

BRIDGEWATER STATE UNIVERSITY

(an Agency of the Commonwealth of Massachusetts)

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

BRIDGEWATER STATE UNIVERSITY

(an Agency of the Commonwealth of Massachusetts)

Financial Statements and Management's Discussion and Analysis

June 30, 2024 and 2023

C O N T E N T S

Independent Auditors' Report	1-3
Management's Discussion and Analysis (Unaudited)	4-27
Financial Statements:	
Statements of Net Position	28-29
Statements of Revenues, Expenses and Changes in Net Position	30
Statements of Cash Flows	31-32
Combining Statements of Net Position of Major Component Units	33-34
Combining Statements of Revenues, Expenses and Changes in Net Position of Major Component Units	35
Notes to the Financial Statements	36-73
Required Supplementary Information:	
Schedule of the University's Proportionate Share of Net Pension Liability (Unaudited)	74
Schedule of the University's Contributions - Net Pension (Unaudited)	75
Notes to the Required Supplementary Information - Net Pension (Unaudited)	76-77
Schedule of the University's Proportionate Share of Net OPEB Liability (Unaudited)	78
Schedule of the University's Contributions - Net OPEB (Unaudited)	79
Notes to the Required Supplementary Information - Net OPEB (Unaudited)	80-81
Supplemental Information:	
Schedules of Net Position - Dormitory Trust Fund Report (Unaudited)	82
Schedules of Revenues, Expenses, and Changes in Net Position - Dormitory Trust Fund Report (Unaudited)	83
Additional Report:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	84-85

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Bridgewater State University:

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented major component units, of Bridgewater State University (a component of the Commonwealth of Massachusetts) (the "university"), as of and for the years ended June 30, 2024 and 2023, 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, the financial statements referred to above present fairly, in all material respects, the respective net position of the business-type activities and the aggregate discretely presented component units of Bridgewater State University as of June 30, 2024 and 2023, and the respective changes in net position and, where applicable, cash flows, combining statements of net position of major component units and combining statements of revenues, expenses and changes in net position of major component units for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with 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. Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 auditors' report that includes our opinions. 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 generally accepted auditing standards in the United States of America 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 generally accepted auditing standards in the United States of America 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.

We are required to communicate to 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 have identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and 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, 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 auditing standards generally accepted in the United States of America 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.

Supplemental Schedules

Our audits were conducted for the purpose of forming opinions of 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 audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, 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'.

October 30, 2024

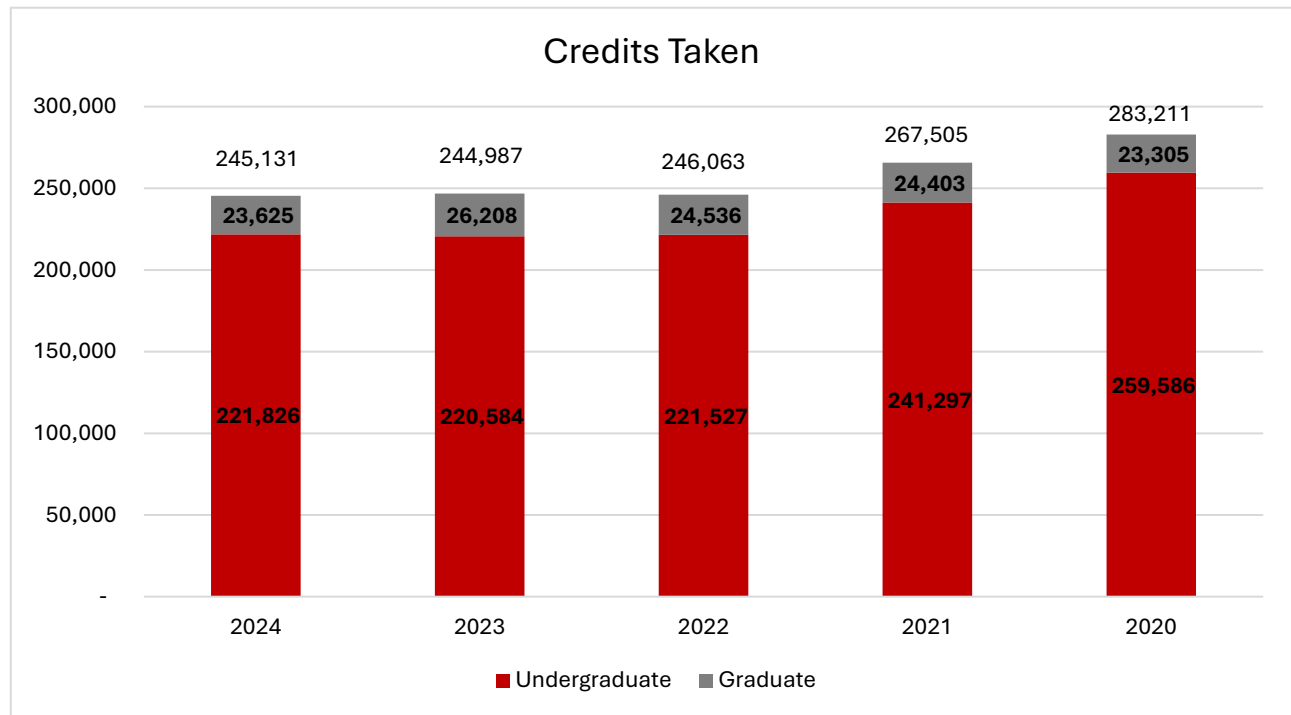
BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

The following discussion and analysis offers readers of Bridgewater State University's (the university, BSU) annual financial report a narrative overview of the financial position and activities of the university and its component units as of and during the fiscal year ended June 30, 2024. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with the financial statements and footnotes. The financial statements, footnotes, and this discussion, are the responsibility of management.

The university is a comprehensive public four-year institution with approximately 9,550 undergraduate and graduate students. BSU is the largest of the nine Massachusetts state universities and the fourth largest of the 29 public college and university campuses in the Commonwealth of Massachusetts (the Commonwealth, COMA). Founded in 1840 by Horace Mann, the university is home to the nation's oldest permanently sited teacher-preparation program and is one of the most prolific generators of new teachers, training more science and math teachers than any institution in the Commonwealth. Today, the university offers a broad range of graduate and undergraduate degree programs through its six colleges: Bartlett College of Science and Mathematics, College of Education and Health Sciences, College of Humanities and Social Sciences, Louis M. Ricciardi College of Business, College of Continuing Studies, and College of Graduate Studies. The university awarded 2,321 degrees last year, a 6.2% decrease over the last ten years. The university instructed over 245,000 credits, a 0.06% increase over the previous year.



BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Highlights

The university's financial position at June 30, 2024 includes assets of \$455.8 million, deferred outflows of resources of \$14.5 million, liabilities of \$339.6 million and deferred inflows of resources of \$83.7 million. Net position, representing the residual interest in the university's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, may serve over time as a useful indicator of the university's financial position. The university's fiscal year 2024 net position increased \$18.6 million as compared to the June 30, 2023 net position ending balance of \$28.3 million.

The financial position of the university's component units remained positive at June 30, 2024 with assets of \$77.1 million and liabilities of \$677 thousand. The component units recognized a net position increase of \$8.6 million to \$76.4 million, a 13% increase in total net assets. This increase is primarily due to positive impacts on the market which resulted in increased investment returns and higher gifts and contributions received.

The combined financial position of the university and component units reflects assets of \$532.8 million, deferred outflows of resources of \$14.5 million, liabilities of \$340.3 million, deferred inflows of resources of \$83.7 million and combined net position of \$123.3 million at June 30, 2024.

The university's net position is continuously impacted due to the accounting requirements of GASB 68 and GASB 75. BSU has limited control over these net long-term obligations as the Commonwealth of Massachusetts controls these statewide plan offerings, funding requirements, investment decisions and actuarial determinations. The impact of the change in these obligations results in either a negative or positive impact on unrestricted net position annually. In fiscal year 2024, it resulted in an increase in BSU's net position of approximately \$19.7 million compared to an increase in net position of \$12.9 million in 2023 and an increase of \$9.7 million in fiscal year 2022.

The university's unrestricted net position is comprised of the following at June 30:

	2024	2023	<i>Restated</i> 2022
Beginning unrestricted net position	\$ (85,071,250)	\$ (99,989,551)	\$ (132,745,617)
Ending unrestricted net position	(67,647,601)	(85,071,250)	(99,989,551)
Change in unrestricted net position	<u>\$ 17,423,649</u>	<u>\$ 14,918,301</u>	<u>\$ 32,756,066</u>
Increase (Decrease) in net position, Pension GASB 68	5,018,856	3,649,978	4,084,386
Increase (Decrease) in net position, OPEB GASB 75	14,642,854	9,228,613	5,633,463
	<u>19,661,710</u>	<u>12,878,591</u>	<u>9,717,849</u>
Increase (Decrease) in unrestricted net position, other sources	\$ (2,238,061)	\$ 2,039,710	\$ 23,038,217
Change in unrestricted net position	<u>\$ 17,423,649</u>	<u>\$ 14,918,301</u>	<u>\$ 32,756,066</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Bridgewater State University's basic financial statements. Bridgewater State University's basic financial statements comprise two components: 1) the financial statements and 2) the notes to the financial statements.

The financial statements are designed to provide readers with a broad overview of Bridgewater State University's finances in a manner similar to a private-sector institution. The university's financial report includes three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

These statements are prepared in accordance with Government Accounting Standards Board (GASB) principles. These principles establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the institution as a whole. A description of the financial statements follows.

The Bridgewater State University Foundation (the Foundation) and the Bridgewater Alumni Association (the Alumni Association), component units of the university, were formed to render financial assistance and support to the educational programs and development of the university. Both organizations are legally separate from the university; the university has no financial responsibility for either organization. The Foundation and the Alumni Association have been included within these financial statements because of the nature and significance of their relationship with the university. Complete financial statements for either organization can be obtained from their respective administrative offices in Bridgewater, Massachusetts. These discretely presented component units have been aggregated into a single combined column on the accompanying financial statements.

Statements of Net Position

The Statements of Net Position presents information on all of Bridgewater State University's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Bridgewater State University is improving or deteriorating. The Statement of Net Position is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and the expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position 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 related 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).

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Overview of the Financial Statements (Continued)

Statements of Cash Flows

The Statements 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). GASB Statements 34 and 35 require this method to be used.

Bridgewater State University reports its activity as a business-type activity using the economic resources measurement focus and the accrual basis of accounting. The university is an Agency of the Commonwealth of Massachusetts. Therefore, the results of the university's operations, its net position and cash flows are also combined within the Commonwealth's Comprehensive Annual Financial Report in its government-wide financial statements.

Notes

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

Financial Analysis of the University

Net Position

Bridgewater State University realized an increase of \$18.6 million to net position in fiscal year 2024. Contributing to this growth were increases in the following revenue streams: MBHE and other state, federal and private grants, state and capital appropriations, auxiliary revenue due to increased fees, gifts from the foundation, and investment revenue. Investment revenue increased due to a 76% increase in deposits at Massachusetts Municipal Depository Trust (MMDT) coupled with an uptick in interest rates (refer to Note 3 accompanying the basic financial statements). Continued application of GASB 75, Postemployment Benefits Other Than Pensions, and GASB 68, Accounting and Financial Reporting for Pensions also had a positive impact on net position. Increased scholarship support and increases in payroll costs and fringe rate, as seen in instruction, academic, and institutional support expenses, offset these increases to net position.

Bridgewater State University realized an increase of \$10 million to net position in fiscal year 2023. This growth was attributable to increased state and capital appropriations (refer to Note 21 accompanying the basic financial statements), increased MBHE and other state grants, increased auxiliary revenue related to greater residence hall occupancy, and an increase in investment revenue due to greater deposits at MMDT coupled with an uptick in interest rates. Reduction in HEERF funded scholarship awards, expenses related to operation and maintenance of plant, and expenses related to continued application of GASB 75, Postemployment Benefits Other Than Pensions, and GASB 68, Accounting and Financial Reporting for Pensions also had positive impact on net position. These increases to net position were offset by a decrease in HEERF and other non-operating revenue that was received in fiscal year 2022 and increases to auxiliary and institutional support expense. The impact of the implementation of GASB 96, SBITAs in Fiscal Year 2023 was not significant.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

Bridgewater State University realized an increase of \$17.1 million to net position in fiscal year 2022. This increase was attributable to increased HEERF funding (primarily ARPA grants), increased state appropriation, increased auxiliary revenue due to increase in residence hall occupancy, and reduction in expenses due to continued application of GASB 75, *Postemployment Benefits Other Than Pensions*, and GASB 68, *Accounting and Financial Reporting for Pensions*. These increases to net position were offset by the impact of GASB 87, *Leases*, increased payroll costs and fringe rate for collective bargaining increases and retroactive pay adjustments, and increased scholarship support. The impact of the implementation of GASB 96, SBITAs in Fiscal Year 2023 was not significant.

Over time, increases or decreases in net position is one indicator of the improvement or erosion of the university's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities. We have displayed several comparisons in our financial statements with and without the GASB 68 and GASB 75 impacts to demonstrate a clearer financial picture. A portion of Bridgewater State University's net position represents scholarships and grants that are classified as restricted funds as their use is subject to certain externally imposed limitations.

Ratio Analysis

Ratio analysis measures certain elements of an institution's overall financial health. The Massachusetts Department of Higher Education has instituted the use of certain core financial ratios as part of their performance measures for public universities and colleges in the Commonwealth. Analysis using some of these ratios, as well as other commonly accepted ratios, are incorporated throughout this document.

Primary Reserve Ratio

The primary reserve ratio measures the financial strength of the institution by comparing expendable net assets to total expenses. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations. The ratio recommended by the industry standard ranges between 15-40%. The table below illustrates the ratio computed for the primary government and our component units as well as the ratio calculated without the impact of the application of the GASB 68 pension and GASB 75 OPEB standards.

<u>University and Component Unit - Combined</u>			<u>University and Component Unit -Combined Without the Impact of Pension and OPEB</u>		
<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
(12.29%)	(21.73%)	(28.30%)	40.76%	44.47%	41.79%

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)

A summary of the Statement of Net Position is presented below at June 30:

	2024	2023	(Restated) 2022
Current assets	\$ 121,897,676	\$ 113,614,074	\$ 106,611,644
Capital assets	333,459,115	336,095,175	344,855,889
Non-current assets	<u>415,269</u>	<u>462,556</u>	<u>508,737</u>
Total assets	<u>455,772,060</u>	<u>450,171,805</u>	<u>451,976,270</u>
 Deferred outflows of resources	 <u>14,473,771</u>	 <u>18,761,444</u>	 <u>30,036,088</u>
 Current liabilities	 54,614,964	 49,191,051	 43,317,945
Non-current liabilities	<u>285,002,966</u>	<u>318,240,881</u>	<u>327,558,630</u>
Total liabilities	<u>339,617,930</u>	<u>367,431,932</u>	<u>370,876,575</u>
 Deferred inflows of resources	 <u>83,682,282</u>	 <u>73,162,935</u>	 <u>92,799,552</u>
Net position:			
Net investment in capital assets	113,080,004	112,038,736	116,712,575
Restricted	1,513,216	1,370,896	1,613,206
Unrestricted	<u>(67,647,601)</u>	<u>(85,071,250)</u>	<u>(99,989,550)</u>
Total net position	<u>\$ 46,945,619</u>	<u>\$ 28,338,382</u>	<u>\$ 18,336,231</u>

Current Assets

The change in the current asset category when comparing 2024 to 2023 is mainly due to an increase in net accounts receivable of \$3.3 million. This primarily represents funds due BSU for locally funded capital projects. Student receivables remained stable due to strong collection practices. Cash and cash equivalents increased \$3 million. This can be attributed to budgetary controls and interest earnings. Deposits held by State Treasurer, which represents funding for future payroll, increased \$2.4 million.

The change in the current asset category when comparing 2023 to 2022 is mainly due to an increase in cash and cash equivalents of \$5.8 million. This is primarily attributed to budgetary controls and interest earnings. Net accounts receivable increased \$1.9 million, which can be attributed to state and federal grants related to cyber range construction and other receivables that include locally funded capital projects and reserve for IT initiatives. Student receivables remained stable due to strong collection practices.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)

The change in the current asset category when comparing 2022 to 2021 is mainly due to an increase in cash and cash equivalents of \$22.4 million. This is primarily attributed to the receipt of Higher Education Emergency Relief Funds and budgetary controls. This positive impact on cash is anticipated to be reserved for capital and one-time expenditures to avoid creating structure deficits and positioning the university for an uncertain future. Overall, net accounts receivable decreased mainly due to the HEERF revenue recognition decrease from the prior year. Student receivables remained stable due to strong collection practices.

Current Ratio

An excess of current assets over current liabilities (the current ratio) is a measure of liquidity and provides a buffer against future uncertainties. The current ratio is presented for the primary government and our component units. A ratio greater than 1 indicates that the university could cover its current obligations with its most liquid assets. For 2024, combined current assets of \$123.4 million are sufficient to cover combined current liabilities of \$55.3 million, yielding a current ratio of 2.23. For 2023, combined current assets of \$115.2 million are sufficient to cover combined current liabilities of \$49.5 million, yielding a current ratio of 2.33. For 2022, combined current assets of \$108.2 million were sufficient to cover combined current liabilities of \$43.6 million, which yielded a current ratio of 2.48.

Capital Assets

By far, the largest portion of Bridgewater State University's net position reflects its investment in capital assets less outstanding debt used to acquire those assets. Bridgewater State University uses these capital assets to provide services to students, and support to faculty and administration; consequently, these assets are not available for future spending. Although Bridgewater State University's investment in its capital assets is reported net of related debt and accumulated depreciation, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities without legislative action. For more information relating to capital asset activity refer to Notes 1 and 11 accompanying the basic financial statements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

Capital assets are comprised of land, buildings and building improvements, furnishings and equipment, library materials, artwork, construction in progress, and right-to-use lease assets and subscription-based information technology arrangements (SBITAs).

As of June 30, 2024, 2023, and 2022, net capital assets were \$333.5 million, \$336.1 million, and \$344.9 million, respectively. For the years ended June 30, 2024, 2023, and 2022, depreciation and amortization expenses totaled \$27.9 million, \$26.4 million, and \$25.5 million, respectively. Capital asset additions for the current fiscal year totaled \$25.3 million.

\$13.2 million of the \$25.3 million total capital asset additions during the year ended June 30, 2024, related to Construction in Progress for the following projects:

- Tillinghast Hall Accessibility \$3,692,261
- Persona Lock Replacement - Phase I \$1,668,888
- Shea Durgin Bathroom Project \$1,625,000
- Maxwell Library HVAC \$1,477,802
- Persona Lock Replacement - Phase 2 \$1,287,119
- Funeral Services Program Renovations \$1,035,087
- Maxwell Library \$587,534
- Burnell Hall Renovations (DCAMM) \$428,497
- Energy Project (DCAMM) \$305,175
- RCC Accessibility Updates \$303,042
- Residence Halls Improvements \$293,667
- Flight Operations at N.B. Airport \$143,733
- Other Improvements and Renovations totaling \$384,103

\$4.6 million of the \$25.3 million total capital asset additions related to major purchases, renovations, and projects that were considered completed. The major items were comprised of the following:

- Hunt Hall Elevator \$1,212,780
- Cyber Range Equipment and Construction \$1,054,054
- Food Service Improvements \$679,575
- Lab Equipment, Spectrometer \$309,762
- Hart Hall Upgrades \$299,976
- Lab Equipment, Zetium Elemental Analyzer \$240,733
- Paving Project \$199,561
- EV Charging Stations \$169,650
- Lab Equipment, Cytometer \$115,133
- Residence Halls \$77,985
- AV Equipment (DMF) \$75,495
- Other Major Purchases and Improvements \$173,404

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

Artwork added in fiscal year 2024 totaled \$185,262, including \$112,762 for the Wyatt Garden.

\$5.2 million of the \$25.3 million total capital asset additions consists of right-to-use use (ROU) lease assets that are recognized due to application of GASB 87, *Leases* (implemented 2022). The major items added in fiscal year ended 2024 were comprised of the following:

- Related Party Leased Buildings (MSCBA) \$2,864,078
- Printers \$1,131,641
- Laundry equipment \$505,743
- 19 Vehicles \$490,770
- Parking (MBTA) \$116,541
- Other leases \$121,592
-

The remaining \$2 million of the \$25.3 million total capital asset additions consists of right-to-use use subscription assets, recognized due to application of GASB 96, *Subscription based Information Technology Arrangements* (implemented 2023). The major items added in fiscal year ended 2024 included:

- Cloud infrastructure application \$361,740
- Academic/learning platform \$324,476
- Commerce platform \$277,349
- Enterprise resource management solution \$264,031
- Social media platform for professionals \$163,775
- Resident management software \$143,775
- Student success subscription \$129,486
- Other subscription-based information technology arrangements \$375,441

Right-to-use assets may be reduced when there is an adjustment to lease/contract terms, or the lease/contract concludes, and the asset has fully amortized. ROU assets that ended included a \$117,304 related party lease, equipment, space and vehicles totaling \$594,888, and SBITAs totaling \$172,184.

\$1.6 million represents projects that began in prior fiscal years. This dollar amount was reclassified from Construction in Progress to capital assets subject to depreciation. The major items reclassified were:

- Cyber Range Construction \$865,173
- Hunt Hall Elevator \$305,720
- Outdoor Athletic Gym \$175,285
- Wyatt Garden \$142,895
- Shea Durgin Lounge upgrades \$107,000
- Other capital projects \$3,266

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

Artwork reclassified in fiscal year 2024 totaled \$142,896, which was for the Wyatt Garden

In fiscal year 2023, major renovations and project capital asset additions included Shea Durgin Bathroom Project \$1.6 million, Cyber Range construction and equipment \$1.5 million, Hart Hall Air Handler \$836 thousand, Moakley Roof Replacement \$809 thousand, Tilly Kitchen Renovations \$472 thousand, East Campus Commons Cook Station \$296 thousand, Tillinghast Accessibility project \$283 thousand, Hunt Hall Elevator \$268 thousand, Maxwell Library Repairs and Renovations \$261 thousand, and Persona Lock Replacement \$258 thousand. Right to use lease asset added were \$5.5 million. Right-to-use subscription assets were \$4 million in fiscal year 2023

In fiscal year 2022, major renovations and project capital asset additions included Rondileau Student Union renovations of \$1.1 million, Swenson Athletic Complex upgrades of \$941 thousand, Wyatt Garden gifted artwork and restoration of \$839 thousand, Tillinghast Hall and East Campus Commons renovations of \$366 thousand, Maxwell Library renovations of \$351 thousand. Right-to-use lease assets were \$1.4 million, and right-to-use subscription assets were \$611 thousand in fiscal year 2022.

Within the university's plans is an active program to address deferred maintenance needs on campus. Renovations and repairs detailed above reflect this ongoing agenda.

For more information relating to capital asset activity refer to Notes 1 and 11 accompanying the basic financial statements.

Non-current Liabilities

The university funds various construction projects for BSU-owned buildings and space through Project Revenue Bonds issued by the Massachusetts State College Building Authority (MSCBA). These bonds are paid semi-annually in November and May. Certain of these bonds rely on revenue streams such as student fees as their source of repayment.

During fiscal year 2006, the university entered into a financing agreement with the MSCBA to construct a new parking lot. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university. At June 30, 2024 and 2023, the balance on the bond was \$307,408 and \$334,791, respectively.

During fiscal year 2010, the university entered into a financing agreement with the MSCBA to renovate an athletic field. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university. At June 30, 2024 and 2023, the balance on the bond was \$2,147,916 and \$2,439,369, respectively.

During fiscal year 2012, the university entered into a financing agreement with the MSCBA to redevelop an existing parking lot to construct green space to include pedestrian walkways. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university. At June 30, 2024 and 2023, the balance on the bond was \$564,904 and \$647,724, respectively.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

During fiscal year 2013, the university entered into a financing agreement with the MSCBA to renovate the main entrances to the Rondileau Student Union. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university. At June 30, 2024 and 2023, the balance on the bond was \$3,116,627 and \$3,378,569, respectively.

During fiscal year 2015, the MSCBA authorized and issued a debt modification resulting in the transfer of \$3,680,000 of principal from the Rondileau Student Union project. The transfer of principal was to fund the construction of the Welcome Center building. The source of financing the project was based upon the issuance of debt modification by the MSCBA on behalf of the university. At June 30, 2024 and 2023, the balance on the bond was \$2,514,138 and \$2,756,233, respectively.

During 2024, the university's MSCBA Series 2019C and 2020A bonds were partially refunded as part of the MSCBA's Refunding Revenue Bonds Series 2024A. The purpose of the bond refunding was to lower interest rates which resulted in a deferred economic gain of approximately \$103,000. During 2022, the university's MSCBA Series 2012C bonds were partially refunded as part of the MSCBA's Refunding Revenue Bonds Series 2022A. The purpose of the bond refunding was to lower interest rates which resulted in a deferred economic gain of approximately \$133,000. During 2021, the University's MSCBA Series 2009C, 2012B, 2012C, and 2019C 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. The refunding resulted in a net economic loss of approximately \$394,000, a deferred loss of approximately \$479,000, and deferred gain of approximately \$111,000.

For more information relating to non-current liabilities refer to Note 14 accompanying the basic financial statements.

Debt Burden Ratio

The debt burden ratio measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures. Industry standards for responsible and effective debt management range from 2% to 11%. BSU's debt burden percentage reflects a policy that leverages debt as a strategic tool. The debt burden ratio for the primary government and component units, as of June 30, 2024, 2023, and 2022 is 12.5%, 10.16%, and 7.7%, respectively. Implementation of GASB 87, *Leases* and GASB 96, *Subscription Based Information Technology Arrangements* had significant impact on these percentages; leases and subscriptions previously reported as operating expenses are recorded as right-to-use assets and short-term and long-term liabilities on the financial statements.

For more information relating to non-current liability activity refer to Note 14 accompanying the basic financial statements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

Lease and SBITA Obligations

The university leases certain assets including equipment, space, vehicles, and subscription-based information technology arrangements (software arrangements). The largest component of the university's lease obligations consists of a related party arrangement with the Massachusetts State College Building Authority (MSCBA) for real estate on campus. Net of debt service reserve funds and BABs subsidies, the payments for related party leases cost the university \$11,555,258, \$14,801,749, and \$7,798,436 in principal and interest for the fiscal years ended June 30, 2024, 2023, and 2022 respectively. The leases categorized as equipment, space, vehicles cost the university \$2,255,161, \$2,621,531, and \$1,442,940 in principal and interest for the fiscal years ended June 30, 2024, 2023, and 2022 respectively. The software arrangements cost the university \$2,814,807, \$2,044,684, and \$1,697,647 in principal and interest for the fiscal years ended June 30, 2024, 2023, and 2022 respectively. BSU's leases also include energy improvements that were implemented throughout the campus in 2006. These energy improvements are considered a lease as they were a tax-exempt lease purchase. The cost of the tax-exempt lease purchase was \$629,878, \$629,878, and \$629,877 in principal and interest for the fiscal years ended June 30, 2024, 2023, and 2022 respectively.

For more detailed information relating to related party and other lease and software arrangements activity refer to Note 14 accompanying the basic financial statements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)

Bridgewater State University's changes in net position related to operations for the years ended June 30 are as follows:

	2024	2023	Restated 2022
Operating revenues:			
Tuition and fees	\$ 109,294,014	\$ 105,795,481	\$ 104,993,317
Student financial aid (contra revenue)	(41,343,037)	(27,960,590)	(31,809,718)
Operating grants	43,985,796	29,262,334	25,455,875
Auxiliary enterprises	40,943,695	36,792,690	34,940,605
Other operating revenue	<u>889,633</u>	<u>648,877</u>	<u>433,496</u>
Total operating revenues	<u>153,770,101</u>	<u>144,538,792</u>	<u>134,013,575</u>
Operating expenses:			
Instruction	74,598,722	73,395,949	74,685,226
Public service	1,444,998	1,433,813	1,160,957
Academic support	30,534,539	23,628,014	23,048,547
Student services	26,297,067	24,320,434	24,327,265
Institutional support	22,355,944	23,771,695	21,154,097
Operation and maintenance of plant	15,166,321	12,060,467	14,441,992
Scholarships and fellowships	12,746,700	8,123,878	18,517,462
Depreciation and amortization	27,925,959	26,398,865	25,544,730
Auxiliary enterprises	<u>24,800,920</u>	<u>23,724,738</u>	<u>22,011,750</u>
Total operating expenses	<u>235,871,170</u>	<u>216,857,853</u>	<u>224,892,026</u>
Net operating loss	<u>\$ (82,101,069)</u>	<u>\$ (72,319,061)</u>	<u>\$ (90,878,451)</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)

	2024		2023		Restated 2022
Non-operating revenues (expenses):					
State appropriations, net	95,591,577	\$	82,684,885	\$	79,219,174
Gifts	3,994,274		2,553,489		2,354,390
HEERF funds	-		-		29,463,444
Investment income	3,594,556		1,377,287		74,082
Interest expense	(8,611,703)		(8,877,683)		(8,970,305)
Other non-operating revenues (expenses)	3,121,713		3,178,877		5,244,740
	<u>97,690,417</u>		<u>80,916,855</u>		<u>107,385,525</u>
Net non-operating revenues (expenses)	97,690,417		80,916,855		107,385,525
Net income (loss) before capital appropriations	15,589,348		8,597,794		16,507,074
Capital appropriations	3,017,889		1,404,357		602,469
Total increase (decrease) in net position	18,607,237		10,002,151		17,109,543
Net position, beginning of year	28,338,382		18,336,231		1,226,688
Net position, end of year	46,945,619	\$	28,338,382	\$	18,336,231

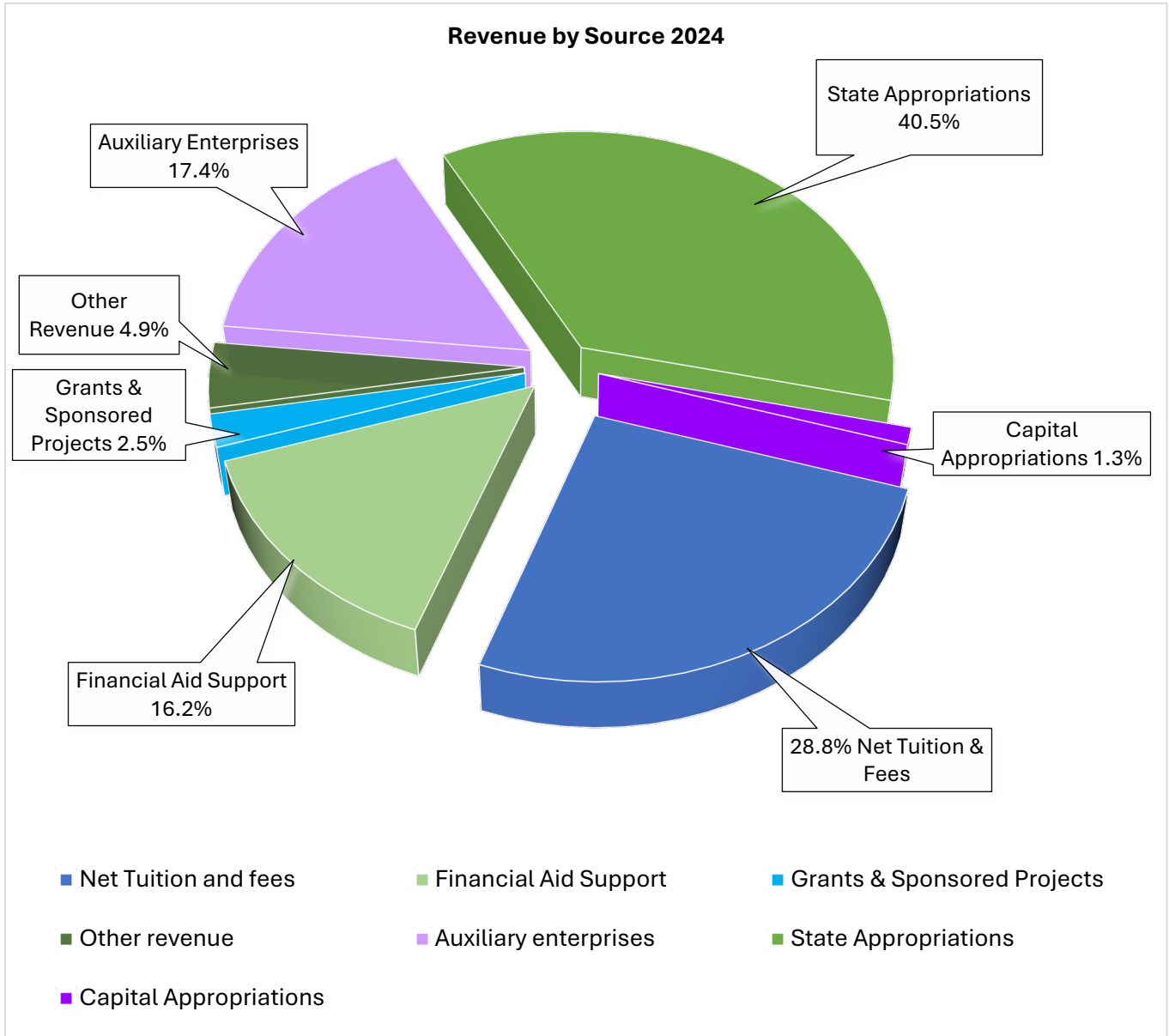
BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)



As illustrated in the chart above, approximately 40.5% of the university's total fiscal year 2024 revenue was from State Appropriations, approximately 28.8% was derived from Tuition and Fees, 17.4% was from Auxiliary Enterprises, 16.2% was Financial Aid, 2.5% was a result of Grants and Sponsored Projects, and 1.3% was from Capital Appropriations. 4.9% was categorized as Other Revenue which is comprised of gifts, investment income and other non-operating revenue. See Note 21 for further detail on state and capital appropriations.

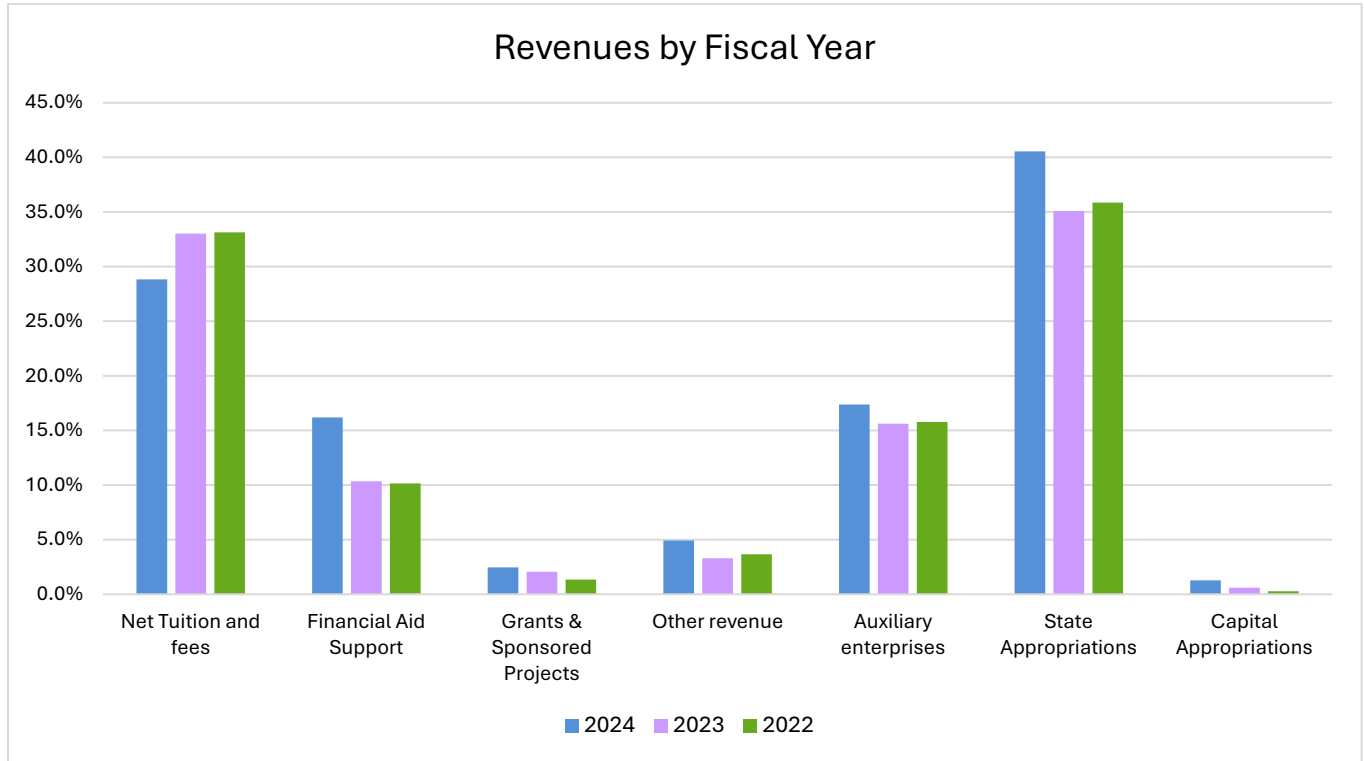
BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)



The chart above displays trends in university revenue over the last three fiscal years. Greater than 40% of total fiscal year 2024 revenue was from State Appropriations. This funding increased \$12.9 million or 16% when comparing 2024 versus 2023. Student fees, as a percentage of total revenue declined in 2024 due in part to the proportional impact of Financial Aid Support. Financial Aid Support, as a percentage of total revenue increased approximately 6% when comparing 2024 versus 2023. Revenue from Grants and Sponsored Projects continued an upward trend with a 95% increase when comparing 2024 versus 2022. Revenue from Auxiliary Enterprises surpassed 2022 revenue by 17%. This was due in part to increased residence hall fees which are set by the MSCBA. Capital Appropriations increased in fiscal year 2024 due to DCAMM funded capital projects. The increase in Other Revenue resulted from continued support from the Foundation and impacts of GASB 87 implementation.

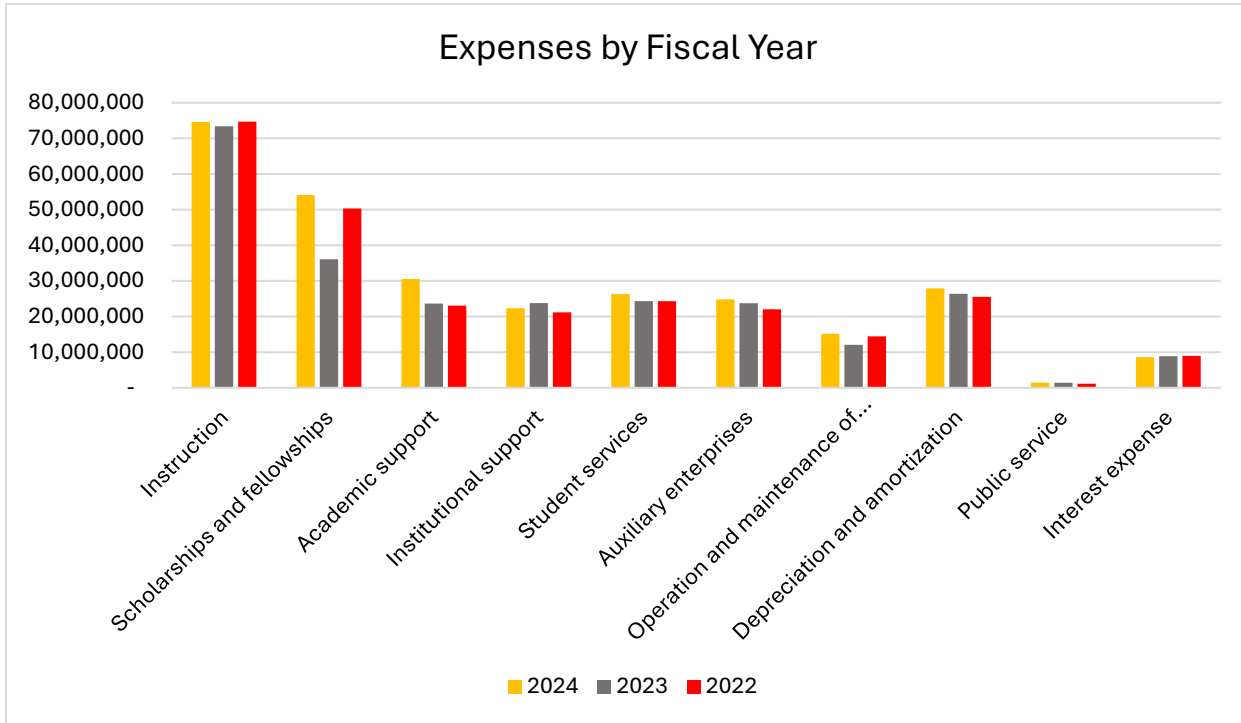
BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)



The chart above displays trends in university expenses over the past three fiscal years. Expenses promoting student support remain a focus. Scholarships and Fellowships increased \$18 million when comparing 2024 versus 2023; this represents a 50% increase. Academic Support increased \$6 million when comparing 2024 versus 2023. Instruction, Institutional Support, Student Services and Auxiliary expenses remained steady. Overall, these expense trends illustrate the university's dedication of resources to programs supporting student success.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023

(Unaudited)

Financial Analysis of the University (Continued)

State Appropriations

Unless otherwise permitted by the Massachusetts Legislature, the university is required to remit tuition to the Commonwealth for courses taught by state supported faculty. The university collects this student tuition on behalf of the Commonwealth and remits it to the Commonwealth's General Fund. There is no direct connection between the amount of tuition revenues collected by the university and the amount of state funds appropriated in any given year. The following details the Commonwealth appropriations received by the university for fiscal years ending June 30:

	2024	2023	2022
Gross Commonwealth appropriations	\$ 67,640,445	\$ 59,762,005	\$ 58,512,737
Plus: Fringe benefits***	<u>28,336,077</u>	<u>22,924,943</u>	<u>20,717,250</u>
	95,976,522	82,686,948	79,229,987
Less: Tuition remitted	<u>(384,945)</u>	<u>(2,063)</u>	<u>(10,813)</u>
Net Commonwealth support	\$ <u>95,591,577</u>	\$ <u>82,684,885</u>	\$ <u>79,219,174</u>

*** The Commonwealth pays the fringe benefit cost for university employees paid from Commonwealth appropriations. Therefore, such fringe benefit support is added to the State Appropriations financial statement line item as presented in the above table. The university pays the fringe benefit cost of the employees paid from funding sources other than Commonwealth appropriations.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

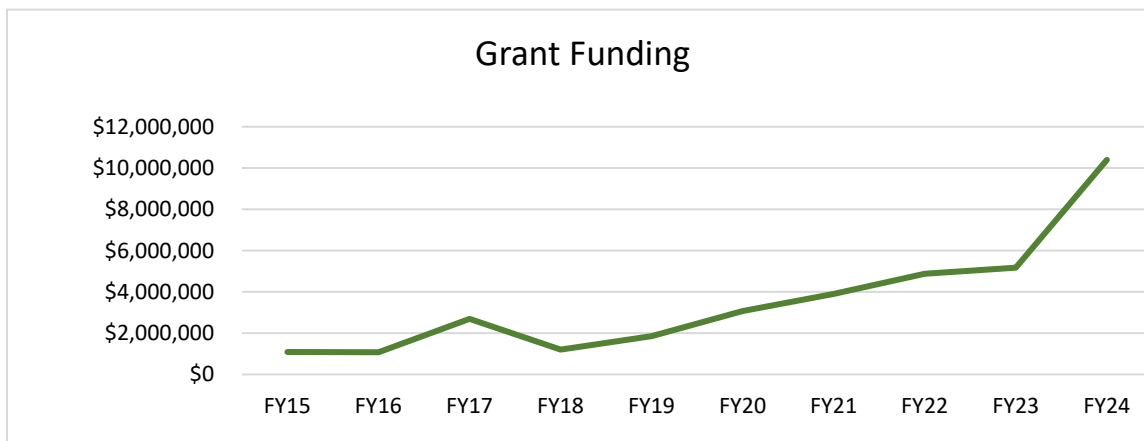
Grant and Contract Revenue

The university received \$ 43,985,796, \$29,262,334, and \$54,919,319 in grant and contract revenues for the fiscal years ended June 30, 2024, 2023, and 2022, respectively. Below presents the primary grants and contracts received for the following fiscal years ended June 30:

	2024	2023	2022
Operating Grants:			
Federal			
Pell grant	\$ 14,381,745	\$ 12,352,910	\$ 12,679,825
Federal work study	441,938	441,938	422,783
Federal SEOG	361,586	378,058	389,374
Teach grant	102,332	84,146	57,997
State			
Mass grants	16,054,346	6,978,488	4,924,412
Tuition grants	2,084,109	2,075,900	2,040,658
MAIHD - MA in Demand Scholarship	2,080,503	-	-
Other	8,479,237	6,950,894	4,940,825
Total Operating Grants	43,985,796	29,262,334	25,455,874
Non-operating Federal Grants:			
HEERF Institutional Support	-	-	14,722,196
HEERF Student Emergency Funds	-	-	13,621,742
HEERF Strengthening Institutions Program	-	-	1,119,506
Total Non-operating Federal Grants	-	-	29,463,444
Total Grants	\$ 43,985,796	\$ 29,262,334	\$ 54,919,318

Research Grants

The chart below displays the trajectory of research grants awarded to BSU over the past decade and may serve as a predictor of future activity.



BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Financial Analysis of the University (Continued)

Tuition and Fees

The university strives to provide students with the opportunity to obtain a quality education. Tuition and fee rates for three fiscal years ended June 30 are reflected in the schedule below:

	<i>Tuition Resident</i>	<i>Tuition Non- Resident</i>	<i>Fees</i>	<i>Total Resident Tuition & Fees</i>	<i>Average Room & Board</i>	<i>Total Resident Average Cost</i>
<u>2024</u>						
Undergraduate	\$ 910	\$ 7,050	\$ 10,479	\$ 11,389	\$ 14,324	\$ 25,713
Graduate	1,675	1,676	10,374	12,049	14,324	26,373
<u>2023</u>						
Undergraduate	\$ 910	\$ 7,050	\$ 10,145	\$ 11,055	\$ 13,807	\$ 24,862
Graduate	1,676	1,676	10,043	11,719	13,807	25,526
<u>2022</u>						
Undergraduate	\$ 910	\$ 7,050	\$ 9,822	\$ 10,732	\$ 13,464	\$ 24,196
Graduate	1,676	1,676	9,722	11,398	13,464	24,862

Enrollment

Enrollment at the university has remained relatively constant with a slight increase this past academic year. The university's enrollment for Fall 2023 was 9,550 which was comparable to the Fall 2022 headcount of 9,604.

Factors Impacting Future Periods

Strategic Plan

Under the leadership of President Fred Clark, Bridgewater State University has implemented a unique strategic planning process with a central focus on student success and achievement. This planning process is exceptional both in its design and in its time horizon. The process, based on a nested planning model, includes an institutional plan; a divisional level plan; and college, departmental, and program level plans. In addition, the model allows for formalization of policies and procedures that inform the decision-making process going forward.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Strategic Plan (Continued)

The second 5-year Strategic Plan (2.0) was completed in December of 2023 and approved by the Board of Trustees. It has been submitted to the Massachusetts Department of Higher Education and is anticipated to be approved in Fall 2024. The goals, objectives, and outcome measures will provide specificity on strategic needs and will help guide the utilization of future financial resources.

Enrollment & Retention

Enrollment has grown. Registration in the Fall 2024 semester shows an overall increase of 2% versus Fall 2023. This enrollment growth positively impacted residence hall occupancy, which increased to 95% in Fall 2024 from 94% in Fall 2023 (typical occupancy rates range from 95-100%). Historically, freshman students have made up the majority of BSU residents; a high percentage of these students continue to reside on campus throughout their tenure at the university.

Though regional community colleges continue to experience enrollment challenges, BSU has seen an increase in transfer students from two-year institutions with a 5% increase from Fall 2023 to Fall 2024. There was also growth in the university's graduate and continuing education programs. BSU's continued efforts in both recruitment and retention enable the university to maintain a predictable student revenue stream. These endeavors, which are further articulated in the strategic enrollment plan, encompass evaluation of prospective student communication, improvement to academic websites, investment in search engine optimization, and focus on developing online degree programs for both traditional students and targeting adult learners (an underserved population in the Commonwealth of Massachusetts and particularly relevant to the College of Graduate Studies).

Fall 2024 marks the beginning of the third year of the university's reorganization of enrollment resources geared toward execution of the strategic enrollment plan. The overall responsibility for enrollment management is vested in the modified division of Enrollment, Marketing, and Communications. The Finance Division through the Financial Aid department directly supports the assessment of enrollment initiatives, the execution of strategic priorities, and maintains oversight of the strategic enrollment plan. Student Life provides expertise on occupancy and programing aimed at fostering opportunities for students to succeed and persist. Specific enrollment responsibilities have also been assigned to the divisions of Academic Affairs and Student Success, Equity and Diversity to create a comprehensive intra-divisional effort to recruit, retain, and graduate students with a quality education.

BSU's merit based financial award program, implemented in Fall 2022, contributed to positive enrollment results. Merit based award programs position BSU to compete with regional higher education institutions for student enrollment. Investments have been made in the university's Academic Advising function to guide students as they proceed on their academic journey. A significant multiyear grant, received in July 2022, supports programing efforts and Student Navigators. These positions provide wrap around services to students identified through data assessment to be at higher risk of not persisting. This grant also provides retention funds for unique student financial issues. Funding was also made available for a new student support system for use by all personnel connected to the student experience. This product works as an early warning system to identify students in need of additional services or support.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Enrollment & Retention (Continued)

The federal and state resources for student financial aid remain relatively constant. Though the FAFSA Simplification Act changed the process for determining the amount of a student's Scheduled Pell Grant award, the maximum federal Pell grant for students with demonstrated need remained at \$7,395 in fiscal year 2024. Financial Aid continues to be a focus for the Department of Higher Education. It is anticipated that continuation of the strategic enrollment plan, coupled with stable student related investments and initiatives, will provide opportunity for enrollment growth.

State Appropriation

The university received slightly higher than level state funding from the previous fiscal year. The Fair Share Amendment, passed by voters in 2022, generates billions in yearly support for transportation and public education through added tax on households with very high annual income. The Commonwealth is still determining a spending plan for higher education as this tax revenue becomes more predictable. Future state revenues will continue to have a significant impact on the university's appropriation. BSU will continue to advocate for an appropriation commensurate with enrollment, unique program offerings, and community educational impact.

Negotiations on the current collective bargaining agreements which expired on July 1, 2024 are ongoing. State funding is anticipated to cover a component of any negotiated increases and the university's financial planning considers the anticipated student impact.

Fundraising Campaign

The university's component units are involved in a fundraising campaign to increase the endowment to \$100 million to address the urgent needs of the university. The campaign was launched in May 2024 and is well underway. The gifts and contribution revenues from the university's component units were \$7.9 million in FY24 compared to \$5.4 million in FY23. This increase in run rate is a positive indicator for the future of the campaign.

Racial Justice

In June 2020, following the death of George Floyd who was murdered on May 25, 2020, President Fred Clark formed a Special Presidential Task Force on Racial Justice. With a mission of translating longstanding institutional values into an action agenda for positive and necessary change, this task force was charged with conducting a comprehensive review aimed at identifying elements of policy, practice, and culture that may serve to impede the university's efforts at fully realizing racial justice and equity at BSU. The task force published their report in May 2021. The University Board of Trustees endorsed this report and created a board of trustee committee entitled the Racial Justice and Equity Committee to oversee this important initiative. The action items from the task force report are currently being executed and reported upon to maintain the focus on this important initiative. With Strategic Plan 2.0 racial equity initiatives are now nested in divisional plans and reported to the Board of Trustees.

Capital Projects

In FY24 the university opened its grant-funded Cyber Range which provides hands-on training for BSU students, faculty, staff, and community partners. In conjunction with the Cyber Range, the university received approval for a new undergraduate Cybersecurity degree program that is currently enrolling students.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Capital Projects (Continued)

In late June 2021, Massachusetts Governor Charlie Baker's administration chose BSU to be the location for the announcement of his FY22 capital budget plan. Joined by Lieutenant Governor Karyn Polito, Secretary of Education James Peyser, Secretary of Administration and Finance Michael Heffernan, and State Senator Marc Pacheco, the Governor initially announced a \$25 million state-funded initiative for the renovation of Burnell Hall in support of the College of Education and Health Sciences (CEHS). BSU has been actively pursuing state funding for the Burnell project for many years. However, due to increases in inflation since 2020, the state will provide an additional investment of \$8 million for these renovations. The total project cost is estimated to be \$50 million. The project will impact nearly 95,000 square feet of building space on campus, including 80 new offices for faculty, and is expected to benefit 4,000 students in 35 majors on campus. The detailed project schedule is currently being finalized; renovations are anticipated to be completed by Spring of 2027. The project represents a truly transformative and impactful investment that will promote student success, support innovative program delivery, expand the advanced use of technology, and serve critical workforce needs in the Commonwealth.

In FY24, the Foundation purchased a property at 21 Park Terrace in Bridgewater, Massachusetts. This location will house the College of Graduate Studies after renovations are complete.

In fiscal year 2024 the university started working on a capital master plan. This master plan, which was last updated in 2012, will align with the Strategic Plan 2.0 and is intended to chart the way forward for campus planning and facility improvements, additions, and changes. The process included interviewing multiple stakeholder groups, aligning with strategic plan, mission, vision, values, and assessing resources.

Artificial Intelligence (AI)

During fiscal year 2024, at the direction of President Clark, BSU formed the Artificial Intelligence Advisory Committee. While the notion of artificial intelligence has been around for many years, the recent advent of generative AI and other cutting-edge AI models signifies a pivotal juncture. The committee's objective is to investigate various AI applications and provide recommendations on how AI can enhance the student experience and service delivery within the BSU community. The committee, in partnership with others across the campus such as the Academic Affairs Divisional Committee on Artificial Intelligence, seeks ways to support the university as it adapts to the challenges posed by AI in an education environment.

Currently, the committee is drafting an Administrative Artificial Intelligence Policy to be presented to the president's cabinet in fiscal year 2025. This policy recognizes the transformative potential of AI and encourages its innovative use within administrative functions to enhance operational efficiency, decision-making, and service delivery. The document will further establish guidelines to ensure that AI technologies are adopted responsibly and ethically, maintaining transparency, accountability, data privacy, security, and compliance with established university policies and legal, regulatory standards. The use of AI in academic settings, including teaching, learning, scholarship, research, and assessment is governed by separate academic policies and is not within the scope of the administrative policy. The Academic Affairs AI Committee is responsible for recommending any academic policy revisions through the established governance process.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2024 and 2023
(Unaudited)

Grants

BSU, as the lead institution, received a National Science Foundation award for \$3,000,000 for Research and Mentoring post baccalaureates in Biological Sciences (RaMP). The grant focuses on training the next generation of interdisciplinary scientists to collaboratively address species responses to climate change with SPARCnet. BSU will collaborate with the following subcontracted universities, with funding to be distributed over the four years:

- Michigan State University \$132,492
- Monmouth University \$58,714
- Pennsylvania State University \$227,402
- Susquehanna University \$85,723
- SUNY Oneonta \$65,418
- UMASS Amherst \$60,141
- Ohio Wesleyan University \$65,714
- Cornell University \$48,141
- Virginia Polytechnic Institute and State University \$60,141

The university was awarded a \$1,358,000 U.S. Department of Education Congressionally Directed Spending (CDS) Grant. The grant will allow for improvements in the Aviation Program including the purchase of airplanes and a portable hanger. In September 2024 the University purchased a Diamond DA42 Twin Star dual engine aircraft for \$495,000.

Tuition and Fees

In June 2024, the university approved a slight increase in mandatory tuition and fees for the 2024-2025 academic year of 3.0%. In March 2024, an increase in residence hall rates for the 2024-2025 academic year was approved by the Massachusetts Board of Higher Education as proposed by BSU and endorsed by the MSCBA. The average increase was 4.3% and targeted the newer, in demand residence halls.

Costs at residence halls for 2024-2025, which reflect the MSCBA value-pricing, increased an average of 4.3%, as follows: Great Hill Apartments, \$10,972 from \$10,400 Miles-DiNardo Hall, \$9,074 from \$8,854; Pope and Scott Halls, \$8,592 from \$8,301; Shea-Durgin Hall, \$8,592 from \$8,301; Woodward Hall, \$8,592 from \$8,301; Stonehouse Hall, \$9,367 from \$9,050; Crimson, \$9,636 from \$9,221; Weygand, \$9,837 from \$9,413.

In response to changing student expectations, the university continues to modify its meal plan options. Some of the meal plan improvements include increased flexibility, longer hours of operation, and more variety. Costs for meal plans per semester for 2024-2025 are as follows: Diamond \$2,743; Platinum \$2,717; Gold \$2,377; Silver \$2,309; Sapphire \$2,090; Bronze \$481 & Copper \$272 (for commuters and student apartments only).

Requests for Information

This financial report is designed to provide a general overview of Bridgewater 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: Associate Vice President, Finance, Fiscal Affairs, 131 Summer Street, Bridgewater, Massachusetts 02325.

Financial Statements

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Net Position

June 30, 2024 and 2023

Assets and Deferred Outflows of Resources

	<u>Primary Government</u>		<u>Component Units</u>	
	2024	2023	2024	2023
Assets	University	University	Combined	Combined
Current assets:				
Cash and equivalents	\$ 96,200,963	\$ 93,242,915	\$ 1,072,501	\$ 831,876
Deposits held by State Treasurer	11,028,281	8,628,861	-	-
Cash held by State Treasurer	3,329,736	3,846,928	-	-
Restricted cash and equivalents	271,825	55,726	-	-
Contributions receivable, net	-	-	354,718	398,059
Accounts receivable, net	9,732,533	6,419,302	-	-
Current portion of lease receivable	47,287	46,181	-	-
Prepaid expenses and other assets	<u>1,287,051</u>	<u>1,374,161</u>	<u>61,266</u>	<u>309,603</u>
Total current assets	<u>121,897,676</u>	<u>113,614,074</u>	<u>1,488,485</u>	<u>1,539,538</u>
Non-current assets:				
Investments	-	-	69,922,244	60,833,442
Contributions receivable, net	-	-	531,067	1,266,275
Lease receivable	415,269	462,556	-	-
Capital assets, net	<u>333,459,115</u>	<u>336,095,175</u>	<u>5,113,294</u>	<u>4,364,493</u>
Total non-current assets	<u>333,874,384</u>	<u>336,557,731</u>	<u>75,566,605</u>	<u>66,464,210</u>
Total assets	<u>455,772,060</u>	<u>450,171,805</u>	<u>77,055,090</u>	<u>68,003,748</u>
Deferred outflows of resources				
Deferred outflows of resources related to pension	8,016,295	8,020,878	-	-
Deferred outflows of resources related to OPEB	6,109,121	10,348,666	-	-
Deferred outflows of resources related to MSCBA bond refunding	<u>348,355</u>	<u>391,900</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>\$ 14,473,771</u>	<u>\$ 18,761,444</u>	<u>\$ -</u>	<u>\$ -</u>

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Net Position (Continued)

June 30, 2024 and 2023

Liabilities, Deferred Inflows of Resources and Net Position

	Primary Government		Component Units	
	2024 University	2023 University	2024 Combined	2023 Combined
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 10,618,314	\$ 9,079,937	\$ 677,234	\$ 263,907
Accrued payroll	11,894,882	8,991,972	-	-
Accrued worker's compensation	239,630	201,006	-	-
Accrued compensated absences	9,594,935	8,652,203	-	-
State funds payable	1,616	2,515	-	-
Unearned revenues	10,432,088	9,120,479	-	-
Current portion of related party lease obligations	6,852,702	8,125,370	-	-
Current portion of lease obligations	2,145,163	2,181,436	-	-
Current portion of SBITA obligations	1,876,494	2,011,316	-	-
Current portion of bonds payable	959,140	824,817	-	-
Total current liabilities	<u>54,614,964</u>	<u>49,191,051</u>	<u>677,234</u>	<u>263,907</u>
Non-current liabilities:				
Accrued worker's compensation	1,687,784	1,510,053	-	-
Accrued compensated absences	4,725,863	4,261,533	-	-
Related party lease obligation	181,512,228	193,585,176	-	-
Lease obligation	5,301,082	5,536,765	-	-
SBITA obligation	2,700,182	3,266,279	-	-
Bonds payable	7,691,853	8,731,869	-	-
Net pension liability	39,438,198	44,874,753	-	-
Net OPEB liability	41,945,776	56,474,453	-	-
Total non-current liabilities	<u>285,002,966</u>	<u>318,240,881</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>339,617,930</u>	<u>367,431,932</u>	<u>677,234</u>	<u>263,907</u>
Deferred inflows of resources				
Deferred inflows of resources related to MSCBA refunding	11,688,624	185,311	-	-
Service concession arrangement	3,869,166	860,269	-	-
Deferred inflows of resources related to pension	15,139,662	14,726,547	-	-
Deferred inflows of resources related to OPEB	52,513,718	56,867,440	-	-
Deferred Inflows from leases	471,112	523,368	-	-
Total deferred inflows of resources	<u>83,682,282</u>	<u>73,162,935</u>	<u>-</u>	<u>-</u>
Net position				
Net investment in capital assets	113,080,004	112,038,736	5,113,294	4,364,493
Restricted:				
Nonexpendable, scholarships and fellowships	23,000	23,000	36,370,438	30,396,643
Expendable, scholarships and grants	1,490,216	1,347,896	16,133,993	13,685,766
Unrestricted	(67,647,601)	(85,071,250)	18,760,131	19,292,939
Total net position	<u>\$ 46,945,619</u>	<u>\$ 28,338,382</u>	<u>\$ 76,377,856</u>	<u>\$ 67,739,841</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30, 2024 and 2023

	<i>Primary Government</i>		<i>Component Units</i>	
	<i>2024 University</i>	<i>2023 University</i>	<i>2024 Combined</i>	<i>2023 Combined</i>
Operating revenues:				
Tuition and fees	\$ 109,294,014	\$ 105,795,481	\$ -	\$ -
Less: scholarships and fellowships	<u>(41,343,037)</u>	<u>(27,960,590)</u>	<u>-</u>	<u>-</u>
Net tuition and fees	67,950,977	77,834,891	-	-
Gifts and contributions	-	-	7,896,616	5,380,916
Federal, state and private grants and contracts	43,985,796	29,262,334	-	-
Auxiliary enterprises	40,943,695	36,792,690	-	-
Other operating revenues	<u>889,633</u>	<u>648,877</u>	<u>3,046,014</u>	<u>2,369,180</u>
Total operating revenues	<u>153,770,101</u>	<u>144,538,792</u>	<u>10,942,630</u>	<u>7,750,096</u>
Operating expenses:				
Educational and general:				
Instruction	74,598,722	73,395,949	-	-
Gifts and contributions	-	-	5,814,274	3,945,368
Public service	1,444,998	1,433,813	-	-
Academic support	30,534,539	23,628,014	-	-
Student services	26,297,067	24,320,434	-	-
Institutional support	22,355,944	23,771,695	3,805,080	3,739,830
Operation and maintenance of plant	15,166,321	12,060,467	-	-
Scholarships and fellowships	12,746,700	8,123,878	-	-
Depreciation and amortization	27,925,959	26,398,865	175,120	73,890
Auxiliary enterprises	<u>24,800,920</u>	<u>23,724,738</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>235,871,170</u>	<u>216,857,853</u>	<u>9,794,474</u>	<u>7,759,088</u>
Net operating income (loss)	<u>(82,101,069)</u>	<u>(72,319,061)</u>	<u>1,148,156</u>	<u>(8,992)</u>
Non-operating revenues (expenses):				
State appropriations, net	95,591,577	82,684,885	-	-
Gifts	3,994,274	2,553,489	-	-
Investment income (loss)	3,594,556	1,377,287	7,489,859	6,809,873
Interest expense	(8,611,703)	(8,877,683)	-	-
Other non-operating revenues (expenses)	<u>3,121,713</u>	<u>3,178,877</u>	<u>-</u>	<u>(54,532)</u>
Net non-operating revenues (expenses)	<u>97,690,417</u>	<u>80,916,855</u>	<u>7,489,859</u>	<u>6,755,341</u>
Increase (decrease) in net position before capital appropriations	15,589,348	8,597,794	8,638,015	6,746,349
Capital appropriations	<u>3,017,889</u>	<u>1,404,357</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net position	<u>\$ 18,607,237</u>	<u>\$ 10,002,151</u>	<u>\$ 8,638,015</u>	<u>\$ 6,746,349</u>
Net position, at beginning of year	<u>28,338,382</u>	<u>18,336,231</u>	<u>67,739,841</u>	<u>60,993,492</u>
Net position, at end of year	<u>\$ 46,945,619</u>	<u>\$ 28,338,382</u>	<u>\$ 76,377,856</u>	<u>\$ 67,739,841</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<i>Primary Government</i>	
	<i>2024</i>	<i>2023</i>
	<i>University</i>	<i>University</i>
Cash flows from operating activities:		
Tuition and fees	\$ 64,541,431	\$ 76,959,745
Grants and contracts	44,755,397	28,480,047
Payments to employees	(131,969,926)	(99,471,565)
Payments to suppliers and vendors	(12,060,702)	(46,387,552)
Payments to students	(12,746,700)	(8,123,878)
Auxiliary enterprises charges	(24,800,920)	(23,724,738)
Auxiliary enterprises	44,065,408	39,971,567
Other operating revenues	<u>818,804</u>	<u>616,603</u>
Net cash used in operating activities	<u>(27,397,208)</u>	<u>(31,679,771)</u>
Cash flows from non-capital financing activities:		
State appropriations	67,255,500	59,759,942
Gifts	<u>7,003,171</u>	<u>3,118,272</u>
Net cash provided by non-capital financing activities	<u>74,258,671</u>	<u>62,878,214</u>
Cash flows from capital financing activities:		
Capital appropriation	3,726,142	3,147,619
Purchase of capital assets	(18,015,966)	(8,316,707)
Proceeds on sale of plane	-	107,000
Principal paid on leases	(18,847,938)	(10,711,148)
Principal paid on software arrangements	(2,744,486)	(2,018,443)
Payments of capital debt	(905,693)	(800,204)
Interest paid on capital debt, leases and software arrangements	<u>(8,611,703)</u>	<u>(8,877,683)</u>
Net cash used in capital financing activities	<u>(45,399,644)</u>	<u>(27,469,566)</u>
Cash flows from investing activity:		
Interest on investments	<u>3,594,556</u>	<u>1,377,287</u>
Net increase in cash and equivalents	5,056,375	5,106,164
Cash and equivalents, beginning of year	<u>105,774,430</u>	<u>100,668,266</u>
Cash and equivalents, end of year	<u>\$ 110,830,805</u>	<u>\$ 105,774,430</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2024 and 2023

	<i>Primary Government</i>	
	<i>2024</i>	<i>2023</i>
	<i>University</i>	<i>University</i>
Reconciliation of net operating loss to net cash used in operating activities:		
Net operating loss	\$ (82,101,069)	\$ (72,319,061)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation and amortization	27,925,959	26,398,865
Bad debts (recovery)	(225,076)	(129,466)
Fringe benefits provided by Commonwealth	28,336,077	22,924,943
Other non-operating revenues	3,121,713	3,178,877
Amortization of deferred inflows of lease receivable and MSCBA bond refunding	11,540,783	7,322
Deferred outflows for pension	4,583	3,663,889
Deferred inflows from pension	413,115	(13,963,767)
Deferred outflows for net other-post employment benefit obligation	4,239,545	7,567,211
Deferred inflows for net other-post employment benefit obligation	(4,353,722)	(6,156,309)
Changes in assets and liabilities:		
Accounts receivable, net	(3,088,155)	(1,792,038)
Prepaid expenses and other assets	87,110	26,317
Accounts payable and accrued expenses	1,537,478	2,612,476
Accrued payroll and benefits	4,526,327	57,570
Unearned revenues	603,356	233,015
Net pension liability	(5,436,555)	6,649,901
Net OPEB liability	(14,528,677)	(10,639,516)
Net cash used in operating activities	\$ (27,397,208)	\$ (31,679,771)

Cash Flow Information

For purposes of the statement of cash flows, cash and equivalents are comprised of the following at June 30:

Cash and equivalents	\$ 96,200,963	\$ 93,242,915
Deposits held by State Treasurer	11,028,281	8,628,861
Cash held by State Treasurer	3,329,736	3,846,928
Restricted cash and equivalents	<u>271,825</u>	<u>55,726</u>
	\$ 110,830,805	\$ 105,774,430

The following summarizes the non-cash transactions for the years ended June 30:

Fringe benefits provided by the state	\$ 28,336,077	\$ 22,924,943
Acquisition of capital assets through capital appropriations	3,726,142	3,147,619
Acquisition of donated artwork	142,896	1,500
Capital grants - amortization of deferred inflows of resources - service concession arrangements	3,692,261	345,682
MSCBA refunding	11,451,816	14,475
Acquisition of capital assets through leases	5,230,366	5,470,292
Acquisition of capital assets through SBITAs	2,043,567	3,952,447

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Combining Statements of Net Position of Major Component Units

June 30, 2024 and 2023

Assets and Deferred Outflows of Resources

	<u>2024</u>			<u>2023</u>		
	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>
Assets						
Current assets:						
Cash and equivalents	\$ 1,042,415	\$ 30,086	\$ 1,072,501	\$ 805,473	\$ 26,403	\$ 831,876
Deposits held by State Treasurer	-	-	-	-	-	-
Cash held by State Treasurer	-	-	-	-	-	-
Restricted cash and equivalents	-	-	-	-	-	-
Contributions receivable, net	354,718	-	354,718	398,059	-	398,059
Accounts receivable, net	-	-	-	-	-	-
Current portion of lease receivable	-	-	-	-	-	-
Prepaid expenses and other assets	<u>61,266</u>	<u>-</u>	<u>61,266</u>	<u>309,603</u>	<u>-</u>	<u>309,603</u>
Total current assets	<u>1,458,399</u>	<u>30,086</u>	<u>1,488,485</u>	<u>1,513,135</u>	<u>26,403</u>	<u>1,539,538</u>
Non-current assets:						
Investments	63,239,388	6,682,856	69,922,244	54,208,663	6,624,779	60,833,442
Contributions receivable, net	531,067	-	531,067	1,266,275	-	1,266,275
Debt service reserve fund	-	-	-	-	-	-
Properties held for resale	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-
Capital assets, net	<u>5,113,294</u>	<u>-</u>	<u>5,113,294</u>	<u>4,364,493</u>	<u>-</u>	<u>4,364,493</u>
Total non-current assets	<u>68,883,749</u>	<u>6,682,856</u>	<u>75,566,605</u>	<u>59,839,431</u>	<u>6,624,779</u>	<u>66,464,210</u>
Total assets	<u>70,342,148</u>	<u>6,712,942</u>	<u>77,055,090</u>	<u>61,352,566</u>	<u>6,651,182</u>	<u>68,003,748</u>
Deferred outflows of resources						
Deferred outflows of resources related to pension	-	-	-	-	-	-
Deferred outflows of resources related to OPEB	-	-	-	-	-	-
Deferred outflows of resources related to MSCBA bond refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Combining Statements of Net Position of Major Component Units (Continued)

June 30, 2024 and 2023

Liabilities, Deferred Inflows of Resources and Net Position

	2024			2023		
	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	652,586	24,648	677,234	242,635	21,272	263,907
Accrued payroll	-	-	-	-	-	-
Accrued worker's compensation	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
State funds payable	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Current portion of related party lease obligations	-	-	-	-	-	-
Current portion of lease obligations	-	-	-	-	-	-
Current portion of bonds payable	-	-	-	-	-	-
Total current liabilities	<u>652,586</u>	<u>24,648</u>	<u>677,234</u>	<u>242,635</u>	<u>21,272</u>	<u>263,907</u>
Non-current liabilities:						
Accrued workers' compensation	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Related party lease obligation	-	-	-	-	-	-
Lease obligation	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>652,586</u>	<u>24,648</u>	<u>677,234</u>	<u>242,635</u>	<u>21,272</u>	<u>263,907</u>
Deferred inflows of resources						
Deferred inflows of resources related to MSCBA refunding	-	-	-	-	-	-
Service concession arrangement	-	-	-	-	-	-
Deferred outflows of resources related to pension	-	-	-	-	-	-
Deferred inflows of resources related to OPEB	-	-	-	-	-	-
Deferred inflows from leases	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position						
Net investment in capital assets	5,113,294	-	5,113,294	4,364,493	-	4,364,493
Restricted:						
Nonexpendable: scholarships and fellowships	34,953,359	1,417,079	36,370,438	29,044,227	1,352,416	30,396,643
Expendable: scholarships and grants	14,504,229	1,629,764	16,133,993	11,703,374	1,982,392	13,685,766
Unrestricted	<u>15,118,680</u>	<u>3,641,451</u>	<u>18,760,131</u>	<u>15,997,837</u>	<u>3,295,102</u>	<u>19,292,939</u>
Total net position	<u>\$ 69,689,562</u>	<u>\$ 6,688,294</u>	<u>\$ 76,377,856</u>	<u>\$ 61,109,931</u>	<u>\$ 6,629,910</u>	<u>\$ 67,739,841</u>

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Combining Statements of Revenues, Expenses and Changes in Net Position of Major Component Units

For the Years Ended June 30, 2024 and 2023

	2024			2023		
	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>
Operating revenues:						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: scholarships and fellowships	-	-	-	-	-	-
Net tuition and fees						
Gifts and contributions	7,752,906	143,710	7,896,616	5,240,770	140,146	5,380,916
Federal, state and private grants and contracts	-	-	-	-	-	-
Auxiliary enterprises	-	-	-	-	-	-
Other operating revenues	<u>1,792,297</u>	<u>1,253,717</u>	<u>3,046,014</u>	<u>1,291,967</u>	<u>1,077,213</u>	<u>2,369,180</u>
Total operating revenues	<u>9,545,203</u>	<u>1,397,427</u>	<u>10,942,630</u>	<u>6,532,737</u>	<u>1,217,359</u>	<u>7,750,096</u>
Operating expenses:						
Educational and general:						
Instruction	-	-	-	-	-	-
Gifts and contributions	5,004,436	809,838	5,814,274	3,781,763	163,605	3,945,368
Public service	-	-	-	-	-	-
Academic support	-	-	-	-	-	-
Student services	-	-	-	-	-	-
Institutional support	2,497,917	1,307,163	3,805,080	2,620,812	1,119,018	3,739,830
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships and fellowships	-	-	-	-	-	-
Depreciation and amortization	175,120	-	175,120	73,890	-	73,890
Auxiliary enterprises	-	-	-	-	-	-
Total operating expenses	<u>7,677,473</u>	<u>2,117,001</u>	<u>9,794,474</u>	<u>6,476,465</u>	<u>1,282,623</u>	<u>7,759,088</u>
Net operating income	<u>1,867,730</u>	<u>(719,574)</u>	<u>1,148,156</u>	<u>56,272</u>	<u>(65,264)</u>	<u>(8,992)</u>
Non-operating revenues (expenses):						
State appropriations, net	-	-	-	-	-	-
Gifts	-	-	-	-	-	-
Investment income, net	6,711,901	777,958	7,489,859	6,091,185	718,688	6,809,873
Interest expense	-	-	-	-	-	-
Other non-operating expenses	-	-	-	(54,532)	-	(54,532)
Net non-operating revenues (expenses)	<u>6,711,901</u>	<u>777,958</u>	<u>7,489,859</u>	<u>6,036,653</u>	<u>718,688</u>	<u>6,755,341</u>
Increase in net position before capital appropriations	<u>8,579,631</u>	<u>58,384</u>	<u>8,638,015</u>	<u>6,092,925</u>	<u>653,424</u>	<u>6,746,349</u>
Capital appropriations	-	-	-	-	-	-
Total increase (decrease) in net position	<u>\$ 8,579,631</u>	<u>\$ 58,384</u>	<u>\$ 8,638,015</u>	<u>\$ 6,092,925</u>	<u>\$ 653,424</u>	<u>\$ 6,746,349</u>
Net position, at beginning of year	<u>61,109,931</u>	<u>6,629,910</u>	<u>67,739,841</u>	<u>55,017,006</u>	<u>5,976,486</u>	<u>60,993,492</u>
Net position, at end of year	<u>\$ 69,689,562</u>	<u>\$ 6,688,294</u>	<u>\$ 76,377,856</u>	<u>\$ 61,109,931</u>	<u>\$ 6,629,910</u>	<u>\$ 67,739,841</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies

Organization

Bridgewater State University (the university) is a public, state-supported, comprehensive university that offers a quality education leading to certificates, bachelors, and master's degrees. The university also offers, through the College of Continuing Studies, credit and noncredit courses as well as a variety of summer workshop programs. It is governed by its Board of Trustees under the direction of the Massachusetts Department of Higher Education and is accredited by the New England Commission of Higher Education. The university's main campus is located in Bridgewater, Massachusetts.

The university is an Agency of the Commonwealth of Massachusetts (the Commonwealth). Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed if the university had operated as an independent institution.

The Bridgewater State University Foundation (the Foundation) and the Bridgewater Alumni Association (the Alumni Association) were formed to render financial assistance and support to the educational programs and development of the university. Both organizations are legally separate from the university; the university has no financial responsibility for either organization. These entities follow Financial Accounting Standards Board pronouncements which may differ from the Governmental Accounting Standards Board (GASB) standards. Although the university does not control the timing or the amount of receipts from the Foundation or the Alumni Association, the majority of resources received or held by the Foundation and the Alumni Association are restricted to the activities of the university by donors. Because these resources can only be used by, or are for the benefit of the university, the Foundation and the Alumni Association are considered component units of the university. As such they have been combined and are discretely presented in the university's financial statements. Complete financial statements for either organization can be obtained from their respective administrative offices in Bridgewater, Massachusetts.

Basis of Presentation and Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by GASB.

The university functions as a business-type activity, as defined by GASB. The effect of interfund activity has been eliminated from these financial statements. The basic financial statements and required supplementary information for general-purpose governments consist of management's discussion and analysis, basic financial statements including the university's discretely presented component units and required supplementary information. The university presents Statements of Net Position, Revenues, Expenses and Changes in Net Position, and Cash Flows on a combined university-wide basis.

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. Direct expenses are those that are clearly identifiable within a specific function.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation and Accounting (Continued)

The university's policies for defining operating activities in the Statements of Revenues, Expenses and Changes in Net Position are those that generally result from exchange transactions such as tuition and fees, grants and contracts, auxiliary enterprise revenues as well as expenses for salaries, wages, fringe benefits, utilities, supplies and services, depreciation and amortization.

Certain other transactions are reported as non-operating activities including the university's operating and capital appropriations from the Commonwealth, HEERF funding, net investment income and interest expense and non-capital gifts.

Classification of Assets and Liabilities

The university presents current and non-current assets and liabilities in the Statements of Net Position. Assets and liabilities are considered current if they mature in one year or less, or expect to be received, used, or paid within one year or less.

Net Position

Resources are classified for accounting purposes into the following four 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, repair or improvement of those assets, as well as deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction, and improvement of those assets.

Restricted - nonexpendable: Net position subject to externally imposed conditions or by law requiring the university to maintain them in perpetuity.

Restricted - expendable: Net position whose use is subject to externally imposed conditions or by law that can be fulfilled by the actions of the university's Board of Trustees or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the university's Board of Trustees, or may otherwise be limited by contractual agreement with outside parties.

The university has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

Cash and Equivalents

The university's cash and equivalents are cash on hand, cash held with the Commonwealth's Treasurer and the Massachusetts State College Building Authority ("MSCBA"), and short-term, highly liquid investments with original maturities of three months or less from the date of purchase. Cash and equivalents held by MSCBA is for capital project-type items. Restricted cash and equivalents includes amounts held for capital appropriations and debt service.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities are stated at fair value. Dividends, interest, and net realized and unrealized gains or losses on investments are reported in the Combining Statements of Revenues, Expenses and Changes in Net Position. Gains and losses on the disposition of investments are determined based on specific identification of securities sold. Investment income is recognized when earned.

Fair Value Measurements

In accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, the university has established a framework for measuring fair value which provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements.)

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the university's component units have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The university's component units utilize the market approach which uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities.

Allowances on Accounts Receivable

Accounts receivable are reported at the amount management expects to collect in the future on balances outstanding at year end. Management estimates allowances for losses based on the history of collections and the knowledge acquired about specific items. Adjustments to the allowance are charged to bad debt expense. Interest is not charged on accounts receivable.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Allowances on Accounts Receivable (Continued)

Uncollectible amounts are written off against the reserve when deemed uncollectible; recoveries are recorded when received. An amount is considered uncollectible when reasonable efforts to collect the account have been exhausted.

Capital Assets

Capital assets are generally controlled but not owned by the university. For assets purchased with state-appropriated funds, the university is not able to sell or otherwise pledge its assets unless authorized to do so by the Commonwealth of Massachusetts.

Real estate assets, including improvements, are generally stated at cost at the date of acquisition. Furnishings, equipment and collections items are stated at cost at date of acquisition. Capital assets received with service concession arrangements and donated collection items are measured at the acquisition date value, the price that would be paid to acquire an asset with equivalent service potential in a similar market transaction. In accordance with the Commonwealth's capitalization policy, non-collection items with a unit cost of \$50,000 or more are capitalized. Land and collection items are capitalized, regardless of cost. University capital assets, with the exception of land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, which range from 2 to 40 years. 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. Amortization of capital assets is included with depreciation expense.

Right-to-use lease assets and right-to-use subscription assets (subscription-based information technology arrangements), recognized in accordance with GASB 87 and GASB 96 respectively, are amortized over the life of the lease/ arrangement. Variable components, interest rates, and terms are considered when valuing these right-to-use assets.

All library materials are capitalized at historical cost for purchased materials. The cost of library materials and related accumulated depreciation is disposed for financial statement purposes after five years.

Bond Premiums

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

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Postemployment Benefits Other Than Pensions ("OPEB")

For purposes of measuring the university's net 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 State Retirees' Benefit Trust ("SRBT") and additions to/deductions from SRBT's fiduciary net position have been determined on the same basis as they are reported by SRBT. For this purpose, SRBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fringe Benefits

The university participates in the Commonwealth's fringe benefit programs, including health insurance, unemployment, and pension and workers' compensation benefits. Health insurance, unemployment and pension costs are billed through a fringe benefit rate charged to the university. Workers' compensation costs are assessed separately based on the university's actual experience.

Compensated Absences

Employees earn the right to be compensated during absences for vacation leave, sick leave and accrued compensatory time. Accrued vacation is the amount earned by all eligible employees through June 30, 2024 and 2023. The accrued sick leave balance represents 20% of amounts earned by those employees with ten or more years of state service at June 30, 2024 and 2023. Upon retirement, these employees are entitled to receive payment for this accrued balance.

Unearned Revenues

Student deposits and advance payments received for tuition and fees related to certain summer programs, and tuition received for the following academic year are recorded as revenues as earned. Grants, including HEERF institutional portion, and other advance payments are recognized as revenue in accordance with the underlying agreement.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Student Fees

Student tuition, dining, residence and other fees are presented net of scholarships and fellowships applied to students' accounts. Certain other scholarship amounts that are paid directly to, or refunded to, the students are generally reflected as expenses.

Tax Status

The university is an Agency of the Commonwealth of Massachusetts and is therefore generally exempt from federal income taxes under Section 115 of the Internal Revenue Code, as well as state income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant management estimates included in the financial statements relate to the allowances for accounts, useful lives of capital assets, pension and OPEB liabilities, as well as lease and subscription based information technology arrangement liabilities.

New Government Accounting Pronouncements

GASB Statement 101 – *Compensated Absences* is effective for reporting periods beginning after December 15, 2023. The objective of this statement is to update the recognition and measurement for compensated absences.

GASB Statement 102 – *Certain Risk Disclosures* is effective for reporting periods beginning after June 15, 2024. The objective of this statement is to update the required disclosures for risks that could negatively impact state and local governments.

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.

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

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported change in net position for the year ended June 30, 2023.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 2 – Implementation of Newly Effective Accounting Standard

GASB 100 Implementation

As of July 1, 2022, the College implemented GASB Statement 100 – *Accounting Changes and Error Corrections*, an amendment of GASB 62. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors. The adoption of this statement did not have a material impact to the financial statements.

Note 3 - Cash and Equivalents

Custodial credit risk is risk associated with the failure of a depository financial institution. At June 30, 2024 and 2023, the university's deposits were either insured or fully collateralized, with the exception of amounts held by the Massachusetts Municipal Depository Trust (MMDT). At June 30, 2024 and 2023, the carrying amount of the university's deposits, net of deposits and disbursements in transit, was \$96,472,788 and \$93,298,641 respectively. Of the carrying amount, \$72,818,835 and \$41,409,370 were held by MMDT at June 30, 2024 and 2023, respectively. In 2024, the university transferred \$28 million to MMDT to take advantage of an increase in interest rates. Total return rates increased from 4.06% in 2023 to 5.71% in 2024.

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.

Note 4 - Cash and Deposits held by the State Treasurer

Accounts payable, accrued salaries and outlays for future capital projects to be funded from state-appropriated funds totaled \$3,329,736 and \$3,846,928 at June 30, 2024 and 2023, respectively. The university has recorded a comparable dollar amount of cash held by State Treasurer for the benefit of the university, which will be subsequently utilized to pay for such liabilities. The cash is held in the State Treasurer's pooled cash account.

Accounts payable and accrued salaries to be funded by cash forwarded by the University to, and held by, the State Treasurer for payment of so-called "non-appropriated" liabilities as June 30, 2024 and 2023 through MMARS were recorded in the sum of \$11,028,281 and \$8,628,861, respectively.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 5 - Restricted Cash and Equivalents

Restricted cash and equivalents are as follows:

	2024	2023
Construction	\$ 246,541	\$ 30,674
Other	25,284	25,052
	\$ <u>271,825</u>	\$ <u>55,726</u>

Note 6 - Investments - Component Units

Investments of the combined component units are stated at fair value and consist of the following at June 30:

	2024	2023
Equity mutual funds	\$ 49,059,765	\$ 43,221,593
Mutual funds	1,449	78,208
Corporate equity securities	-	78,199
Real asset mutual funds	2,106,299	1,783,030
Fixed income bond mutual funds	17,363,971	14,837,527
Private equity	<u>1,390,760</u>	<u>834,885</u>
Total investments	\$ <u>69,922,244</u>	\$ <u>60,833,442</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Equity Mutual Funds: Valued at the net asset value ("NAV") of the shares held at fiscal year-end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses. Equities within the fund are valued at quoted market value of the shares held at fiscal year-end.

Mutual Funds and Corporate Equity Securities: Valued at the net asset value ("NAV") of the shares held at fiscal year-end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 6 - Investments - Component Units (Continued)

Real Asset Mutual Funds: Valued at the net asset value ("NAV") of the shares held at fiscal year end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses. Real estate equities within the fund are valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income Bond Mutual Funds: Valued at the net asset value ("NAV") of the shares held at fiscal year-end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses. Fixed income bonds within the fund are valued at the closing price reported on the active market on which the individual securities are traded.

Private Equity: The fair values for certain private equity investments held through limited partnerships and alternative investments are estimated by the respective external investment managers if market values are not readily ascertainable. These valuations necessarily involve assumptions that are reviewed by the University. Because the investments in private equity investments are not readily marketable, the estimate value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a market for such investments existed.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Foundation and Alumni Association believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 7 - Fair Value Measurements - Component Units

Within the fair value hierarchy, approximately \$69.6 million and \$60.5 million of the component units investments are measured at net asset value per share, with the remainder being classified as Level 1 at June 30, 2024 and 2023, respectively.

Further disclosures regarding the component units' investments can be found on their respective financial statements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 8 - Accounts Receivable, Net

Accounts receivable is comprised of the following at June 30:

	<i>2024</i>	<i>2023</i>
Students	\$ 3,764,431	\$ 4,410,293
Grants	2,324,958	1,855,473
Other	5,092,287	1,827,755
	<u>11,181,676</u>	<u>8,093,521</u>
Less: allowance for doubtful accounts	<u>(1,449,143)</u>	<u>(1,674,219)</u>
Net accounts receivable	<u><u>\$ 9,732,533</u></u>	<u><u>\$ 6,419,302</u></u>

Note 9 - Contributions Receivable - Component Units

Contributions receivable consist of unconditional promises to give. Such promises are initially recorded at fair value considering possible losses and a risk adjusted time value of money factor.

Contributions receivable are as follows as of June 30:

	<i>2024</i>	<i>2023</i>
Amounts due in:		
Less than one year	\$ 354,718	\$ 398,059
One to five years	535,000	1,271,500
	<u>889,718</u>	<u>1,669,559</u>
Less: unamortized discounts	(2,233)	(3,525)
Less: allowance for uncollectible accounts	<u>(1,700)</u>	<u>(1,700)</u>
Net contributions receivable	885,785	1,664,334
Less: current portion	<u>(354,718)</u>	<u>(398,059)</u>
Non-current contributions receivable	<u><u>\$ 531,067</u></u>	<u><u>\$ 1,266,275</u></u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 10 - Lease Receivable

As of November 1, 2020 the university leases certain rooftop space for a cell tower to Verizon. Though the general terms are illustrated in the chart below, it should be noted that the terms include an early termination clause. Should the university terminate the lease prior to the end date, a \$236.12 fee for each month remaining shall be assessed.

As of September 1, 2021, the university also leases certain cables within the university owned fiber optic cable system to Taunton Municipal Lighting Plant (TMLP). The terms below include a 5 year-renewal period that calls for an adjustment to the lease payment based on the Consumer Price Index.

Lease	Term (Months)	<i>2024</i>			<i>2023</i>		
		Receivable	Rent Inflow	Interest Inflow	Receivable	Rent Inflow	Interest Inflow
Verizon	60	\$ 257,877	\$ 27,814	\$ 2,906	\$ 276,244	\$ 17,632	\$ 2,292
TMLP	120	\$ 204,679	\$ 18,367	\$ 2,155	\$ 232,493	\$ 27,470	\$ 3,250

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 11 - Capital Assets

Capital asset activity for the year ended June 30, 2024 is as follows:

	Estimated Lives (years)	Beginning Balance	Additions	Reductions	Reclass	Ending Balance
Capital Assets not being depreciated:						
Land		\$ 2,971,396	\$ -	\$ -	\$ -	\$ 2,971,396
Artwork		2,408,500	185,262	-	142,896	2,736,658
Construction In Progress		5,069,225	13,231,908	-	(1,599,340)	16,701,793
Total capital assets not being depreciated:		<u>10,449,121</u>	<u>13,417,170</u>	<u>-</u>	<u>(1,456,444)</u>	<u>22,409,847</u>
Capital Assets being depreciated:						
Buildings, Including Improvements	11-40	288,262,644	2,304,236	-	1,197,847	291,764,727
Furnishings & Equipment	3-10	22,397,319	2,303,872	-	258,597	24,959,788
Library Materials	5	706,559	-	-	-	706,559
Total capital assets being depreciated:		<u>311,366,522</u>	<u>4,608,108</u>	<u>-</u>	<u>1,456,444</u>	<u>317,431,074</u>
ROU Capital Assets being amortized:						
Related Parties ROU Asset, Real Estate	4-22	220,639,904	2,864,078	(117,304)	-	223,386,678
Equipment	2-5	6,587,240	1,753,285	(56,414)	-	8,284,111
Space	3-13	2,115,270	122,233	(81,527)	-	2,155,976
Vehicle	3-5	2,233,847	490,770	(456,947)	-	2,267,670
Software arrangements	2-7	10,265,711	2,043,567	(172,184)	-	12,137,094
Total ROU capital assets being amortized:		<u>241,841,972</u>	<u>7,273,933</u>	<u>(884,376)</u>	<u>-</u>	<u>248,231,529</u>
Total capital assets		<u>563,657,615</u>	<u>25,299,211</u>	<u>(884,376)</u>	<u>-</u>	<u>588,072,450</u>
Less accumulated depreciation						
Buildings, Including Improvements		152,573,427	9,222,430	-	-	161,795,857
Furnishings & Equipment		17,974,231	1,715,838	-	-	19,690,069
Library Materials		429,696	70,656	-	-	500,352
Total accumulated depreciation:		<u>170,977,354</u>	<u>11,008,924</u>	<u>-</u>	<u>-</u>	<u>181,986,278</u>
Less accumulated depreciation and amortization						
Related Parties ROU Asset, Real Estate		47,182,437	11,799,696	(117,304)	-	58,864,829
Equipment		2,294,746	1,480,850	(56,414)	-	3,719,182
Space		1,127,921	418,256	(81,527)	-	1,464,650
Vehicle		1,144,858	401,599	(447,635)	-	1,098,822
Software arrangements		4,835,124	2,816,634	(172,184)	-	7,479,574
Total accumulated amortization:		<u>56,585,086</u>	<u>16,917,035</u>	<u>(875,064)</u>	<u>-</u>	<u>72,627,057</u>
Capital assets, net		<u>\$ 336,095,175</u>	<u>\$ (2,626,748)</u>	<u>\$ (9,312)</u>	<u>\$ -</u>	<u>\$ 333,459,115</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 11 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2023 is as follows:

	Estimated Lives (years)	Beginning Balance	Additions	Reductions	Reclass	Ending Balance
Capital Assets not being depreciated:						
Land		\$ 2,971,396	\$ -	\$ -	\$ -	\$ 2,971,396
Artwork		2,407,000	1,500	-	-	2,408,500
Construction In Progress		1,476,802	4,304,089	-	(711,666)	5,069,225
Total capital assets not being depreciated:		<u>6,855,198</u>	<u>4,305,589</u>	<u>-</u>	<u>(711,666)</u>	<u>10,449,121</u>
Capital Assets being depreciated:						
Buildings, Including Improvements	11-40	285,090,812	2,460,166	-	711,666	288,262,644
Furnishings & Equipment	3-10	21,176,785	1,415,879	(195,345)	-	22,397,319
Library Materials	5	669,677	36,882	-	-	706,559
Total capital assets being depreciated:		<u>306,937,274</u>	<u>3,912,927</u>	<u>(195,345)</u>	<u>711,666</u>	<u>311,366,522</u>
ROU Capital Assets being amortized:						
Related Parties ROU Asset, Real Estate	4-22	220,639,904	-	-	-	220,639,904
Equipment	2-5	1,982,425	4,604,815	-	-	6,587,240
Space	3-13	2,115,270	-	-	-	2,115,270
Vehicle	3-5	1,418,224	864,708	(49,085)	-	2,233,847
Software arrangements	2-7	6,313,264	3,952,447	-	-	10,265,711
Total ROU capital assets being amortized:		<u>232,469,087</u>	<u>9,421,970</u>	<u>(49,085)</u>	<u>-</u>	<u>241,841,972</u>
Total capital assets		<u>546,261,559</u>	<u>17,640,486</u>	<u>(244,430)</u>	<u>-</u>	<u>563,657,615</u>
Less accumulated depreciation						
Buildings, Including Improvements		143,467,279	9,106,148	-	-	152,573,427
Furnishings & Equipment		16,392,349	1,777,227	(195,345)	-	17,974,231
Library Materials		359,040	70,656	-	-	429,696
Total accumulated depreciation:		<u>160,218,668</u>	<u>10,954,031</u>	<u>(195,345)</u>	<u>-</u>	<u>170,977,354</u>
Less accumulated depreciation and amortization						
Related Parties ROU Asset, Real Estate		35,523,269	11,659,168	-	-	47,182,437
Equipment		1,250,196	1,044,550	-	-	2,294,746
Space		707,993	419,928	-	-	1,127,921
Vehicle		852,838	338,770	(46,750)	-	1,144,858
Software arrangements		2,852,706	1,982,418	-	-	4,835,124
Total accumulated amortization:		<u>41,187,002</u>	<u>15,444,834</u>	<u>(46,750)</u>	<u>-</u>	<u>56,585,086</u>
Capital assets, net		<u>\$ 344,855,889</u>	<u>\$ (8,758,379)</u>	<u>\$ (2,335)</u>	<u>\$ -</u>	<u>\$ 336,095,175</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 12 - Unearned Revenues

Unearned revenues include tuition received in advance from students for summer courses commencing after June 30, the subsequent fall semester, and capital grants received in advance.

Unearned revenues of the university are considered current liabilities and include the following at June 30:

	<i>2024</i>	<i>2023</i>
Tuition and fees	\$ 4,931,236	\$ 5,496,137
Unearned capital appropriations	3,063,730	2,355,477
Grants	2,210,501	971,415
Other	<u>226,621</u>	<u>297,450</u>
Total unearned revenues	\$ <u>10,432,088</u>	\$ <u>9,120,479</u>

The unearned capital appropriations represent funding by the Commonwealth relative to ongoing construction of various projects. Unearned revenue from capital appropriations are recognized as revenue in the fiscal year in which the related project funds are expensed.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 13 - Deferred Inflows of Resources – Service Concession Arrangement

A component of deferred inflows of resources consists of unamortized balances of a food service agreement with an outside party. Under this agreement, the university's food service vendor provides funding for capital projects (i.e., food truck installation, renovations of dining facilities on campus). These capital assets are reported as construction in progress until/unless complete and are carried at the net value of cost less accumulated depreciation. The university reports the carrying value of assets related to the service concession arrangement as \$5,250,568 and \$1,118,570 for fiscal year end June 30, 2024, and 2023, respectively.

A deferred inflow of resources equal to the total investment is recognized and amortized over a five-year period. At June 30, 2024 and 2023, deferred inflows of resources related to this arrangement totaled \$3,869,166 and \$860,269, respectively.

The total investment, annual amortization, unamortized deferred inflow and carrying value of the capital assets at June 30, 2024 consist of:

<i>Capital Project</i>	<i>Total Investment</i>	<i>Annual Amortization</i>	<i>Unamortized Deferred Inflow</i>	<i>Carrying Value of Asset</i>
Food Truck	\$ 122,480	\$ 24,496	\$ 24,496	\$ 36,744
ECC Served	296,052	59,210	154,484	266,446
Tillinghast Kitchen	471,722	94,344	257,055	424,549
Tillinghast Accessibility	4,007,958	801,592	3,136,853	4,007,958
Flynn Dining	216,030	43,206	129,619	192,027
Ucook Station	367,400	73,480	166,659	322,843

The total investment, annual amortization, unamortized deferred inflow and carrying value of the capital assets at June 30, 2023 consist of:

<i>Capital Project</i>	<i>Total Investment</i>	<i>Annual Amortization</i>	<i>Unamortized Deferred Inflow</i>	<i>Carrying Value of Asset</i>
Food Truck	\$ 122,480	\$ 24,496	\$ 48,992	\$ 73,488
ECC Served	296,052	59,210	213,694	281,249
Tillinghast Kitchen	471,722	94,344	351,400	448,136
Tillinghast Accessibility	315,697	63,139	246,183	315,697

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 14 – Non-current Liabilities

Non-current liabilities of the university at June 30, 2024 consist of:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Current Portion</i>	<i>Non-Current Balance</i>
Leases and bonds payable:						
Bonds payable	\$ 9,556,686	\$ -	\$ 905,693	\$ 8,650,993	\$ 959,140	\$ 7,691,853
Related party lease obligations	201,710,546	2,864,078	16,209,694	188,364,930	6,852,702	181,512,228
Lease obligations	7,718,201	2,366,288	2,638,244	7,446,245	2,145,163	5,301,082
SBITA obligations	5,277,595	2,043,567	2,744,486	4,576,676	1,876,494	2,700,182
	<u>224,263,028</u>	<u>7,273,933</u>	<u>22,498,117</u>	<u>209,038,844</u>	<u>11,833,499</u>	<u>197,205,345</u>
Other non-current liabilities:						
Accrued workers' compensation	1,711,059	684,621	468,266	1,927,414	239,630	1,687,784
Accrued compensated absences	12,913,736	1,468,307	61,245	14,320,798	9,594,935	4,725,863
Net pension liability	44,874,753	-	5,436,555	39,438,198	-	39,438,198
Net OPEB liability	56,474,453	-	14,528,677	41,945,776	-	41,945,776
Total other non-current liabilities	<u>115,974,001</u>	<u>2,152,928</u>	<u>20,494,743</u>	<u>97,632,186</u>	<u>9,834,565</u>	<u>87,797,621</u>
Total non-current liabilities	<u>\$ 340,237,029</u>	<u>\$ 9,426,861</u>	<u>\$ 42,992,860</u>	<u>\$ 306,671,030</u>	<u>\$ 21,668,064</u>	<u>\$ 285,002,966</u>

Non-current liabilities of the university at June 30, 2023 consist of:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Current Portion</i>	<i>Non-Current Balance</i>
Leases and bonds payable:						
Bonds payable	\$ 10,356,890	\$ -	\$ 800,204	\$ 9,556,686	\$ 824,817	\$ 8,731,869
Related party lease obligations	209,374,697	-	7,664,151	201,710,546	8,125,370	193,585,176
Lease obligations	5,294,906	5,470,292	3,046,997	7,718,201	2,181,436	5,536,765
SBITA obligations	3,337,886	3,958,152	2,018,443	5,277,595	2,011,316	3,266,279
	<u>228,364,379</u>	<u>9,428,444</u>	<u>13,529,795</u>	<u>224,263,028</u>	<u>13,142,939</u>	<u>211,120,089</u>
Other non-current liabilities:						
Accrued workers' compensation	1,595,073	390,215	274,229	1,711,059	201,006	1,510,053
Accrued compensated absences	12,874,342	528,579	489,185	12,913,736	8,652,203	4,261,533
Net pension liability	38,224,852	6,649,901	-	44,874,753	-	44,874,753
Net OPEB liability	67,113,969	-	10,639,516	56,474,453	-	56,474,453
Total other non-current liabilities	<u>119,808,236</u>	<u>7,568,695</u>	<u>11,402,930</u>	<u>115,974,001</u>	<u>8,853,209</u>	<u>107,120,792</u>
Total non-current liabilities	<u>\$ 348,172,615</u>	<u>\$ 16,997,139</u>	<u>\$ 24,932,725</u>	<u>\$ 340,237,029</u>	<u>\$ 21,996,148</u>	<u>\$ 318,240,881</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 14 – Non-current Liabilities (Continued)

Bonds Payable

	<i>2024</i>	<i>2023</i>
Parking lot		
Bonds through MSCBA, original issue date 3/8/2006, at average interest of 3.41%, maturing 5/1/2034	307,408	334,791
Athletic field		
Bonds through MSCBA, original issue date 12/22/2009, at average interest of 5.37%, maturing 5/1/2034	2,147,916	2,439,369
University Park		
Bonds through MSCBA, original issue date 1/4/2012, at average interest of 4.77%, maturing 11/1/2034	564,904	647,724
Campus Center		
Bonds through MSCBA, original issue date 12/20/2012, at average interest of 4.50%, maturing 5/1/2041	3,116,627	3,378,569
Welcome Center		
Bonds through MSCBA, original issue date 12/20/2012, at average interest of 4.44%, maturing 5/1/2041	<u>2,514,138</u>	<u>2,756,233</u>
	<u>\$ 8,650,993</u>	<u>\$ 9,556,686</u>

During 2024, the university's MSCBA Series 2019C and 2020A bonds were partially refunded as part of the MSCBA's Refunding Revenue Bonds Series 2024A. The purpose of the bond refunding was to lower interest rates which resulted in a deferred economic gain of approximately \$103,000. During 2022, the university's MSCBA Series 2012C bonds were partially refunded as part of the MSCBA's Refunding Revenue Bonds Series 2022A. The purpose of the bond refunding was to lower interest rates which resulted in a deferred economic gain of approximately \$133,000. During 2021, the University's MSCBA Series 2009C, 2012B, 2012C, and 2019C 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. The refunding resulted in a net economic loss of approximately \$394,000, a deferred loss of approximately \$479,000, and deferred gain of approximately \$111,000. Projects funded by MSCBA bonds are described below.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 14 – Non-current Liabilities (Continued)

Bonds Payable (Continued)

Parking Lot:

During fiscal year 2006, the university entered into a financing agreement with the MSCBA to construct a new parking lot. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012B and 2019C (previously 2006A)). As disclosed above, in July 2020 the Series 2012B and 2019C bonds were partially refunded with Series 2020A bonds. Through its agreements with MSCBA, the university will repay this debt in semi-annual installments, starting May 1, 2007 and ending May 1, 2034, at an annual variable coupon averaging 3.41%. At June 30, 2024 and 2023, the balance on the bond was \$307,408 and \$334,791, respectively.

Athletic Field:

During fiscal year 2010, the university entered into a financing agreement with the MSCBA to renovate an athletic field. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2009B & 2009C). As disclosed above, in July 2020 the Series 2009C bond was partially refunded with series 2020A bonds. Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting May 1, 2011 and ending May 1, 2034, at an annual variable coupon averaging 5.37%. At June 30, 2024 and 2023, the balance on the bond was \$2,147,916 and \$2,439,369, respectively.

University Park:

During fiscal year 2012, the university entered into a financing agreement with the MSCBA to redevelop an existing parking lot to construct green space to include pedestrian walkways. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012A). As disclosed above, in July 2020 the Series 2012A bond was partially refunded with series 2020A bonds. Through its agreement with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting October 1, 2012 and ending November 1, 2034, at an annual variable coupon averaging 4.77%. At June 30, 2024 and 2023, the balance on the bond was \$564,904 and \$647,724, respectively.

Campus Center:

During fiscal year 2013, the university entered into a financing agreement with the MSCBA to renovate the main entrances to the Rondileau Student Union. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012C, as modified). As disclosed above, in July 2021 the series 2012C Bond was refinanced by bond series 2022A. As disclosed above, the series 2012C was partially refunded with series 2020A bonds. Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting November 1, 2013 and ending May 1, 2041, at an annual variable coupon averaging 4.50%. At June 30, 2024 and 2023, the balance on the bond was \$3,116,627 and \$3,378,569, respectively.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 14 – Non-current Liabilities (Continued)

Bonds Payable (Continued)

Welcome Center:

During fiscal year 2015, the MSCBA authorized and issued a debt modification resulting in the transfer of \$3,680,000 of principal from the Rondileau Student Union project. The transfer of principal was to fund the construction of the Welcome Center building. The source of financing the project was based upon the issuance of debt modification by the MSCBA on behalf of the university (Series 2012C modification). As disclosed above, in July 2021, the series 2012C was partially refunded with series 2022A bonds. As disclosed above, the series 2012C was partially refunded with series 2020A bonds. Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting May 1, 2015 and ending May 1, 2041, at annual variable coupon averaging 4.44%. At June 30, 2024 and 2023, the balance on the bond was \$2,514,138 and \$2,756,233, respectively.

Certain of these bonds rely on revenue streams such as student fees as their source of repayment.

Interest expense on bonds payable for the years ended June 30, 2024 and 2023 was \$250,469 and \$463,240, respectively.

Maturities of the bonds payable subsequent to June 30, 2024 are as follows:

<i>Fiscal Years</i>			
<i>Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025	959,140	372,251	1,331,391
2026	976,577	330,779	1,307,356
2027	906,657	287,808	1,194,465
2028	933,765	245,785	1,179,550
2029	954,971	201,817	1,156,788
2030 - 2034	2,874,057	422,047	3,296,104
2035 - 2039	440,894	103,000	543,894
2040 - 2041	604,932	37,166	642,098
	<u>\$ 8,650,993</u>	<u>\$ 2,000,653</u>	<u>\$ 10,651,646</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 14 – Non-current Liabilities (Continued)

Lease Obligations, Related Party Lease Obligations and SBITAs

The university leases certain assets under lease arrangements including leases for equipment, space, vehicles, and tax-exempt financing leases for various energy improvements. The university also leases certain assets under related party lease arrangements including real estate from MSCBA.

Related Party Lease Obligations (MSCBA)

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 the associated liability of these lease transactions 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 for the residence halls incurred by MSCBA.

The lease term is completed when the final bond payment is made, which is scheduled for May 2043. The lease liability was calculated based upon the discounting of the future bond service payments using the average interest rate of the bond issuance associated with that lease. If MSCBA refunds the bonds, any cost savings are passed through to the university. The difference in the lease liability due to the refunding was recognized as deferred outflow or inflow of resources related to leases. During 2024, the university’s MSCBA Series 2019C and 2020A bonds were partially refunded as part of the MSCBA’s Refunding Revenue Bonds Series 2024A. This refunding resulted in a deferred economic gain of approximately \$11,588,000.

Payments to MSCBA are due in semi-annual installments that occur during the fall and spring academic semesters. For the years ended June 30, 2024 and 2023, debt service payments and operating costs paid by the University were \$12,380,375 and \$15,890,727 respectively. Debt Service Relief Funds (DSRF) can be elected to be released by either the university or the MSCBA to assist in lowering the overall assessment. DSRF were utilized in the amount of \$833 thousand and \$787 thousand in fiscal years ended June 30, 2024 and 2023, respectively. The interest rates displayed in the table below are the implicit rates of the leases. The implicit rate is the rate that, at a given date, causes the aggregate present value of the lease payments following the end of the lease term to equal the fair market value of the lease. These interest rates are not representative of the bond offering interest rates. For unrelated leases, there are various options to renew depending upon the specific circumstances.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 14 – Non-current Liabilities (Continued)

Lease Obligations, Related Party Lease Obligations and SBITAs (Continued)

The university leases certain assets including equipment, space, vehicles, and tax-exempt financing leases for various energy improvements.

When interest rates are not defined in the contract or lease terms, the implicit interest rate is used to calculate the lease liability. The implicit rate is the rate that, at a given date, causes the aggregate present value of the lease payments following the end of the lease term to equal the fair market value of the lease. These interest rates are not representative of the bond offering interest rates for related party lease obligations. For unrelated leases, there are various options to renew depending upon the specific circumstances. Lease terms end when the final payments are made.

Subscription-Based Information Technology Arrangements (SBITAs)

The university has entered into subscription-based information technology arrangements (SBITAs) for various software products. There were no payments made for additional services not included in the required SBITA payments. The university has no options to purchase the software products, while some arrangements may offer options to renew. The university did not have any commitments under SBITAs before the SBITA term commenced and did not record any impairment losses associated with any SBITA liability. The liability balance associated with the SBITA right of uses assets was \$4,576,676 and \$5,277,595 at June 30, 2024 and 2023, respectively.

The interest rates displayed in the table below are the implicit rates of the leases. The implicit rate is the rate that, at a given date, causes the aggregate present value of the lease payments following the end of the lease term to equal the fair market value of the lease. These interest rates are not representative of the bond offering interest rates for related party lease obligations.

Group	Type	Commencement Date	Term In Months	FY24 Payments	Interest Rate
Related Party	Real Estate	7/1/2019 - 7/1/2023	108 - 244	\$12,380,375	2.96% - 26.68%
Unrelated	Space	7/1/2019 - 12/1/2023	36 - 156	\$400,797	1.25% - 5.38%
Unrelated	Equipment	7/1/2019 - 9/1/2023	18 - 60	\$1,397,122	0.78% - 5.38%
Unrelated	Vehicles	7/1/2019 - 5/1/2024	36 - 60	\$345,741	0.78% - 5.38%
Unrelated	Software	7/1/2020 - 12/1/2023	15 - 84	\$2,776,781	0.78% - 5.38%
Group	Type	6/30/2024 Lease/SBITA Liability	6/30/2023 Lease/SBITA Liability	FY24 Additional Outflows	FY23 Additional Outflows
Related Party	Real Estate	\$188,364,930	\$201,710,546	\$2,052,469	\$2,782,092
Unrelated	Space	\$715,746	\$971,422	\$666,032	\$540,647
Unrelated	Equipment	\$3,982,052	\$3,536,884	\$31,495	\$21,326
Unrelated	Vehicles	\$1,176,321	\$1,093,111	-	-
Unrelated	Software	\$4,576,676	\$5,277,595	-	-

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 14 – Non-current Liabilities (Continued)

Lease Obligations, Related Party Lease Obligations and SBITAs (Continued)

The following schedule summarizes future minimum payments under non-cancellable leases subsequent to June 30, 2024:

<i>Fiscal Years Ending June 30,</i>	<i>Related Party</i>		<i>Lease Obligations</i>		<i>SBITA Obligations</i>		<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	
2025	6,852,702	8,467,733	2,145,163	194,504	1,876,494	66,158	19,602,754
2026	8,371,182	7,878,360	2,051,785	128,550	1,270,631	43,409	19,743,917
2027	8,995,901	7,354,755	1,677,137	66,707	782,861	24,878	18,902,239
2028	9,779,095	6,775,753	1,023,198	29,808	646,690	11,743	18,266,287
2029	10,397,567	5,966,855	215,464	13,704	-	-	16,593,590
2030 - 2034	55,833,185	23,338,495	333,498	15,963	-	-	79,521,141
2035 - 2039	63,612,051	11,779,007	-	-	-	-	75,391,058
2040 - 2044	24,523,247	1,317,615	-	-	-	-	25,840,862
	<u>\$ 188,364,930</u>	<u>\$ 72,878,573</u>	<u>\$ 7,446,245</u>	<u>\$ 449,236</u>	<u>\$ 4,576,676</u>	<u>\$ 146,188</u>	<u>\$ 273,861,848</u>

Interest expense on related party lease obligations for the years ended June 30, 2024 and 2023 was \$8,052,872 and \$8,170,042, respectively. Interest expense on unrelated lease obligations for the years ended June 30, 2024 and 2023 was \$238,042 and \$212,199, respectively. Interest expense on SBITA obligations for the years ended June 30, 2024 and 2023 was \$70,320 and \$32,223, respectively.

Note 15 - Pensions

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 – 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.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 15 – Pensions (Continued)

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, and 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.

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>Percentage of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 - 6/30/1996	8% of regular compensation
7/1/1996 - present	9% of regular compensation
1979 - present	An additional 2% of regular compensation in excess of \$30,000

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 16.69%, 16.70%, and 16.11% of annual covered payroll for the fiscal years ended June 30, 2024, 2023, and 2022, respectively. The University contributed \$4,066,948, \$3,969,963 and \$4,540,705 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively, equal to 100% of the required contributions for each year.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 15 - Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024 and 2023, the University reported a liability of \$39,438,198, \$44,874,753, respectively, for its proportionate share of the net pension liability related to its participation in SERS. 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 net pension liability as of June 30, 2023, the reporting date, was measured as of June 30, 2022, 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, 2022 rolled forward to June 30, 2022.

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 2024 and 2023. The Commonwealth's proportionate share was based on actual employer contributions to the SERS for fiscal years 2024 and 2023 relative to total contributions of all participating employers for the fiscal year. At June 30, 2024 and 2023, the University's proportion was 0.269% and 0.323%, respectively.

For the year ended June 30, 2024 the University recognized pension income of \$5,018,856. For the year ended June 30, 2023 the University recognized pension income of \$3,649,949. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30,:

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 15 - Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	2024		2023
Deferred Outflows of Resources Related to Pension			
Contributions subsequent to the measurement date	\$ 4,066,948	\$	3,969,963
Change in plan actuarial assumptions	662,825		1,235,475
Difference between expected and actual experience	1,400,962		1,116,278
Net difference between projected and actual investment earnings on plan investments	1,061,400		-
Change in proportion due to internal allocation	823,835		1,696,092
Change in proportion from Commonwealth	325		3,070
Total deferred outflows of resources related to pension	\$ 8,016,295	\$	8,020,878
Deferred Inflows of Resources Related to Pension			
Net differences between projected and actual investment earnings on plan investments	\$ -	\$	239,231
Difference between expected and actual experience	974,514		1,751,476
Change in proportion due to internal allocation	13,863,859		12,614,454
Change in proportion from Commonwealth	301,289		121,385
Total deferred inflows of resources related to pension	\$ 15,139,662	\$	14,726,547

The University's contributions of \$4,066,948 and \$3,969,963 made during the fiscal years ending 2024 and 2023, 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:

Fiscal Years
Ending June 30,

2025	(536,535)
2026	5,587,985
2027	(13,780,063)
2028	<u>(2,461,702)</u>
Total	\$ <u>(11,190,315)</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 15 - Pension Plan (Continued)

Actuarial Assumptions

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

	<u>2024</u>	<u>2023</u>
Measurement date	June 30, 2023	June 30, 2022
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 saving fund	3.50%	3.50%

For measurement dates June 30, 2023 and 2022, mortality rates were based on:

- Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2016 set forward 1 year for females.
- Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2016 set forward 1 year for females
- Disability – reflects the post-retirement mortality described above, set forward 1 year.

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. The 2023 pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of January 2022 and rolled forward to June 30, 2022.

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:

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 15 - Pension Plan (Continued)

Actuarial Assumptions (Continued)

<i>Asset Class</i>	<u>Target Allocation</u>		<u>Long-term Expected Rate of Return</u>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Global equity	37.00%	38.00%	4.90%	4.20%
Core fixed income	15.00%	15.00%	1.90%	7.30%
Private equity	16.00%	10.00%	7.40%	2.70%
Real estate	10.00%	10.00%	3.00%	3.30%
Value added fixed income	8.00%	8.00%	5.10%	3.70%
Portfolio completion strategies	10.00%	15.00%	3.80%	5.00%
Timber/Natural resources	4.00%	4.00%	4.30%	3.90%
	<u>100.00%</u>	<u>100.00%</u>		

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at both June 30, 2024 and 2023. 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.

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 one-percentage-point lower or one-percentage-point higher than the current rate at June 30:

<i>Reporting Year Ended June 30 2024</i>	<i>1% Decrease to 6.00%</i>	<i>Current Discount Rate 7.00%</i>	<i>1% Increase to 8.00%</i>
	\$ 54,202,485	\$ 39,438,198	\$ 26,943,732
<i>Reporting Year Ended June 30 2023</i>	<i>1% Decrease to 6.00%</i>	<i>Current Discount Rate 7.00%</i>	<i>1% Increase to 8.00%</i>
	\$ 61,892,048	\$ 44,874,753	\$ 30,475,266

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 16 - Postemployment Benefits Other Than Pensions ("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 health care and other non-pension benefits, current and future, have been paid or deceased. The GIC administers benefit payments, while the Trustees are responsible for investment decisions.

Management of the SRBT is vested with the board of trustees, which consists of seven members (or their designatee) and includes the Secretary of Administration and Finance, the Executive Director of the GIC, the Executive Director of PERAC, the State Treasurer, the Comptroller, 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 a stand-alone audited financial statement but is reflected as a fiduciary fund in the Commonwealth's audited financial statements.

Benefits Provisions

Under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care 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 health care / 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, 2024 and 2023, and as of the valuation date (June 30, 2023 and 2022), participants contributed 10% to 20%, respectively, of premium costs, depending on the date of hire and whether the participant's status is active, retired, or survivor. As part of the fiscal year 2010 General Appropriation Act, all active employees pay an additional 5% of premium costs.

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

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Contributions (Continued)

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 7.83% and 7.28% of annual covered payroll for the fiscal years ended June 30, 2024 and 2023, respectively. The University contributed \$1,907,853 and \$1,730,073 for the fiscal years ended June 30, 2024 and 2023, respectively, equal to 100% of the required contribution for the year.

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

At June 30, 2024 and 2023, the University reported a liability of \$41,945,776 and \$56,474,453, 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, 2023 and 2022, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 and 2022, 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 2023 and 2022. The University's proportionate share was based on the actual employer contributions to the SRBT for fiscal years 2023 and 2022 relative to total contributions of all participating employers for the fiscal year. At June 30, 2023 and 2022, the University's proportion was 0.295% and 0.423%, respectively.

For the year ended June 30, 2024 the University recognized income related to OPEB of \$14,642,854. For the year ended June 30, 2023 the University recognized income related to OPEB of \$9,228,613. The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

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

Deferred Outflows of Resources Related to OPEB:	2024	2023
Contributions subsequent to the measurement date	\$ 1,907,853	\$ 1,730,073
Changes in proportion from Commonwealth	3,842	25,948
Difference between expected and actual experience	1,706,054	1,039,621
Net difference between projected and actual investment earnings on OPEB investments	137,102	85,848
Change in plan actuarial assumptions	1,842,701	4,159,529
Changes in proportion due to internal allocation	511,569	3,307,647
Total deferred outflows of resources related to OPEB	<u>\$ 6,109,121</u>	<u>\$ 10,348,666</u>
Deferred Inflows of Resources Related to OPEB:		
Changes in proportion from Commonwealth	\$ 401,377	\$ 278,899
Differences between expected and actual experience	4,711,553	9,349,958
Changes in proportion due to internal allocation	36,581,463	26,799,282
Change in plan actuarial assumptions	10,819,325	20,439,301
Total deferred inflows of resources related to OPEB	<u>\$ 52,513,718</u>	<u>\$ 56,867,440</u>

The University's contributions of \$1,907,853 and \$1,730,073 made during the fiscal year 2024 and 2023, 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:

Fiscal Years	
<u>Ending June 30,</u>	
2025	(12,368,637)
2026	(12,141,097)
2027	(11,875,322)
2028	(9,517,539)
2029	(2,409,855)
	<u>\$ (48,312,450)</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Actuarial Assumptions

The total OPEB liability for 2024 and 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Salary increases	Rates vary by years of service and group classification, consistent with SERS	Rates vary by years of service and group classification, consistent with SERS
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 GAO-Getzen trend rate model, version 2023_f4. Medicare and non-medicare benefits range from 5.79% to 7.50%	Developed based on the most recent published GAO-Getzen trend rate model, version 2022_f4. Medicare and non-medicare benefits range from 5.00% to 7.60%

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.

The participation rates are actuarially assumed as below:

- 100% of all retirees who currently have health care coverage will continue with the same coverage, except that retirees under age 65 with POS/PPO coverage switch to Indemnity at age 65 and those over 65 with POS/PPO coverage switch to HMO.
- All current retirees, other than those indicated on the census data as not being eligible by Medicare, have Medicare coverage upon attainment of age 65, as do their spouses. All future retirees are assumed to have Medicare coverage upon attainment of age 65.
- 85% of current and future contingent eligible participants will elect health care benefits at age 55, or current age if later.
- Actives, upon retirement, take coverage, and are assumed to have the following coverage:

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Actuarial Assumptions (Continued)

	Retirement Age		Retirement Age	
	2024		2023	
	Under 65	Age 65+	Under 65	Age 65+
Indemnity	27.0%	96.0%	28.0%	96.0%
POS/PPO	63.0%	0.0%	62.0%	0.0%
HMO	10.0%	4.0%	10.0%	4.0%

The actuarial assumptions used in the January 1, 2023 and 2022 valuations were based on the results of an actuarial experience study for the periods ranging July 01, 2023 and 2022 through December 31, 2022 and 2021, depending upon the criteria being evaluated.

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, 2024 and 2023, are the same as discussed in the pension footnote.

Discount Rate

The discount rate used to measure the total OPEB liability for 2023 and 2022 was 4.34% and 4.30%, respectively. These rates were based on a blend of the Bond Buyer Index rate (3.65% and 3.54%) 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 2042 and 2042 for the fiscal years 2024 and 2023, respectively. Therefore, the long-term expected rate of return on OPEB plan investments is 7.00% and 7.00%, respectively 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 one-percentage-point lower or one-percentage-point higher than the current discount rate:

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Discount Rate (Continued)

Reporting Year Ended June 30,	1.00% Decrease 3.34%	Discount Rate 4.34%	1.00% Increase 5.34%
2024	\$ 49,009,534	\$ 41,945,776	\$ 36,149,577

Reporting Year Ended June 30,	1.00% Decrease 3.30%	Discount Rate 4.30%	1.00% Increase 5.30%
2023	\$ 65,883,544	\$ 56,474,453	\$ 48,745,571

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 one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

Reporting Year Ended June 30,	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
2024	\$ 35,147,385	\$ 41,945,776	\$ 50,545,347

Reporting Year Ended June 30,	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
2023	\$ 47,341,757	\$ 56,474,453	\$ 68,035,349

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 17 - Restricted Net Position

The university's restricted net position at June 30 is as follows:

	<i>2024</i>	<i>2023</i>
Restricted - nonexpendable:		
Scholarships and fellowships	\$ <u>23,000</u>	\$ <u>23,000</u>
Restricted - expendable:		
Grants and agency funds	\$ <u>1,490,216</u>	\$ <u>1,347,896</u>

The university's restricted-expendable net position consists of funds whose income is mainly used for scholarships, grants and other academic purposes. The university's restricted-nonexpendable net position consists of investments to be held in perpetuity and the income is restricted for the purpose of providing scholarships and other activities that benefit the university.

Note 18 - Contingencies

The university, in the normal course of business, is subject to various legal claims and related issues of which the more significant items are as follows:

The university receives significant financial assistance from federal and state agencies in the form of grants. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits becomes a liability of the university. In the opinion of management, such adjustments, if any, are not expected to materially affect the financial condition of the university.

The university participates in the Massachusetts College Savings Prepaid Tuition Program, (the "program"). This program allows individuals to pay in advance for future tuition at the cost of tuition at the time of election to participate, 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 likely effect of the program is that discounts will be provided in the future to students if the cost of attendance increases by more than the benchmark.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 19 - Operating Expenses

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

	<i>2024</i>	<i>2023</i>
Compensation and benefits	\$ 145,170,619	\$ 132,500,430
Supplies and services	50,027,892	49,834,680
Depreciation and amortization	27,925,959	26,398,865
Scholarships and fellowships	<u>12,746,700</u>	<u>8,123,878</u>
	<u>\$ 235,871,170</u>	<u>\$ 216,857,853</u>

Note 20 - Interest Expense

Interest expense for the years ended June 30, 2024 and 2023, is comprised of the following:

	<i>2024</i>	<i>2023</i>
Interest on lease obligations, related party	\$ 8,052,872	\$ 8,170,021
Interest on lease obligations, unrelated	238,042	212,199
Interest on lease obligations, SBITAs	70,320	32,223
Interest on bonds payable	<u>250,469</u>	<u>463,240</u>
Total interest expense	<u>\$ 8,611,703</u>	<u>\$ 8,877,683</u>

Note 21 - Massachusetts 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 agree to the university's records at June 30, 2024 and 2023. Management believes the amounts reported on MMARS meet the guidelines of the Comptroller's *Guide for Higher Education Audited Financial Statements*.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 21 - Massachusetts Management Accounting and Reporting System (Continued)

The university's state appropriations are composed of the following for the years ended June 30:

	<i>2024</i>	<i>2023</i>
Direct unrestricted appropriations	\$ 67,640,445	\$ 59,762,005
Add: Fringe benefits for benefited employees on the state payroll	28,336,077	22,924,943
Less: Day school tuition remitted to the state and included in tuition and fee revenue	<u>(384,945)</u>	<u>(2,063)</u>
Total unrestricted appropriations	95,591,577	82,684,885
Capital appropriations	<u>3,017,889</u>	<u>1,404,357</u>
Total appropriations	\$ <u>98,609,466</u>	\$ <u>84,089,242</u>

Note 22 - 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 and for the employer's share of health care premiums.

The estimated amounts of funding attributable for the Commonwealth's retirement system contribution and the employer's share of health care premiums for the years ended June 30, 2024 and 2023 were as follows (see State appropriations under Note 21).

	<i>2024</i>	<i>2023</i>
Commonwealth's retirement system contributions	\$ 11,983,799	\$ 10,423,594
Employer's share of health care premium	<u>16,352,278</u>	<u>12,501,349</u>
Fringe benefits provided by the Commonwealth	\$ <u>28,336,077</u>	\$ <u>22,924,943</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 23 - Fringe Benefits for Current Employees and Postemployment Obligations - Pension and Non-pension

The university participates in the Commonwealth's Fringe Benefit programs, including active employee and postemployment health insurance, unemployment, pension, and workers' compensation benefits. Health insurance and pension costs for active employees and retirees are paid through a fringe benefit rate charged to the university by the Commonwealth.

Group Insurance Commission

The Commonwealth's Group Insurance Commission ("GIC") was established by the Legislature in 1955 to provide and administer health insurance and other benefits to the Commonwealth's employees and retirees, and their dependents and survivors. The GIC also covers housing and redevelopment authorities' personnel, certain authorities and other offline agencies, retired municipal teachers from certain cities and towns, and a small number of municipalities as an agent multiple-employer program, accounted for as an agency fund activity of the Commonwealth, not the university.

The GIC is a quasi-independent state agency governed by a seventeen-member body (the "Commission") appointed by the Governor. The GIC is located administratively within the Executive Office of Administration and Finance, and is responsible for providing health insurance and other benefits to the Commonwealth's employees and retirees and their survivors and dependents. During the fiscal years June 30, 2024 and June 30, 2023, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans. The GIC also administered carve-outs for pharmacy, mental health and substance abuse benefits for certain health plans.

In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage (for employees not covered by collective bargaining), a retiree discount vision plan and retiree dental plan, and finally, a pre-tax health care spending account and dependent care assistance program (for active employees only).

Other Retirement Plans

The employees of the university can elect to participate in two defined contribution plans offered and administered by the Massachusetts Department of Higher Education – an IRC 403(b) Tax-Deferred Annuity Plan and an IRC 457 Deferred Compensation SMART Plan. Employees can contribute by payroll deduction a portion of before-tax salary into these plans up to certain limits. The university has no obligation to contribute to these plans and no obligation for any future pay out.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2024 and 2023

Note 24 - Pass-through Loans

The university distributed \$41,736,132 and \$45,335,711 for student loans through the U.S. Department of Education Federal Direct Lending Program for the years ended June 30, 2024 and 2023, respectively. The university also distributed private alternative loans of \$14,554,134 and \$15,831,112 through the Elm Resources for the years ended June 30, 2024 and 2023, respectively. The university distributed \$249,446 and \$241,000 through the Massachusetts No Interest Loan Program for the years ended June 30, 2024 and 2023, respectively. These distributions and related funding sources facilitate the payment of tuition and fees incurred by students and thus are not included as expenses and revenues or as cash disbursements or cash receipts in the accompanying financial statements.

Note 25 - Massachusetts State College Building Authority

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 dormitories, dining commons and other facilities primarily for use by students and staff of the nine state universities of the Commonwealth.

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. This revenue assessment is used by the MSCBA to pay principal and interest due on its long-term debt obligations. These obligations may include the costs of periodic renovations and improvements to the residence halls. The Commonwealth guarantees these obligations.

The Revenue Assessments for the residence halls for the years ended June 30, 2024 and 2023 were \$12,798,046 and \$16,324,508, respectively.

Note 26 - Subsequent Event

For purposes of determining the effects on these financial statements, Management has evaluated events subsequent to June 30, 2024 and through October 30, 2024, the date which the financial statements were available to be issued and determined that, there were no additional unrecognized or undisclosed matters requiring recognition or disclosure to the accompanying financial statements.

Required Supplementary Information

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of the University's Proportionate Share of Net Pension Liability (Unaudited)

Massachusetts State Employees' Retirement System

Year ended Measurement date Valuation date	June 30, 2024 June 30, 2023 January 1, 2023	June 30, 2023 June 30, 2022 January 1, 2022	June 30, 2022 June 30, 2021 January 1, 2021	June 30, 2021 June 30, 2020 January 1, 2019	June 30, 2020 June 30, 2019 January 1, 2019	June 30, 2019 June 30, 2018 January 1, 2018	June 30, 2018 June 30, 2017 January 1, 2017	June 30, 2017 June 30, 2016 January 1, 2016	June 30, 2016 June 30, 2015 January 1, 2015	June 30, 2015 June 30, 2014 January 1, 2014
University's proportion of the collective net pension liability	0.269%	0.323%	0.366%	0.441%	0.416%	0.454%	0.425%	0.398%	0.457%	0.337%
University's proportionate share of the collective net pension liability	\$ 39,438,198	\$ 44,874,753	\$ 38,224,852	\$ 75,678,655	\$ 60,911,032	\$ 60,039,220	\$ 54,506,501	\$ 54,936,179	\$ 52,075,634	\$ 25,037,497
University's covered payroll	65,153,353	65,023,495	62,578,762	65,177,175	65,853,418	59,884,685	63,303,324	62,138,172	54,976,688	46,647,839
University's proportionate share of the net pension liability as a percentage of its covered payroll	60.53%	69.01%	61.08%	116.11%	92.49%	100.26%	86.10%	88.41%	94.72%	53.67%
Plan fiduciary net position as a percentage of the total pension liability	70.71%	71.05%	77.54%	62.48%	66.28%	67.91%	67.21%	63.48%	67.87%	76.32%

See accompanying notes to the required supplementary information.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of the University's Contributions - Net Pension (Unaudited)

Massachusetts State Employees' Retirement System

For the Years Ended June 30,

	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Statutorily required contribution	\$ 4,066,948	\$ 3,969,963	\$ 4,540,705	\$ 4,357,036	\$ 9,176,946	\$ 7,941,922	\$ 7,054,416	\$ 6,298,681	\$ 5,872,057	\$ 5,712,078
Contributions in relation to the statutorily required contribution	<u>\$ (4,066,948)</u>	<u>\$ (3,969,963)</u>	<u>\$ (4,540,705)</u>	<u>\$ (4,357,036)</u>	<u>\$ (9,176,946)</u>	<u>\$ (7,941,922)</u>	<u>\$ (7,054,416)</u>	<u>\$ (6,298,681)</u>	<u>\$ (5,872,057)</u>	<u>\$ (5,712,078)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 73,485,035	\$ 65,153,353	\$ 65,023,495	\$ 62,578,762	\$ 65,177,175	\$ 65,853,418	\$ 59,884,685	\$ 63,303,324	\$ 62,138,172	\$ 54,976,688
Contributions as a percentage of covered payroll	16.69%	16.70%	16.11%	14.66%	14.08%	12.06%	11.78%	9.95%	9.45%	10.39%

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.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information
Notes to Schedule of the University's Proportionate Share of the Net Pension
Liability and Schedule of University Contributions (Unaudited)

Pension Schedules

Note 1 - Changes of Assumptions

Fiscal year June 30, 2024 (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.

Fiscal year June 30, 2022 (measurement date June 30, 2021)

Assumptions:

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.

Fiscal year June 30, 2021 (measurement date June 30, 2020)

Assumptions:

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.

Fiscal year June 30, 2020 (measurement date June 30, 2019)

Assumptions:

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

Fiscal year June 30, 2019 (measurement date June 30, 2018)

The investment rate of return changed from 7.50% to 7.35%. In conjunction with the investment rate if 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

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information

Notes to Schedule of the University's Proportionate Share of the Net Pension Liability and Schedule of University Contributions (Unaudited) - Continued

Pension Schedules

Note 1 - Changes of Assumptions (Continued)

Fiscal year June 30, 2018 (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

Fiscal year June 30, 2017 (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.

Fiscal year June 30, 2016 (measurement date June 30, 2015)

The discount rate to calculate the pension liability decreased from 8.0% to 7.5%

In May 2015, Chapter 19 of the Acts of 2015 created an Early Retirement Incentive ("ERI") for certain members of SERS who upon election of the ERI retired effective June 30, 2015. As a result, the total pension liability of SERS increased by approximately \$230 million as of June, 2015.

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected 20 years with Scale AA (gender distinct) to RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct)
- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected 15 years with Scale AA (gender distinct) to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct)
- Disability – was changed from RP-2000 table projected 5 years with Scale AA (gender distinct) set forward three years for males to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2015 (gender distinct)

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of the University's Proportionate Share of Net OPEB Liability (Unaudited)

State Retirees' Benefit Trust

Year ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Valuation date	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
University's proportion of the collective net OPEB liability	29.500%	0.423%	0.419%	0.471%	0.628%	0.707%	0.600%	0.516%
University's proportionate share of the collective net OPEB liability	\$ 41,945,776	\$ 56,474,453	\$ 67,113,969	\$ 97,380,694	\$ 97,380,694	\$ 131,377,242	\$ 106,015,398	\$ 97,744,075
University's covered payroll	\$ 65,153,353	65,023,495	62,578,762	65,177,175	65,853,418	59,884,685	63,303,324	62,138,172
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	64.38%	86.85%	107.25%	149.41%	147.87%	219.38%	167.47%	157.30%
Plan fiduciary net position as a percentage of the total OPEB liability	13.80%	13.00%	10.70%	6.40%	6.96%	6.01%	5.39%	4.37%

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.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of the University's Contributions - Net OPEB (Unaudited)

State Retirees' Benefit Trust

For the Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 1,907,853	\$ 1,730,073	\$ 2,156,436	\$ 2,287,931	\$ 4,751,416	\$ 5,788,515	\$ 5,341,714	\$ 5,811,245
Contributions in relation to the statutorily required contribution	<u>(1,907,853)</u>	<u>(1,730,073)</u>	<u>(2,156,436)</u>	<u>(2,287,931)</u>	<u>(4,751,416)</u>	<u>(5,788,515)</u>	<u>(5,341,714)</u>	<u>(5,811,245)</u>
Contribution excess	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
University's covered payroll	\$ 73,485,035	\$ 65,153,353	\$ 65,023,495	\$ 62,578,762	\$ 65,177,175	\$ 65,853,418	\$ 59,884,685	\$ 63,303,324
Contributions as a percentage of covered payroll	7.83%	7.28%	7.65%	7.70%	7.29%	8.79%	8.92%	9.18%

Employers participating in the Massachusetts State Employees' Retirement System are required by MA General Laws, Section 32, to contribute an actuarilly 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.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information
Notes to Schedule of the University's Proportionate Share of the Net OPEB
Liability and Schedule of University Contributions (Unaudited)

OPEB Schedules

Note 1 - Changes of Assumptions

Fiscal year June 30, 2024 (measurement date June 30, 2023)

Assumptions:

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.

Fiscal year June 30, 2023 (measurement date June 30, 2022)

Assumptions:

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 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.

Fiscal year June 30, 2022 (measurement date June 30, 2021)

Assumptions:

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 Investments 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 decreased 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.

Fiscal year June 30, 2021 (measurement date June 30, 2020)

Assumptions:

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 20920_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.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information
Notes to Schedule of the University's Proportionate Share of the Net OPEB
Liability and Schedule of University Contributions (Unaudited) - Continued

OPEB Schedules

Note 1 - Changes of Assumptions (Continued)

Fiscal year June 30, 2020 (measurement date June 30, 2019)

Assumptions:

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 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.

Fiscal year June 30, 2019 (measurement date June 30, 2018)

Assumptions:

Change in Trend on Future Costs

The healthcare trend rate decreased from 8.5% to 8.0%, which impacts the high cost of 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 of (3.87%) as of the measurement date as required by GASB Statement 74.

Fiscal year June 30, 2018 (measurement date June 30, 2017)

Assumptions:

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%.

Supplemental Information

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedules of Net Position - Dormitory Trust Fund Report (Unaudited)

June 30, 2024 and 2023

	<i>2024</i>	<i>2023</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,446,920	\$ 10,796,210
Deposits at State Treasurer	835,733	564,841
Prepaid expenses	10,417	-
Accounts receivable, net	<u>457,355</u>	<u>498,623</u>
Total assets	<u>\$ 10,750,425</u>	<u>\$ 11,859,674</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable and accrued payroll	\$ 462,822	\$ 384,648
Accrued employee benefits	<u>421,498</u>	<u>348,679</u>
Total current liabilities	884,320	733,327
Net position	<u>9,866,105</u>	<u>11,126,347</u>
Total liabilities and net position	<u>\$ 10,750,425</u>	<u>\$ 11,859,674</u>

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

***Schedules of Revenues, Expenses and Changes in Net Position -
Dormitory Trust Fund Report (Unaudited)***

June 30, 2024 and 2023

	2024	2023
Revenues:		
Residence hall rents, building authority	\$ 11,349,582	\$ 11,302,199
Other	<u>556,091</u>	<u>463,841</u>
Total revenues	<u>11,905,673</u>	<u>11,766,040</u>
Expenses:		
Regular employee compensation	3,806,847	3,096,354
Special employee compensation	462,860	269,557
Pension and insurance related	1,747,738	1,305,534
Facility operational	998,151	547,890
Energy cost and space rental	2,660,518	2,413,707
Equipment leases	106,836	119,208
Benefit program	440,787	438,663
Payments to the building authority	<u>2,942,178</u>	<u>2,718,038</u>
Total expenses	<u>13,165,915</u>	<u>10,908,951</u>
Total increase in net position	(1,260,242)	857,089
Net position, beginning of year	<u>11,126,347</u>	<u>10,269,258</u>
Net position, end of year	<u>\$ 9,866,105</u>	<u>\$ 11,126,347</u>

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Bridgewater State University:

We have audited, in accordance with 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 Bridgewater State University (the "university"), and its discretely presented major component units, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the university's basic financial statements and have issued our report thereon dated October 30, 2024.

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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WithumSmith+Brown, PC

October 30, 2024