



**FINANCIAL STATEMENTS
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2009



AN EDUCATION LEADER AND INNOVATOR SINCE 1838

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Financial Statements and Management's Discussion and Analysis

June 30, 2009 and 2008

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Report of Independent Auditors

To the Trustees of Westfield State College:

In our opinion, based on our audits and the reports of other auditors, the accompanying statements of net assets and the related statements of revenues, expenditures and changes in net assets, and of cash flows present fairly, in all material respects, the financial position of Westfield State College (the "College") and Westfield State College Foundation, Inc. (the "Foundation"), its discretely presented component unit, at June 30, 2009 and 2008 and its revenues, expenditures and changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Westfield State College Foundation, Inc., a related tax-exempt organization, which statements reflect total net assets of \$4,117,005 and \$5,553,953 as of June 30, 2009 and 2008, respectively, and a change in net assets of \$(1,436,948) and \$64,781 for the years then ended. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Westfield State College Foundation, Inc., is based solely on the reports of the other auditors. We conducted our audits of these statements 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

The Management's Discussion and Analysis on pages 1 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



October 15, 2009

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)

Introduction

This section of the Westfield State College annual financial report presents management's discussion and analysis of the financial activities of the college for the fiscal year ended June 30, 2009, with comparative information for the years ended June 30, 2008 and 2007. For financial reporting purposes, Westfield State College's reporting entity consists of Westfield State College (the College) and its discretely presented component unit, Westfield State College Foundation, Inc. (the Foundation). Since this analysis is designed to focus on current activities, resulting changes and currently known facts, it should be read in conjunction with the basic financial statements and notes thereto. The financial statements, footnotes and this discussion are the responsibility of management.

Westfield State College is a comprehensive public institution of higher learning with approximately 4,900 full time equivalent combined day and evening students. The campus is located in Westfield, Massachusetts and offers 27 academic undergraduate majors in both the traditional arts and sciences and in professional fields, including nearly 60 concentrations of study and many options for academic minors. There are also 35 graduate degree programs offered by the Division of Graduate and Continuing Education. This broad range of graduate programs and undergraduate majors, minors, and concentrations reflect the commitment of Westfield State College to providing quality educational programs.

Westfield State College Foundation, Inc. is a not-for-profit corporation operated exclusively for charitable, scientific, and educational purposes for the benefit of Westfield State College, including such activities as soliciting or receiving tangible property, rendering financial aid, promoting and supporting educational and other legal activities, and participating in any and all activities designed and carried on by the College to promote the general education of the people within the constituency served by the College.

Listed below are the definitions of each entity that may be presented in this discussion and analysis.

Westfield State College	
Overall financial activities of Westfield State College and its component unit, the Foundation	
Primary Institution (the College) Financial activities of Westfield State College	Component Unit (the Foundation) Financial activities of Westfield State College Foundation, Inc.

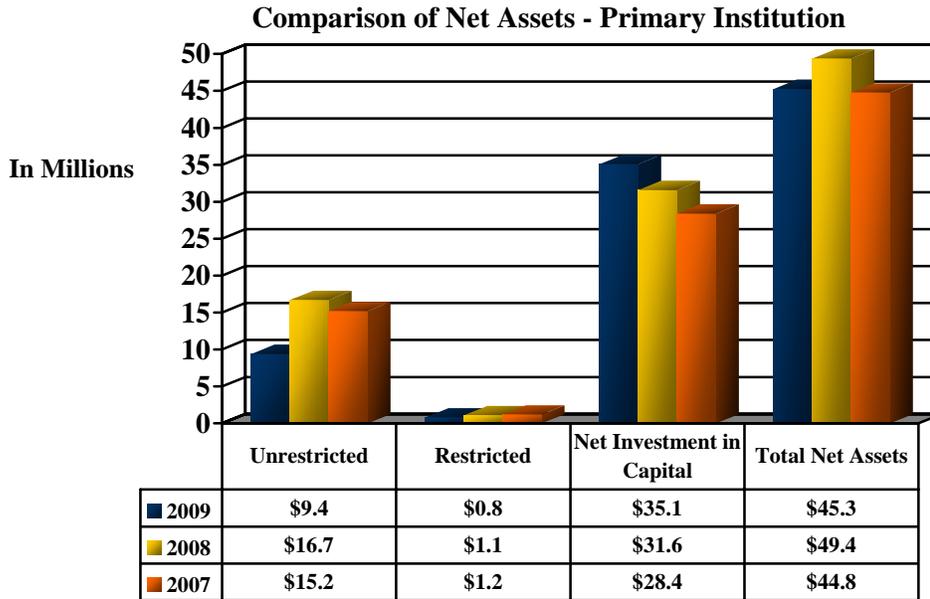
WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis - Continued (Unaudited)

Primary Institution Financial Highlights

Graphically displayed, the comparative net asset increases by category for the fiscal years ended June 30, 2009, 2008 and 2007 are shown below:



- The College's financial position declined slightly during the fiscal year ended June 30, 2009, with a \$4.1 million or 8.3% decrease in total net assets. Net assets, which represent the residual interest in the College's assets after liabilities are deducted, decreased to \$45.3 million from \$49.4 million in 2008. The College's financial position improved slightly during the fiscal year ended June 30, 2008, with a \$4.6 million or 10.3% increase in total net assets, which increased to \$49.4 million from \$44.8 million in 2007.
- Expenses incurred during fiscal year 2009 totaled \$84.9 million. Revenues from tuition and fees, state capital support and appropriations, grants, and other sources totaled \$80.8 million resulting in a decrease in net assets of \$4.1 million. Expenses incurred during fiscal year 2008 totaled \$76.5 million. Revenues from tuition and fees, state capital support and appropriations, grants, and other sources totaled \$81.1 million resulting in an increase in net assets of \$4.6 million as compared to an increase of \$7.6 million for the year ended June 30, 2007.
- The decrease in net assets during the fiscal year ended June 30, 2009 is attributable to the fact that significant increases in expense were not offset by increases in revenues. Decreases in revenues during the fiscal year included both state and state capital appropriations and investment income. Of significance was a mid-year rescission in the state appropriation of \$1,293,506. Because this represented a reduction in revenue designated to compensate faculty and staff, additional costs for fringe benefits increased expenditures by \$333,854. In effect, the budget reduction had a negative impact totaling \$1,627,360. In order to maintain quality and access, this shortfall was covered by a draw down of unrestricted reserves. The increase in net assets during the fiscal year ended June 30, 2008 was attributable to the acquisition of major capital assets combined with the fact that the increase in revenues more than offset the increase in operating expense.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis - Continued (Unaudited)

Overview of the Financial Statements

Westfield State College's financial report includes three financial statements: the *Statement of Net Assets*, the *Statement of Revenues, Expenditures and Changes in Net Assets* and the *Statement of Cash Flows*. These financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) principles. The statements are designed to present all the activities of Westfield State College and consolidate the activities into one total.

The Financial Statements:

The *Statement of Net Assets* presents the financial position of Westfield State College at the end of the fiscal year and includes all assets and liabilities of Westfield State College. The difference between total assets and total liabilities (net assets) is one indicator of the current financial position of Westfield State College, while the change in net assets serves as a useful indicator of whether the financial position is improving or deteriorating.

The *Statement of Revenues, Expenditures, and Changes in Net Assets* presents Westfield State College's results of operations and other non-operating revenues. This statement presents information that shows how Westfield State College's net assets changed during the most recent fiscal year.

The *Statement of Cash Flows* provides additional information about Westfield State College's financial results by reporting the major sources and uses of cash. Governmental Accounting Standards Board (GASB) Statements 34 and 35 require that the direct method be used to prepare this statement. The direct method of cash flow reporting portrays the net cash flow from operations by major categories of operating receipts and disbursements.

The financial statements can be found on pages 10-13 of this financial report.

Notes to the financial statements:

The footnotes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 14-26 of this financial report.

Other information:

In addition to the financial statements and accompanying footnotes, this financial report also contains certain required supplementary information concerning the Westfield State College Building Authority trust fund. This supplementary information can be found on pages 28-29 of this financial report.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis - Continued (Unaudited)

Financial Analysis of Westfield State College as a Whole

As previously noted, net assets may serve over time as a useful indicator of Westfield State College's financial position. Westfield State College's financial position declined during the year with a combined (College and Foundation) net asset decrease of \$5.5 million for the year ended June 30, 2009 as compared to a combined net asset increase of \$4.6 million for the year ended June 30, 2008 and \$8.1 million for the year ended June 30, 2007.

Westfield State College's Condensed Statement of Net Assets As of June 30, 2009, 2008 and 2007

	Primary Institution			Component Unit-Foundation		
	2009	2008	2007	2009	2008	2007
Current Assets	\$ 23,081,962	\$ 29,187,577	\$ 26,505,976	\$ 442,078	\$ 430,555	\$ 427,300
Non-current Assets						
Capital Assets, net	39,093,238	36,310,614	33,954,913	1,125,201	1,133,721	783,925
Other	<u>780,012</u>	<u>803,735</u>	<u>653,753</u>	<u>3,328,967</u>	<u>4,761,812</u>	<u>4,972,694</u>
Total Assets	<u>62,955,212</u>	<u>66,301,926</u>	<u>61,114,642</u>	<u>4,896,246</u>	<u>6,326,088</u>	<u>6,183,919</u>
Current Liabilities	9,975,982	10,040,432	8,802,807	311,241	304,135	294,747
Non-current Liabilities	<u>7,702,330</u>	<u>6,876,852</u>	<u>7,491,056</u>	<u>468,000</u>	<u>468,000</u>	<u>400,000</u>
Total Liabilities	<u>17,678,312</u>	<u>16,917,284</u>	<u>16,293,863</u>	<u>779,241</u>	<u>772,135</u>	<u>694,747</u>
Net Assets						
Invested in Capital Assets, net of related debt	35,074,581	31,574,415	28,372,303	1,125,201	1,133,721	783,925
Restricted: Nonexpendable	-	-	-	2,837,946	3,095,493	2,559,872
Restricted: Expendable	785,962	1,088,896	1,220,130	724,992	1,112,167	1,173,387
Unrestricted	<u>9,416,357</u>	<u>16,721,331</u>	<u>15,228,346</u>	<u>(571,134)</u>	<u>212,572</u>	<u>971,988</u>
Total Net Assets	<u>\$ 45,276,900</u>	<u>\$ 49,384,642</u>	<u>\$ 44,820,779</u>	<u>\$ 4,117,005</u>	<u>\$ 5,553,953</u>	<u>\$ 5,489,172</u>

Net assets invested in capital assets, net of related debt, represents Westfield State College's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. By far the largest portion of Westfield State College's net assets (73% at June 30, 2009, 59% at June 30, 2008, and 58% at June 30, 2007), net assets invested in capital assets are used to provide services to students, faculty and administration; consequently, these assets are not available for future spending. The \$3.5 million increase in net assets invested in capital assets as of June 30, 2009 and \$3.6 million increase as of June 30, 2008 reflects Westfield State College's continued development and renewal of its capital assets in accordance with its long-range plan.

An additional portion of Westfield State College's net assets, restricted expendable (3% at June 30, 2009, 4% at June 30, 2008, and 5% at June 30, 2007) represents scholarships, grants, and donations that are subject to external restrictions on how they must be used. Restricted nonexpendable net assets (6% at June 30, 2009, 6% at June 30, 2008, and 5% at June 30, 2007) primarily include Westfield State College's endowment funds. The remaining balance of unrestricted net assets (18% at June 30, 2009, 31% at June 30, 2008, and 32% at June 30, 2007) may be used to meet Westfield State College's ongoing obligations.

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Management's Discussion and Analysis - Continued (Unaudited)

A review of Westfield State College's condensed statement of net assets at June 30, 2009, 2008, and 2007 shows that Westfield State College continues to maintain its strong financial foundation. This financial health reflects the prudent utilization of its financial resources, management of its endowment, conservative utilization of its debt, and adherence to its long range capital plan for the maintenance and replacement of the physical plant.

Westfield State College's Condensed Statement of Revenues, Expenditures and Changes in Net Assets For the years ended June 30, 2009, 2008 and 2007

	Primary Institution			Component Unit-Foundation		
	2009	2008	2007	2009	2008	2007
<u>Operating Revenues:</u>						
Tuition and fees	\$ 33,491,105	\$ 30,705,832	\$ 28,935,525			
Less: student financial aid	(3,081,164)	(2,892,147)	(2,508,571)			
Federal, state and private grants and contracts	6,401,758	5,768,218	5,079,545			
Auxiliary operations, net	18,018,958	15,475,007	15,647,980			
Other sources	<u>659,911</u>	<u>548,471</u>	<u>867,728</u>	\$ 50,774	\$ 33,002	\$ 30,450
Total operating revenues	55,490,568	49,605,381	48,022,207	50,774	33,002	30,450
Less: operating expenses	<u>84,833,861</u>	<u>76,310,514</u>	<u>70,320,393</u>	<u>1,218,382</u>	<u>837,049</u>	<u>587,492</u>
Operating loss	<u>(29,343,293)</u>	<u>(26,705,133)</u>	<u>(22,298,186)</u>	<u>(1,167,608)</u>	<u>(804,047)</u>	<u>(557,042)</u>
<u>Non-operating revenue (expense):</u>						
State appropriation, net	24,677,747	28,741,286	26,924,580			
Private gifts and grants				957,314	300,911	359,583
Net investment income (loss)	449,203	1,213,014	1,373,777	(967,646)	46,803	696,958
Interest on capital asset-related debt	<u>(73,892)</u>	<u>(169,493)</u>	<u>(225,294)</u>	<u>(18,150)</u>	<u>(35,171)</u>	<u>(33,918)</u>
Total non-operating revenue	<u>25,053,058</u>	<u>29,784,807</u>	<u>28,073,063</u>	<u>(28,482)</u>	<u>312,543</u>	<u>1,022,623</u>
(Loss) income before other revenues, expenses, gains or losses	(4,290,235)	3,079,674	5,774,877	(1,196,090)	(491,504)	465,581
Related entity transfers	(16,689)	(1,664)	136,527	16,689	1,664	(136,527)
Additions to permanent endowment	-	-	-	(257,547)	554,621	66,796
State capital appropriations	<u>199,182</u>	<u>1,485,853</u>	<u>1,750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Decrease) increase in net assets	(4,107,742)	4,563,863	7,661,404	(1,436,948)	64,781	395,850
Net assets-beginning of year	<u>49,384,642</u>	<u>44,820,779</u>	<u>37,159,375</u>	<u>5,553,953</u>	<u>5,489,172</u>	<u>5,093,322</u>
Net assets-end of year	\$ <u>45,276,900</u>	\$ <u>49,384,642</u>	\$ <u>44,820,779</u>	\$ <u>4,117,005</u>	\$ <u>5,553,953</u>	\$ <u>5,489,172</u>

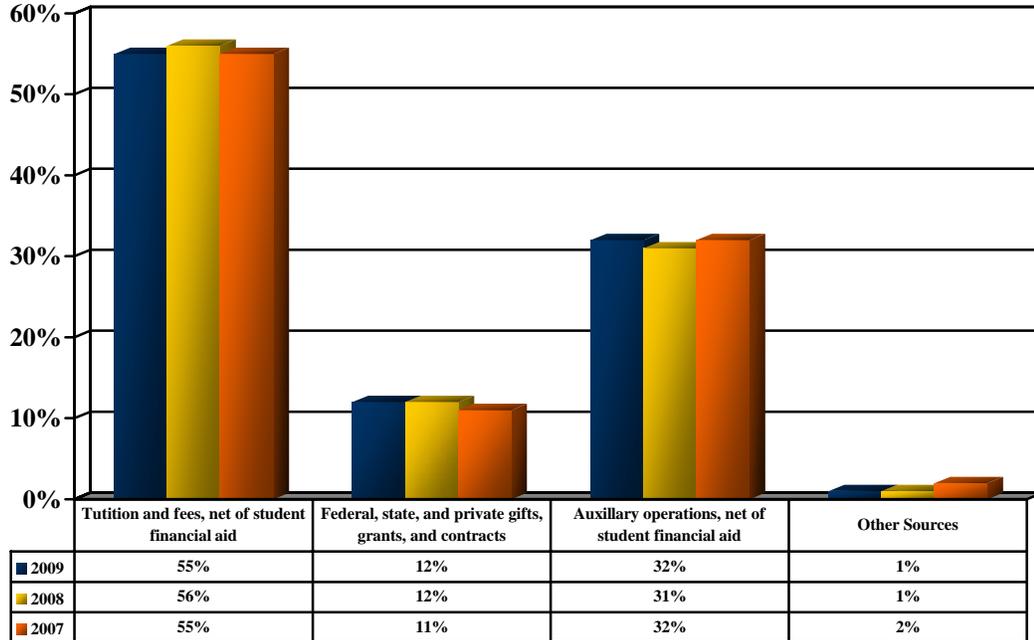
The following is a graphic illustration of operating revenues by source, which were used to fund the College's operating activities for the years ended June 30, 2009, 2008 and 2007.

WESTFIELD STATE COLLEGE

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Management's Discussion and Analysis - Continued (Unaudited)

Operating Revenues by Source - Primary Institution



The College's operating revenues consist primarily of tuition and fee revenue and auxiliary operations. Tuition and fee revenue increased \$2.8 million or 9% during the fiscal year ended June 30, 2009 and increased \$1.8 million or 6% during the fiscal year ended June 30, 2008. The primary factors relating to the increase during fiscal year 2009 were a combined increase in general, technology and student activity fees of \$306 per student and higher student enrollment. For fiscal year ended June 30, 2008, a combined increase in general and student activity fees of \$259 per student and higher student enrollment contributed to the increase.

Tuition and fees received by the College include the following:

	June 30, 2009	June 30, 2008	June 30, 2007
Tuition	\$ 8,949,168	\$ 8,610,283	\$ 8,210,290
Student Activity Fees:			
General fees	16,326,145	15,042,845	13,745,623
Student fees	1,032,915	940,313	914,287
Technology fees	6,456,571	5,778,226	5,736,215
Miscellaneous fees	<u>726,306</u>	<u>334,165</u>	<u>329,110</u>
Total	<u>\$ 33,491,105</u>	<u>\$ 30,705,832</u>	<u>\$ 28,935,525</u>

Auxiliary operations include the operation of the College's Building Authority trust fund and its food service. The revenue generated from these operations was \$18,018,958, \$15,475,007, and \$15,647,980 (which are net of scholarship allowances of \$1,888,456, \$1,626,833, and \$1,473,288) for the years ended June 30, 2009, 2008 and 2007, respectively. The increase in revenues for the year ended June 30, 2009 in the amount of \$2,543,951 or 16% is primarily attributable to the increase in room (\$1.5 million) and board (\$.9 million) charges.

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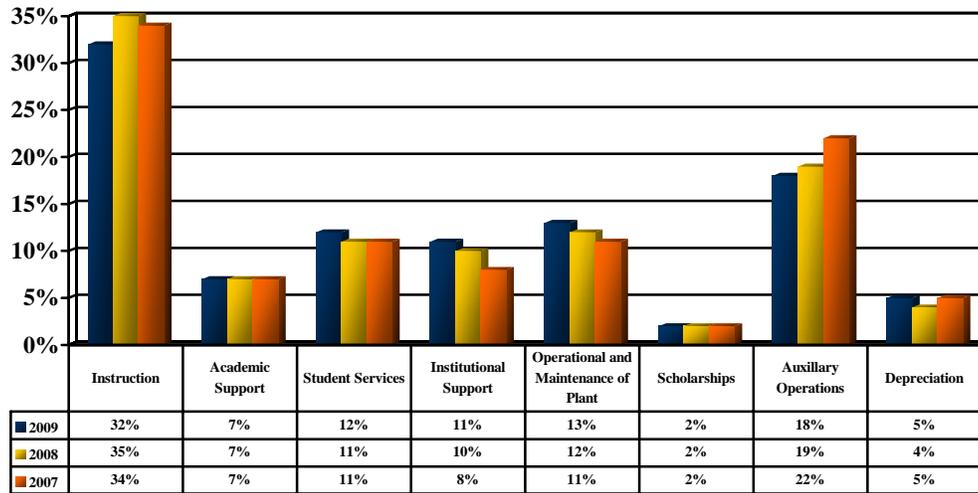
Management’s Discussion and Analysis - Continued (Unaudited)

Major grants and contracts awarded to Westfield State College for the years ended June 30, 2009, 2008 and 2007 included the following:

- U.S. Department of Education – Student Support Services \$265,444 (in 2009) \$252,203 (in 2008 and 2007)
- U.S. Department of Education – College Work Study \$368,333 (in 2009, 2008 and 2007)
- U.S. Department of Education – SEOG \$295,448 (in 2009, 2008 and 2007)
- U.S. Department of Justice – Westfield, Massachusetts Law Enforcement Training Program
\$290,663 (in 2009) \$90,095 and \$0 (in 2008 and 2007)
- National Science Foundation – “Discovering the Art of Mathematics” \$149,971 (in 2009)

The following is a graphic illustration of operating expenses by function for the years ended June 30, 2009, 2008 and 2007.

Operating Expenses by Function - Primary Institution



A summary of the College’s expenses by functional classification for the years ended June 30, 2009, 2008 and 2007 is as follows:

	June 30, 2009	June 30, 2008	June 30, 2007
Instruction	\$ 27,083,124	\$ 26,708,661	\$ 23,838,920
Public service	240,892	193,235	173,030
Academic support	6,147,053	5,462,152	5,078,378
Student services	10,609,113	8,179,755	7,933,822
Institutional support	9,117,915	7,293,373	5,840,751
Operation and maintenance of plant	10,866,553	9,016,648	7,664,631
Scholarships and fellowships	1,618,832	1,445,009	1,446,981
Auxiliary operations	15,141,431	14,546,234	15,002,986
Loss on disposal of assets	55,476	10,213	45,448
Depreciation	<u>3,953,472</u>	<u>3,455,234</u>	<u>3,295,446</u>
Total	<u>\$ 84,833,861</u>	<u>\$ 76,310,514</u>	<u>\$ 70,320,393</u>

The College’s total operating expenses increased during fiscal year ended June 30, 2009 by \$8,523,347 or 11.2% due to an increase in full-time and part-time salaries related to both increases in the number of employees and employee pay increases in the amount of approximately \$5.0 million. Also contributing to the increase are, increases in depreciation expense (\$.5 million), international travel program initiatives and faculty and staff professional development travel (\$1.1 million), board payments to our food service provider (\$.9 million), and the annual payment to Massachusetts State College Building Authority (\$.6 million). Offsetting some of the other increases in expenses were decreases in energy costs (\$.7 million) and fringe benefits (\$2.5 million). The decrease in fringe benefit costs resulted from a decrease in fringe percentages from 38.32% during fiscal year ended June 30, 2008 to 24.50% during fiscal year ended June 30, 2009.

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Management's Discussion and Analysis - Continued (Unaudited)

The College's total operating expenses increased during fiscal year ended June 30, 2008 by \$5,990,121 or 8.5% due to factors such as, an increase in salaries for collectively bargained pay increases, increase in total employees, a major increase in fringe benefit costs and a substantial increase in energy costs. The increase in fringe benefit costs resulted from an increase in fringe percentages from 31.28% during fiscal year ended June 30, 2007 to 38.32% during fiscal year ended June 30, 2008.

Westfield State College's Condensed Statement of Cash Flows For the years ended June 30, 2009, 2008 and 2007

	<u>Primary Institution</u>			<u>Component Unit-Foundation</u>		
	2009	2008	2007	2009	2008	2007
Cash received from operating activities	\$ 74,578,362	\$ 63,737,321	\$ 61,117,895	\$ 50,774	\$ 33,002	\$ 30,450
Cash expended for operating activities	<u>(96,308,665)</u>	<u>(79,194,418)</u>	<u>(72,448,706)</u>	<u>(1,212,944)</u>	<u>(831,586)</u>	<u>(549,509)</u>
Net cash used by operating activities	(21,730,303)	(15,457,097)	(11,330,811)	(1,162,170)	(798,584)	(519,059)
Net cash provided by non-capital financing activities	19,720,170	20,479,396	20,546,937	686,240	539,200	513,243
Net cash used by capital and related financing activities	(6,089,308)	(4,698,131)	(4,179,397)	(18,150)	(37,528)	(12,480)
Net cash provided by investing activities	<u>453,068</u>	<u>1,212,762</u>	<u>1,371,005</u>	<u>486,662</u>	<u>345,251</u>	<u>36,174</u>
Net (decrease) increase in cash	(7,646,373)	1,536,930	6,407,734	(7,418)	48,339	17,878
Cash – beginning of year	<u>26,084,586</u>	<u>24,547,656</u>	<u>18,139,922</u>	<u>212,923</u>	<u>164,584</u>	<u>146,706</u>
Cash – end of year	<u>\$ 18,438,213</u>	<u>\$ 26,084,586</u>	<u>\$ 24,547,656</u>	<u>\$ 205,505</u>	<u>\$ 212,923</u>	<u>\$ 164,584</u>

Westfield State College's combined liquidity decreased considerably during the year ended June 30, 2009 with a \$7,653,791 decrease in cash. The following discussion amplifies the overview of cash flows presented above.

During the year ended June 30, 2009, the College's cash used by operating activities increased approximately \$6.3 million over the prior year. This was due to an increase in amounts paid of \$17.1 million offset by increases in cash received of \$10.8 million. Included in both the increase in amounts paid and cash received was a \$5.0 million increase in direct lending receipts and student loan disbursements in the form of Federal Stafford and Parent Plus loans. Net cash provided by non-capital financing activities decreased by \$.8 million due to a decrease in net state appropriation. Cash used by capital and related financing activities increased approximately \$1.4 million mostly due to a decrease in state capital appropriations in the amount of \$1.3 million. The decrease in cash provided by investing activities of \$.7 million was due to a decrease in interest received.

Westfield State College's combined liquidity increased during the year ended June 30, 2008 with a \$1,585,269 increase in cash. The following discussion amplifies the overview of cash flows presented above.

During the year ended June 30, 2008, the College's cash used by operating activities increased approximately \$4.1 million over the prior year. This was due to an increase in cash received of \$2.6 million offset by increases in amounts paid of \$6.7 million. Cash used by capital and related financing activities increased approximately \$.5 million due to an increase in purchases of capital assets offset by decreases in state capital appropriations and principal and interest paid. The decrease in cash provided by investing activities of \$.2 million was due to a decrease in interest received.

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Management's Discussion and Analysis - Continued (Unaudited)

Loss from Operations

The following table presents the College's incurred losses from operations and its non-operating revenues for the fiscal years ended June 30, 2009, 2008 and 2007.

	June 30, 2009	June 30, 2008	June 30, 2007
Tuition and fees	\$ 33,491,105	\$ 30,705,832	\$ 28,935,525
Other revenue, net of student financial aid	21,999,463	18,899,549	19,086,682
Operating expenses	<u>84,833,861</u>	<u>76,310,514</u>	<u>70,320,393</u>
Operating loss	<u>(29,343,293)</u>	<u>(26,705,133)</u>	<u>(22,298,186)</u>
Commonwealth direct appropriation, fringe benefits for Commonwealth employees, net of tuition remitted to the Commonwealth	24,677,747	28,741,286	26,924,580
Investment income	449,203	1,213,014	1,373,777
Interest on capital asset-related debt	(73,892)	(169,493)	(225,294)
Related entity transfers	(16,689)	(1,664)	136,527
State capital appropriation	<u>199,182</u>	<u>1,485,853</u>	<u>1,750,000</u>
Non-operating revenues	<u>25,235,551</u>	<u>31,268,996</u>	<u>29,959,590</u>
(Decrease) increase in net assets	<u>\$ (4,107,742)</u>	<u>\$ 4,563,863</u>	<u>\$ 7,661,404</u>

Due to the nature of accounting for appropriations as non-operating in accordance with GASB principles, the College incurred a loss from operations. The Commonwealth's Department of Higher Education determines tuition while the College sets fees and other charges. The College, with the purpose of balancing educational and operational needs with tuition and fee revenue, approves budgets to mitigate losses after Commonwealth appropriations.

The \$6.0 million decrease in non-operating revenues during fiscal year 2009 is attributable to various decreases in state appropriations including, a decrease in fringe benefits recognized in the amount of \$3.3 million, \$1.1 million decrease in direct state appropriation and \$1.3 million decrease in state capital appropriation. Also contributing to the decrease was a \$.8 million loss in investment income offset by a combined decrease in interest expense and tuition remitted to the Commonwealth of \$.5 million.

The \$1.3 million increase in non-operating revenues during fiscal year 2008 is primarily attributable to an increase in fringe benefits recognized in the amount of \$1.7 million offset by a decrease in state capital appropriation of \$.3 million.

Capital Assets and Debt of Westfield State College

Westfield State College's investment in capital assets, net of accumulated depreciation, as of June 30, 2009, 2008 and 2007 were \$40,218,439, \$37,444,335, and \$34,738,838, respectively. Investment in capital assets includes land, land improvements, buildings and improvements, furnishings and equipment, construction in progress, and library books. Capital assets increased by \$2.8 million or 7% during the fiscal year ended June 30, 2009 and \$2.7 million or 8% during the fiscal year ended June 30, 2008. These increases were due to capital additions outpacing depreciation expense. Capital additions during fiscal year ended June 30, 2009 amounted to \$6,791,572 as compared to \$5,821,148 for the year ended June 30, 2008, and \$4,866,950 for the year ended June 30, 2007.

Major additions during 2009 include the purchase of various media and information technology equipment (\$1,340,000), construction in progress for the renovation of the Ely campus Center (\$1,777,000), various building improvements including Dever Auditorium safety upgrades, replacement of the Parenzo Hall roof and air conditioning system, and improvements to Wilson Hall exterior and laboratories (\$1,500,000). Also included in fiscal year end June 30, 2009 additions are major improvements to the Dining Commons, including construction of the on campus Dunkin' Donuts and various equipment purchases paid for by Sodexo as part of an investment to the College (\$1,125,000).

Major additions during 2008 include the replacement and installation of a dishwashing system in the Dining Commons (\$312,000), purchases of various computer equipment and software (\$1,385,000), and construction in progress (\$2,668,000) to include various projects such as, the renovation of the Ely Campus Center, replacement of the Parenzo Hall roof and the wireless network equipment and installation.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Statements of Net Assets

June 30, 2009 and June 30, 2008

	2009		2008	
	Primary Institution	Component Unit-Foundation	Primary Institution	Component Unit-Foundation
Assets				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 18,063,017	\$ 205,505	\$ 24,384,928	\$ 212,923
Cash held by State Treasurer	305,485		1,622,275	
Short-term investments	49,978	2,105	53,843	23,568
Accounts receivable, net	584,136	208,731	521,002	178,515
Restricted accounts receivable	30,610		30,275	
Loans receivable	200,987		205,031	
Inventories	424,247		382,187	
Deposits held by State Treasurer	3,280,770		1,853,090	
Prepaid expenses	142,732	25,737	134,946	15,549
Total current assets	23,081,962	442,078	29,187,577	430,555
<u>Noncurrent Assets</u>				
Cash held by Trustees	69,711		77,383	
Investments		3,328,967		4,761,812
Loans receivable, net	710,301		726,352	
Deposit	-	-	-	-
Capital assets, net	39,093,238	1,125,201	36,310,614	1,133,721
Total noncurrent assets	39,873,250	4,454,168	37,114,349	5,895,533
Total assets	\$ 62,955,212	\$ 4,896,246	\$ 66,301,926	\$ 6,326,088
Liabilities				
<u>Current Liabilities</u>				
Accounts payable and accrued liabilities	\$ 2,172,993	\$ 73,569	\$ 2,834,737	\$ 58,652
Accrued liability for employee compensation and benefits	5,871,559		4,950,520	
Deferred tuition and other revenue	965,435		829,970	
Deposits held	552,974		420,789	
Assets held in custody for others	171,299	237,672	234,845	245,483
Current portion of capital lease obligations	7,770		158,325	
Current portion of bonds payable	216,400		204,178	
Current portion of notes payable			362,711	
Other liabilities	17,552		44,357	
Total current liabilities	9,975,982	311,241	10,040,432	304,135
<u>Noncurrent Liabilities</u>				
Accrued liability for employee compensation and benefits	1,804,540		1,620,335	
Deferred tuition and other revenue	1,038,986		173,543	
Grants refundable	994,606		994,606	
Capital lease obligations			7,770	
Line of credit		468,000		468,000
Bonds payable	3,864,198		4,080,598	
Total noncurrent liabilities	7,702,330	468,000	6,876,852	468,000
Total liabilities	17,678,312	779,241	16,917,284	772,135
Net Assets				
Invested in capital assets, net of related debt	35,074,581	1,125,201	31,574,415	1,133,721
Restricted for:				
Expendable	785,962	724,992	1,088,896	1,112,167
Non-expendable		2,837,946		3,095,493
Unrestricted	9,416,357	(571,134)	16,721,331	212,572
Total net assets	\$ 45,276,900	\$ 4,117,005	\$ 49,384,642	\$ 5,553,953

The accompanying notes are an integral part of the financial statements.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Statements of Revenues, Expenditures and Changes in Net Assets For the Years Ended June 30, 2009 and June 30, 2008

	2009		2008	
	Primary Institution	Component Unit-Foundation	Primary Institution	Component Unit-Foundation
Revenues				
<u>Operating Revenues</u>				
Tuition and fees	\$ 33,491,105		\$ 30,705,832	
Less: Student Financial Aid	(3,081,164)		(2,892,147)	
Federal grants and contracts	4,205,297		3,883,124	
State grants and contracts	1,842,700		1,580,003	
Private grants and contracts	353,761		305,091	
Public service	152,837		132,742	
Interest earned on loans to students	17,958		17,143	
Auxiliary operations, net of scholarship allowances of \$1,888,456 in 2009 and \$1,626,833 in 2008	18,018,958		15,475,007	
Other sources	489,116	\$ 50,774	398,586	\$ 33,002
Total operating revenues	55,490,568	50,774	49,605,381	33,002
Expenses				
<u>Operating Expenses</u>				
Instruction	27,083,124		26,708,661	
Public service	240,892		193,235	
Academic support	6,147,053	50,647	5,462,152	85,456
Student services	10,609,113	3,471	8,179,755	2,763
Institutional support	9,117,915	1,066,022	7,293,373	575,725
Operation and maintenance of plant	10,866,553		9,016,648	
Scholarships and fellowships	1,618,832	89,722	1,445,009	168,544
Auxiliary operations	15,141,431		14,546,234	
Loss on disposal of assets	55,476		10,213	
Depreciation	3,953,472	8,520	3,455,234	4,561
Total operating expenses	84,833,861	1,218,382	76,310,514	837,049
Operating loss	(29,343,293)	(1,167,608)	(26,705,133)	(804,047)
<u>Non-operating Revenues (Expenses)</u>				
State appropriation, net	24,677,747		28,741,286	
Private gifts and grants		957,314		300,911
Net investment income (loss)	449,203	(967,646)	1,213,014	46,803
Interest on capital asset - related debt	(73,892)	(18,150)	(169,493)	(35,171)
Net non-operating revenues (expenses)	25,053,058	(28,482)	29,784,807	312,543
(Loss) income before other revenues, expenses, gains, losses, and transfers	(4,290,235)	(1,196,090)	3,079,674	(491,504)
Related entity transfers	(16,689)	16,689	(1,664)	1,664
State capital appropriation	199,182		1,485,853	
(Decreases) additions to permanent endowment		(257,547)		554,621
(Decrease) increase in net assets	(4,107,742)	(1,436,948)	4,563,863	64,781
Net Assets - beginning of year	49,384,642	5,553,953	44,820,779	5,489,172
Net Assets - end of year	\$ 45,276,900	\$ 4,117,005	\$ 49,384,642	\$ 5,553,953

The accompanying notes are an integral part of the financial statements.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Statements of Cash Flows

For the Years Ended June 30, 2009 and June 30, 2008

	<u>2009</u>		<u>2008</u>	
	<u>Primary Institution</u>	<u>Component Unit-Foundation</u>	<u>Primary Institution</u>	<u>Component Unit-Foundation</u>
Cash Flows From Operating Activities				
Tuition and fees	\$ 30,534,584		\$ 27,770,816	
Grants and contracts	6,389,688		5,678,259	
Payments to suppliers	(29,585,166)	\$ (1,123,222)	(23,585,463)	\$ (663,042)
Payments to employees	(45,882,567)		(39,793,406)	
Payments to students	(1,618,832)	(89,722)	(1,445,009)	(168,544)
Direct lending receipts	19,039,833		14,056,785	
Direct lending disbursements	(19,039,833)		(14,056,785)	
Loans issued to students	(182,267)		(313,755)	
Collections of loans to students	160,548		172,809	
Other receipts	18,453,709	50,774	16,058,652	33,002
	<hr/>		<hr/>	
Net cash used by operating activities	(21,730,303)	(1,162,170)	(15,457,097)	(798,584)
Cash Flows From Non-Capital Financing Activities				
State appropriation	19,736,859		20,481,060	
Private gifts and grants		669,551		537,536
Related entity transfers	(16,689)	16,689	(1,664)	1,664
	<hr/>		<hr/>	
Net cash provided by non-capital financing activities	19,720,170	686,240	20,479,396	539,200
Cash Flows From Capital And Related Financing Activities				
State capital appropriations	199,182		1,485,853	
Proceeds from capital debt				68,000
Purchases of capital assets	(5,489,384)		(5,172,092)	(70,357)
Principal paid on capital leases	(158,325)		(266,876)	
Interest paid on capital leases	(4,037)		(16,590)	
Principal paid on bonds payable	(204,178)		(191,953)	
Principal paid on notes payable	(362,711)		(383,570)	
Interest paid on bonds payable	(63,934)		(134,329)	
Interest paid on notes payable	(5,921)	(18,150)	(18,574)	(35,171)
	<hr/>		<hr/>	
Net cash used by capital and related financing activities	(6,089,308)	(18,150)	(4,698,131)	(37,528)
Cash Flows From Investing Activities				
Interest on investments	449,203	105,283	1,213,014	107,964
Proceeds from sales of investments	3,865	486,558		5,841,395
Purchase of investments	-	(105,179)	(252)	(5,604,108)
	<hr/>		<hr/>	
Net cash provided by investing activities	453,068	486,662	1,212,762	345,251
Net (Decrease) Increase In Cash And Cash Equivalents	(7,646,373)	(7,418)	1,536,930	48,339
Cash and cash equivalents - beginning of year	26,084,586	212,923	24,547,656	164,584
Cash and cash equivalents - end of year	<u>\$ 18,438,213</u>	<u>\$ 205,505</u>	<u>\$ 26,084,586</u>	<u>\$ 212,923</u>

The accompanying notes are an integral part of the financial statements.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Statements of Cash Flows, continued

For the Years Ended June 30, 2009 and June 30, 2008

	2009		2008	
	Primary Institution	Component Unit-Foundation	Primary Institution	Component Unit-Foundation
Reconciliation Of Net Operating Loss To Net Cash Used By Operating Activities:				
Operating loss	\$ (29,343,293)	\$ (1,167,608)	\$ (26,705,133)	\$ (804,047)
<u>Adjustments to reconcile net operating loss to net cash used by operating activities:</u>				
Depreciation expense	3,953,472	8,520	3,455,234	4,561
Loss on disposal of assets	55,476		10,213	
Fringe benefits provided by the State	4,940,888		8,260,226	
<u>Changes in assets and liabilities:</u>				
Accounts receivable, net	(63,134)		(91,038)	
Inventories	(42,060)		71,135	
Deposits held by State Treasurer	(1,427,680)		(1,033,948)	
Prepaid expense	(7,786)	(10,188)	(97,407)	(8,486)
Restricted accounts receivable	(335)		(753)	
Loans receivable, net	20,095		(142,390)	
Accounts payable and accrued liabilities	(838,932)	14,917	170,034	47,109
Accrued liability for employee compensation and benefits	1,105,244		864,091	
Deferred tuition and other revenue	(124,092)		41,128	
Deposits held	132,185		(5,188)	
Assets held for others	(63,546)	(7,811)	(262,133)	(37,721)
Other liabilities	(26,805)		8,832	
	\$ (21,730,303)	\$ (1,162,170)	\$ (15,457,097)	\$ (798,584)
<u>Non-cash transactions:</u>				
Acquisition of fixed assets through investment by Sodexo	\$ 1,125,000			
Construction in progress included in accounts payable and accrued liabilities	\$ 177,188		\$ 649,056	
Donation of Land				\$ 284,000

The accompanying notes are an integral part of the financial statements.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements June 30, 2009

1. Summary of Significant Accounting Policies:

Organization

The financial statements present the financial position, results of operations, and changes in net assets of Westfield State College (the "College"), a component unit of The Commonwealth of Massachusetts (the "Commonwealth" or the "State").

Westfield State College Foundation, Inc. ("the Foundation") is a related tax exempt organization founded to foster and promote the growth, progress and general welfare of the College. The Foundation is included in the College's financial statements and is reported in a separate column from the College to emphasize that it is a Massachusetts not-for-profit organization legally separate from the College. Because of the significance of its financial relationship with the College, the Foundation is included in the College's financial statements.

As described further in Note 8, the accompanying financial statements do not include the College's proportionate share of the assets and liabilities of Massachusetts State College Building Authority (the "Building Authority"), an agency of the Commonwealth, but do reflect the Building Authority Trust Fund activity of the College.

Basis of Presentation

The financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. The College reports its financial statements as a Business Type Activity, as defined by GASB Statement No. 35. Business-type activities are defined as those that are financed in whole or part by fees charged to external parties for goods or services. The College's operating activities in the statement of revenues, expenditures and changes in net assets are those that generally result from exchange transactions such as payments received for education services and payments made for the purchase of goods and services. Certain other transactions are reported as non-operating activities in accordance with GASB Statement No. 35. These non-operating activities include the College's operating and capital appropriations from the Commonwealth, net investment income, and interest expense. The effect of inter-fund activity has been eliminated from these financial statements.

Effective July 1, 2003, the College adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14*. This statement requires that all entities associated with a primary government be evaluated against specific criteria for inclusion in the financial reporting entity.

The Foundation is a private non-profit organization that reports under Financial Accounting Standards Board ("FASB") standards, including FASB statement No. 117, "Financial Reporting for Not-for-Profit Organizations." As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences, however, in some cases line items have been reclassified or renamed to conform with GASB presentation.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the dates of the financial statements and revenues and expenditures recognized during the reporting periods. The College's significant estimates include the accrual for employee compensated absences, the accrual for workers' compensation liability, the accrual for pollution remediation, the allowance for doubtful accounts, and the useful lives of capital assets. Actual results could differ from those estimates.

Cash and Short-Term Investments

Cash and cash equivalents consist of petty cash and demand deposit accounts with a maturity date of three months or less when purchased.

Short-term investments consist of deposits with The Common Fund and are recorded at fair value.

Investment income is recognized on an accrual basis; interest and dividends are recorded when earned.

Restricted Gifts

The College recognizes restricted gifts as revenues or receivables when all applicable eligibility requirements, including time requirements, are met.

Grants and Contracts

The College receives monies from the federal and state government and other private agencies under grants and contracts. The costs, both direct and indirect, charged to these grants and contracts are subject to audit by the granting agency. The College administration believes that any audit adjustments would not have a material adverse effect on the College's financial position, its revenue, expenditures and changes in net assets, or its cash flows.

Inventories

The College's inventories consist of plant operation and maintenance supplies and operating supplies, which are valued at the lower of cost (first-in, first-out and replacement cost methods) or market.

Compensated Absences

Employees earn the right to be compensated during absences for vacation leave and sick leave. Accrued vacation is the amount earned by all eligible employees through June 30, 2009 and 2008. The accrued sick leave balance represents 20% of amounts earned by those employees with ten or more years of State service at June 30, 2009 and 2008. Upon retirement, these employees are entitled to receive payment for this accrued balance. The accompanying statements of net assets reflect an accrual for the amount earned and ultimately payable for such benefits.

Funding of these amounts is anticipated to be part of the future annual appropriation process from the Commonwealth of Massachusetts.

Cash Held by Trustees

Cash held by trustees as of June 30, 2009 and 2008 consists of unspent bond proceeds of \$28,905 and \$34,535 respectively, from the Massachusetts Health and Educational Facilities Authority, ("MHEFA") tax-exempt revenue bonds and \$40,806 and \$42,848, respectively, in the debt service reserve fund (see Note 14).

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

Tuition

Recorded in the College's financial statements for the years ended June 30, 2009 and 2008 is tuition revenue of \$2,259,718 and \$2,642,609 respectively, received by the College and transmitted to the State Treasurer's Office for deposit to the general fund of the Commonwealth of Massachusetts. The amount of State Appropriations received by the College has been reduced by the corresponding amount.

State Appropriations

The College's unrestricted state appropriation is comprised of the following for the year ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Direct appropriation	\$ 21,996,577	\$ 23,123,669
Add: Fringe benefits for employees on the Commonwealth payroll	4,940,888	8,260,226
Less: Tuition remitted to the Commonwealth	<u>(2,259,718)</u>	<u>(2,642,609)</u>
Total	<u>\$ 24,677,747</u>	<u>\$ 28,741,286</u>

Deferred Tuition and Fees

Tuition and fee revenue for summer programs, which overlap fiscal years, is deferred and recognized in the fiscal year in which the programs are conducted.

Fringe Benefits

The College participates in the Commonwealth's fringe benefit programs, including health insurance, unemployment, pension and workers' compensation benefits. Health insurance, unemployment and pension costs are billed through a fringe benefit rate charged to the College. Workers' compensation costs are assessed separately based on the College's actual experience. The Commonwealth requires the College to record as a liability its portion of the future estimated workers' compensation benefits to be paid.

Student Fees

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

Net Assets

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

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted-expendable: Net assets whose use is subject to externally imposed conditions that can be fulfilled by the actions of the College or the passage of time.

Restricted-nonexpendable: Net assets subject to externally imposed conditions require the College to maintain them in perpetuity.

Unrestricted: All other categories of net assets. Unrestricted net assets may be designated by the actions of the College's Board of Trustees.

The College has adopted a policy of generally first applying restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

Foundation Investments and Endowment

Investments in marketable securities are stated at fair value at their quoted market price.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets and revenues, expenditures, and changes in net assets.

Dividends, interest and net gains or losses on endowment investments and similar funds are reported in the statement of revenues, expenditures and changes in net assets. Any net earnings not expended are included in the net asset categories as follows:

- (i) As increases in restricted-nonexpendable net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- (ii) As increases in restricted-expendable net assets if the terms of the gift or the College's interpretation of relevant state law impose restrictions on the current use of the income or net gains; and
- (iii) As increases in unrestricted net assets in all other cases.

The Foundation employs a total return endowment utilization policy that establishes the amount of investment return made available for spending each year. This amount is independent of the actual return for the year, but cannot exceed the total income and accumulated net appreciation of the fund.

Income Tax Status

The College is a component unit of the Commonwealth of Massachusetts and is exempt from federal income taxes under Section 115 of the Internal Revenue Code. The Foundation is exempt from income taxes under the provisions of Section 501 (c) (3) of the Internal Revenue Code.

2. Management Accounting and Reporting System:

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

3. Cash and Investments:

The College's cash management investment policy authorizes the College to invest in the Massachusetts Municipal Depository Trust ("MMDT") and the Common Fund.

Effective July 1, 2003, the College adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*. This statement updates the custodial risk disclosure requirements of GASB Statement No. 3 and establishes more comprehensive disclosure requirements addressing other common risks of deposits and investments, including concentrations of credit risk and interest rate risk. GASB Statement No. 40 requires government entities to classify cash and investments and indicate the levels of credit risk, custodial risk, foreign currency risk, and interest rate risk assumed by the entity at year end. The College had no foreign currency investments or investments subject to interest rate risk at June 30, 2008.

The College entered into a repurchase agreement for \$5,000,000 with one of their financial institutions in March 2009. The College has purchased an interest in specific securities that are issued by the United States Government; which are used as collateral. The fair value of the securities at June 30, 2009 was approximately \$7,220,000. The College will earn interest on their cash investment at prime rate minus 75 basis points.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

3. Cash and Investments. Continued:

The carrying amount of the College's bank deposits and deposits in trust depositories was \$18,182,706 and \$24,516,154 as compared to bank balances of \$18,945,695 and \$24,988,063 at June 30, 2009 and 2008, respectively. The differences between the carrying amount and the bank balances were caused by deposits in-transit and outstanding checks. Bank balances as of June 30, 2009 and 2008 in the amount of \$13,737,885 and \$24,800,756, respectively, at Peoples Bank and Berkshire Bank are insured by the Depositors Insurance Fund and are therefore not subject to custodial risk.

The cost and fair value of cash and investments, excluding cash held by the State Treasurer, at June 30 is:

	COLLEGE			
	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents:				
MMDT deposits	\$ 57,236	\$ 57,236	\$ 56,088	\$ 56,088
Bank accounts	18,075,492	18,075,492	24,406,223	24,406,223
Short-term investments:				
Common Fund	58,370	49,978	57,358	53,843
	<u>\$ 18,191,098</u>	<u>\$ 18,182,706</u>	<u>\$ 24,519,669</u>	<u>\$ 24,516,154</u>
	FOUNDATION			
	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents:				
Bank accounts	\$ 205,505	\$ 205,505	\$ 212,923	\$ 212,923
Short-term investments:				
Short-term Fund	7,999	2,105	29,332	23,568
Investments:				
Stock Market Index Fund	2,650,228	1,823,587	2,915,022	2,863,266
Bond Market Index Fund	1,028,146	1,015,835	982,739	956,322
International Stock Market Index Fund	821,903	489,545	962,430	942,224
	<u>\$ 4,713,781</u>	<u>\$ 3,536,577</u>	<u>\$ 5,102,446</u>	<u>\$ 4,998,303</u>

The carrying amount of the College's deposits held by the State Treasurer is \$3,280,770 at June 30, 2009 and \$1,853,090 at June 30, 2008. These deposits are uninsured and are not collateralized.

The funds invested in MMDT and the Common Fund are held in safekeeping accounts in trust depositories in the name of the College and are uninsured. Common Fund short-term investments are not subject to interest rate risk. Investments in MMDT have a weighted average maturity of approximately 31 days, and therefore are not subject to significant interest rate risk.

4. Cash Held By The State Treasurer:

Accounts payable, accrued salaries, wages and withholdings to be funded from state appropriated funds totaled \$305,485 at June 30, 2009 and \$1,622,275 at June 30, 2008. The College has recorded a comparable dollar amount of cash held by the State Treasurer for the benefit of the College, which was subsequently utilized to pay for such liabilities.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

5. Accounts Receivable:

The composition of the College's accounts receivable at June 30, 2009 and 2008 is summarized as follows:

	<u>2009</u>	<u>2008</u>
Student accounts receivable	\$ 873,633	\$ 843,824
Grants receivable	217,446	205,376
Other receivables	141,960	90,299
Total	<u>1,233,039</u>	<u>1,139,499</u>
Less allowance	<u>(648,903)</u>	<u>(618,497)</u>
Total accounts receivable, net	<u>\$ 584,136</u>	<u>\$ 521,002</u>

6. Loans Receivable and Payable:

Loans receivable consist of the Federal Perkins Loan Program ("Perkins"). The Federal government provides the majority of the funds to support this program. Loan payments received from students made under this program may be re-loaned after collection.

The portion of the Perkins program provided by the Federal government is refundable to the Federal government upon the termination of the College's participation in the program. The amount recorded as grants refundable at June 30, 2009 and 2008 is \$994,606.

Loans receivable include the following at June 30:

	<u>2009</u>	<u>2008</u>
Perkins loans receivable – current	\$ 200,987	\$ 205,031
Perkins loans receivable - noncurrent	1,142,414	1,123,889
Total	1,343,401	1,328,920
Less allowance for doubtful accounts	<u>(432,113)</u>	<u>(397,537)</u>
Total loans receivable, net	<u>\$ 911,288</u>	<u>\$ 931,383</u>

7. Related Party Transactions:

The College provides certain personnel and payroll services to the Foundation at no charge.

Certain Foundation Board members are also members of the Board of Directors and executives of Berkshire Bank, which holds the line of credit described in Note 11, and Westfield Bank, where the Foundation has its checking account. Berkshire Bank is related to an insurance company that provides coverage for certain Foundation property. The premiums for this coverage were \$1,853 and \$780 for 2009 and 2008, respectively. Another board member is employed by an insurance company that provides coverage for certain Foundation property. The premiums for this coverage were \$22,620 and \$14,965 for 2009 and 2008, respectively.

The Executive Director of the Foundation was the president of the board of another non-profit organization that received \$1,055 and \$3,000 in donations from the Foundation in 2009 and 2008, respectively.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

8. Massachusetts State College Building Authority:

The Building Authority was created pursuant to Chapter 703 of the Acts of 1963 by 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 colleges of the Commonwealth.

Assets of the Building Authority consist principally of land, buildings, construction in progress, furnishings and equipment. The assets attributable to the College amount to \$62,734,361 (unaudited) at June 30, 2009 and \$58,209,476 (unaudited) at June 30, 2008. Liabilities of the Building Authority consist principally of long-term debt obligations scheduled to mature through 2043 amounting to approximately \$144,370,000 (unaudited) at June 30, 2009 and \$147,337,000 (unaudited) at June 30, 2008 which are guaranteed by the Commonwealth and which includes \$35,415,000 for a new dorm located at Westfield State College and \$16,817,000 for deferred maintenance projects. Because the facilities of the Building Authority are funded collectively from its long-term debt obligations, it is not practicable to determine the specific liability attributable to the College. No liability has been recorded at June 30, 2009 or 2008.

The College is obligated, under its contracts for financial assistance, management and services with the Building Authority, to collect rents, fees and other charges with respect to such facilities sufficient to pay principal and interest on the Building Authority's debt obligations based on occupancy rates of the dormitories.

The College's proportionate share of principal and interest on the debt obligations for the year ended June 30, 2009 amounted to \$5,552,861 (\$2,685,780 Fall Semester 2008 and \$2,867,081, Spring Semester 2009). For the year ended June 30, 2008, the College's proportionate share of principal and interest on the debt obligations amounted to \$5,002,812.

9. Capital Assets:

Capital assets are stated at cost. Depreciation of capital assets is provided on a straight-line basis over the estimated useful lives of the respective assets. The College records a full year of depreciation in the year of acquisition. Land is not depreciated. The following table illustrates the range of useful lives for the College's depreciable assets:

Buildings and building improvements	20-40 years
Land improvements	20 years
Equipment and furnishings	3-10 years
Library books	5 years
Vehicles	5 years

Capital asset activity for the year ended June 30, 2009 is summarized as follows:

	FOUNDATION				
	Beginning				Ending
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u>
Capital assets not being depreciated:					
Property held for future development	\$ 776,280	\$ -	\$ -	\$ -	\$ 776,280
Capital assets being depreciated:					
Land and buildings	417,860	-	-	-	417,860
Furniture and fixtures	34,617	-	-	-	34,617
Total being depreciated	452,477	-	-	-	452,477
Less accumulated depreciation:					
Land and Buildings	(60,419)	(8,520)	-	-	(68,939)
Furniture and fixtures	(34,617)	-	-	-	(34,617)
Total accumulated depreciation	(95,036)	(8,520)	-	-	(103,556)
Capital assets, net	\$ 1,133,721	\$ (8,520)	\$ -	\$ -	\$ 1,125,201

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

9. Capital Assets (continued):

	COLLEGE				
	Beginning				Ending
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u>
Capital assets not being depreciated:					
Land	\$ 1,223,862	\$ -	\$ -	\$ -	\$ 1,223,862
Construction in progress	2,704,646	2,029,611	-	(1,230,041)	3,504,216
Total not being depreciated	3,928,508	2,029,611	-	(1,230,041)	4,728,078
Capital assets being depreciated:					
Buildings and building improvements	50,192,912	2,333,366	-	716,258	53,242,536
Land improvements	1,596,408	232,931	-	-	1,829,339
Equipment and furnishings	18,731,418	2,075,450	(1,290,822)	513,783	20,029,829
Library books	6,806,120	72,573	-	-	6,878,693
Vehicles	869,690	47,641	(22,100)	-	895,231
Total being depreciated	78,196,548	4,761,961	(1,312,922)	1,230,041	82,875,628
Less accumulated depreciation:					
Buildings and building improvements	(27,071,965)	(1,454,456)	-	-	(28,526,421)
Land improvements	(338,513)	(92,511)	-	-	(431,024)
Equipment and furnishings	(11,037,356)	(2,267,630)	1,235,346	-	(12,069,640)
Library books	(6,656,825)	(77,401)	-	-	(6,734,226)
Vehicles	(709,783)	(61,474)	22,100	-	(749,157)
Total accumulated depreciation	(45,814,442)	(3,953,472)	1,257,446	-	(48,510,468)
Capital assets, net	\$ 36,310,614	\$ 2,838,100	\$ (55,476)	\$ -	\$ 39,093,238

Capital asset activity for the year ended June 30, 2008 is summarized as follows:

	FOUNDATION				
	Beginning				Ending
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u>
Capital assets not being depreciated:					
Property held for future development	\$ 708,639	\$ 67,641	\$ -	\$ -	\$ 776,280
Capital assets being depreciated:					
Land and buildings	131,144	286,716	-	-	417,860
Furniture and fixtures	34,617	-	-	-	34,617
Total being depreciated	165,761	286,716	-	-	452,477
Less accumulated depreciation:					
Land and Buildings	(55,858)	(4,561)	-	-	(60,419)
Furniture and fixtures	(34,617)	-	-	-	(34,617)
Total accumulated depreciation	(90,475)	(4,561)	-	-	(95,036)
Capital assets, net	\$ 783,925	\$ 349,796	\$ -	\$ -	\$ 1,133,721

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

9. Capital Assets (continued):

	COLLEGE				
	Beginning <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Ending <u>Balance</u>
Capital assets not being depreciated:					
Land	\$ 1,223,862	\$ -	\$ -	\$ -	\$ 1,223,862
Construction in progress	405,617	2,668,108	-	(369,079)	2,704,646
Total not being depreciated	1,629,479	2,668,108	-	(369,079)	3,928,508
Capital assets being depreciated:					
Buildings and building improvements	49,223,196	612,889	-	356,827	50,192,912
Land improvements	1,596,408	-	-	-	1,596,408
Equipment and furnishings	16,777,668	2,493,033	(491,058)	(48,225)	18,731,418
Library books	6,737,865	68,255	-	-	6,806,120
Vehicles	850,350	39,340	(20,000)	-	869,690
Total being depreciated	75,185,487	3,213,517	(511,058)	308,602	78,196,548
Less accumulated depreciation:					
Buildings and building improvements	(25,833,109)	(1,238,856)	-	-	(27,071,965)
Land improvements	(258,693)	(79,820)	-	-	(338,513)
Equipment and furnishings	(9,537,587)	(1,980,614)	480,845	-	(11,037,356)
Library books	(6,584,904)	(71,921)	-	-	(6,656,825)
Vehicles	(645,760)	(84,023)	20,000	-	(709,783)
Total accumulated depreciation	(42,860,053)	(3,455,234)	500,845	-	(45,814,442)
Capital assets, net	\$ 33,954,913	\$ 2,426,391	\$ (10,213)	\$ (60,477)	\$ 36,310,614

10. Leases:

The College leases certain office equipment under non-cancelable operating leases and other equipment under capital leases. The following schedule summarizes future minimum payments under non-cancelable leases at June 30, 2009:

Capital Leases

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 7,770	\$ 114	\$ 7,884

Total rent expense under non-cancelable operating lease agreements was approximately \$273,000 and \$245,000 for the years ended June 30, 2009 and 2008, respectively.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

11. Line of Credit:

The Foundation has a line of credit with maximum borrowings of \$1,000,000, collateralized by certain investments. Terms call for interest only payments to be paid monthly at a variable rate. At June 30, 2009 and 2008, the rates were 2.32% and 7.32%, respectively. As of June 30, 2009 and 2008 the balance was \$468,000.

12. Pollution Remediation:

In 2009, the College adopted GASB Statement No. 49 ("GASB 49"), *Accounting and Financial Reporting for Pollution Remediation Obligations*. The College has accrued a liability of approximately \$450,000 at June 30, 2009 related to an underground oil spill that is currently being remediated. The estimated liability is based on current operating costs associated with the engineering and design of the remediation, installation and removal, and overall monitoring. The College expects the cleanup and remediation to continue for approximately five to ten years.

13. Notes Payable:

In May 2003, the College entered into a five-year, 3.25% loan agreement for \$2,000,000 with Berkshire Bank to be used for the purchase of an administrative computer system. During 2005 this note was extended to a six-year loan. The outstanding balance on this note was \$0 and \$362,711 at June 30, 2009 and 2008, respectively.

14. Bonds Payable:

In August 2002, the College, through MHEFA, issued \$5,816,000 of MHEFA's tax-exempt revenue bonds. The bond principal is repayable in varying annual installments with the last installment due and payable on June 15, 2022. The bonds incur variable interest, payable monthly, at a rate determined by Flagship Bank and Trust Company. For the years ended June 30, 2009 and 2008 the interest rate on the bonds averaged 1.63% and 3.04%, respectively, and interest expense was \$65,212 and \$137,222, respectively. Interest income earned on unspent bond proceeds was \$1,278 and \$2,893 for the years ended June 30, 2009 and 2008, respectively. At June 30, 2009 and 2008, \$4,080,598 and \$4,284,776 was outstanding on the bonds, respectively.

The College has a \$4,715,967 letter of credit agreement with Bank of America. The agreement is to be used to support the above-mentioned MHEFA revenue bonds. Under the terms of the agreement, the College has pledged its right to receive continuing education tuition and fees, general fees, technical fees and miscellaneous fees as collateral to Bank of America. The agreement also places certain limits on the College with regard to incurring additional debt and requires the College to maintain a minimum amount of unrestricted cash and cash equivalents, and to maintain a debt service ratio and debt service reserve fund. The College was not in compliance with their debt service ratio covenant as of June 30, 2009. Bank of America subsequently waived the debt service ratio covenant as of June 30, 2009. Fees paid under the terms of the agreement were \$34,030 at June 30, 2009 and \$26,365 at June 30, 2008, respectively.

Future principal payments and estimated interest payments on outstanding bonds as of June 30, 2009 are as follows:

	<u>Bonds Payable – College</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 216,400	\$ 66,669	\$ 283,069
2011	229,355	63,133	292,488
2012	242,488	59,386	301,874
2013	257,600	55,424	313,024
2014	273,020	51,216	324,236
2015 and thereafter	2,861,735	224,628	3,086,363
Total	<u>\$ 4,080,598</u>	<u>\$ 520,456</u>	<u>\$ 4,601,054</u>

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

15. Leases and Long-term Liabilities:

Long-term liabilities at June 30, 2009 consist of:

	FOUNDATION				
	<u>Beginning</u>			<u>Ending</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
Line of Credit	\$ 468,000	\$ -	\$ -	\$ 468,000	

	COLLEGE				
	<u>Beginning</u>			<u>Ending</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
Leases, notes, and bonds payable:					
Lease obligations	\$ 166,095	\$ -	\$ (158,325)	\$ 7,770	\$ 7,770
Notes payable	362,711	-	(362,711)	-	-
Bonds payable	4,284,776	-	(204,178)	4,080,598	216,400
Total leases, notes and bonds payable	4,813,582	-	(725,214)	4,088,368	224,170
Other long-term liabilities:					
Compensated absences	3,191,426	514,150	-	3,705,576	2,536,485
Workers' compensation	673,646	126,668	-	800,314	164,865
Deferred tuition and other revenue	260,315	1,125,000	(173,164)	1,212,151	173,165
Grants refundable	994,606	-	-	994,606	-
Total long-term liabilities	\$ 9,933,575	\$ 1,765,818	\$ (898,378)	\$ 10,801,015	\$ 3,098,685

Long-term liabilities at June 30, 2008 consisted of:

	FOUNDATION				
	<u>Beginning</u>			<u>Ending</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
Line of Credit	\$ 400,000	\$ 68,000		\$ 468,000	

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

15. Leases and Long-term Liabilities (continued):

	COLLEGE				
	Beginning		Ending		
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
Leases, notes, and bonds payable:					
Lease obligations	\$ 432,971	\$ -	\$ (266,876)	\$ 166,095	\$ 158,325
Notes payable	746,281	-	(383,570)	362,711	362,711
Bonds payable	4,476,729	-	(191,953)	4,284,776	204,178
Total leases, notes and bonds payable	5,655,981	-	(842,399)	4,813,582	725,214
Other long-term liabilities:					
Compensated absences	3,055,876	135,550	-	3,191,426	2,112,702
Workers' compensation	523,672	149,974	-	673,646	132,035
Deferred tuition and other revenue	347,086	-	(86,771)	260,315	86,772
Grants refundable	994,606	-	-	994,606	-
	4,921,240	285,524	(86,771)	5,119,993	2,331,509
Total long-term liabilities	\$ 10,577,221	\$ 285,524	\$ (929,170)	\$ 9,933,575	\$ 3,056,723

16. Fringe Benefits:

The College's portion of fringe benefit costs for certain (those classified as "trust" and "grant" funded) employees (health insurance, pension benefits and administrative costs) was approximately \$2,944,000 and \$2,257,000 for the years ended June 30, 2009 and 2008, respectively. The Commonwealth's portion of fringe benefits paid by the Commonwealth on behalf of certain state funded employees of the College was approximately \$4,941,000 and \$8,260,000 for the years ended June 30, 2009 and 2008, respectively and has been recorded in the accompanying financial statements.

Under a directive from the Commonwealth, the College has recorded a liability for workers' compensation claims outstanding of \$800,314 and \$673,646 as of June 30, 2009 and 2008, respectively. Such amounts have been included under the caption "Accrued liability for employee compensation and benefits, and accounts payable and accrued liabilities" in the accompanying statements of net assets. The undiscounted amount represents the Commonwealth's estimate of the ultimate liability for medical and indemnity costs on outstanding claims attributable to the College. Worker's compensation costs assessed by the Commonwealth were approximately \$368,000 and \$245,000 for the years ended June 30, 2009 and 2008, respectively.

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements – Continued June 30, 2009

17. Retirement Plan:

The Commonwealth is statutorily responsible for the pension benefit of employees who participate in the State Employees' Retirement System (SERS). SERS, a single employer defined benefit public employee retirement system, is administered by the Commonwealth and covers substantially all non-student employees. The College makes contributions on behalf of the employees through a fringe benefit charge assessed by the Commonwealth. Such pension expense amounted to approximately \$858,000 for year ended June 30, 2009 and \$479,000 for the year ended June 30, 2008. The annuity portion of the SERS is funded by employees who contribute a percentage of their regular compensation. Annual covered payroll approximated 87.7% and 88.6% of annual total payroll for the College for 2009 and 2008, respectively. The Commonwealth issues a publicly available financial report that includes financial statements and required supplementary disclosures for the SERS. The report may be obtained by accessing the Comptroller of the Commonwealth's website at the following address: <http://www.mass.gov>.

18. Fringe Benefits for Current Employees and Post Employment Benefit Obligations:

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 College. Substantially all of the College'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 is comparable to contributions required from employees. The Commonwealth is reimbursed for the cost of benefits to retirees of the eligible authorities and non-state agencies.

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 administers a plan not administered as a trust or an equivalent arrangement. Any assets accumulated in excess of liabilities to pay premiums or benefits or administrative expenses are returned to the Commonwealth's General Fund. The GIC's administrative costs are financed through Commonwealth appropriations and employee investment returns. The Legislature determines employees' and retirees' contribution ratios.

During fiscal year 2008, the College adopted GASB No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* ("GASB 45"). This accounting pronouncement potentially requires the College to record a liability for post retirement benefit obligations other than pensions. At June 30, 2009 and 2008, the College has not accrued a liability as the Commonwealth is legally responsible for the liability in accordance with GASB 45.

The Commonwealth has communicated to the College that it should not record a liability associated with the Commonwealth fringe benefit programs and health care and life insurance benefits for retired employees.

As of June 30, 2009 and 2008, the College had paid for all amounts charged to it through the Commonwealth's fringe benefit recovery program. For the Commonwealth's liability and disclosures associated with GASB 45 please see the Comptroller of the Commonwealth's website at the following address: <http://www.mass.gov>.

19. Commitments and Contingencies:

Litigation

The College is a defendant in several lawsuits; however, College management is of the opinion that the ultimate outcome of all litigation will not have a material adverse effect on its statement of net assets, statement of revenues, expenditures and changes in net assets, or its cash flows.

Report of Independent Auditors on Accompanying Information

To the Trustees of Westfield State College:

The report on our audits of the basic financial statements of Westfield State College as of June 30, 2009 and 2008 and for the years then ended, which references the work of other auditors, appears on page i of this document. These audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on pages 28 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

October 15, 2009

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Supplementary Information Building Authority Trust Fund Statements of Net Assets June 30, 2009 and June 30, 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 2,041,623	\$ 396,522
Accounts receivable, net	11,684	12,389
Deposits held by State Treasurer	669,353	373,635
Commission receivable	361	1,187
Total current assets	<u>2,723,021</u>	<u>783,733</u>
 Total assets	 <u>2,723,021</u>	 <u>783,733</u>
 LIABILITIES		
<u>Current Liabilities</u>		
Accounts payable and accrued liabilities	148,441	69,026
Accrued employee compensation and benefits	261,645	272,770
Deposits held	515,005	403,470
Other liabilities	1,646	154
Total current liabilities	<u>926,737</u>	<u>745,420</u>
<u>Noncurrent Liabilities</u>		
Accrued liability for employee compensation and benefits	<u>33,180</u>	<u>33,872</u>
Total noncurrent liabilities	<u>33,180</u>	<u>33,872</u>
 Total liabilities	 <u>959,917</u>	 <u>779,292</u>
 NET ASSETS		
Unrestricted	<u>1,763,104</u>	<u>4,441</u>
Total net assets	<u>\$ 1,763,104</u>	<u>\$ 4,441</u>

WESTFIELD STATE COLLEGE

(A Component Unit of the Commonwealth of Massachusetts)

Supplementary Information Building Authority Trust Fund Statements of Revenues, Expenditures and Changes in Net Assets For the Years Ended June 30, 2009 and June 30, 2008

	<u>2009</u>	<u>2008</u>
Revenues		
<u>Operating Revenues</u>		
Room rent	\$ 11,490,140	\$ 10,285,884
Commissions-vending	47,454	25,775
Commissions-laundry	63,259	53,021
College support	200,000	200,000
Infrastructure fees	258,800	-
Deposits forfeited	83,997	74,876
Other sources	113,395	105,243
Total operating revenues	<u>12,257,045</u>	<u>10,744,799</u>
Expenses		
<u>Operating Expenses</u>		
Employee compensation	1,918,372	1,839,851
Employee related expenses	14,657	6,006
Special employees	445,882	447,984
Pension and insurance	490,631	712,930
Administrative expenses	34,999	45,890
Facility operations supplies	189,500	189,580
Energy costs	1,203,367	1,920,121
Consultant services	42,696	29,693
Operational services	216,191	182,452
Equipment purchase	47,987	45,604
Equipment lease, rental and maintenance	27,268	30,212
Student travel	126	2,553
Scholarships	192,000	192,000
Repairs and maintenance	121,845	85,236
Annual payment to the Massachusetts State College Building Authority	5,552,861	5,002,812
Total operating expenses	<u>10,498,382</u>	<u>10,732,924</u>
Increase in net assets	1,758,663	11,875
Net Assets - beginning of year	<u>4,441</u>	<u>(7,434)</u>
Net Assets - end of year	<u>\$ 1,763,104</u>	<u>\$ 4,441</u>



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