
Net Non-Operating Revenues	<u>\$67,828</u>	<u>\$69,124</u>	<u>\$68,724</u>
Change in Net Position	<u>\$7,883</u>	<u>\$8,460</u>	<u>\$10,140</u>

Due to the nature of public higher education accounting as it pertains to state appropriations, institutions incur a loss from operations before accounting for state support. State appropriations supplement University operations and act as a subsidy for operations not covered by operating revenues. Under GASB, appropriations are considered non-operating revenue. The following schedule illustrates the University's incurred losses from operations as well as change in net position for Fiscal Years ended June 30, 2025, June 30, 2024 and June 30, 2023:

Schedule of Loss from Operations and Change in (Unadjusted) Net Position

Change in Net Position has been significantly impacted by increases in state funding and differences in annual grant funding and investments performance.

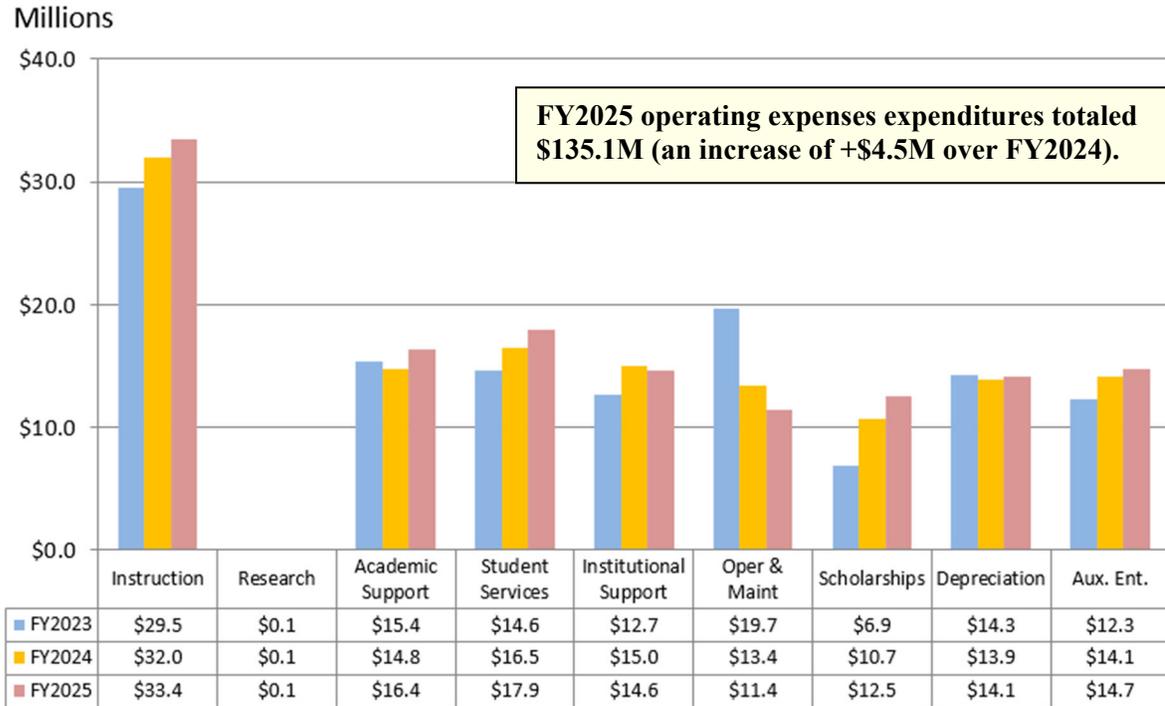
<i>(In Thousands)</i>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2023</u>
Tuition and Fees Revenue, Net	\$26,078	\$24,574	\$25,951
Other Operating Revenue	<u>\$49,071</u>	<u>\$45,313</u>	<u>\$40,875</u>
Total Operating Revenue	\$75,149	\$69,887	\$66,826
Operating Expenses	<u>(\$135,094)</u>	<u>(\$130,551)</u>	<u>(\$125,410)</u>
Operating Loss	<u>(\$59,945)</u>	<u>(\$60,664)</u>	<u>(\$58,584)</u>
Net State Appropriations	\$61,766	\$59,394	\$54,995
Net Other Revenue/(Expenses)	<u>\$6,062</u>	<u>\$9,730</u>	<u>\$13,729</u>
Change in Net Position	<u>\$7,883</u>	<u>\$8,460</u>	<u>\$10,140</u>
Net Position End of Fiscal Year	\$143,831	\$135,948	\$127,488

Net (unadjusted) Position at the beginning of Fiscal Year 2024 was \$135.9 million. Net position at the end of Fiscal Year 2025 was \$143.8 million; representing a +\$7.9 million, or +5.8%, increase.

Revenues and Expenditures

Operating expenses by functional category have been impacted by a number of factors including directed relief funding, expenditure reclassifications, and GASB accounting impact. Comparisons during the “covid period” are difficult due to changes in operations, directed funding, and retroactive salary adjustments and payments.

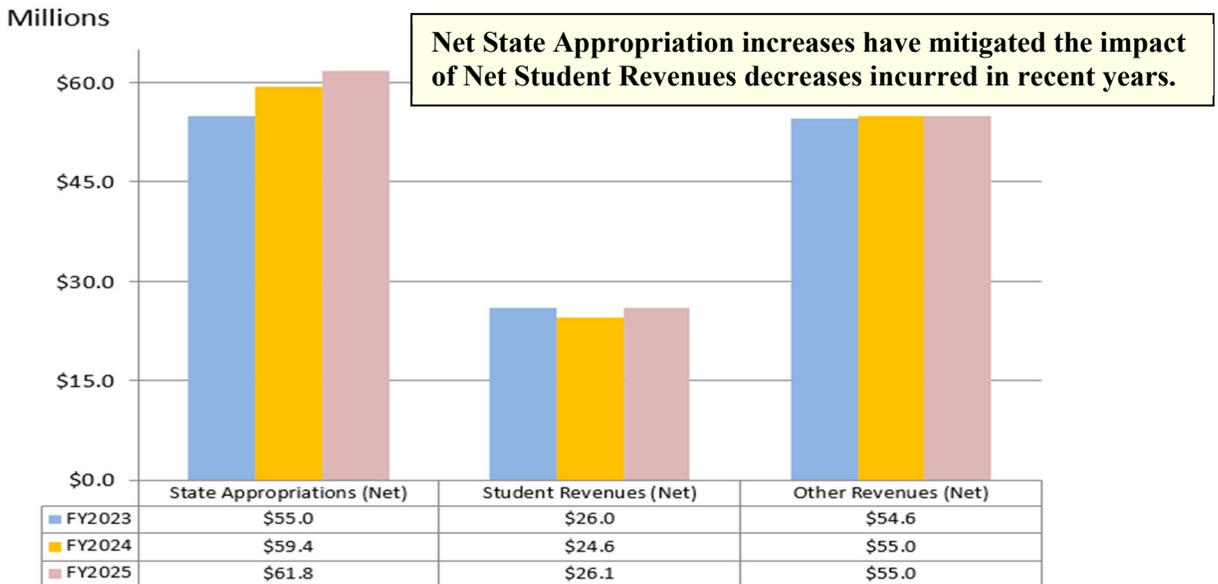
Trend Analysis: Instruction, Support Services, Plant O&M, Aux. Ent. Expenditures



Note: Plant O&M and Scholarships expenditures have been impacted by directed relief funding in various years.

From FY2024 to FY2025, net state appropriations (including state support for increased costs for fringe benefits) increased by +\$2.4 million (+4.0%); student net revenues increased by \$1.5 million (6.1%); and, other net revenues were essentially flat.

Trend Analysis: State Appropriations, Student and Other Revenues

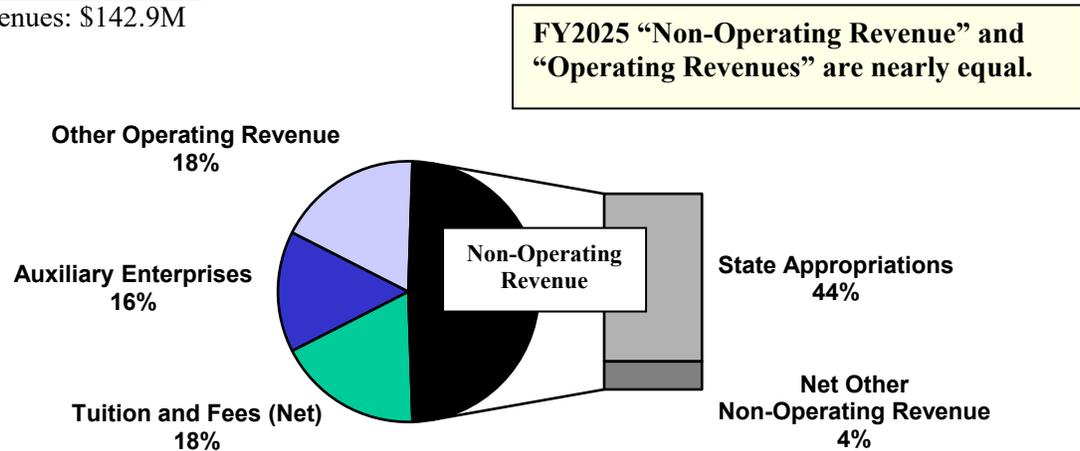


Revenues Illustration

The following is an illustration of revenues by source (both operating and non-operating), which were used to fund the University's activities for the year ended June 30, 2025.

Fiscal Year 2025 Revenues

Total Revenues: \$142.9M



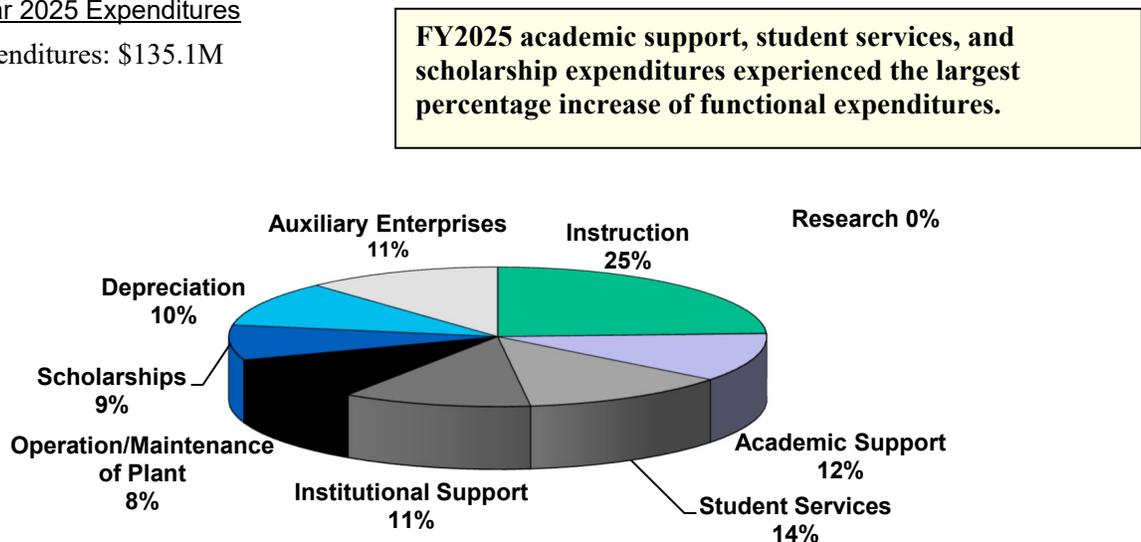
Fiscal Year 2025 Net State Appropriation support as a percent of total revenues (including fringe benefits support) was 44% while Tuition and Fees (Net) revenues represented 18% of total revenues and all Other Revenue represented 38% of total revenues.

Expenditures Illustration

A graphic of the University's functional expenditures for FY2025 is as follows:

Fiscal Year 2025 Expenditures

Total Expenditures: \$135.1M



Statement of Cash Flows

The Statement of Cash Flows provides information about the University's financial results, by reporting the major sources and uses of cash. A condensed summary of the statement of cash flows for Fiscal Years 2025, 2024 and 2023 is as follows:

Statement of Cash Flows

<i>(In Thousands)</i>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2023</u>
<i>Cash Flows from Operating Activities:</i>			
Cash Received from Operations	\$77,200	\$68,365	\$67,623
Cash Expended for Operations	(<u>\$109,052</u>)	(<u>\$105,669</u>)	(<u>\$100,619</u>)
Net Cash (Applied) to Operating Activities	<u>(\$31,852)</u>	<u>(\$37,304)</u>	<u>(\$32,996)</u>
<i>Cash Flows from Non-Capital Financing Activities:</i>			
State Appropriations	\$43,469	\$42,010	\$40,477
Tuition Remitted to the Commonwealth	(\$113)	(\$113)	(\$135)
Federal Grants and Payments Received	\$0	\$0	\$2,968
Gifts and Endowment	<u>\$401</u>	<u>\$659</u>	<u>\$654</u>
Net Cash Provided by Non-Capital Financing Activities	<u>\$43,757</u>	<u>\$42,556</u>	<u>\$43,964</u>
<i>Cash Flows from Capital & Related Financing Activities:</i>			
State Capital Appropriations	\$1,089	\$3,476	\$5,182
Perkins Loan Program Net Funds Received	(\$76)	(\$111)	(\$646)
Payments for Capital Assets	(<u>\$2,306</u>)	(<u>\$2,745</u>)	(<u>\$965</u>)
Other Income - MSCBA	\$2,485	\$1,466	\$3,915
Payments on Lease Liabilities	(<u>\$3,789</u>)	(<u>\$2,582</u>)	(<u>\$5,126</u>)
Principal payments on SBITA liabilities	(<u>\$1,112</u>)	(<u>\$594</u>)	(<u>\$1,252</u>)
Advance on Capital Improvements	\$0	\$1,200	\$1,700
Commission Advance from Tenant	\$0	\$0	\$0
Interagency Principal Payments	(<u>\$2,530</u>)	(<u>\$2,000</u>)	(<u>\$2,247</u>)
Interest Paid on Interagency Payables	(<u>\$7,133</u>)	(<u>\$7,931</u>)	(<u>\$7,540</u>)
Transfers of Funds To/From State Agencies	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Cash (Applied) to Capital and Related Activities	<u>(\$13,372)</u>	<u>(\$9,821)</u>	<u>(\$6,979)</u>
<i>Cash Flows from Investing Activities:</i>			
Purchase/Sale (Net) of Marketable Securities	(<u>\$1,030</u>)	(\$814)	(\$665)
Earnings on Investments	<u>\$2,230</u>	<u>\$2,495</u>	<u>\$1,981</u>
Net Cash Provided by Investing Activities	<u>\$1,200</u>	<u>\$1,681</u>	<u>\$1,316</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(\$268)</u>	<u>(\$2,888)</u>	<u>\$5,305</u>

Cash and cash equivalents at the beginning of Fiscal Year 2025 were \$37.9 million and at the end of the fiscal year were \$37.6 million; reflecting a $-\$0.3$ million, or -0.1% , decrease.

FACTORS THAT MAY AFFECT THE FUTURE

Framingham State University's current financial condition is strong. The institution has weathered the pandemic period and looks forward to a period of stabilization and incremental growth in enrollments (supported by FSU's 2023 Strategic Enrollment Plan), restored levels of residence halls occupancy rates aligned with design adjustments (along with future repositioning of selected housing stock), continued robust state funding support (bolstered by "Fair Share" funding), and implementation of a new Strategic Plan completed during the Fall of 2024.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Framingham State University's finances for all those with an interest in the University's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vice President for Finance, Technology, and Administration, Framingham State University, 100 State Street, P.O. Box 9101, Framingham, MA 01701-9101.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Statements of Net Position

June 30, 2025 and 2024

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Statements of Net Position

June 30,

Assets and Deferred Outflows of Resources

	<u>University</u>		<u>Component Unit Foundation</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current Assets:				
Cash and cash equivalents	\$ 26,374,052	\$ 30,541,783	\$ 297,264	\$ 134,955
Restricted cash and cash equivalents	2,835,801	2,023,066	-	-
Investments in marketable securities	33,718,700	29,906,231	15,888,098	11,433,503
Accounts receivable, net	4,022,597	4,772,996	-	-
Contributions receivable, net	-	-	1,129,282	337,667
Loans receivable - current portion	30,025	34,442	-	-
Prepaid expenses	<u>1,028,346</u>	<u>1,077,007</u>	<u>37,434</u>	<u>346,845</u>
Total Current Assets	<u>68,009,521</u>	<u>68,355,525</u>	<u>17,352,078</u>	<u>12,252,970</u>
Noncurrent Assets:				
Restricted cash and cash equivalents	8,377,154	5,290,256	-	-
Endowment investments	-	-	6,230,999	4,459,402
Investment in marketable securities	49,621,445	45,787,606	-	-
Contributions receivable, net	-	-	78,622	89,470
Loans receivable, net of current portion	75,657	123,730	-	-
Capital assets, net	<u>201,036,315</u>	<u>211,741,293</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>259,110,571</u>	<u>262,942,885</u>	<u>6,309,621</u>	<u>4,548,872</u>
Total Assets	<u>327,120,092</u>	<u>331,298,410</u>	<u>23,661,699</u>	<u>16,801,842</u>
Deferred Outflows of Resources:				
Deferred outflows for pensions	1,041,399	1,457,088	-	-
Deferred outflows for OPEB	550,608	848,517	-	-
Deferred outflow from SBITA modifications	<u>115,054</u>	<u>284,956</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,707,061</u>	<u>2,590,561</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 328,827,153</u>	<u>\$ 333,888,971</u>	<u>\$ 23,661,699</u>	<u>\$ 16,801,842</u>

See accompanying notes to the financial statements.

Liabilities, Deferred Inflows of Resources, and Net Position

	<u>University</u>		<u>Component Unit Foundation</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current Liabilities:				
Bonds payables - current portion	\$ 3,290,014	\$ 2,711,868	\$ -	\$ -
Accounts payable and accrued liabilities	2,579,141	2,200,565	65,755	10,933
Accrued workers' compensation - current portion	134,009	133,344	-	-
Compensated absences - current portion	4,877,227	4,812,943	-	-
Lease liability - current portion	3,670,946	3,786,833	-	-
SBITA liability - current portion	1,020,152	1,025,062	-	-
Accrued payroll	4,749,993	4,358,376	-	-
Revenue received in advance	4,515,693	2,460,300	-	-
Deposits	213,188	376,363	-	-
Other current liabilities	593,955	988,994	-	-
	<u>25,644,318</u>	<u>22,854,648</u>	<u>65,755</u>	<u>10,933</u>
Total Current Liabilities				
Noncurrent Liabilities:				
Bonds payable, net of current portion	18,391,910	21,681,924	-	-
Accrued workers' compensation, net of current portion	930,723	939,179	-	-
Compensated absences, net of current portion	2,523,337	2,386,319	-	-
Loan payable - federal financial assistance programs	221,126	297,301	-	-
Lease liability, net of current portion	102,569,909	106,187,335	-	-
SBITA liability, net of current portion	1,655,684	1,751,197	-	-
Net pension liability	5,243,175	6,257,241	-	-
Net OPEB liability	5,909,706	6,655,092	-	-
	<u>137,445,570</u>	<u>146,155,588</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities				
Total Liabilities	<u>163,089,888</u>	<u>169,010,236</u>	<u>65,755</u>	<u>10,933</u>
Deferred Inflows of Resources:				
Public-private partnerships	3,376,097	3,674,834	-	-
Deferred inflows for pensions	4,093,042	5,658,597	-	-
Deferred inflows for OPEB	10,035,631	14,837,088	-	-
Deferred inflows from net gain on bond refundings	141,210	149,557	-	-
Deferred inflows for leases	4,260,450	4,610,892	-	-
	<u>21,906,430</u>	<u>28,930,968</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources				
Net Position:				
Net investment in capital assets	67,286,018	71,256,505	-	-
Restricted for:				
Non-expendable:				
Scholarships and academic purposes	1,452,972	1,407,544	6,230,999	4,459,402
Expendable:				
Scholarships	1,632,650	1,446,933	8,294,256	4,166,048
Research	421,999	82,161	-	-
Unrestricted	73,037,196	61,754,624	9,070,689	8,165,459
	<u>143,830,835</u>	<u>135,947,767</u>	<u>23,595,944</u>	<u>16,790,909</u>
Total Net Position				
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 328,827,153</u>	<u>\$ 333,888,971</u>	<u>\$ 23,661,699</u>	<u>\$ 16,801,842</u>

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Statements of Revenues and Expenses

For the Years Ended June 30,

	<u>University</u>		<u>Component Unit Foundation</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating Revenues:				
Student tuition and fees	\$ 36,419,702	\$ 33,552,305	\$ -	\$ -
Less: Scholarship allowances	<u>(10,341,447)</u>	<u>(8,977,886)</u>	<u>-</u>	<u>-</u>
Net Student Tuition and Fees	26,078,255	24,574,419	-	-
Federal grants and contracts	11,016,513	8,306,100	-	-
State and local grants and contracts	11,106,663	10,904,615	-	-
Private grants	1,900,108	2,777,244	-	-
Sales and services of educational departments	1,141,906	979,996	-	-
Gifts and contributions	-	-	329,235	394,465
Auxiliary enterprises:				
Residential life	14,276,054	13,157,345	-	-
Other auxiliary	8,483,164	8,050,747	-	-
Other operating revenues	<u>1,146,484</u>	<u>1,136,507</u>	<u>182</u>	<u>2,488</u>
Total Operating Revenues	<u>75,149,147</u>	<u>69,886,973</u>	<u>329,417</u>	<u>396,953</u>
Operating Expenses:				
Educational and general:				
Instruction	33,401,660	31,990,551	-	-
Research	24,951	88,766	-	-
Academic support	16,418,345	14,830,795	-	-
Student services	17,948,128	16,467,604	-	-
Institutional support	14,661,295	14,992,084	378,793	311,072
Operations and maintenance of plant	11,365,533	13,434,808	-	-
Depreciation	14,078,040	13,911,966	-	-
Scholarships	12,525,384	10,749,467	1,278,607	1,495,266
Auxiliary enterprises:				
Residential life	6,000,230	5,164,970	-	-
Other auxiliary	<u>8,670,810</u>	<u>8,919,810</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>135,094,376</u>	<u>130,550,821</u>	<u>1,657,400</u>	<u>1,806,338</u>
Operating Loss	<u>\$ (59,945,229)</u>	<u>\$ (60,663,848)</u>	<u>\$ (1,327,983)</u>	<u>\$ (1,409,385)</u>

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Statements of Revenues and Expenses - Continued

For the Years Ended June 30,

	<u>University</u>		<u>Component Unit Foundation</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Non-operating Revenues (Expenses):				
State appropriations, net	\$ 61,765,910	\$ 59,394,011	-	-
Gifts	355,684	658,951	-	-
Investment income, net of investment expense	8,845,538	10,885,994	1,512,737	1,530,107
Interest expense	(6,762,283)	(7,147,243)	-	-
Other non-operating revenue	<u>2,484,681</u>	<u>1,466,017</u>	<u>-</u>	<u>-</u>
Net Non-operating Revenues before Capital and Endowment Additions	<u>66,689,530</u>	<u>65,257,730</u>	<u>1,512,737</u>	<u>1,530,107</u>
Increase in Net Position before Capital and Endowment Additions	<u>6,744,301</u>	<u>4,593,882</u>	<u>184,754</u>	<u>120,722</u>
State capital appropriations	1,088,767	3,475,970	-	-
Capital grants	50,000	390,000	-	-
Private gifts for endowment purposes	<u>-</u>	<u>-</u>	<u>6,620,281</u>	<u>1,280,045</u>
Total Capital and Endowment Additions	<u>1,138,767</u>	<u>3,865,970</u>	<u>6,620,281</u>	<u>1,280,045</u>
Change in Net Position	<u>\$ 7,883,068</u>	<u>\$ 8,459,852</u>	<u>\$ 6,805,035</u>	<u>\$ 1,400,767</u>

See accompanying notes to the financial statements.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Statements of Changes in Net Position

For the Years Ended June 30, 2025 and 2024

	<u>University</u>				
	<u>Net Investment in Capital Assets</u>	<u>Restricted Expendable</u>	<u>Restricted Non-expendable</u>	<u>Unrestricted Net Position</u>	<u>Total</u>
Balance at June 30, 2023	\$ 76,651,373	\$ 3,471,071	\$ 1,365,514	\$ 45,999,957	\$ 127,487,915
Changes in net position	<u>(5,394,868)</u>	<u>(1,941,977)</u>	<u>42,030</u>	<u>15,754,667</u>	<u>8,459,852</u>
Balance at June 30, 2024	<u>\$ 71,256,505</u>	<u>\$ 1,529,094</u>	<u>\$ 1,407,544</u>	<u>\$ 61,754,624</u>	<u>\$ 135,947,767</u>
Changes in net position	<u>(3,970,487)</u>	<u>525,555</u>	<u>45,428</u>	<u>11,282,572</u>	<u>7,883,068</u>
Balance at June 30, 2025	<u>\$ 67,286,018</u>	<u>\$ 2,054,649</u>	<u>\$ 1,452,972</u>	<u>\$ 73,037,196</u>	<u>\$ 143,830,835</u>
	<u>Foundation</u>				
	<u>Net Investment in Capital Assets</u>	<u>Restricted Expendable</u>	<u>Restricted Non-expendable</u>	<u>Unrestricted Net Position</u>	<u>Total</u>
Balance at June 30, 2023	\$ -	\$ 3,860,581	\$ 4,143,338	\$ 7,386,223	\$ 15,390,142
Changes in net position	<u>-</u>	<u>305,467</u>	<u>316,064</u>	<u>779,236</u>	<u>1,400,767</u>
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 4,166,048</u>	<u>\$ 4,459,402</u>	<u>\$ 8,165,459</u>	<u>\$ 16,790,909</u>
Changes in net position	<u>-</u>	<u>4,128,208</u>	<u>1,771,597</u>	<u>905,230</u>	<u>6,805,035</u>
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 8,294,256</u>	<u>\$ 6,230,999</u>	<u>\$ 9,070,689</u>	<u>\$ 23,595,944</u>

See accompanying notes to the financial statements.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Statements of Cash Flows

For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Tuition and fees	\$ 28,370,422	\$ 23,261,559
Research grants and contracts	22,123,176	19,210,715
Private grants	1,900,108	2,777,244
Payments to suppliers	(28,757,428)	(30,650,816)
Payments to utilities	(4,623,026)	(4,844,200)
Payments to employees	(60,753,239)	(57,290,353)
Payments for benefits	(2,392,789)	(2,133,710)
Payments to students	(12,525,384)	(10,749,467)
Collection of loans to students	52,490	84,608
Auxiliary enterprise receipts - residential life	14,276,054	13,157,345
Auxiliary enterprise receipts - other	8,189,427	7,757,007
Receipts from sales and services of educational departments	1,141,906	979,996
Other receipts	<u>1,146,484</u>	<u>1,136,507</u>
Net Cash Applied to Operating Activities	<u>(31,851,799)</u>	<u>(37,303,565)</u>
Cash Flows from Noncapital Financing Activities:		
State appropriations	43,468,917	42,009,826
Tuition remitted to the Commonwealth of Massachusetts	(112,567)	(112,880)
Gifts from grants for other than capital purposes	<u>400,683</u>	<u>658,951</u>
Net Cash Provided by Noncapital Financing Activities	<u>43,757,033</u>	<u>42,555,897</u>
Cash Flows from Capital and Related Financing Activities:		
State capital appropriations	1,088,767	3,475,970
Other income - MSCBA	2,484,681	1,466,017
Principal payments on lease liabilities	(3,788,505)	(2,582,353)
Principal payments on SBITA liabilities	(1,112,169)	(593,661)
Payments for capital assets	(2,306,124)	(2,744,800)
Advance on capital improvements from public-private partnership operator	-	1,200,000
Bond principal payments	(2,529,873)	(2,000,049)
Interest paid on debt	<u>(7,133,164)</u>	<u>(7,931,364)</u>
Net Cash Applied to Capital and Related Financing Activities	<u>(13,296,387)</u>	<u>(9,710,240)</u>
Cash Flows from Investing Activities:		
Perkins Loan Program funds returned to the federal government	(76,175)	(110,463)
Proceeds from sale of marketable securities	13,774,630	12,877,911
Purchase of marketable securities	(14,805,323)	(13,692,229)
Earnings on investments	<u>2,229,923</u>	<u>2,494,766</u>
Net Cash Provided by Investing Activities	<u>1,123,055</u>	<u>1,569,985</u>
Net Decrease in Cash and Cash Equivalents	(268,098)	(2,887,923)
Cash and Cash Equivalents, Beginning of Year	<u>37,855,105</u>	<u>40,743,028</u>
Cash and Cash Equivalents, End of Year	<u>\$ 37,587,007</u>	<u>\$ 37,855,105</u>

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Statements of Cash Flows - Continued

For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Loss to Net Cash Applied to Operating Activities:		
Operating loss	\$ (59,945,229)	\$ (60,663,848)
Adjustments to reconcile operating loss to net cash applied to operating activities:		
Depreciation	14,078,040	13,911,966
Amortization of deferred inflows of resources	(293,737)	(293,737)
Bad debt expense	350,450	336,260
Fringe benefits paid by the Commonwealth of Massachusetts	18,409,560	17,497,065
Change in net pension liability and deferred inflows and outflows for pensions	(2,163,932)	(2,105,342)
Change in net OPEB liability and deferred inflows and outflows for OPEB	(5,248,934)	(4,841,605)
Changes in assets and liabilities:		
Accounts receivable, net	399,949	(1,076,434)
Loans to students	52,490	84,608
Other current assets	48,661	(141,215)
Accounts payable and accrued liabilities	378,576	(1,720,907)
Accrued workers' compensation	(7,791)	381
Compensated absences	201,302	833,165
Accrued payroll	391,617	483,744
Revenue received in advance	2,055,393	(466,946)
Deposits	(163,175)	230,520
Other current liabilities	(395,039)	628,760
Net Cash Applied to Operating Activities	<u>\$ (31,851,799)</u>	<u>\$ (37,303,565)</u>
Reconciliation of Cash and Equivalent Balances:		
Current assets:		
Cash and equivalents	\$ 26,374,052	\$ 30,541,783
Restricted cash and cash equivalents	2,835,801	2,023,066
Noncurrent assets:		
Restricted cash and cash equivalents	<u>8,377,154</u>	<u>5,290,256</u>
Total Cash and Equivalents	<u>\$ 37,587,007</u>	<u>\$ 37,855,105</u>
Schedule of Noncash Investing, Capital and Financing Activities:		
Unrealized Gain on Marketable Securities	<u>\$ 4,458,682</u>	<u>\$ 8,001,361</u>
Fringe Benefits paid by the Commonwealth of Massachusetts	<u>\$ 18,409,560</u>	<u>\$ 17,497,065</u>
Change in bonds payable due to 2024A bond refunding	<u>\$ -</u>	<u>\$ 415,805</u>
Deferred inflow from gain on bond refunding related to bonds payable	<u>\$ -</u>	<u>\$ 424,956</u>
Amortization of deferred inflow from gain on bond refunding related to bonds payable	<u>\$ (8,348)</u>	<u>\$ (8,348)</u>
Deferred inflow from gain on bond refunding related to lease modifications	<u>\$ -</u>	<u>\$ (3,560,943)</u>
Increase (decrease) in leased equipment assets	<u>\$ (55,192)</u>	<u>\$ (215,363)</u>
Increase (decrease) in SBITA assets	<u>\$ (1,011,746)</u>	<u>\$ (472,501)</u>
Change in deferred outflow from SBITA modifications	<u>\$ -</u>	<u>\$ (118,797)</u>
Noncash change in lease liability	<u>\$ -</u>	<u>\$ -</u>
Capital Grants - Amortization of Deferred Inflows of Resources - Public-Private Partnerships	<u>\$ 50,000</u>	<u>\$ 390,000</u>
Amortization on bond premiums	<u>\$ 181,995</u>	<u>\$ 175,056</u>

See accompanying notes to the financial statements.

FRAMINGHAM STATE UNIVERSITY

(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies**

Organization

Framingham State University (the "University") is a public, state-supported, comprehensive four-year university which offers a quality education leading to baccalaureate and master's degrees in many disciplines. With its campus located in Framingham, Massachusetts, the University provides instruction in a variety of liberal arts, allied health, and business fields of study. The University also offers, through the Division of Continuing Education, credit and non-credit courses. The University is accredited by the New England Commission of Higher Education.

The University is an agency of the Commonwealth of Massachusetts (the "State" or the "Commonwealth"). The accompanying financial statements reflect only the transactions of the University and its discretely presented component unit. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed if the University had been operated independently of the State.

Framingham State University Foundation, Inc. (the "FSU Foundation") is a component unit of Framingham State University. The FSU Foundation is a legally separate tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. It was organized on November 10, 1981, exclusively for the benefit of Framingham State University, to receive and maintain funds to be used for the development, promotion, and best interests of the University and its students. The Board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the FSU Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the FSU Foundation can only be used by, or for the benefit of, the University, the FSU Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Organization - continued

Framingham State University Foundation Supporting Organization, Inc. (the "Foundation Supporting Organization") was organized on October 22, 2012 for the exclusive benefit of the Foundation and all of its educational and charitable activities. The Foundation Supporting Organization is a legally separate, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2025, the Foundation Supporting Organization has not had any activity. The financial information of the Foundation Supporting Organization is consolidated into the financial statements of the Foundation. The Foundation and Foundation Supporting Organization are collectively referred to hereinafter as the "FSU Foundation".

During the year ended June 30, 2025, the FSU Foundation distributed scholarships in the amount of \$1,278,607 directly to students of the University and incurred an additional \$378,793 in support of its mission in other ways. During the year ended June 30, 2024, the FSU Foundation distributed scholarships, through the University's Financial Aid Office, in the amount of \$1,495,266 directly to students of the University and incurred an additional \$311,072 in support of its mission in other ways. Complete financial statements for the FSU Foundation can be obtained from the office of the Vice President for Finance, Technology, and Administration/Chief Financial Officer, Framingham State University, 100 State Street, P.O. Box 9101, Framingham, MA 01701-9101.

Basis of Presentation

The University's financial statements have been prepared using the "economic resources measurement focus" and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board ("GASB"). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

FSU Foundation, as a not-for-profit organization, reports under Financial Accounting Standards Board ("FASB") guidance on financial reporting for Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Other than the reclassification of certain items, no modifications have been made to FSU Foundation's financial information in the University's financial reporting entity for these differences.

The University's policy for defining operating activities in the statements of revenues and expenses, and changes in net position are those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as non-operating activities in accordance with GASB Statement No. 35. These non-operating activities include the University's operating and capital appropriations from the Commonwealth of Massachusetts, net investment income, gifts, and interest expense.

When both restricted and unrestricted resources are available for use, it is the University's policy to use the restricted resources first, then unrestricted resources as they are needed.

GASB Statement No. 34 requires that resources be classified for accounting purposes into the following three net position categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.
- Restricted:
 - Nonexpendable - Component of net position whose net assets are subject to externally imposed stipulations or by law that they be maintained permanently by the University. Such assets include the University's permanent endowment funds.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Basis of Presentation - Continued

Expendable - Component of net position whose use of net assets by the University is subject to externally imposed stipulations or by law that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

- Unrestricted: All other categories of net position. Unrestricted net position may be designated for specific purposes by action of management or the University's Board of Trustees (the "Board of Trustees").

In accordance with the requirements of the Commonwealth of Massachusetts, the University's operations are accounted for in several trust funds. All of these trust funds have been consolidated and are included in these financial statements.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

The University's significant estimates include the accrual for employee compensated absences, the accrual for workers' compensation liability, net pension and OPEB liabilities, the allowance for doubtful accounts, lease and SBITA incremental borrowing rate, and the useful lives of capital assets.

Cash and Equivalents and Investments

The University's cash and equivalents are considered to be cash on hand, cash and equivalents held by the Commonwealth's Treasurer and Receiver-General, Massachusetts Development Finance Agency ("MDFFA"), Massachusetts State College Building Authority ("MSCBA") and Division of Capital Asset Management and Maintenance ("DCAMM"), and short-term investments with original maturities of three months or less from the date of acquisition.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Cash and Equivalents and Investments - Continued

Investments for the University are reported at fair value. Any investments held with the Commonwealth's Treasurer and Receiver-General in the Massachusetts Municipal Depository Trust ("MMDT") are also reported at fair value. This external investment pool, run by the Commonwealth's Treasurer and Receiver-General, operates in accordance with appropriate laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Investments include cash balances as well as marketable debt and equity securities, which are carried at their readily determinable fair values. Investments also include pooled investment funds with Commonfund (a non-profit asset management firm) which are valued at fair value based upon estimated net asset values provided by the management of Commonfund. These pooled investment funds are invested in marketable debt and equity securities. Realized and unrealized gains and losses are included in non-operating revenues. Gains and losses on the disposition of investments are determined based on specific identification of securities sold or the average cost method. Investment income is recognized when earned and is generally credited to the trust fund holding the related assets.

Dividends, interest and net gains or losses on investments are reported in the statements of revenues and expenses, and changes in net position. Any net earnings not expended are included in net position categories as follows:

- (i) as increases in restricted - nonexpendable net position if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- (ii) as increases in restricted - expendable net position if the terms of the gift or the University's interpretation of relevant state law impose restrictions on the current use of the income or net gains. The University has relied upon the Attorney General's interpretation of state law that unappropriated endowment gains should be classified as restricted - expendable; and
- (iii) as increases in unrestricted net position in all other cases.

At June 30, 2025 and 2024, the University had \$108,479 and \$94,205, respectively, in endowment income available by authorization for expenditure, which is included in restricted-expendable net position for scholarships and fellowships.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Cash and Equivalents and Investments - Continued

Massachusetts General Law, Chapter 15 grants authority to the University's Board of Trustees to administer the general business of the University. Inherent in this authority is the authority to invest funds of the University. Chapter 15 further grants the Board of Trustees the authority to delegate, to the president, any said powers or responsibilities. The Board of Trustees of Framingham State University has delegated the authority to make specific investment decisions to the Finance Committee of the Board of Trustees. Endowment funds are in cash and equivalents as well as fixed income, equity, and alternative investments. The primary cash equivalents are within the MMDT, the external investment pool for political subdivisions of the Commonwealth.

The University's authorized spending rule provides that all earnings on endowment investments may be expended pursuant to the stipulations placed on those endowments. If a donor has not provided specific instructions, Massachusetts General Law permits the University's Board of Trustees to authorize for expense the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

FSU Foundation's investments include marketable debt and equity securities which are carried at their readily determinable market values and are invested with fund managers selected by the Foundation board. Realized and unrealized gains and losses are included in revenue. Investment income and gains are reported as increases in net assets without donor restriction unless a donor or law restricts their use. Gains and losses on the disposition of investments are determined based on specific identification of securities sold or the average cost method.

FSU Foundation maintains cash and an investment pool that is available for use by all funds held by the Foundation. Each fund's portion is reflected in the financial statements under cash and cash equivalents and investments. Earnings on cash and investments of net assets without donor restriction net position are reflected in the fund in which the assets are recorded.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Accounts Receivable

Accounts receivable are stated at the amount the University expects to collect from outstanding balances. The University provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the University has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Loans receivable consist, primarily, of the Federal Perkins Loan Program ("Perkins"). The Federal Government provides the majority of the funds to support this program. Loan payments received from students made under the Perkins program provided by the Federal Government are refundable to the Federal Government upon the ending (liquidation) of the University's participation in the program. The amount due to the Federal Government upon liquidation is included as a noncurrent liability in the accompanying financial statements.

The prescribed practices for the Perkins program do not provide for accrual of interest on student loans receivable or for the provision of an allowance for doubtful loans. Accordingly, interest on loans is recorded as received and loan balances are reduced subsequent to the determination of their uncollectability and have been accepted (assigned) by the U.S. Department of Education ("DOE"). Management closely monitors outstanding balances and assigns loans to the DOE based upon such factors as student payment history, current status of applicable students, and the results of collection efforts.

Capital Assets

Capital assets are controlled but not owned by the University. The University is not able to sell or otherwise pledge its assets, since the assets are all owned by the Commonwealth of Massachusetts. Capital assets, which include land, land improvements, buildings, building improvements, equipment and other assets are reported in the statements of net position at cost, or fair market value, if donated. Capital assets are defined by the University as assets with an initial, individual cost of more than \$50,000 in accordance with the Commonwealth's capitalization policy. The University does not hold collections of historical treasures, works of art, or other items not requiring capitalization or depreciation.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Capital Assets - Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets, with the exception of land, are depreciated using the straight-line method over estimated useful lives of 40 years for buildings, 20 years for building and land improvements, 5 years for furniture, and 3 to 10 years for equipment. Leased and subscription-based information technology arrangement assets are amortized over the shorter of the lease/subscription term or useful life of the underlying asset.

The land on which the residence halls stand is leased by the MSCBA from the Commonwealth at a yearly cost of one dollar.

The University, in accordance with a management and services agreement between the MSCBA and the Commonwealth of Massachusetts, is charged a semi-annual revenue assessment which is based on a certified occupancy report, the current rent schedule, and the design capacity for each of the residence halls. This revenue assessment is used by the MSCBA to pay principal and interest due on its long-term debt obligations.

The University enters into various contract commitments with contractors, from time to time, for improvements to its facilities. There were no outstanding contract commitments as of June 30, 2025.

In accordance with generally accepted accounting principles, the FSU Foundation has elected to not record its art collection as an asset on the statements of net position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired, or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. Donations and acquisitions of collections are not required to be recognized since they are added to collections that are held for public exhibition and education in furtherance of public service rather than financial gain; are protected, kept encumbered, cared for and preserved; and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collection.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Compensated Absences

Employees earn the right to be compensated during absences for vacation leave and sick leave. Accrued vacation is the amount earned by all eligible employees through June 30, each year. Pursuant to statewide experience on sick pay buy-back agreements applicable to state employees, the University accrues sick leave to a level representing 20% of amounts earned by those University employees with 10 or more years of State service at the end of the fiscal year. Upon retirement, these employees are entitled to receive payment for this accrued balance.

Student Fees

Student tuition and fees are presented net of scholarships applied to students' accounts. Certain other scholarship amounts, such as housing aid awards, are paid directly to, or refunded to, the student and are generally reflected as expenses.

Scholarship allowances consist of various forms of student financial assistance, which do not require repayment. Federal scholarships include Federal Supplemental Educational Opportunity Grants, Federal Pell Grants, and Teacher Education Assistance for College and Higher Education Grants ("TEACH Grants"). University scholarships include a wide variety of University and University department-funded scholarship programs.

Scholarship allowances and expenses for the years ended June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Federal scholarships	\$ 7,507,513	\$ 5,926,684
State scholarships	8,773,306	5,459,373
Private scholarships	1,197,388	4,648,242
University scholarships	4,940,121	3,250,997
University scholarships (residential life)	418,779	404,487
University Endowment scholarships	<u>29,724</u>	<u>37,570</u>
 Total	 <u>\$ 22,866,831</u>	 <u>\$ 19,727,353</u>

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Revenues Received in Advance

Deposits and advance payments received for tuition and fees related to the University's summer programs, and tuition billed for the following fiscal year, are recorded as revenues received in advance. Funds received in advance from various grants and contracts are also included in revenues received in advance.

Bond Premiums

Bond premiums are being amortized on a straight-line basis over the terms of the related debt agreements.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employees' Retirement System ("MSERS"), and additions to/deductions from MSERS's fiduciary net position have been determined on the same basis as they are reported by MSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB Plan

For purposes of measuring the net post-employment benefits other than pensions ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trust Fund and additions to/deductions from the OPEB Trust Fund's fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust Fund. Investments are reported at fair value.

Fringe Benefits

The University participates in the Commonwealth's fringe benefit programs, including health insurance, unemployment, pension, and workers' compensation benefits. Workers' compensation coverage is provided by the Commonwealth on a self-insured basis. Health insurance and pension costs are billed through a fringe benefit rate charged to the University. Workers' compensation and unemployment insurance costs are assessed separately based on the University's actual experience.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 1 - **Summary of Significant Accounting Policies - Continued**

Income Tax Status

The University is an agency of the Commonwealth of Massachusetts and is, therefore, exempt from Federal and State income taxes.

Implementation of Newly Effective Accounting Standard

As of July 1, 2023, the University implemented GASB Statement 101 – *Compensated Absences*. The objective of this statement is to update the recognition and measurement for compensated absences. The adoption of this statement did not have a material impact to the financial statements.

As of July 1, 2023, the University implemented GASB Statement 102 – *Certain Risk Disclosures*. The objective of this statement is to update the required disclosures for risks that could negatively impact state and local governments. The adoption of this statement did not have a material impact to the financial statements.

Future Governmental Accounting Pronouncements

GASB Statement 103 – *Financial Reporting Model Improvements* is effective for reporting periods beginning after June 15, 2025. The objective of this statement is to improve the financial reporting model to enhance decision making by the organization and assessing a government’s accountability.

GASB Statement 104 – *Disclosure of Certain Capital Assets* is effective for fiscal years beginning after June 15, 2025. The objective of this statement is to provide users of governmental financial statements with essential information about certain types of capital assets.

Management has not completed its review of the requirements of these standards and their applicability.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 presentation. These reclassifications were not material to the financial statements as a whole.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments**

Cash and equivalents - unrestricted and restricted - include the following at June 30, 2025 and 2024:

	2025		
	<u>Current Unrestricted</u>	<u>Current Restricted</u>	<u>Noncurrent Restricted</u>
Cash and money market accounts*	\$ 24,121,182	\$ 2,835,801	\$ 4,283,131
Massachusetts State Treasurer**	2,252,862	-	2,959,100
Cash and equivalents held by MSCBA***	-	-	1,134,923
Total	<u>\$ 26,374,044</u>	<u>\$ 2,835,801</u>	<u>\$ 8,377,154</u>
	2024		
	<u>Current Unrestricted</u>	<u>Current Restricted</u>	<u>Noncurrent Restricted</u>
Cash and money market accounts*	\$ 28,445,565	\$ 2,023,066	\$ 2,824,921
Massachusetts State Treasurer**	2,096,218	-	1,330,412
Cash and equivalents held by MSCBA***	-	-	1,134,923
Total	<u>\$ 30,541,783</u>	<u>\$ 2,023,066</u>	<u>\$ 5,290,256</u>

* This amount includes cash and equivalents held at Massachusetts Municipal Deposit Trust (“MMDT”) in the amounts of \$22,947,025 and \$24,779,952 at June 30, 2025 and 2024, respectively.

** This amount is held for the benefit of the University by the Massachusetts State Treasurer in the amounts of \$5,211,963 and \$3,426,630 at June 30, 2025 and 2024, respectively, for University funds.

*** This amount consists of cash and equivalents which are restricted by the Massachusetts State College Building Authority (“MSCBA”) for the funding of certain construction projects at the University and payments to retire bonds (see Note 10). The University does not have access to these funds except by the authorization of MSCBA. Interest earned on debt service reserve funds is used on a current basis to offset annual debt service payments.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Investments held with the Commonwealth's State Treasurer and Receiver-General in the Massachusetts Municipal Depository Trust ("MMDT") are reported at amortized cost. The MMDT is an investment pool for political subdivisions in the Commonwealth that was designed as a legal means to safely invest temporarily available cash. Its primary purpose is to provide a safe, liquid, high-yield investment vehicle offering participation in a diversified portfolio of high-quality money market instruments. The MMDT, an instrumentality of the State Treasurer, is not a bank, savings institution, or financial institution, and is not subject to FDIC insurance. MMDT operates as a qualifying external investment pool and is valued by MMDT's management on an amortized cost where the net asset value is \$1 per share.

The University maintains a cash and investment pool that is available for use by all trust funds. Each fund type's portion of this pool is reflected in the financial statements under the caption, cash and cash equivalents and investments. The method of allocating interest earned on pooled cash and investments is to record all interest to the appropriate fund based on that fund's average monthly balance in proportion to the aggregate average monthly balance held by the institution. Interest earnings attributable to each trust fund are included under investment income.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University's deposit policy provides for bank balances to be held in interest-bearing checking accounts and, where account activity and balances warrant it, in money market accounts. All bank balances are to be held at financial institutions of high credit quality. The University currently utilizes Bank of America for banking services. The cash balances at each banking institution are insured by the FDIC up to \$250,000. At June 30, 2025 and 2024, the University had uninsured bank balances totaling approximately \$8,683,000 and \$10,242,000, respectively. As of June 30, 2025 and 2024, the University's uninsured bank balances are fully collateralized under an agreement with Bank of America.

The University does not have a formal policy with respect to custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Custodial Credit Risk - continued

FSU Foundation's cash balances are insured by the FDIC up to \$250,000. At June 30, 2025 and 2024, the FSU Foundation did not have any uninsured cash and equivalent balances.

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The following University investments are held by the counterparty's trust department or agent but not in the University's name and, therefore, are subject to custodial credit risk as follows:

	<u>2025</u>	<u>2024</u>
U.S. Treasury notes and government securities	\$ 6,479,247	\$ 6,668,537
Corporate debt securities	4,153,744	3,850,959
Equity securities	25,018,565	22,458,824
Money market funds	988,497	854,610
Mutual funds	17,513,240	16,208,397
Commonfund (pooled investment funds)	<u>29,186,852</u>	<u>25,652,510</u>
	83,340,145	75,693,837
Less: insured amounts	<u>500,000</u>	<u>500,000</u>
Total Subject to Custodial Credit Risk	<u>\$ 82,840,145</u>	<u>\$ 75,193,837</u>

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk

The University is required to comply with the Commonwealth of Massachusetts' deposit and investment policies which are principally defined in the Massachusetts General Laws, Chapter 29. State statutes permit investment in obligations of the U.S. Treasury, authorized bonds of all states, bankers' acceptances, certificates of deposit, commercial paper rated within the three highest classifications established by Standard & Poor's Corporation and Moody's Commercial Paper Record, and repurchase agreements secured by any of these obligations. The University has also adopted its own formal investment policy, the objectives of which are: safety of principal; liquidity for operating needs; return on investment; and diversification of risk. The University's investment policy generally limits the maturities of investments to not more than one year. However, the University may invest in securities with maturities in excess of one year if it is determined to be in the best interest of the University as described in the University's investment policy. The University may also appoint a professional fund manager and invest in equity and bond funds. Eligible investments shall be consistent with those permitted by State statutes.

As of June 30, 2025 and 2024, the fair values of the University's deposits held at the MMDT were \$22,947,025 and \$24,779,952, respectively. At June 30, 2025, the approximate percentage of the University's deposits held at the MMDT and the respective investment maturities in days were as follows: 59% at 30 days or less; 20% at 31-90 days; 14% at 91-180 days; and 7% at 181 days or more. At June 30, 2025 and 2024, 100% of the MMDT's cash portfolio had a First-Tier credit quality rating.

The University's funds held at MSCBA are invested in various cash accounts which are fully collateralized by securities in the name of MSCBA and various marketable securities. The University's MSCBA funds held were \$1,134,923 at both June 30, 2025 and 2024.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk - continued

The University's investments in marketable securities are represented by the following at June 30, 2025 and 2024:

	2025		2024	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury notes and government securities	\$ 6,793,434	\$ 6,479,247	\$ 7,139,626	\$ 6,668,537
Corporate debt securities	4,195,704	4,153,744	4,038,447	3,850,959
Equity securities	15,947,025	25,018,565	12,834,471	22,458,824
Money market funds	904,987	988,497	854,610	854,610
Mutual funds	15,068,269	17,513,240	14,393,923	16,208,397
Commonfund (pooled investment funds):				
Multi-Strategy Bond Fund	1,093,575	1,223,442	1,095,359	1,154,248
Intermediate Term Fund	2,127,824	2,263,939	2,131,126	2,133,948
Equity Index Fund	5,738,444	25,699,471	5,747,935	22,364,314
Total	\$ 51,869,262	\$ 83,340,145	\$ 48,235,497	\$ 75,693,837

The University's investment balances as of June 30, 2025 and 2024 include \$49,621,445 and \$45,787,606, respectively, which represent unrestricted net position designated by the Board of Trustees in fiscal year 2006 (see Note 14). These amounts consist of an original designated investment of \$13,500,000 plus accumulated investment income earned thereon. No additional investments were designated in fiscal years 2025 and 2024.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - Cash and Equivalents, and Investments - Continued

Credit Risk - continued

At June 30, 2025, the University's U.S. Treasury Notes and Government Securities and corporate debt securities along with their investment maturities and credit quality ratings are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	Greater than 10	
U.S. Treasury Notes and Government Securities	\$ 6,479,247	\$ 175,324	\$ 1,047,099	\$ 3,238,192	\$ 2,018,632	
Corporate Debt Securities	4,153,744	534,909	2,212,831	1,171,218	234,786	
Total	\$ 10,632,991	\$ 710,233	\$ 3,259,930	\$ 4,409,410	\$ 2,253,418	

Investment Type	Fair Value	Credit Rating											
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	NR
U.S. Treasury Notes and Government Securities	\$ 6,479,247	\$ -	\$ 6,479,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Debt Securities	4,153,744	-	214,142	69,849	212,766	966,145	583,102	629,982	1,144,351	333,407	-	-	-
Total	\$ 10,632,991	\$ -	\$ 6,693,389	\$ 69,849	\$ 212,766	\$ 966,145	\$ 583,102	\$ 629,982	\$ 1,144,351	\$ 333,407	\$ -	\$ -	\$ -

At June 30, 2024, the University's U.S. Treasury Notes and Government Securities and corporate debt securities along with their investment maturities and credit quality ratings are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	Greater than 10	
U.S. Treasury Notes and Government Securities	\$ 6,668,537	\$ 385,005	\$ 779,023	\$ 4,241,331	\$ 1,263,178	
Corporate Debt Securities	3,850,959	744,777	1,708,814	1,397,368	-	
Total	\$ 10,519,496	\$ 1,129,782	\$ 2,487,837	\$ 5,638,699	\$ 1,263,178	

Investment Type	Fair Value	Credit Rating											
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	NR
U.S. Treasury Notes and Government Securities	\$ 6,668,537	\$ -	\$ 6,668,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Debt Securities	3,850,959	-	199,432	32,759	150,684	604,229	593,776	572,054	1,296,282	378,952	22,791	-	-
Total	\$ 10,519,496	\$ -	\$ 6,867,969	\$ 32,759	\$ 150,684	\$ 604,229	\$ 593,776	\$ 572,054	\$ 1,296,282	\$ 378,952	\$ 22,791	\$ -	\$ -

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk - continued

FSU Foundation's investment policy is to hold its investments to obtain a ratio of approximately 50-80% equity securities, 20-60% fixed-income securities, and 0% to 20% cash and cash equivalents based on market value. The FSU Foundation strives to make appropriations annually out of the various funds to the University in the form of scholarships and work studies at a 5% spending rate based upon the previous year's net asset balances that have funds available for expenditure.

FSU Foundation's investments are included at their fair values and consist of the following at June 30, 2025 and 2024:

	2025		2024	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Notes and Government Securities	\$ 1,802,347	\$ 1,707,667	\$ 2,071,193	\$ 1,911,726
Corporate debt securities	751,948	736,032	720,272	676,238
Equity securities	6,816,810	11,309,747	3,521,083	6,372,979
Money market funds	587,387	587,386	245,776	245,776
Mutual funds	<u>10,401,198</u>	<u>7,778,265</u>	<u>5,652,926</u>	<u>6,686,186</u>
Total	<u>\$ 20,359,690</u>	<u>\$ 22,119,097</u>	<u>\$ 12,211,250</u>	<u>\$ 15,892,905</u>

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk - continued

FSU Foundation's investments at fair value are presented in the accompanying statements of net position as follows:

	<u>2025</u>	<u>2024</u>
Current Assets:		
Investments	\$ 15,888,098	\$ 11,433,503
Noncurrent Assets:		
Endowment investments	<u>6,230,999</u>	<u>4,459,402</u>
Total	<u>\$ 22,119,097</u>	<u>\$ 15,892,905</u>

At June 30, 2025, the fair value of FSU Foundation's investments in debt securities by contractual maturities is as follows:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>					<u>Credit Rating</u>
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>	
U.S. Treasury Notes and Government Securities	\$ 1,707,667	\$ -	\$244,028	\$880,282	\$583,357	AAA
Corporate Debt Securities	<u>736,032</u>	<u>99,269</u>	<u>376,965</u>	<u>259,798</u>	<u>-</u>	Varies
Total	<u>\$ 2,443,699</u>	<u>\$ 99,269</u>	<u>\$ 620,993</u>	<u>\$ 1,140,080</u>	<u>\$ 583,357</u>	

At June 30, 2024, the fair value of FSU Foundation's investments in debt securities by contractual maturities is as follows:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>					<u>Credit Rating</u>
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>	
U.S. Treasury Notes and Government Securities	\$ 1,911,726	\$ -	\$ 340,795	\$1,188,919	\$382,012	AAA
Corporate Debt Securities	<u>676,238</u>	<u>73,784</u>	<u>287,062</u>	<u>315,392</u>	<u>-</u>	Varies
Total	<u>\$ 2,587,964</u>	<u>\$ 73,784</u>	<u>\$ 627,857</u>	<u>\$ 1,504,311</u>	<u>\$ 382,012</u>	

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk - continued

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and that such changes could materially affect the University's and FSU Foundation's investment account balances.

The University's investments have been categorized based upon the fair value hierarchy in accordance with GASB Statement No. 72 below. The FSU Foundation follows similar guidance in accordance with FASB Accounting Standards Codification ASC 820-10, which prioritizes the inputs to valuation techniques used to measure fair value of investment assets into three levels also.

- Level 1 Observable market prices (unadjusted) in active markets for identical assets or liabilities that the University can access at measurement date.
- Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 Unobservable inputs that are not corroborated by observable market data.

Mutual funds, money market funds, and equity securities are valued at daily closing prices as reported by the fund. These investments are classified as Level 1 and are deemed to be actively traded. Corporate bonds are valued either by using pricing models maximizing the use of observable inputs for similar securities or valued by the investment manager. Corporate bonds are classified as Level 2. U.S. Treasury notes and government securities are valued using quoted prices, documented trade history in the security, and pricing models maximizing the use of observable inputs and classified as Level 2. The Multi-Strategy Bond Fund, the Intermediate Fund, and the Equity Index Fund are valued at the net asset value ("NAV") of the shares held at fiscal year-end.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk - continued

As a practical expedient to estimate the fair value of the University's interests, certain investments in commingled funds are reported at the net asset value ("NAV") determined by the fund managers. Because these investments are not readily marketable, their estimated fair values may differ from the values that would have been assigned had a ready market for such investments existed, and such differences could be material. As of June 30, 2025 and 2024, the University had no plans or intentions to sell such investments as amounts different from NAV.

The University's investments at fair value measurement are as follows at June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments by fair value level:				
U.S. Treasury Notes and Government Securities	\$ -	\$ 6,479,247	\$ -	\$ 6,479,247
Corporate Debt Securities	-	4,153,744	-	4,153,744
Equity Securities	25,018,565	-	-	25,018,565
Money Market Funds	988,497	-	-	988,497
Mutual Funds	<u>17,513,240</u>	<u>-</u>	<u>-</u>	<u>17,513,240</u>
	<u>\$ 43,520,302</u>	<u>\$ 10,632,991</u>	<u>\$ -</u>	<u>54,153,293</u>
Investments measured at the net asset value ("NAV"):				
Multi-Strategy Bond Fund				1,223,442
Intermediate Term Fund				2,263,939
Equity Index Fund				<u>25,699,471</u>
Total Investments Measured at the NAV				<u>29,186,852</u>
Total Investments Measured at Fair Value				<u>\$ 83,340,145</u>

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk - continued

The University's investments at fair value measurement are as follows at June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments by fair value level:				
U.S. Treasury Notes and Government Securities	\$ -	\$ 6,668,537	\$ -	\$ 6,668,537
Corporate Debt Securities	-	3,850,959	-	3,850,959
Equity Securities	22,458,824	-	-	22,458,824
Money Market Funds	854,610	-	-	854,610
Mutual Funds	<u>16,208,397</u>	<u>-</u>	<u>-</u>	<u>16,208,397</u>
	<u>\$ 39,521,831</u>	<u>\$ 10,519,496</u>	<u>\$ -</u>	<u>50,041,327</u>
Investments measured at the net asset value ("NAV"):				
Multi-Strategy Bond Fund				1,154,248
Intermediate Term Fund				2,133,948
Equity Index Fund				<u>22,364,314</u>
Total Investments Measured at the NAV				<u>25,652,510</u>
Total Investments Measured at Fair Value				<u>\$ 75,693,837</u>

The University's investments measured at the net asset value ("NAV") are as follows at June 30, 2025:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Commonfund (pooled investment funds):				
Multi-Strategy Bond Fund	\$ 1,223,442	\$ -	Monthly	5 days
Intermediate Term Fund	2,263,939	-	Monthly	5 days
Equity Index Fund	<u>25,699,471</u>	<u>-</u>	Daily	Daily by 3 p.m. EST
Total Investments Measured at the NAV	<u>\$ 29,186,852</u>	<u>\$ -</u>		

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

Credit Risk - continued

The University's investments measured at the net asset value ("NAV") are as follows at June 30, 2024:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible</u>	<u>Redemption Notice Period</u>
Commonfund (pooled investment funds):				
Multi-Strategy Bond Fund	\$ 1,154,248	\$ -	Monthly	5 days
Intermediate Term Fund	2,133,948	-	Monthly	5 days
Equity Index Fund	<u>22,364,314</u>	<u>-</u>	Daily	Daily by 3 p.m. EST
Total Investments Measured at the NAV	<u>\$ 25,652,510</u>	<u>\$ -</u>		

FSU Foundation Credit Risk

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value of the investments, which provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Mutual funds and money market accounts are valued at the net asset value ("NAV") of the shares held at fiscal year-end, which are traded daily. U.S. Treasury notes and government securities, corporate debt securities, and municipal securities are valued at their quoted prices from the markets in which they are traded. Equity securities are valued at daily closing prices.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 2 - **Cash and Equivalents, and Investments - Continued**

FSU Foundation Credit Risk - continued

FSU Foundation's investments at fair value measurement are as follows at June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury Notes and Government Securities	\$ 1,707,667	\$ -	\$ -	\$ 1,707,667
Corporate Debt Securities	-	736,032	-	736,032
Equity Securities	11,309,747	-	-	11,309,747
Money Market Funds	587,386	-	-	587,386
Mutual Funds	<u>4,785,033</u>	<u>2,993,232</u>	<u>-</u>	<u>7,778,265</u>
 Total Investments Measured at Fair Value	 <u>\$ 18,389,833</u>	 <u>\$ 3,729,264</u>	 <u>\$ -</u>	 <u>\$ 22,119,097</u>

FSU Foundation's investments at fair value measurement are as follows at June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury Notes and Government Securities	\$ 1,857,599	\$ 54,127	\$ -	\$ 1,911,726
Corporate Debt Securities	-	676,238	-	676,238
Equity Securities	6,372,979	-	-	6,372,979
Money Market Funds	245,776	-	-	245,776
Mutual Funds	<u>-</u>	<u>6,686,186</u>	<u>-</u>	<u>6,686,186</u>
 Total Investments Measured at Fair Value	 <u>\$ 8,476,354</u>	 <u>\$ 7,416,551</u>	 <u>\$ -</u>	 <u>\$ 15,892,905</u>

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 3 - **Accounts Receivable**

The University's accounts receivable includes the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Student accounts receivable	\$ 4,992,086	\$ 4,457,657
Grants receivable	929,187	1,931,048
Parking fines receivable	405,290	399,360
Due from the FSU Foundation	54,358	-
Other receivables	<u>179,860</u>	<u>171,049</u>
	6,560,781	6,959,114
Less: allowance for doubtful accounts	<u>(2,538,184)</u>	<u>(2,186,118)</u>
 Total	 <u>\$ 4,022,597</u>	 <u>\$ 4,772,996</u>

At June 30, 2025, the University had a receivable due from the FSU Foundation for \$54,358 which is recorded within the other current liabilities line on the accompanying statements of net position. At June 30, 2024, the University had a payable due to the FSU Foundation for \$316,706 which is recorded within the other current liabilities line on the accompanying statements of net position. The FSU Foundation had an offsetting payable and receivable from the University in the amount of \$54,358 and \$316,706 at June 30, 2025 and 2024, respectively, recorded within the FSU Foundation's accounts payable and accrued liabilities and prepaid expenses line, respectively, on the accompanying Statements of Net Position.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 4 - **Loans Receivable and Payable**

Loans receivable and payable consist entirely of the Federal Perkins Loan Program (“Perkins”). The Federal Government originally provided the majority of the funds to support these programs. The portion of the Perkins Programs provided by the Federal Government is refundable to the Federal Government upon the ending (“liquidation”) of the University’s participation in the programs. The amounts due to the Federal Government upon liquidation by the University are \$221,126 and \$297,301 at June 30, 2025 and 2024, respectively. These amounts are included as a noncurrent liability in the accompanying statements of net position.

The federal law authorizing the disbursement of Perkins loans expired on September 30, 2017. As of October 1, 2017, the University is prohibited from issuing new Perkins loans to graduate students who received them prior to October 1, 2016.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 5 - **Capital Assets**

Capital assets activity of the University for the year ended June 30, 2025 is as follows:

	<u>Totals</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Reclassification*</u> <u>and</u> <u>Reductions</u>	<u>Totals</u> <u>June 30, 2025</u>
Capital Assets:				
Non-Depreciable Capital Assets:				
Land	\$ 3,201,215	\$ -	\$ -	\$ 3,201,215
Construction in progress	<u>1,286,344</u>	<u>2,234,529</u>	<u>(3,018,708)</u>	<u>502,165</u>
Total Non-Depreciable Assets	<u>4,487,559</u>	<u>2,234,529</u>	<u>(3,018,708)</u>	<u>3,703,380</u>
Depreciable Capital Assets:				
Land improvements	11,768,655	-	-	11,768,655
Buildings	112,006,448	-	-	112,006,448
Building improvements	90,560,729	-	3,018,708	93,579,437
Equipment	8,307,016	71,595	-	8,378,611
Software arrangements	5,056,750	1,011,746	-	6,068,496
Leased equipment	215,363	55,192	-	270,555
Leased real estate	<u>124,670,306</u>	<u>-</u>	<u>-</u>	<u>124,670,306</u>
Total Depreciable Assets	<u>352,585,267</u>	<u>1,138,533</u>	<u>3,018,708</u>	<u>356,742,508</u>
Total Capital Assets	<u>357,072,826</u>	<u>3,373,062</u>	<u>-</u>	<u>360,445,888</u>
Less: accumulated depreciation				
Land improvements	7,012,776	392,464	-	7,405,240
Buildings	46,229,536	2,182,975	-	48,412,511
Building improvements	56,641,082	4,028,337	-	60,669,419
Equipment	7,473,258	240,977	-	7,714,235
Software arrangements	2,468,701	922,866	-	3,391,567
Leased equipment	23,555	42,220	-	65,775
Leased real estate	<u>25,482,625</u>	<u>6,268,201</u>	<u>-</u>	<u>31,750,826</u>
Total Accumulated Depreciation	<u>145,331,533</u>	<u>14,078,040</u>	<u>-</u>	<u>159,409,573</u>
Capital Assets, Net	<u>\$ 211,741,293</u>	<u>\$ (10,704,978)</u>	<u>\$ -</u>	<u>\$ 201,036,315</u>

* At June 30, 2025, construction costs incurred for the University's various facility improvements were included in construction in progress and subsequently transferred to capital asset additions upon completion during the year ended June 30, 2025.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 5 - **Capital Assets - Continued**

Capital assets activity of the University for the year ended June 30, 2024 is as follows:

	<u>Totals</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reclassification* and Reductions</u>	<u>Totals</u> <u>June 30, 2024</u>
Capital Assets:				
Non-Depreciable Capital Assets:				
Land	\$ 3,201,215	\$ -	\$ -	\$ 3,201,215
Construction in progress	<u>265,261</u>	<u>2,025,006</u>	<u>(1,003,923)</u>	<u>1,286,344</u>
Total Non-Depreciable Assets	<u>3,466,476</u>	<u>2,025,006</u>	<u>(1,003,923)</u>	<u>4,487,559</u>
Depreciable Capital Assets:				
Land improvements	11,628,762	-	139,893	11,768,655
Buildings	112,006,448	-	-	112,006,448
Building improvements	89,696,699	-	864,030	90,560,729
Equipment	7,587,222	719,794	-	8,307,016
Software arrangements	4,584,249	472,501	-	5,056,750
Leased equipment	126,235	215,363	(126,235)	215,363
Leased real estate	<u>124,670,306</u>	<u>-</u>	<u>-</u>	<u>124,670,306</u>
Total Depreciable Assets	<u>350,299,921</u>	<u>1,407,658</u>	<u>877,688</u>	<u>352,585,267</u>
Total Capital Assets	<u>353,766,397</u>	<u>3,432,664</u>	<u>(126,235)</u>	<u>357,072,826</u>
Less: accumulated depreciation				
Land improvements	6,575,162	437,614	-	7,012,776
Buildings	44,046,561	2,182,975	-	46,229,536
Building improvements	52,657,369	3,983,713	-	56,641,082
Equipment	7,349,828	123,430	-	7,473,258
Software arrangements	1,671,637	797,064	-	2,468,701
Leased equipment	108,201	41,589	(126,235)	23,555
Leased real estate	<u>19,137,044</u>	<u>6,345,581</u>	<u>-</u>	<u>25,482,625</u>
Total Accumulated Depreciation	<u>131,545,802</u>	<u>13,911,966</u>	<u>(126,235)</u>	<u>145,331,533</u>
Capital Assets, Net	<u>\$ 222,220,595</u>	<u>\$ (10,479,302)</u>	<u>\$ -</u>	<u>\$ 211,741,293</u>

* At June 30, 2024, construction costs incurred for the University's various facility improvements were included in construction in progress and subsequently transferred to capital asset additions upon completion during the year ended June 30, 2024.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 5 - **Capital Assets - Continued**

The University has considered the requirements of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and has noted no implications of this standard to the University's financial statements for the years ended June 30, 2025 and 2024.

Note 6 - **Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities include the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Accounts payable - trade	\$ 2,577,882	\$ 2,200,565
Salaries and fringe benefits payable	<u>1,259</u>	<u>-</u>
	<u>\$ 2,579,141</u>	<u>\$ 2,200,565</u>

Note 7 - **Accrued Workers' Compensation**

Independent actuarial reviews of the outstanding loss reserve requirements for the Commonwealth's self-insured workers' compensation program were conducted as of June 30, 2025 and 2024. Based upon the Commonwealth's analyses, \$1,064,732 and \$1,072,523 of accrued workers' compensation has been recorded as a liability at June 30, 2025 and 2024, respectively.

Note 8 - **Accrued Payroll**

The contract for full-time faculty begins on September 1 and ends on May 31, of any given academic year. The Commonwealth of Massachusetts and Framingham State University pay all faculty over the 12-month period from September through August. Consequently, on June 30 of each year there is a balance due on each faculty contract which is to be paid from the subsequent year's State appropriation. The total amount due at June 30, 2025 of \$4,749,993 will be paid from the University's fiscal 2026 State appropriations. The total amount due at June 30, 2024 of \$4,358,376 was paid from the University's fiscal 2025 State appropriations.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 9 - **Deferred Inflows of Resources from Public-Private Partnerships**

In September 2017, the University entered into a public-private partnership with Sodexo, effective July 1, 2017 for a term of five years through June 30, 2022 with an option to extend the arrangement for five additional one-year periods upon mutual agreement of the parties. The new arrangement supersedes the previous arrangement and has been amended several times thereafter to modify its terms and the additional payments to the University for investments in improvements in or at the University as mutually agreed upon by the parties. Commencing on June 30, 2019, provided that the agreement remains in effect, the arrangement provided for payments to the University totaling \$280,000 to be made in four installments of \$70,000 per year for dining venue enhancements for fiscal years 2019 through 2022. The University received the first payment during the year ended June 30, 2019 and the second payment during the year ended June 30, 2020. Based on amendments to the arrangement in fiscal years 2021 and 2022, the contributions were not made in those years and in subsequent years.

As a part of the arrangement, Sodexo provided an investment in two installments in the total amount of \$2,880,000 for improvements to the dining services facility, including the purchase of equipment. The University received the first installment of \$500,000 in October 2017. The University received the second installment of \$2,380,000, which was comprised of \$2,025,000 received in February 2018, and equipment purchased directly by Sodexo in the amount of \$355,000. Sodexo will amortize the investment over a period defined in the arrangement. All improvements and equipment purchased with the payments received from Sodexo shall remain the property of the University. The arrangement may be terminated by either party at any time, without cause, in accordance with the terms of the arrangement and per the Commonwealth of Massachusetts Standard Terms and Conditions.

The arrangement contains provisions, whereby, in the event of termination of the arrangement, the University shall be required to repay a portion of any payments made to the University by Sodexo. The portion required to be repaid shall be determined in accordance with amortization schedules prepared by Sodexo. The amortization schedules assume that all funds will be received from Sodexo. The University does not anticipate that the arrangement will be terminated prior to its expiration date.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 9 - **Deferred Inflows of Resources from Public-Private Partnerships -Continued**

Deferred inflows of resources from this public-private partnership amounted to \$100,000 and \$150,000 at June 30, 2025 and 2024, respectively, which consists of the unamortized balances of the public-private partnership with Sodexo. The deferred inflow of resources is being amortized to revenue on a straight-line basis over the term of the arrangement. Amortization in the amount of \$50,000 has been recognized in capital grant revenue in the accompanying statements of revenues and expenses, and changes in net position for both years ended June 30, 2025 and 2024.

The University reports the aggregate carrying value of the capital assets relating to the public-private partnerships of approximately \$2,016,000 and \$2,160,000 at June 30, 2025 and 2024, respectively. Depreciation on these capital assets amounted to \$144,000 for both years ended June 30, 2025 and 2024.

In February 2022, the University entered into a public-private partnership for the Warren Conference Center and Inn with FLIK International Corp. (“FLIK”), effective April 1, 2022 for a term of 15 years through March 31, 2037 with an option to extend the arrangement for an additional one-year period upon mutual agreement of the parties. Commencing on April 1, 2022, the arrangement provided for quarterly commission payments to the University. In fiscal year 2023, these payments were made to the University by FLIK International Corp. in quarterly installments based on 13% of top line revenue on all sales excluding the clubhouse, plus an additional 1% of top line revenue for clubhouse sales through 2036. In addition, FLIK International Corp. paid the University a first-year commission guarantee of \$675,000 in April 2022. The commission guarantee will be reconciled quarterly against actual commissions due.

In fiscal 2024, the agreement was amended and the calculation for the quarterly commission payments to the University was revised. The new terms dictate the quarterly commission payments made to the University by FLIK International Corp. to be based on 10% of top line revenue on all sales.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 9 - **Deferred Inflows of Resources from Public-Private Partnerships -Continued**

As a part of the arrangement, FLIK will provide a capital investment in four installments in the total amount of \$4,600,000 for improvements to various sections of the Warren Conference Center. The University received the first installment of \$1,200,000 in April 2022, the second installment of \$1,700,000 in May 2023, and the third installment of \$1,200,000 in June 2024. The University will receive the final installment of \$500,000 in fiscal year 2033. All improvements and equipment purchased with the payments received from FLIK shall remain the property of the University. The arrangement may be terminated by either party at any time, without cause, in accordance with the terms of the arrangement and per the Commonwealth of Massachusetts Standard Terms and Conditions.

The arrangement contains provisions, whereby, in the event of termination of the arrangement, the University shall be required to repay a portion of any payments made to the University by FLIK International Corp. The portion required to be repaid shall be determined in accordance with amortization schedules prepared by FLIK International Corp. The amortization schedules assume that all funds will be received from FLIK International Corp. The University does not anticipate that the arrangement will be terminated prior to its expiration date.

Deferred inflows of resources from this public-private partnership amounts to \$3,231,097 and \$3,524,834 at June 30, 2025 and 2024, respectively. For both years ended June 30, 2025 and 2024, the balance consists of the unamortized balances of the capital investments with FLIK International Corp. The deferred inflow of resources from the capital investment is being amortized to revenue on a straight-line basis over the term of the arrangement. Amortization in the amount of \$293,736 has been recognized in capital grant revenue in the accompanying statements of revenues and expenses for both years ended June 30, 2025 and 2024. The deferred inflow of resources from the commission guarantee is being recognized quarterly based on sales. Under the arrangement, the University recognized commission income of \$318,741 and \$636,279 during the years ended June 30, 2025 and 2024, respectively.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 9 - **Deferred Inflows of Resources from Public-Private Partnerships -Continued**

In August 2024, the University entered into a public-private partnership with Pepsi Beverage Sales LLC (“PepsiCo”), effective August, 2024 for a term of ten years through July 31, 2034. The University received initial support funds totaling \$50,000 during the year ended June 30, 2025.

The arrangement contains provisions, whereby, in the event of termination of the arrangement, the University shall be required to repay a portion of any payments made to the University by PepsiCo. The portion required to be repaid shall be determined in accordance with amortization schedules prepared by PepsiCo. The amortization schedules assume that all funds will be received from PepsiCo. The University does not anticipate that the arrangement will be terminated prior to its expiration date.

Deferred inflows of resources from this public-private partnership amounted to \$45,000 at June 30, 2025, which consists of the unamortized balances of the public-private partnership with PepsiCo. The deferred inflow of resources is being amortized to revenue on a straight-line basis over the term of the arrangement. Amortization in the amount of \$5,000 has been recognized in capital grant revenue in the accompanying statements of revenues and expenses, and changes in net position for the year ended June 30, 2025. Under the arrangement, the University recognized commission income of \$13,074 during the year ended June 30, 2025.

Note 10 - **Bonds Payables**

The University, in association with the Massachusetts State College Building Authority ("MSCBA"), the Massachusetts Development Finance Agency ("MDFA"), and the Commonwealth of Massachusetts Division of Capital Asset Management and Maintenance ("DCAMM"), has entered into financing and construction agreements for various campus projects.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - Bonds Payables - Continued

The following table summarizes the University's Bonds payable as of June 30, 2025:

	Issue Date	Original Amount	Interest Rates (%)	Due Date	Effective	Bonds Payable Balance	Unamortized Bond Premiums	Total Bonds Payable
					Interest Rates (%)*			
MSCBA Series 2010B	12/17/2010	\$ 11,095,000	4.89-6.54	5/1/2035	6.60	\$ 9,505,000	\$ -	\$ 9,505,000
DCAMM CEIP Funds-Phase I	7/1/2011	373,537	4.50	1/1/2033	5.24	169,217	-	169,217
DCAMM CEIP Funds-Phase II	7/1/2011	3,711,166	4.00	1/1/2027	6.23	629,559	-	629,559
MSCBA Series 2016A	2/25/2016	5,311,000	4.00-5.00	5/1/2029	4.42	2,037,759	127,044	2,164,803
MSCBA Series 2019A	1/15/2019	1,225,000	3.00-5.00	5/1/2039	3.84	970,000	44,804	1,014,804
MSCBA Series 2019C	1/15/2019	8,683,000	3.00-5.00	5/1/2033	2.75	946,524	-	946,524
MSCBA Series 2020A	7/1/2020	4,162,277	3.00-5.00	5/1/2039	2.08	3,086,296	-	3,086,296
MSCBA Series 2022A	7/1/2021	2,073,320	5.00	5/1/2032	5.25	1,643,320	237,205	1,880,525
MSCBA Series 2024A	2/1/2024	<u>3,147,459</u>	5.00	11/1/2038	5.00	<u>2,097,134</u>	<u>188,062</u>	<u>2,285,196</u>
		<u>\$ 40,228,759</u>				<u>\$ 21,084,809</u>	<u>\$ 597,115</u>	<u>\$ 21,681,924</u>

*Effective Interest Rates ("EIR") are calculated by dividing total interest paid during the year by the average outstanding balance of bonds payable.

The following table summarizes the University's Bonds payable as of June 30, 2024:

	Issue Date	Original Amount	Interest Rates (%)	Due Date	Effective	Bonds Payable Balance	Unamortized Bond Premiums	Total Bonds Payable
					Interest Rates (%)*			
MSCBA Series 2010B	12/17/2010	\$ 11,095,000	4.89-6.54	5/1/2035	6.55	\$ 10,110,000	\$ -	\$ 10,110,000
DCAMM CEIP Funds-Phase I	7/1/2011	373,537	4.50	1/1/2033	4.72	189,410	-	189,410
DCAMM CEIP Funds-Phase II	7/1/2011	3,711,166	4.00	1/1/2027	4.53	926,293	-	926,293
MSCBA Series 2011A	5/25/2011	447,000	2.00-5.00	5/1/2025	6.61	82,457	3,268	85,725
MSCBA Series 2016A	2/25/2016	5,311,000	4.00-5.00	5/1/2029	4.33	2,513,886	189,715	2,703,601
MSCBA Series 2019A	1/15/2019	1,225,000	3.00-5.00	5/1/2039	3.88	1,020,000	51,289	1,071,289
MSCBA Series 2019C	1/15/2019	8,683,000	3.00-5.00	5/1/2033	4.26	1,162,247	-	1,162,247
MSCBA Series 2020A	7/1/2020	4,162,277	3.00-5.00	5/1/2039	2.43	3,086,296	-	3,086,296
MSCBA Series 2022A	7/1/2021	2,073,320	5.00	5/1/2032	5.17	1,813,320	297,206	2,110,526
MSCBA Series 2024A	2/1/2024	<u>3,147,459</u>	5.00	11/1/2038	1.34	<u>2,710,773</u>	<u>237,632</u>	<u>2,948,405</u>
		<u>\$ 40,228,759</u>				<u>\$ 23,614,682</u>	<u>\$ 779,110</u>	<u>\$ 24,393,792</u>

*EIR are calculated by dividing total interest paid during the year by the average outstanding balance of bonds payable.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - **Bonds Payables - Continued**

MSCBA 2024A Bond Issuance

On February 1, 2024, the University's MSCBA Series 2014A, 2014C, and 2020A were refunded, and Series 2019C bonds were partially refunded as part of the MSCBA's Refunding Revenue Bonds Series 2024A. The purpose of the issuance was to provide budgetary relief to the University. This was a non-cash producing transaction to restructure the University's debt schedule and interest payments and resulted in an economic benefit of \$3,425,562 and deferred gain on refunding of \$359,803. Through its agreement with MSCBA, the University repays this debt in semi-annual installments, starting on May 1, 2024 and ending on November 1, 2038, at an annual variable rate of 5.00%. A debt service fund is not required under this financing arrangement.

MSCBA 2022A Bond Issuance

On July 1, 2021, the University's MSCBA Series 2012C bonds were refunded as part of the MSCBA's Refunding Revenue Bonds Series 2022A. The purpose of the issuance was to provide budgetary relief to the University. This was a non-cash producing transaction to restructure the University's debt schedule and interest payments and resulted in an economic loss of \$409,745 and deferred gain on refunding of \$68,034. Through its agreement with MSCBA, the University repays this debt in semi-annual installments, starting on November 1, 2022 and ending on May 1, 2032, at an annual variable rate of 5.00%. A debt service fund is not required under this financing arrangement.

MSCBA 2020A Bond Issuance

On July 1, 2020, the University's MSCBA Series 2019A, 2019C, 2016A, 2014C, 2014A, 2012B, 2012C, and 2011A bonds were partially refunded as part of the MSCBA's Refunding Revenue Bonds Series 2020A. The purpose of the issuance was to provide budgetary relief for fiscal years 2021 and 2022 to the University. This was a non-cash transaction to restructure the University's debt schedule and interest payments for several existing bond series resulting in an economic loss of \$1,244,120 and deferred loss on refunding of \$389,835. Through its agreement with MSCBA, the University repays this debt in semi-annual installments, starting on November 1, 2020 and ending on May 1, 2039, at an annual variable rate ranging from 1.044% to 2.972%. A debt service fund is not required under this financing arrangement. The University repaid this bond in full during fiscal year 2024, as part of the Series 2024A refunding.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - **Bonds Payables - Continued**

MSCBA Series 2010B Bond Issuance

During December 2010, the University signed a financing agreement to receive \$11,095,000 from a MSBCA bond issuance. These funds, net of bond issue costs and a debt service reserve fund, are being used for the renovation of Hemenway Science Center, including the relocation of the Planetarium to O'Connor Hall. This obligation will be repaid solely by the University through University operations.

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$715,805, which is included in the accompanying statements of net position at June 30, 2025 and 2024, as noncurrent restricted cash and equivalents. Funds from the debt service reserve fund are scheduled to be released periodically in future years to assist with assessment payments. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

The University is required to make annual principal payments on this debt each May 1, which commenced on May 1, 2023. The final principal payment is due on May 1, 2035. Interest on the debt is payable on May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA using an increasing coupon rate of interest ranging from 5.788% to 6.540% over the term of the debt to maturity. MSCBA is receiving a federal interest subsidy associated with this bond issue and is billing the University for interest net of the subsidy.

DCAMM Clean Energy Investment Program

In July 2011, the University entered into a Memorandum of Agreement with the Commonwealth of Massachusetts Division of Capital Asset Management and Maintenance ("DCAMM") to undertake a Comprehensive Energy Performance Contracting Project - Phase 1 (the "Project"). Further, in March 2012, the University entered into a second Memorandum of Agreement with DCAMM related to the same project but known as Phase 2. The second agreement provided for, among other items, an increase in the total project cost and a change in the performance term from 20 years to 5 years. The Project's goal is to upgrade boilers, replace the chiller, lighting, EMS improvements, VAV boxes, and various energy conservation measures.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - **Bonds Payables - Continued**

The total project cost for Phase 1 was \$451,537, including capitalized interest of \$12,551. Phase 1 was funded with Clean Energy Investment Program Funds ("CEIP Funds") in the amount of \$373,537, which are being repaid over 20 years at 4.5% interest and \$78,000 of University operating funds. Annual payments of principal and interest for Phase 1 in the amount of \$28,716 commenced on January 1, 2013. The total project cost for Phase 2 was approximately \$6,650,000. The cost of the Project was funded from CEIP Funds in the amount of \$3,711,166, capital grants of \$2,700,000, energy incentives from the contractor in the amount of \$45,600, and University operating funds of approximately \$193,000. CEIP Funds for Phase 2 are being repaid over 15 years at 4.0% interest. Annual payments of principal and interest for Phase 2 in the amount of \$333,786 commenced in 2013. Additionally, both agreements provide for the University to fund annual maintenance costs to be paid over the first five years of the Project totaling approximately \$100,800, of which approximately \$6,900 relates to Phase 1 and \$93,900 relates to Phase 2. These maintenance costs are expected to be offset by energy savings as a result of the Project.

MSCBA 2011A Bond Issuance

During May 2011, the refunding series 2011A Bonds refunded portions of the University's Series 2003A Bonds. The original funds from the 2003A Bonds, net of bond issue costs, were used during fiscal year 2004 for improvements to athletic fields and a new parking lot. Through its agreements with MSCBA, the University has an agreement to repay this debt in semi-annual installments, starting on May 1, 2011 and ending on May 1, 2025, at an annual variable rate ranging from 2.00% to 5.00%. A debt service fund is not required under this financing arrangement.

MSCBA 2014A Bond Issuance

During January 2014, the University signed a financing agreement to receive \$3,185,000. These bonds, net of a bond issue premium, bond issue costs, and a debt service reserve fund, are being used for the renovation of the University's Maple Street athletic fields and the Salem End Road parking project. This obligation will be repaid solely by the University through University operations. The University also executed a management agreement with MSCBA, whereby MSCBA provided management services to the University for the project. The University repaid this bond in full during fiscal year 2024, as part of the Series 2024A refunding.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - **Bonds Payables - Continued**

As of June 30, 2025 and 2024, the MSCBA held debt service reserve funds in the amount of \$99,462. The final principal payment is due on May 1, 2025. The University is required to make annual principal payments on the debt each May 1, commencing on May 1, 2015. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA using an increasing coupon rate of interest ranging from 2.00% to 5.00% over the term of the debt to maturity.

The amounts held by MSCBA are included in the accompanying statements of net position at June 30, 2025 and 2024, as noncurrent restricted cash and equivalents. Funds from the debt service reserve fund are scheduled to be released periodically in future years to assist with assessment payments. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

MSCBA 2014C Bond Issuance

During December 2014, the University signed a financing agreement to receive \$680,000. These bonds, net of a bond issue premium, bond issue costs, and a debt service reserve fund, are being used for the renovation of the University's Maple Street athletic fields. This obligation will be repaid solely by the University through University operations. The University also executed a management agreement with MSCBA, whereby MSCBA will provide management services to the University for the Project. The University repaid this bond in full during fiscal year 2024, as part of the Series 2024A refunding.

As of June 30, 2025 and 2024, the MSCBA held debt service reserve funds in the amount of \$1,439, which is included in the accompanying statements of net position at June 30, 2025 and 2024, as noncurrent restricted cash and equivalents. Funds from the debt service reserve fund are scheduled to be released periodically in future years to assist with assessment payments. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

The University is required to make annual principal payments on the debt each May 1, commencing on May 1, 2016. The final principal payment is due on May 1, 2034. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA using an increasing coupon rate of interest ranging from 3.00% to 5.00% over the term of the debt to maturity.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - **Bonds Payables - Continued**

MSCBA 2016A Bond Issuance

During February 2016, the refunding series 2016A Bonds refunded portions of the University's Series 2008A and 2009A Bonds. The original funds from the 2008A Bonds were used for the renovation of the McCarthy Center. The original funds from the 2009A Bonds were used for a parking facility at the University and for a new roof on O'Connor Hall. Through its agreements with MSCBA, the University has an agreement to repay this debt in semi-annual installments, starting on May 1, 2016 and ending on May 1, 2029, at an annual variable rate ranging from 4.00% to 5.00%.

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$213,079, which is included in the accompanying statements of net position at June 30, 2025 and 2024, as noncurrent restricted cash and equivalents. Funds from the debt service reserve fund are scheduled to be released periodically in future years to assist with assessment payments. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

MSCBA 2019A Bond Issuance

During December 2018, the University signed a financing agreement to receive \$1,225,000. These bonds, net of a bond issue premium and bond issue costs, are being used for improvements to the University's Athletic fields and McCarthy Center. This obligation will be repaid solely by the University through University operations. The University also executed a management agreement with MSCBA, whereby MSCBA will provide management services to the University for the Project.

MSCBA 2019C Bond Issuance

During January 2019, the refunding series 2019C Bonds refunded portions of the University's Series 2012B Bonds. Through its agreements with MSCBA, the University has an agreement to repay this debt in semi-annual installments, starting on May 1, 2019 and ending on May 1, 2033, at an annual variable rate ranging from 3.00% to 5.00%. The University partially repaid this bond during fiscal year 2024, as part of the Series 2024A refunding.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - **Bonds Payables - Continued**

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$105,139, which is included in the accompanying statements of net position at June 30, 2025 and 2024, as noncurrent restricted cash and equivalents. Funds from the debt service reserve fund are scheduled to be released periodically in future years to assist with assessment payments. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

Aggregate principal and interest payments due to maturity consist of the following:

Years Ending <u>June 30,</u>	<u>Principal</u>	<u>Amortization of Bond Premium</u>	<u>Total Principal</u>	<u>Estimated Interest</u>	<u>Total</u>
2026	\$ 3,140,375	\$ 149,639	\$ 3,290,014	\$ 1,024,646	\$ 4,314,660
2027	2,840,445	122,403	2,962,848	870,705	3,833,553
2028	2,002,726	100,793	2,103,519	739,018	2,842,537
2029	2,345,293	77,859	2,423,152	630,972	3,054,124
2030	1,920,181	54,639	1,974,820	505,815	2,480,635
2031-2035	8,205,812	86,252	8,292,064	1,053,917	9,345,981
2036-2039	<u>629,977</u>	<u>5,530</u>	<u>635,507</u>	<u>46,496</u>	<u>682,003</u>
Total	<u>\$ 21,084,809</u>	<u>\$ 597,115</u>	<u>\$ 21,681,924</u>	<u>\$ 4,871,569</u>	<u>\$ 26,553,493</u>

Other Interagency Activity

The oversight of various capital projects on campus is provided by MSCBA. To fund these projects, the University provides equity contributions by advancing funds to the MSCBA, which are then held by MSCBA until used for the payment of the capital project costs. As of June 30, 2025 and 2024 there were no amounts held by MSCBA representing the unexpended portion of the University's contributions.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 10 - **Bonds Payables - Continued**

As of June 30, 2025 and 2024, construction costs funded during the year by the University's equity contributions and bond issuance funds amounted to \$928,802 and \$823,454, respectively.

<u>Project Number</u>	<u>Project Name</u>	<u>Amount Paid in</u> <u>2025</u>	<u>Amount Paid in</u> <u>2024</u>
Various	May Hall Stairs	\$ -	\$ 32,248
FRC2364	EIC Accessibility	-	210,718
FRC2454	South University Ave	-	28,923
FRC2451	May Hall Envelope	21,125	397,932
FRC2457	May Hall Flooring	-	45,338
FRC2458	May Hall Fire Pump	-	63,648
FRC2462	ITS Server Room AC	10,455	33,727
FRC2464	Foster Hall Heating	290,784	-
FRC2543	Power Plant Structural Repair	127,837	-
FRC2465	McCarthy Fire Pump	21,856	10,920
FRC2550	Emergency Electrical	19,829	-
FRC2553	May Hall Elevator	33,345	-
Various	Pierce Annex Expansion	189,293	-
Various	Info Tech Upgrade	112,852	-
Various	The Inn Room Upgrades	101,426	-
		<u>\$ 928,802</u>	<u>\$ 823,454</u>

Note 11 - **Leases**

A summary of the University's leases is as follows at June 30,:

<u>Description</u>	<u>Issue Date</u>	<u>Expiration Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>2025 Lease Liability</u>	<u>2024 Lease Liability</u>
MSCBA - Residence Halls Equipment lease	Various 12/28/2023	Various 4/30/2030	8-24 years 64 months	\$9 - \$4,467,548 \$3,823	2.96 - 30.70% 4.28%	\$ 106,028,096 <u>212,759</u>	\$ 109,776,597 <u>197,571</u>
						<u>\$ 106,240,855</u>	<u>\$ 109,974,168</u>

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 11 - **Leases – Continued**

The land on which the residence hall resides is leased by the Massachusetts State College Building Authority (“MSCBA”) from the Commonwealth of Massachusetts. MSCBA has issued bonds to construct and refurbish the University’s residence halls. The residence halls and their associated liabilities are reflected on the financial statements of MSCBA. MSCBA leases the residence halls to the University.

According to an agreement between the Commonwealth of Massachusetts and the University, the University is responsible for reimbursing MSCBA for debt service payments of the bonds that MSCBA has issued for the residence halls and operating costs related to them incurred by MSCBA.

The lease terms are completed when the final bond payments are made, which are scheduled between 2028 and 2044. The lease liabilities were calculated based upon the discounting of the future bond service payments using average interest rates ranging between 2.96% and 30.70%. If MSCBA refunds the bonds, any cost savings are passed through to the University. For the year ended June 30, 2024, \$8 million of the bonds were refunded. The difference in the lease liability due to the refunding was recognized as deferred outflow of resources.

Payments to MSCBA are due in semi-annual installments that coincide with the fall and spring academic semesters. For the year ended June 30, 2025, debt service payments and operating costs paid by the University were \$10,165,972 and \$9,814,914, respectively. For the year ended June 30, 2024, debt service payments and operating costs paid by the University were \$1,829,597 and \$10,300,744, respectively.

In December 2018, the University entered into a five-year lease agreement for two copiers. The lease was renewed in December 2023, extending the term through March 2029. Under the original agreement, payments of \$3,043 were due monthly. The lease extension changed the payments to \$3,823 due monthly. The University’s incremental borrowing rate for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability. The University did not make payments for the lease other than the monthly payments for the years ended June 30, 2025 and 2024.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 11 - **Leases - Continued**

In April 2025, the University entered into a five-year lease agreement for six copiers, through May 2030, with payments of \$1,010 due monthly. The University's incremental borrowing rate for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability. The University did not make payments for the lease other than the monthly payments for the years ended June 30, 2025 and 2024.

At June 30, 2025 and 2024, the total right-of-use assets were \$124,940,861 and \$124,885,669, respectively. At June 30, 2025 and 2024, the total accumulated amortization for right-of-use assets was \$31,816,601 and \$25,506,180, respectively.

Annual requirements to amortize the lease liability and related interest subsequent to June 30, 2025 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,670,946	\$ 5,655,159	\$ 9,326,105
2027	4,304,036	5,335,488	9,639,524
2028	6,156,548	4,932,682	11,089,230
2029	6,150,102	4,219,016	10,369,118
2030	6,297,433	3,910,452	10,207,885
2031-2035	32,165,868	14,885,186	47,051,054
2036-2040	34,019,026	6,901,389	40,920,415
2041-2044	<u>13,476,896</u>	<u>1,051,430</u>	<u>14,528,326</u>
Total	<u>\$ 106,240,855</u>	<u>\$ 46,890,802</u>	<u>\$ 153,131,657</u>

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 12 - **Subscription-Based Information Technology Arrangements**

The University has entered into subscription-based information technology arrangements (“SBITAs”) for various software products which were initiated in fiscal years ended ranging from June 30, 2021 to 2025. These agreements have expiration dates ranging from August 2024 to July 2029 and have annual payments ranging from \$826 to \$447,030. IBRs of 1% and 4.44% were used to discount all SBITA arrangement payments to recognize the intangible right to use this asset and the associated SBITA liability for all SBITA. There were no payments made for additional services not included in the annual SBITA payments. The University has no options to renew these agreements and there is no option to purchase the software products.

At June 30, 2025 and 2024, total SBITA right of use assets were \$6,068,496 and \$5,056,750, respectively. At June 30, 2025 and 2024, total SBITA accumulated amortization was \$3,391,567 and \$2,468,701, respectively.

A summary of the University’s SBITAs is as follows at June 30,:

<u>Description</u>	<u>Expiration Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>2025 SBITA Liability</u>	<u>2024 SBITA Liability</u>
CDWG (MHEC Drata)	7/31/2027	38 months	\$43,293	4.44%	\$ 81,040	\$ 123,419
EAB Global	6/30/2026	60 months	\$25,000 - \$101,250	1.00%	97,093	192,909
Ellucian	6/30/2027	72 months	\$36,000 - \$447,030	1.00%	862,027	1,259,357
Evisions	6/30/2025	43 months	\$36,635 - \$38,116	1.00%	-	37,737
GovConnections	8/31/2025	50 months	\$34,200 - \$39,206	1.00%	-	38,816
Instructure	6/30/2028	78 months	\$65,268 - \$150,444	1.00-4.44%	401,084	544,886
Team Dynamix	8/31/2024	38 months	\$826 - \$138,908	1.00%	-	148
Team Dynamix	8/31/2027	39 months	\$103,714-\$136,354	4.44%	249,255	349,082
Touchnet	3/31/2027	69 months	\$58,150 - \$171,486	1.00%	60,698	229,905
Transact	9/30/2029	60 months	\$58,306 - \$77,169	3.89%	259,062	-
Ready Education	3/31/2028	36 months	\$24,278 - 28,800	4.07%	50,355	-
EAB Global	6/30/2029	49 months	\$102,420 - \$108,658	4.07%	290,786	-
Evisions	6/30/2028	37 months	\$39,640 - \$42,875	4.07%	118,348	-
GovConnections	7/14/2029	50 months	\$46,283 - \$58,115	4.07%	206,088	-
					<u>\$ 2,675,836</u>	<u>\$ 2,776,259</u>

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 12 - **Subscription-Based Information Technology Arrangements – Continued**

Annual requirements to amortize the SBITA liability and related interest subsequent to June 30, 2025 are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,020,152	\$ 57,870	\$ 1,078,022
2027	1,018,424	52,732	1,071,156
2028	402,900	26,716	429,616
2029	<u>234,360</u>	<u>9,582</u>	<u>243,942</u>
Total	<u>\$ 2,675,836</u>	<u>\$ 146,900</u>	<u>\$ 2,822,736</u>

Note 13 - **Long-Term Liabilities**

Long-term liabilities activity for the year ended June 30, 2025 included the following:

	<u>Totals June 30, 2025</u>				
	<u>Totals June 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds payables and lease liability:					
Bonds payables	\$ 24,393,792	\$ -	\$ 2,711,868	\$ 21,681,924	\$ 3,290,014
Lease liability	109,974,168	55,192	3,788,505	106,240,855	3,670,946
SBITAs liability	<u>2,776,259</u>	<u>1,011,746</u>	<u>1,112,169</u>	<u>2,675,836</u>	<u>1,020,152</u>
Total bonds payable SBITAs and lease liabilities:	<u>137,144,219</u>	<u>1,066,938</u>	<u>7,612,542</u>	<u>130,598,615</u>	<u>7,981,112</u>
Other Liabilities:					
Compensated absences	7,199,262	201,302	-	7,400,564	4,877,227
Workers' compensation	1,072,523	-	7,791	1,064,732	134,009
Loan payable - federal financial assistance	297,301	-	76,175	221,126	-
Net pension liability	6,257,241	-	1,014,066	5,243,175	-
Net OPEB liability	<u>6,655,092</u>	<u>-</u>	<u>745,386</u>	<u>5,909,706</u>	<u>-</u>
Total Other Liabilities	<u>21,481,419</u>	<u>201,302</u>	<u>1,843,418</u>	<u>19,839,303</u>	<u>5,011,236</u>
Long-Term Obligations	<u>\$ 158,625,638</u>	<u>\$ 1,268,240</u>	<u>\$ 9,455,960</u>	<u>\$ 150,437,918</u>	<u>\$ 12,992,348</u>

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 13 - **Long-Term Liabilities - Continued**

Long-term liabilities activity for the year ended June 30, 2024 included the following:

				<u>Totals June 30, 2024</u>	
	<u>Totals</u>			<u>Ending</u>	<u>Current</u>
	<u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
Bonds payables and lease liability:					
Bonds payables	\$ 26,984,702	\$ -	\$ 2,590,910	\$ 24,393,792	\$ 2,711,868
Lease liability	116,117,464	215,363	6,358,659	109,974,168	3,786,833
SBITAs liability	<u>3,488,717</u>	<u>472,501</u>	<u>1,184,959</u>	<u>2,776,259</u>	<u>1,025,062</u>
Total bonds payable SBITAs and lease liability:	<u>146,590,883</u>	<u>687,864</u>	<u>10,134,528</u>	<u>137,144,219</u>	<u>7,523,763</u>
Other Liabilities:					
Compensated absences	6,366,097	833,165	-	7,199,262	4,812,943
Workers' compensation	1,072,142	381	-	1,072,523	133,344
Loan payable - federal financial assistance	407,764	-	110,463	297,301	-
Net pension liability	6,980,019	-	722,778	6,257,241	-
Net OPEB liability	<u>8,784,288</u>	<u>-</u>	<u>2,129,196</u>	<u>6,655,092</u>	<u>-</u>
Total Other Liabilities	<u>23,610,310</u>	<u>833,546</u>	<u>2,962,437</u>	<u>21,481,419</u>	<u>4,946,287</u>
Long-Term Obligations	<u>\$ 170,201,193</u>	<u>\$ 1,521,410</u>	<u>\$ 13,096,965</u>	<u>\$ 158,625,638</u>	<u>\$ 12,470,050</u>

Note 14 - **Net Position**

Unrestricted net position is comprised of net assets that are not subject to externally imposed stipulations; however, they may be subject to internal restrictions. For example, unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Certain unrestricted net positions are internally designated for academic and research programs and initiatives, and graduate and continuing education programs. Net position designated as unrestricted was \$87,479,321 and \$73,652,496 at June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, of the total designated unrestricted net position, \$49,621,445 and \$45,787,606, respectively, was designated by a vote of the Board of Trustees during fiscal 2006 as a quasi-endowment and the remainder has been designated by action of management for the purposes described above. Undesignated unrestricted net deficiency was \$(14,442,125) and \$(11,897,872) at June 30, 2025 and 2024, respectively.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 14 - **Net Position - Continued**

The University's net investment in capital assets consists of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Non-depreciable capital assets	\$ 3,703,381	\$ 4,487,559
Depreciable capital assets	<u>197,332,934</u>	<u>207,253,734</u>
Total capital assets, net	201,036,315	211,741,293
Long-term debt related to capital assets		
Bonds payables	(18,391,910)	(21,681,924)
Lease liabilities	(102,569,909)	(106,187,335)
SBITAs liabilities	(1,655,684)	(1,751,197)
Current debt related to capital assets		
Bonds payables	(3,290,014)	(2,711,868)
Lease liabilities	(3,670,946)	(3,786,833)
SBITAs liabilities	(1,020,152)	(1,025,062)
Other:		
Debt service reserve	1,134,924	1,134,924
Deferred (inflow) outflow for net (gain) loss on bond refunding	(141,210)	(149,557)
Deferred inflows for leases	(4,260,450)	(4,610,892)
Deferred outflows for SBITAs	<u>115,054</u>	<u>284,956</u>
Total Investment in Capital Assets	<u>\$ 67,286,018</u>	<u>\$ 71,256,505</u>

Note 15 - **Net Assets Restricted by Donor**

FSU Foundation's statements of net position as of June 30, 2025 and 2024 reflect a net position with donor restrictions of \$14,525,255 and \$8,625,450, respectively. Of these amounts, \$772,813 and \$166,710 is restricted in fiscal year 2025 and 2024, respectively, by enabling legislation for the State Matching Funds Program.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 16 - **Operating Expenses**

The University's operating expenses for the years ended June 30, 2025 and 2024, on a natural classification basis, are comprised of the following:

	<u>2025</u>	<u>2024</u>
Salaries	\$ 61,144,856	\$ 57,774,097
Benefits	13,582,994	13,517,377
Utilities	4,623,026	4,844,200
Supplies and other services	29,140,076	29,753,714
Scholarships	12,525,384	10,749,467
Depreciation	<u>14,078,040</u>	<u>13,911,966</u>
Total Operating Expenses	<u>\$ 135,094,376</u>	<u>\$ 130,550,821</u>

Note 17 - **State Controlled Accounts**

Certain significant costs and benefits associated with the operations of the University are appropriated, expended, controlled, and reported by the Commonwealth through non-University line items in the Commonwealth's budget. Under generally accepted accounting principles, such transactions must be recorded in the financial statements of the University. These transactions include payments by the Commonwealth for the employer's share of funding the Massachusetts State Employees' Retirement System (see Note 18) and for the employer's share of health care premiums.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan**

Defined Benefit Plan Description

Certain employees of the University participate in a cost-sharing, multiple-employer, defined benefit pension plan - the Massachusetts State Employees' Retirement System ("SERS") - administered by the Massachusetts State Board of Retirement (the "Board"), which is a public employee retirement system ("PERS"). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits through the plan, regardless of the status of the employers' payment of its pension obligations to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The Massachusetts State Employees' Retirement System does not issue stand-alone financial statements. Additional information regarding the plan is contained in the Commonwealth's financial statements, which is available on-line from the Office of State Comptroller's website.

Benefit Provisions

SERS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws ("MGL") establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated based on the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, group creditable service, and group classification. The authority for amending these provisions rests with the Massachusetts State Legislature (the "Legislature").

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012, are not eligible for retirement until they have reached age 60.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan - Continued**

Contributions

The SERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the SERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for SERS vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>Percent of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation except for State Police, which is 12% of regular compensation
7/1/2001 to present	11% of regular compensation (for teacher hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000 except for teachers subject to Chapter 114 of the Acts of 2000

The Commonwealth does not require the University to contribute funding from its local trust funds for employees paid by State appropriations. Pension funding for employees paid from State appropriations are made through a benefit charge assessed by the Commonwealth. Such pension contributions amounted to \$7,895,253, \$6,759,869, and \$6,194,567 for the years ended June 30, 2025, 2024 and 2023, respectively.

For employees covered by SERS but not paid from State appropriations, the University is required to contribute at an actuarially determined rate. The rate was 18.63%, 16.69%, and 16.70% of annual covered payroll for the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The University contributed \$674,266, \$560,872, and \$629,872 for the fiscal years ended June 30, 2025, 2024 and 2023, respectively, equal to 100% of the required contributions for each year.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan – Continued**

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025 and 2024, the University reported a liability of \$5,243,175 and \$6,257,241, respectively, for its proportionate share of the net pension liability related to its participation in SERS. The net pension liability as of June 30, 2025, the reporting date, was measured as of June 30, 2024, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to June 30, 2024. The net pension liability as of June 30, 2024, the reporting date, was measured as of June 30, 2023, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2023.

The University's proportion of the net pension liability was based on its share of the Commonwealth of Massachusetts' collective pension amounts allocated on the basis of actual fringe benefit charges assessed to the University for the fiscal years 2025 and 2024. The Commonwealth's proportionate share was based on actual employer contributions to the SERS for fiscal years 2025 and 2024 relative to total contributions of all participating employers for the fiscal year. At June 30, 2025 and 2024, the University's proportion was 0.037% and 0.043%, respectively.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan - Continued**

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the years ended June 30, 2025 and 2024, the University recognized pension benefit of \$1,489,666 and \$1,544,469, respectively. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30,:

	2025	2024
<u>Deferred Outflows of Resources Related to Pension</u>		
Contributions subsequent to the measurement date	\$ 674,266	\$ 560,872
Differences between expected and actual experience	262,785	222,276
Changes in proportion from Commonwealth	-	52
Changes in plan actuarial assumptions	37,627	105,163
Differences between projected and actual earnings of pension plan investments	-	168,401
Changes in proportion due to internal allocation	66,721	400,324
Total deferred outflows related to pension	\$ 1,041,399	\$ 1,457,088
	2025	2024
<u>Deferred Inflows of Resources Related to Pension</u>		
Differences between projected and actual investments earnings	\$ 68,174	\$ -
Differences between expected and actual experience	67,175	154,616
Changes in proportion from Commonwealth	33,697	47,802
Changes in proportion due to internal allocation	3,923,996	5,456,179
Total deferred inflows related to pension	\$ 4,093,042	\$ 5,658,597

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan - Continued**

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

The University's contributions of \$674,266 and \$560,872 made during the fiscal years ending 2025 and 2024, respectively, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in each of the succeeding years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

Years Ended <u>June 30,</u>	
2026	\$ 3,961,094
2027	(7,622,595)
2028	(853,274)
2029	<u>788,866</u>
	<u>\$ (3,725,909)</u>

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2025	2024
Measurement date	June 30, 2024	June 30, 2023
Inflation on the first \$13,000 of allowance	2.50%	2.50%
Salary increases	4.00% to 9.00%	4.00% to 9.00%
Investment rate of return	7.00%	7.00%
Interest rate credited to annuity savings fund	3.50%	3.50%

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan - Continued**

Actuarial Assumptions - Continued

For measurement dates June 30, 2024 and 2023, mortality rates were based on:

- Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021 set forward 1 year for females.
- Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021 set forward 1 year for females
- Disability – reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021 set forward 1 year

Experience studies were performed as follows:

- Dated February 27, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect actual experience from 2012 through 2020 for post-retirement mortality.

The 2025 pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of January 1, 2024 and rolled forward to June 30, 2024. The 2024 pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of January 2023 and rolled forward to June 30, 2023.

Investment assets of SERS are with the Pension Reserves Investment Trust (“PRIT”) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, are summarized in the following table:

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan - Continued**

Asset Class	2025		2024	
	Target Allocation	Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	4.6%	37.0%	4.9%
Core Fixed Income	15.0%	2.1%	15.0%	1.9%
Private Equity	16.0%	7.4%	16.0%	7.4%
Portfolio Completion Strategies	10.0%	3.7%	10.0%	3.8%
Real Estate	10.0%	3.9%	10.0%	3.0%
Value Added Fixed Income	9.0%	5.1%	8.0%	5.1%
Timberland/Natural Resources	4.0%	4.4%	4.0%	4.3%
	<u>100.0%</u>		<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at both June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 18 - **Retirement Plan - Continued**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table illustrates the sensitivity of the net pension liability calculated using the discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate at June 30,:

	<u>2025</u>	<u>Current</u>	<u>2024</u>
	1.00% Decrease	Discount Rate	1.00% Increase
	6.00%	7.00%	8.00%
Net Pension liability	\$ 7,365,983	\$ 5,243,175	\$ 3,447,283
	1.00% Decrease	Discount Rate	1.00% Increase
	6.00%	7.00%	8.00%
Net Pension liability	\$ 8,599,734	\$ 6,257,241	\$ 4,274,876

Note 19 - **Other Post-Employment Benefits ("OPEB")**

Plan Description

As an agency of the Commonwealth, certain employees of the University participate in the Commonwealth's single-employer defined benefit-OPEB plan – the State Retirees' Benefit Trust ("SRBT"). Benefits are managed by the Group Insurance Commission ("GIC") and investments are managed by the Pension Reserves Investment Management ("PRIM") Board. The GIC has representation on the Board of Trustees of the State Retirees' Benefits Trust ("Trustees").

The SRBT is set up solely to pay for OPEB benefits and the cost to administer those benefits. It can only be revoked when all such healthcare and other non-pension benefits, current and future, have been paid or defeased. The GIC administers benefit payments, while the Trustees are responsible for investment decisions.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") - Continued**

Plan Description - Continued

Management of the SRBT is vested with the Board of Trustees, which consists of seven members, including the Secretary of Administration and Finance (or their designee), the Executive Director of the GIC (or their designee), the Executive Director of PERAC (or their designee), the State Treasurer (or their designee), the Comptroller (or a designee), one person appointed by the Governor, and one person appointed by the State Treasurer. These members elect one person to serve as chair of the Board.

The SRBT does not issue stand-alone audited financial statements but is reflected as a fiduciary fund in the Commonwealth's audited financial statements.

Benefits Provided

Under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain healthcare and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the healthcare / benefit costs, which are comparable to contributions required from employees. Dental and vision coverage may be purchased by these groups with no subsidy from the Commonwealth.

Contributions

Employer and employee contribution rates are set by MGL. The Commonwealth recognizes its share of the costs on an actuarial basis. As of June 30, 2025 and 2024, and as of the valuation date (January 1, 2024 and 2023), participants contributed 10% to 20% of premium costs, depending on the date of hire and whether the participant's status is active, retired, or survivor.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") - Continued**

Contributions - Continued

The Massachusetts General Laws governing employer contributions to SRBT determine whether entities are billed for OPEB costs. Consequently, SRBT developed an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner (based on an employer's share of total covered payroll). The University is required to contribute based on Massachusetts General Laws; the rate was 7.49%, 7.83%, and 7.28% of annual covered payroll for the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The University contributed \$271,128, \$263,111, and \$274,492 for the fiscal years ended June 30, 2025, 2024 and 2023, respectively, equal to 100% of the required contribution for each year.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 and 2024, the University reported a liability of \$5,909,706 and \$6,655,092, respectively, for its proportionate share of the net OPEB liability related to its participation in SRBT. The net OPEB liability was measured as of June 30, 2024 and 2023, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 and 2023, respectively. The University's proportion of the net OPEB liability was based on its share of the Commonwealth's collective OPEB amounts allocated on the basis of an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner based on the University's share of total covered payroll for the fiscal years 2024 and 2023. The University's proportionate share was based on the actual employer contributions to the SRBT for fiscal years 2024 and 2023 relative to total contributions of all participating employers for the fiscal year. At June 30, 2025 and 2024, the University's proportion was 0.043% and 0.047%, respectively.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") - Continued**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

For the years ended June 30, 2025 and 2024, the University recognized OPEB benefit of \$4,960,400 and \$4,545,044, respectively. The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30,:

	2025	2024
<u>Deferred Outflows of Resources Related to OPEB</u>		
Contributions subsequent to the measurement date	\$ 271,128	\$ 263,111
Differences between expected and actual experience	164,265	270,681
Changes in OPEB plan actuarial assumptions	115,215	292,362
Differences between projected and actual earnings on OPEB plan investments	-	21,753
Changes in proportion from Commonwealth	-	610
Total deferred outflows related to OPEB	\$ 550,608	\$ 848,517
	2025	2024
<u>Deferred Inflows of Resources Related to OPEB</u>		
Differences between projected and actual earnings on OPEB plan investments	\$ 2,350	\$ -
Differences between expected and actual experience	456,514	747,532
Changes in OPEB plan actuarial assumptions	1,318,535	1,716,588
Changes in proportion from Commonwealth	56,917	63,682
Changes in proportion due to internal allocation	8,201,315	12,309,286
Total deferred inflows related to OPEB	\$ 10,035,631	\$ 14,837,088

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") - Continued**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

The University's contributions of \$271,128 and \$263,111 made during the fiscal years 2025 and 2024, respectively, subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in each of the succeeding years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as increases (decreases) in OPEB expense as follows:

Years Ended <u>June 30,</u>	
2026	\$ (2,529,389)
2027	(2,490,614)
2028	(2,146,632)
2029	(1,975,777)
2030	<u>(613,739)</u>
	<u>\$ (9,756,151)</u>

Actuarial Assumptions

The total OPEB liability for 2025 and 2024 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	June 30, 2024	June 30, 2023
Measurement date	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Salary increases	4.0% per year	4.0% per year
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation	7.00%, net of OPEB plan investment expense, including inflation
Health care cost trend rates	Developed based on the most recent published SOA-Getzen trend rate model, version 2024_1b. Medicare and non-medicare benefits range from 3.94% to 8.03%	Developed based on the most recent published SOA-Getzen trend rate model, version 2023_1f. Medicare and non-medicare benefits range from 3.94% to 8.59%

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") - Continued**

Actuarial Assumptions - Continued

The mortality rate was in accordance with RP-2014 Blue Collar Mortality Table projected with scale MP-2021 from the central year, with females set forward one year for both measurement dates June 30, 2024 and 2023.

The participation rates are actuarially assumed as below:

- 100% of employees currently electing healthcare coverage are assumed to elect coverage at retirement.
- 35% of employees currently opting out of active employee health coverage are assumed to elect to enroll in retiree coverage.
- 85% of current and future vested terminated participants will elect health care benefits at age 55, or if later, the participant's current age.
- Retirees who currently elect to waive their coverage are assumed to remain uncovered in the future.
- 100% of spouses are assumed to elect to continue coverage after the retiree's death.
- Actives, upon retirement, take coverage, and are assumed to have the following coverage:

	Retirement Age		Retirement Age		
	2025		2024		
	Non-Medicare	Medicare	Non-Medicare	Medicare	
Indemnity	18.0%	96.0%	Indemnity	27.0%	96.0%
POS/PPO	72.0%	0.0%	POS/PPO	63.0%	0.0%
HMO	10.0%	4.0%	HMO	10.0%	4.0%

The actuarial assumptions used in the January 1, 2024 and 2023 valuations were based on the results of an actuarial experience study for the periods ranging July 1, 2022 and 2021 through December 31, 2023 and 2022, depending upon the criteria being evaluated.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") - Continued**

Actuarial Assumptions - Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage.

The SRBT is required to invest in the PRIT Fund. Consequently, information about SRBT's target asset allocation and long-term expected real rate of return as of June 30, 2025 and 2024 are the same as discussed in the pension footnote, and are summarized as follows:

Asset Class	2025		2024	
	Target Allocation	Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	4.6%	37.0%	4.9%
Core Fixed Income	15.0%	2.1%	15.0%	1.9%
Private Equity	16.0%	7.4%	16.0%	7.4%
Portfolio Completion Strategies	10.0%	3.7%	10.0%	3.8%
Real Estate	10.0%	3.9%	10.0%	3.0%
Value Added Fixed Income	9.0%	5.1%	8.0%	5.1%
Timberland/Natural Resources	4.0%	4.4%	4.0%	4.3%
	<u>100.0%</u>		<u>100.0%</u>	

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") - Continued**

Discount Rate

The discount rate used to measure the total OPEB liability for 2025 and 2024 was 4.61% and 4.34%, respectively. These rates were based on a blend of the Bond Buyer Index rate (3.93% and 3.65%) as of the measurement date and the expected rate of return. The OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current plan members. The projected "depletion date", when projected benefits are not covered by projected assets, is 2043 for the fiscal years 2025 and 2024. Therefore, the long-term expected rate of return on OPEB plan investments of 7.00% for both years, per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

2025		
1.00% Decrease	Current Discount Rate	1.00% Increase
3.61%	4.61%	5.61%
\$ 6,882,875	\$ 5,909,706	\$ 5,106,502

Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Continued

2024		
1.00% Decrease	Current Discount Rate	1.00% Increase
3.34%	4.34%	5.34%
\$ 7,775,813	\$ 6,655,092	\$ 5,735,463

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 19 - **Other Post-Employment Benefits ("OPEB") – Continued**

Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

2025		
<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
\$ 4,961,089	\$ 5,909,706	\$ 7,102,932
2024		
<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
\$ 5,576,456	\$ 6,655,092	\$ 8,019,484

Note 20 - **Management Accounting and Reporting System**

Section 15C of Chapter 15A of the Massachusetts General Laws requires Commonwealth colleges and universities to report activity of campus-based funds to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, Massachusetts Management Accounting and Reporting System ("MMARS") using the statutory basis of accounting. The statutory basis of accounting is a modified accrual basis of accounting and differs from the information included in these financial statements. The amounts reported on MMARS meet the guidelines of the Comptroller's *Guide for Higher Education Audited Financial Statements*.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 20 - **Management Accounting and Reporting System - Continued**

State Appropriations

The University's State appropriations are comprised of the following for the years ended June 30,:

	<u>2025</u>	<u>2024</u>
Gross State general appropriations	\$ 43,468,917	\$ 42,009,826
Gross State capital appropriations	1,088,767	3,475,970
Add: Fringe benefits for benefited employees on the Commonwealth payroll	18,409,560	17,497,065
Less: Day school tuition remitted to the Commonwealth and included in tuition and fee revenue	<u>(112,567)</u>	<u>(112,880)</u>
Net State Appropriations	<u>\$ 62,854,677</u>	<u>\$ 62,869,981</u>

A reconciliation between the University and MMARS as of June 30, 2025 is as follows (unaudited):

Revenue per MMARS	\$ 115,657,443
Revenue per University	<u>115,660,844</u>
Difference	<u>\$ 3,401</u>

A timing difference occurred where \$3,401 was reported in MMARS in fiscal year 2026 and was reported by the University in fiscal year 2025.

\$61,765,910 and \$59,394,011 represent appropriations for maintenance and payroll during 2025 and 2024, respectively. \$1,088,767 and \$3,475,970 represent appropriations for capital improvements during 2025 and 2024, respectively. This amount is presented separately in the accompanying statements of revenues and expenses, and changes in net position.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 21 - **Risk Management, Commitments and Contingencies**

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Commonwealth is self-insured. In addition, the University maintains commercial insurance coverage for certain of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The separate insurance policies maintained by the University consist of Educator's Legal Liability, commercial crime, general liability, automobile liability, excess liability, and a foreign package policy. There were no significant reductions in insurance coverage from coverage in the prior year. The costs of settled claims have not exceeded policy coverages in any of the past three years.

The University also participates in the Commonwealth's self-insured programs for employees' workers' compensation, healthcare and other insurance. The Commonwealth assesses the costs of workers' compensation and unemployment insurance to the University based on the University's actual experience (see Note 8). The Commonwealth manages workers' compensation as part of its general operations. No separate fund for workers' compensation is provided for in Massachusetts General Laws. The Commonwealth assesses the costs of healthcare insurance to the University through a fringe benefit rate and the liability for such coverage is borne by the Commonwealth. The Commonwealth's Group Insurance Commission manages health insurance and other benefits for the Commonwealth's active and retired employees (see Note 18).

Massachusetts General Laws limit the risk assumed by the Commonwealth for claims of personal injury or property damages to \$100,000 per occurrence, in most circumstances.

Pending or threatened lawsuits against governmental agencies arise in the ordinary course of operations. In the opinion of the University's administration, the ultimate resolution of any legal actions at this date will not result in a material loss to the University since most of any obligation is expected to be paid from State-appropriated funds.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 21 - **Risk Management, Commitments and Contingencies - Continued**

The University receives significant financial assistance from Federal and State agencies in the form of grants. Expenditure of funds under these programs requires compliance with the grant agreements and are subject to audit by representatives of these Federal and State agencies. Any disallowed expenditures resulting from such audits become a liability of the University. In the opinion of management, such liabilities, if any, are not expected to materially affect the financial condition of the University.

The University participates in the Massachusetts University Savings Prepaid Tuition Program (the "Program"). This Program allows participants to pay in advance (against a bond) for future tuition at the cost of tuition at the time of the bond purchase, increased by changes in the Consumer Price Index plus 2%. The University is obligated to accept as payment of tuition, the amount determined by this Program without regard to the standard tuition rate in effect at the time of the individual's enrollment at the University. The effect of this Program cannot be determined as it is contingent on future tuition increases and the bond purchasers who attend the University.

The University has various capital projects that are currently in progress as of the date of the financial statements. These projects will be paid from funds appropriated and under the control of the DCAMM. The projects consist of renovations and improvements and have been recorded in the respective accounts.

Providers of Financial Resources

State Appropriations

As disclosed in Note 1, the University is a public, State-supported, comprehensive four-year university, located in Framingham, Massachusetts, and governed by a local Board of Trustees under the direction of the Massachusetts Department of Higher Education. As such, the University receives general state appropriations for a portion of its annual operations for employee salaries and fringe benefits reported on the Statement of Revenues and Expenses and Note 20 of these financial statements.

Lease Agreements

As disclosed in Note 11, the University is a lessee of multiple long-term leases for buildings, dormitories and improvements owned by the Massachusetts College Building Authority (MSCBA). Repayments are pledged and structured based on student occupancy revenues and resources held by the University. Repayment of lease obligations are dictated based on issued public bond debt with the University receiving notice from the MSCBA regarding payments due in November and May of each year.

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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 21 - **Risk Management, Commitments and Contingencies - Continued**

Debt

In addition to the leases disclosed in the preceding paragraph, MSCBA provides bond funds for the construction of campus buildings and project improvements. Repayment of bond obligations are dictated based on issued public bond debt with the University receiving notice from the MSCBA regarding payments due in November and May of each year. In addition, the Massachusetts Division of Capital Asset Management and Maintenance (DCAMM) provides resources to fund capital construction and renovation projects on campus.

The University will incur debt owed to DCAMM to pay for certain projects or partially pay for the cost of a project that they manage for the university's benefit. This includes repayment for maintenance and other costs on these projects.

Federal Student Financial Assistance and other grants

The University participates in the Federal Financial Assistance (Title IV) programs along with federal grants related to various university programs and operations. These programs allow for grants, scholarship aid, and other awards to be issued to students and the university to cover qualified education and related costs.

State Student Financial Assistance and other grants

The University participates in the Massachusetts State student financial assistance programs. These programs allow for grants, scholarship aid, and other awards to be issued to students to cover qualified education costs.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 21 - **Risk Management, Commitments and Contingencies - Continued**

Workforce Covered by Collective Bargaining Agreements:

The university is comprised of State Employees hired and employed by the Commonwealth of Massachusetts. The Massachusetts Board of Higher Education negotiates collective bargaining agreements (CBA) with the majority of university employees. During the fiscal years ended June 30, 2025 and 2024, the University employed individuals belonging to the following unions:

Association of Professional Administrators (APA)

The CBA for the APA union covers the period from July 1, 2020 to June 30, 2023. This Agreement is entered into by and between the Board of Higher Education and the Association of Professional Administrators, Massachusetts Teachers Association / National Education Association as the exclusive bargaining agent for positions in the bargaining unit. As of June 30, 2025, negotiations between the Board of Higher Education and APA the final legislative approval for the above CBA was signed in August 2025.

Massachusetts State College Association (MSCA)

The CBA for the MSCA covers the period from July 1, 2023, to June 30, 2024. This Agreement is entered into by and between the Board of Higher Education, acting through the Council of Presidents of the State Universities, and the Massachusetts Teachers Association/NEA, acting through the Massachusetts State College Association, as the exclusive collective bargaining agent for members of the bargaining unit. As of June 30, 2025, negotiations between the Board of Higher Education and MSCA are in the process of constructing and obtaining an updated CBA. As of the date of this report, negotiations are still under way for an updated contract with the MSCA.

Limitation on raising tuition rates: (Constraint)

Tuition rates are determined by the Massachusetts Board of Higher Education and cannot be adjusted without their authorization. Fees, however, are established by the University's Board of Trustees and adjusted annually as deemed appropriate.

FRAMINGHAM STATE UNIVERSITY
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Notes to the Financial Statements - Continued

June 30, 2025 and 2024

Note 22 - **Massachusetts State College Building Authority (“MSCBA”)**

The MSCBA was created pursuant to Chapter 703 of the Act of 1963 of the Commonwealth as a public instrumentality for the general purpose of providing residence halls and other facilities for use by students of the state universities of the Commonwealth, as well as major construction projects on their campuses. The residence halls are leased from the MSCBA for various terms.

The University is charged a semi-annual revenue assessment that is based on a certified occupancy report, the current rent schedule and the design capacity for each of the residence halls, as well as debt service on instruments issued for dormitory and other major construction projects for the University. This revenue assessment is used by MSCBA to pay principal and interest due on its long-term debt obligations and certain MSCBA operating costs.

These obligations may include the costs of periodic renovations and improvements to the residence halls, as well as other major construction performed on campus, which has included athletic field construction and repair.

The portions of the semi-annual Revenue Assessments paid to the MSCBA by the University for building leases mainly for residence halls, related maintenance, insurance, other costs, historical pooled obligations and other major renovations and improvements for the University for the years ended June 30, 2025 and 2024 were \$11,995,570 and \$11,495,043, respectively. The debt portion of these payments for building leases are accounted for under GASB 87 and are included within these financial statements within capital assets as right to use assets, net of amortization and offset to a lease liability.

REQUIRED SUPPLEMENTARY INFORMATION

FRAMINGHAM STATE UNIVERSITY
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Schedule of Proportionate Share of Net Pension Liability (Unaudited)

Massachusetts State Employees' Retirement System

Year ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Valuation date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Proportion of the collective net pension liability	0.037%	0.043%	0.050%	0.085%	0.113%	0.100%	0.122%	0.117%	0.105%	0.112%
Proportionate share of the collective net pension liability	\$ 5,243,175	\$ 6,257,241	\$ 6,980,019	\$ 8,826,167	\$ 19,377,541	\$ 14,703,180	\$ 16,139,945	\$ 14,961,538	\$ 14,519,987	\$ 12,702,384
University's covered payroll	\$ 3,360,527	\$ 3,771,689	\$ 4,384,122	\$ 6,862,517	\$ 8,668,068	\$ 8,296,128	\$ 9,470,289	\$ 9,166,553	\$ 8,001,513	\$ 6,724,042
University's proportionate share of the net pension liability as a percentage of its covered payroll	156.02%	165.90%	159.21%	128.61%	223.55%	177.23%	170.43%	163.22%	181.47%	188.91%
Plan fiduciary net position as a percentage of the total pension liability	72.90%	70.71%	71.05%	77.54%	62.48%	66.28%	67.91%	67.21%	63.48%	67.87%

See accompanying notes to the required supplementary information.

FRAMINGHAM STATE UNIVERSITY
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Schedule of Contributions - Pension (Unaudited)

Massachusetts State Employees' Retirement System

For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 674,266	\$ 560,872	\$ 629,872	\$ 706,282	\$ 1,006,045	\$ 1,220,464	\$ 1,000,513	\$ 1,115,600	\$ 912,072	\$ 756,143
Contributions in relation to the statutorily required contribution	<u>(674,266)</u>	<u>(560,872)</u>	<u>(629,872)</u>	<u>(706,282)</u>	<u>(1,006,045)</u>	<u>(1,220,464)</u>	<u>(1,000,513)</u>	<u>(1,115,600)</u>	<u>(912,072)</u>	<u>(756,143)</u>
Contribution (excess)/deficit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
University's covered payroll	\$ 3,619,249	\$ 3,360,527	\$ 3,771,689	\$ 4,384,122	\$ 6,862,517	\$ 8,668,068	\$ 8,296,128	\$ 9,470,289	\$ 9,166,553	\$ 8,001,513
Contribution as a percentage of covered payroll	18.63%	16.69%	16.70%	16.11%	14.66%	14.08%	12.06%	11.78%	9.95%	9.45%

Notes:

Employers participating in the Massachusetts State Employees' Retirement System are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

See accompanying notes to the required supplementary information.

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Notes to Required Supplementary Pension Information

June 30, 2025

Note 1 - **Changes in Pension Plan Benefit Terms and Assumptions**

Measurement date – June 30, 2023

The mortality rates were changed as follows:

- Pre-retirement mortality reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021, set forward 1 year for females
- Post-retirement mortality reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021, set forward 1 year for females
- For disabled retirees, mortality reflects the post-retirement mortality described above, set forward 1 year.

Measurement date – June 30, 2022

The inflation rate of return changed from 3.00% to 2.50%.

Measurement date – June 30, 2021

The investment rate of return changed from 7.15% to 7.00%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rates were changed as follows:

- Pre-retirement mortality reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020, set forward 1 year for females
- Post-retirement mortality reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020, set forward 1 year for females
- For disabled retirees, mortality reflects the post-retirement mortality described above, set forward 1 year.

Measurement date – June 30, 2020

The investment rate of return changed from 7.25% to 7.15%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

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Notes to Required Supplementary Pension Information - Continued

June 30, 2025

Note 1 - **Changes in Pension Plan Benefit Terms and Assumptions - Continued**

Measurement date – June 30, 2019

The investment rate of return changed from 7.35% to 7.25%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

Measurement date – June 30, 2018

The investment rate of return changed from 7.50% to 7.35%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rate assumptions were changed as follows:

- Disabled members – the amount reflects the same assumptions as for superannuation retirees, but with an age set forward of one year

Measurement date – June 30, 2017

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Employees table projected generationally with Scale MP-2016 and set forward 1 year for females
- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2016 and set forward 1 year for females
- Disability – did not change

Measurement date – June 30, 2016

The assumption for salary increases changed from a range of 3.5% to 9.0%, depending on group and length of service, to a range of 4.0% to 9.0%, depending on group and length of service.

Chapter 176 of the Acts of 2011 created a one-time election for eligible members of the Optional Retirement Plan (“ORP”) to transfer to the SERS and purchase service for the period while members of the ORP. As a result, the total pension liability of SERS increased by approximately 400 million as of June 30, 2016.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Schedule of Proportionate Share of Net OPEB Liability (Unaudited)

Massachusetts State Retirees' Benefit Trust

Year ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Valuation date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017
Proportion of the collective net OPEB liability	0.043%	0.047%	0.066%	0.097%	0.121%	0.152%	0.190%	0.166%
Proportionate share of the collective net OPEB liability	\$ 5,909,706	\$ 6,655,092	\$ 8,784,288	\$ 15,496,701	\$ 24,934,354	\$ 27,718,004	\$ 35,317,275	\$ 29,100,266
University's covered payroll	\$ 3,360,527	\$ 3,771,689	\$ 4,384,122	\$ 6,862,517	\$ 8,668,068	\$ 8,296,128	\$ 9,470,289	\$ 9,166,553
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	175.86%	176.45%	200.37%	225.82%	287.66%	334.11%	372.93%	317.46%
Plan fiduciary net position as a percentage of the total OPEB liability	15.60%	13.80%	13.00%	10.70%	6.40%	6.96%	6.01%	5.39%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

FRAMINGHAM STATE UNIVERSITY
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Schedule of Contributions - OPEB (Unaudited)

Massachusetts State Retirees' Benefit Trust

For the Year Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 271,128	\$ 263,111	\$ 274,492	\$ 335,422	\$ 528,286	\$ 632,231	\$ 729,569	\$ 844,642
Contributions in relation to the statutorily required contribution	<u>(271,128)</u>	<u>(263,111)</u>	<u>(274,492)</u>	<u>(335,422)</u>	<u>(528,286)</u>	<u>(632,231)</u>	<u>(729,569)</u>	<u>(844,642)</u>
Contribution (excess)/deficit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 3,619,249	\$ 3,360,527	\$ 3,771,689	\$ 4,384,122	\$ 6,862,517	\$ 8,668,068	\$ 8,296,128	\$ 9,470,289
Contribution as a percentage of covered payroll	7.49%	7.83%	7.28%	7.65%	7.70%	7.29%	8.79%	8.92%

Notes:

Employers participating in the Massachusetts State Retirees' Benefit Trust are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

FRAMINGHAM STATE UNIVERSITY
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Notes to Required Supplementary OPEB Information

June 30, 2025

Note 1 - **Changes in OPEB Plan Benefit Terms and Assumptions**

Measurement date – June 30, 2024

Change in per capita claims costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

Change in medical trend rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2024_1b. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Discount Rate

The discount rate was increased to 4.61% (based upon a blend of the Bond Buyer Index rate (3.93%) as of the measurement date as required by GASB Statement 74.

Measurement date – June 30, 2023

Change in per capita claims costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

Change in medical trend rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2023_1f. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Discount Rate

The discount rate was increased to 4.34% (based upon a blend of the Bond Buyer Index rate (3.65%) as of the measurement date as required by GASB Statement 74.

Measurement date – June 30, 2022

Change in per capita claims costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

FRAMINGHAM STATE UNIVERSITY
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Notes to Required Supplementary OPEB Information – Continued

June 30, 2025

Note 1 - **Changes in OPEB Plan Benefit Terms and Assumptions - Continued**

Change in medical trend rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2022_f4. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Discount Rate

The discount rate was increased to 4.00% (based upon a blend of the Bond Buyer Index rate (3.54%) as of the measurement date as required by GASB Statement 74.

Measurement date – June 30, 2021

Change in per Capita Claims Costs

Per capita claims costs were updated to reflect lower-than-expected FY22 rates, driven primarily by an increase in expected Pharmacy Benefits Manager rebates.

Change in Medical Trend Rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2021_b. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Investment Rate

The investment rate of return decreased from 7.15% to 7.00%.

Change in Mortality Rates

The mortality projection scale was updated from MP-2016 to MP-2020.

Change in Discount Rate

The discount rate was increased to 2.77% (based upon a blend of the Bond Buyer Index rate (2.16%) as of the measurement date as required by GASB Statement 74.

Measurement date – June 30, 2020

Change in per Capita Claims Costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

FRAMINGHAM STATE UNIVERSITY
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Notes to Required Supplementary OPEB Information – Continued

June 30, 2025

Note 1 - **Changes in OPEB Plan Benefit Terms and Assumptions - Continued**

Change in Medical Trend Rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2020_b, the impact of the discontinuation of the ACA Health Insurer Fee and Excise Tax.

Change in Investment Rate

The investment rate of return decreased from 7.25% to 7.15%.

Change in Salary Scale

The salary scale assumption was updated from a constant 4% assumption to rates that vary by years of service and group classification, consistent with SERS.

Change in Discount Rate

The discount rate was decreased to 2.28% based upon a blend of the Bond Buyer Index rate (2.21%) as of the measurement date as required by GASB Statement 74.

Measurement date – June 30, 2019

Change in Inflation

The inflation rate decreased from 3.0% to 2.5%.

Change in Salary Assumptions

Salary decreased from 4.5% to 4.0%.

Change in Investment Rate

The investment rate of return decreased from 7.35% to 7.25%.

Change in Trend on Future Costs

The original healthcare trend rate decreased from 8.0% to 7.5%, which affects the high-cost excise tax.

Change in Discount Rate

The discount rate was decreased to 3.63% (based upon a blend of the Bond Buyer Index rate (3.51%) as of the measurement date as required by GASB Statement 74.

FRAMINGHAM STATE UNIVERSITY
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Notes to Required Supplementary OPEB Information – Continued

June 30, 2025

Note 1 - **Changes in OPEB Plan Benefit Terms and Assumptions - Continued**

Measurement date – June 30, 2018

Change in Trend on Future Costs

The healthcare trend rate decreased from 8.5% to 8.0%, which impacts the high cost excise tax.

Change in Mortality Rates

The following mortality assumption changes were made in the January 1, 2018 Actuarial Valuation:

- Disabled members – would reflect the same assumptions as for superannuation retirees, but with an age set forward of one year

Change in Discount Rate

The discount rate was increased to 3.95% based upon a blend of the Bond Buyer Index rate (3.87%) as of the measurement date as required by GASB Statement 74.

Measurement date – June 30, 2017

Change in Discount Rate

The discount rate was increased to 3.63% based upon a blend of the Bond Buyer Index rate (3.58%) as of the measurement date as required by GASB Statement 74. The June 30, 2016 discount rate was calculated to be 2.80%.

Note 2 - **Other Information**

This schedule is intended to present 10 years of data. Additional years will be presented when available.

Detailed information about the OPEB plan's changes in net OPEB liability and changes in the plan's fiduciary net position are not available to the University and, accordingly, are not presented in the schedule. This information is available in the Commonwealth of Massachusetts' financial statements.

SUPPLEMENTAL INFORMATION

FRAMINGHAM STATE UNIVERSITY
 (an agency of the Commonwealth of Massachusetts)

Residence Hall Fund and Residence Hall Damage Fund (Unaudited)

Schedules of Net Position

June 30, 2025

	Assets	
	<u>Residence Hall Fund</u>	<u>Residence Hall Damage Fund</u>
Assets:		
Cash	\$ -	\$ 637,562
Accounts receivable	<u>866,188</u>	<u>52,188</u>
Total Assets	<u><u>\$ 866,188</u></u>	<u><u>\$ 689,750</u></u>
	Liabilities and Net Position	
Liabilities:		
Accounts payable	\$ 85,099	\$ 5,117
Salaries and fringe benefits	-	-
Deferred revenue	55,761	1,700
Deposits	<u>54,490</u>	<u>-</u>
Total Liabilities	<u>195,350</u>	<u>6,817</u>
Net Position	<u>670,838</u>	<u>682,933</u>
Total Liabilities and Net Position	<u><u>\$ 866,188</u></u>	<u><u>\$ 689,750</u></u>

See Independent Auditor's Report.

FRAMINGHAM STATE UNIVERSITY
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Residence Hall Fund and Residence Hall Damage Fund (Unaudited)

Schedules of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2025

	<u>Residence Hall Fund</u>	<u>Residence Hall Damage Fund</u>
Operating Revenues:		
Student tuition and fees	\$ 13,636,072	\$ 62,722
Interest	263,026	-
Lease	167,651	-
Auxiliary service fees and other revenue	<u>424,591</u>	<u>-</u>
Total Operating Revenues	<u>14,491,340</u>	<u>62,722</u>
Operating Transfer in (external)	<u>820</u>	<u>-</u>
Operating Expenses:		
Regular employee compensation	1,261,917	-
Regular employee related expenses	3,869	-
Special employee/contract services	1,097,620	-
Pension and insurance	560,041	-
Administrative expenses	72,050	-
Facility operating supplies and related expenses	128,056	-
Consultant services	55,507	-
Operational services	88,938	-
Equipment purchases	1,742	-
Equipment lease - purchase, lease, rent, repair	1,662	-
Purchased client service and programs	572	-
Buildings improvements	878,075	30,011
Information technology	43,357	-
Scholarships	418,779	-
Loans and special payments	<u>8,149,277</u>	<u>-</u>
Total Operating Expenses	<u>\$ 12,761,462</u>	<u>\$ 30,011</u>

See Independent Auditor's Report.

FRAMINGHAM STATE UNIVERSITY
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Residence Hall Fund and Residence Hall Damage Fund (Unaudited)

Schedules of Revenues, Expenses and Changes in Net Position - Continued

For the Year Ended June 30, 2025

	<u>Residence Hall Fund</u>	<u>Residence Hall Damage Fund</u>
Operating Transfers Out (External):		
Electricity	\$ 1,913,831	\$ -
Health services reimbursement	70,000	-
Laundry and cleaning	50,000	-
General expenses	<u>1,100</u>	<u>-</u>
Total Operating Transfers Out (External)	<u>2,034,931</u>	<u>-</u>
Increase (Decrease) in Net Position	(304,233)	32,711
Net Position, Beginning of Year	<u>975,071</u>	<u>650,222</u>
Net Position, End of Year	<u>\$ 670,838</u>	<u>\$ 682,933</u>

The above Statements of Revenues, Expenses and Changes in Net Position do not include an allocation of the current year charge for workers' compensation as estimated by the Commonwealth's actuarial review. It is not practical to allocate any such amount to any specific trust fund.

See Independent Auditor's Report.

OTHER STATISTICAL INFORMATION

FRAMINGHAM STATE UNIVERSITY
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Other Statistical Information (Unaudited)

Schedule of Net Position by Category

	<u>2016</u>	<u>2017 (4)</u>	<u>2018</u>	<u>2019 (4)</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net investment in capital assets	\$ 97,567,357	\$ 104,693,789	\$ 107,501,952	\$ 105,089,533	\$ 102,215,570	\$ 90,354,146	\$ 81,826,093	\$ 76,651,373	\$ 71,256,505	\$ 67,286,018
Restricted - expendable	2,562,269	3,118,277	2,820,618	2,933,947	3,414,473	3,361,389	2,448,042	3,471,071	1,529,094	2,054,649
Restricted - nonexpendable	2,045,582	2,088,572	2,158,255	2,200,614	2,224,885	1,224,785	1,317,249	1,365,514	1,407,544	1,452,972
Unrestricted	<u>39,648,488</u>	<u>44,752,560</u>	<u>10,328,068</u>	<u>14,704,333</u>	<u>13,836,874</u>	<u>32,490,538</u>	<u>32,296,212</u>	<u>45,999,957</u>	<u>61,754,624</u>	<u>73,037,196</u>
Total Net Position	\$ 141,823,696	\$ 154,653,198	\$ 122,808,893	\$ 124,928,427	\$ 121,691,802	\$ 127,430,858	\$ 117,887,596	\$ 127,487,915	\$ 135,947,767	\$ 143,830,835

Note: This schedule does not include the component unit, the Framingham State University Foundation, Inc.

Sources and Uses of Funds

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Source of Revenue:										
Student charges (net of scholarships)	\$ 34,315,628	\$ 35,394,918	\$ 35,227,444	\$ 36,297,978	\$ 35,385,907	\$ 32,670,122	\$ 27,429,285	\$ 25,951,137	\$ 24,574,419	\$ 26,078,255
Grants and contracts	12,284,096	9,882,318	8,030,560	10,270,352	11,538,029	13,975,252	14,805,984	18,348,082	21,987,959	24,023,284
Auxiliary enterprises	14,706,516	15,630,123	16,001,360	15,891,185	13,064,000	9,042,676	19,119,319	19,782,478	21,208,092	22,759,218
Other operating revenue	2,038,867	3,116,759	3,661,029	3,635,456	3,060,758	1,776,599	3,022,652	2,744,279	2,116,503	2,288,390
Total Operating Revenue	63,345,107	64,024,118	62,920,393	66,094,971	63,048,694	57,464,649	64,377,240	66,825,976	69,886,973	75,149,147
State support	35,477,537	37,022,123	37,753,236	47,110,146	44,175,391	45,364,246	50,648,041	54,994,262	59,394,011	61,765,910
Other non-operating revenue	21,925,262	16,882,314	5,397,172	5,598,549	5,139,665	29,028,693	12,709,094	21,161,093	16,876,932	12,824,670
Total Non-operating Revenue	57,402,799	53,904,437	43,150,408	52,708,695	49,315,056	74,392,939	63,357,135	76,155,355	76,270,943	74,590,580
Total Revenue	\$ 120,747,906	\$ 117,928,555	\$ 106,070,801	\$ 118,803,666	\$ 112,363,750	\$ 131,857,588	\$ 127,734,375	\$ 142,981,331	\$ 146,157,916	\$ 149,739,727
Functional Expense:										
Instruction	\$ 31,336,705	\$ 33,811,638	\$ 34,241,502	\$ 35,740,317	\$ 35,228,475	\$ 33,697,546	\$ 31,952,987	\$ 29,510,051	\$ 31,990,551	\$ 33,401,660
Research	1,630,714	1,732,248	112,467	109,407	107,840	103,921	88,682	54,641	88,766	24,951
Academic support	11,852,251	12,835,835	13,869,676	15,805,174	15,578,827	15,012,665	14,344,697	15,397,043	14,830,795	16,418,345
Student services	11,911,904	13,214,323	13,682,206	14,742,661	14,531,530	14,003,429	14,491,626	14,587,916	16,467,604	17,948,128
Institutional support	10,815,126	10,555,230	11,690,341	12,258,734	12,083,175	12,122,064	12,774,376	12,651,983	14,992,084	14,661,295
Operations and maintenance of plant	11,440,601	12,352,552	12,790,568	14,928,884	14,715,084	14,180,312	11,618,718	19,677,954	13,434,808	11,365,533
Scholarships	-	-	-	312,480	740,302	6,826,590	9,679,671	6,851,658	10,749,467	12,525,384
Sub-total	78,987,301	84,501,826	86,386,760	93,897,657	92,985,233	95,946,527	94,950,757	98,731,246	102,554,075	106,345,296
Auxiliary enterprises	10,395,641	13,601,357	13,866,466	13,834,073	13,918,270	9,039,472	13,792,629	12,344,362	14,084,780	14,671,040
Total Operating Expense	89,382,942	98,103,183	100,253,226	107,731,730	106,903,503	104,985,999	108,743,386	111,075,608	116,638,855	121,016,336
Other Non-operating Expense	10,798,765	36,759,135	11,827,494	8,952,402	8,696,872	21,132,533	29,084,251	21,765,404	21,059,209	20,840,323
Total Non-operating Expense	10,798,765	36,759,135	11,827,494	8,952,402	8,696,872	21,132,533	29,084,251	21,765,404	21,059,209	20,840,323
Total Expense	\$ 100,181,707	\$ 134,862,318	\$ 112,080,720	\$ 116,684,132	\$ 115,600,375	\$ 126,118,532	\$ 137,827,637	\$ 132,841,012	\$ 137,698,064	\$ 141,856,659

(1) These schedules do not include the component unit, Framingham State University Foundation, Inc.; total operating expense does not include depreciation.

(4) FY17 has been restated to reflect the incorporation of GASB 75 post-employment benefits (OPEB).

FRAMINGHAM STATE UNIVERSITY
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Other Statistical Information (Unaudited)

Schedule of Capital Asset Information

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Land (acreage) (1)(7)(9)	143.18	143.18	145.16	145.16	145.16	145.16	135.87	135.87	135.87	135.87
Buildings (square feet):										
100 Instruction /classroom (6)	49,482	53,467	53,467	53,467	53,467	53,467	53,467	53,467	53,467	53,467
200 Labs (4)(7)	124,875	124,875	132,875	132,875	132,875	132,875	132,875	132,875	132,875	132,875
300 Administrative (6)	94,325	119,262	119,262	119,262	119,262	119,262	119,262	119,262	119,262	119,262
400 Study facilities (6)	54,565	58,862	58,862	58,862	58,862	58,862	58,862	58,862	58,862	58,862
52x Athletic	53,449	53,449	53,449	53,449	53,449	53,449	53,449	53,449	53,449	53,449
5xx Other Special Use (1)(6)(7)(8)	114,106	122,506	138,506	138,506	139,601	139,601	139,601	139,601	139,601	139,601
600 General Use (6)	56,311	76,023	76,023	76,023	76,023	76,023	76,023	76,023	76,023	76,023
700 Support facilities (2)(6)(9)	154,425	156,785	156,785	156,785	156,785	156,785	129,835	129,835	129,835	129,835
Unassigned/unassignable (6)	154,688	164,397	164,397	164,397	164,397	164,397	164,397	164,397	164,397	164,397
Total Square Feet	856,226	929,626	953,626	953,626	954,721	954,721	927,771	927,771	927,771	927,771
Residence Halls (5)(6)(8)	545,795	562,728	562,728	562,728	561,633	561,633	561,633	561,633	561,633	561,633
Rental space (10)	6,613	-	-	-	-	-	-	-	-	-
Dormitories - # of residents (3)	<u>1,933</u>	<u>1,916</u>	<u>1,920</u>	<u>1,829</u>	<u>1,803</u>	<u>726</u>	<u>1,305</u>	<u>1,315</u>	<u>1,287</u>	<u>1,321</u>

Note: Classification of facilities space is consistent with Facilities Inventory and Classification Code guide.

- (1) FY16 Added the Warren Conference Center
- (2) FY16 Added 2 Perini Buildings
- (3) Residence Hall # of residents is based upon the average of the Spring and Fall occupancy the calendar year, e.g. 2017 = Spring 2017 + Fall 2017.
- (4) FY16 Added Hemenway Labs
- (5) FY17 Add West Hall/move O'Connor
- (6) FY17 Add O'Connor
- (7) FY18 Add Maynard Building, 14 Vernon Street
- (8) FY20 Adjusted by 1,095 sf for E-Gaming facility -from Dorm to Special Use
- (9) Sold Mt. Wayte lot , Sold Mayhew & Mt. Wayte
- (10) Lease Mt. Wayte - storage

FRAMINGHAM STATE UNIVERSITY
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Other Statistical Information (Unaudited)

Schedule of Tuition and Mandatory Fees

	Academic Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<i>Resident Undergraduate</i>										
Tuition	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970	\$ 970
Mandatory Fees	7,730	8,370	8,950	9,550	10,130	10,410	10,410	10,410	10,660	10,950
<i>Total</i>	\$ 8,700	\$ 9,340	\$ 9,920	\$ 10,520	\$ 11,100	\$ 11,380	\$ 11,380	\$ 11,380	\$ 11,630	\$ 11,920
<i>Non-Resident Undergraduate</i>										
Tuition	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050
Mandatory Fees	7,730	8,370	8,950	9,550	10,130	10,410	10,410	10,410	10,660	10,950
<i>Total</i>	\$ 14,780	\$ 15,420	\$ 16,000	\$ 16,600	\$ 17,180	\$ 17,460	\$ 17,460	\$ 17,460	\$ 17,710	\$ 18,000
<i>Resident Graduate</i>										
Tuition	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680
Mandatory Fees	7,730	8,370	8,950	9,550	10,130	10,410	10,410	10,410	10,660	10,950
<i>Total</i>	\$ 9,405	\$ 10,045	\$ 10,625	\$ 11,230	\$ 11,805	\$ 12,090	\$ 12,090	\$ 12,090	\$ 12,340	\$ 12,630

Note: Tuition and fee amounts are for a full-time student per academic year. These amounts exclude residence hall room and board.

See Independent Auditor's Report.

FRAMINGHAM STATE UNIVERSITY
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Other Statistical Information (Unaudited)

Schedule of Admissions, Enrollment, and Degrees

Admissions-Freshman (1):

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Applications	6,189	7,525	7,438	6,879	6,882	6,400	5,738	5,138	4,953	5,215
Applications accepted	4,239	4,866	4,946	4,874	5,030	5,059	4,737	4,349	4,100	4,195
Accepted as a percentage of applications	68%	65%	66%	71%	73%	79%	83%	85%	83%	80%
Students enrolled (2)	1,358	1,242	1,289	1,137	1,156	888	813	698	738	820
Enrolled as a percentage of accepted	32%	26%	26%	23%	23%	18%	17%	16%	18%	20%

(1) Includes all undergraduate admissions including transfer students.

(2) Includes only students who were accepted and enrolled. Enrolled alone would include students who were not accepted but enrolled as non-degree seeking students.

Enrollment:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Full-time equivalent	4,881	4,732	4,537	4,405	4,333	3,983	3,598	3,220	3,121	3,180
Unduplicated credit headcount	6,398	5,977	5,691	5,565	5,463	4,876	4,495	4,111	4,028	4,002
Percent undergraduate (3)	70%	73%	73%	71%	71%	72%	71%	72%	70%	70%
Percent graduate	30%	27%	27%	29%	29%	28%	29%	28%	30%	30%

(3) Percent undergraduate/graduate based on Fall semester registration, unduplicated headcount.

Student Population Demographics (4):

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Percentage of men	33%	35%	35%	36%	37%	37%	38%	39%	38%	39%
Percentage of women	67%	65%	65%	64%	63%	63%	62%	61%	62%	61%
Percentage of African-American	7%	8%	9%	9%	11%	12%	12%	14%	14%	14%
Percentage of White	77%	74%	71%	69%	66%	64%	63%	58%	56%	52%
Percentage of Latino	10%	10%	12%	14%	14%	15%	17%	19%	22%	21%
Percentage of Other (5)	7%	8%	8%	8%	9%	9%	8%	8%	9%	13%
<20	24%	25%	24%	24%	25%	21%	25%	23%	22%	25%
20 to 30	51%	52%	53%	52%	51%	56%	52%	55%	53%	52%
31 to 40	12%	11%	11%	12%	12%	12%	12%	11%	12%	11%
41 and Over	13%	12%	12%	12%	12%	12%	11%	12%	13%	12%

(4) Percentages within category are based on population of students who reported this information (gender, race/ethnicity, and age).

(5) Other includes Asian or Pacific Islander, American Indian, Alaskan Native, and Cape Verdean.

Degrees Granted:

	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Bachelor's	968	1,012	914	850	824	777	718	622	532	540
Master's	496	453	469	445	477	435	500	420	281	322

See Independent Auditor's Report.

FRAMINGHAM STATE UNIVERSITY
(an agency of the Commonwealth of Massachusetts)

Other Statistical Information (Unaudited)

Schedule of Employment

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Faculty - Primary Instruction ^{/1 /2}	529	530	536	519	471	481	459	425	426	433
Part-time	143	140	143	133	129	126	128	118	129	118
Part-time CE Instructors	182	185	187	177	135	158	144	134	132	140
Full-time	204	205	206	209	207	197	187	173	165	175
Staff and Administrators	322	334	340	346	351	351	334	346	357	361
Part-time	8	8	9	9	9	9	6	9	8	7
Full-time	314	326	331	337	342	342	328	337	349	354
Total Employees	851	864	876	865	822	842	793	771	783	794
Part-time	333	333	339	319	273	293	278	261	269	265
Full-time	518	531	537	546	549	549	515	510	514	529

^{/1} Includes Instruction, Research and Public Service

^{/2} As of 2015, Part-time Faculty also includes all Continuing Education part-time instructors.

Note: This schedule reflects personnel as of November 1 and includes employees paid from both State appropriation and local trust funds.

See Independent Auditor's Report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of
Framingham State University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Framingham State University (the "University"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon October 21, 2025.

Our report includes a reference to other auditors who audited the financial statements of the Framingham State University Foundation, the discretely presented component unit of the University, as described in our report on the University's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

October 21, 2025