



Finance Report
October 3, 2025

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Finance Report
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Agenda Item #1: FY26 Annual Operating Dashboards

Information

Action

Discussion

Table 1: Approved General Fund Budget

The Board approved a provisional FY26 General Fund (GF) budget that would have resulted in a deficit of \$1.25M. LSSU is presenting a new FY26 GF budget for approval that would improve the performance to a deficit of \$36,517 (Agenda Item #4).

No table is presented at this time, pending approval of final budgets.

Table 2: General Fund Summary
(September 24, 2025)

The table at right show the proposed FY26 GF budget with the FY26 actual expenditures as of the date shown above. Revenue is at 35.8% of budget while expenditures are at 25.5%; about 25% of the way through the fiscal year.

FY26 General Fund Proposed Budget & Actual			
	Proposed FY26 Budget	Actual FY26	
Revenue			
Tuition and Fees	18,226,271	9,617,077	52.8%
State Appropriations	15,774,662	3,943,666	25.0%
Gifts-Other	3,607,215	38,876	1.1%
Interest Income	140,000	-	0.0%
Department Activity	643,500	345,060	53.6%
Norris Center Revenue	174,600	19,995	11.5%
Arts Center Revenue	41,759	2,533	6.1%
Other Income	87,500	20,693	23.6%
Indirect Cost Recovery	350,000	-	0.0%
Total Revenue	39,045,507	13,987,900	35.8%
Expenditures			
Salaries	(15,453,033)	(2,729,616)	17.7%
Fringe Benefits	(5,865,985)	(1,169,072)	19.9%
Scholarships	(4,472,279)	(2,292,746)	51.3%
University Waivers	(1,550,500)	(499,183)	32.2%
Debt Service	(2,021,571)	(413,533)	20.5%
Transfers	(1,183,497)	(304,632)	25.7%
SBITA	(493,829)	-	0.0%
Utilities	(1,858,501)	(460,957)	24.8%
Supplies & Services	(6,182,829)	(2,108,537)	34.1%
Total Expenditures	(39,082,024)	(9,978,276)	25.5%
Net Income/(Loss)	(36,517)	4,009,624	

Table 3: Housing Fund Summary

The Board approved a provisional FY26 Housing budget that would have resulted in a surplus of \$640,000. LSSU is presenting a new FY26 Housing budget for approval that would result in a surplus \$339,336 (Agenda Item #5).

No table is presented at this time, pending approval of final budgets.

Table 4: Housing Detail (Revenue and Expenditures)
(September 9, 2025)

No table is presented at this time, pending approval of final budgets. Housing is showing an annual fund balance of \$1,504,794.

Table 5: Cisler Operations Fund Summary

The Board approved a provisional FY26 Cisler Operations budget that would have resulted in a deficit of \$319,089. LSSU is presenting a new FY26 Cisler Operations budget for approval that would result in a deficit of \$420,535 (Agenda Item #5).

No table is presented at this time, pending approval of final budgets.

Table 6: Cisler Operations Detail (Revenue & Expenditures)
 (September 9, 2025)

No table is presented at this time, pending approval of final budgets. Cisler Operations is showing an annual fund balance of \$786,270.

Table 7: Athletics Fund Summary

The Board approved a provisional FY26 Athletics budget that would have resulted in a deficit of \$1.3M. LSSU is presenting a new FY26 Athletics budget for approval that would result in a deficit \$1,241,131 (Agenda Item #5).

No table is presented at this time, pending approval of final budgets.

Table 8: Athletics Detail (Revenue & Expenditures)
 (September 9, 2025)

No table is presented at this time, pending approval of final budgets. Athletics is showing an annual fund deficit of \$148,023.

Table 9: Institutional Cash

Two tables have been provided. The first is the FY25 year-end cash. The second is the current FY26 cash table.

Available Institutional and Component Unit cash holdings as of June 30, 2025.

	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar	30-Apr	31-May	30-Jun
Cash at CSB	2,516,286	5,843,152	2,580,572	3,237,396	4,144,863	6,313,756	8,650,621	8,414,304	5,249,718	4,226,187	2,863,420	2,598,450
Cash at Huntington	3,467,037	3,476,875	3,485,909	3,494,471	3,502,229	3,509,841	3,517,144	3,523,755	3,531,087	3,538,198	3,545,560	3,552,700
Cash at Nicolet	273,940	274,496	275,049	275,558	276,019	276,522	277,003	277,437	277,919	278,386	278,854	279,339
Cash at BMO - USD	725,936	0	0	4,740	4,351	4,059	3,729	3,460	3,189	2,919	2,645	2,191
Cash at BMO - USD	142,814	605,965	605,965	605,965	912,003	791,329	791,329	791,329	791,329	791,329	1,232,516	1,232,516
CD at Soo Co-Op	288,586	289,480	290,378	291,249	0	0	0	0	0	0	0	0
CD at 4Front	272,689	272,782	272,874	272,964	273,057	273,147	273,239	273,332	273,416	273,416	273,416	273,692
LSSU Investments at Schwab	7,039,020	7,069,823	7,101,511	7,142,666	6,167,017	6,190,000	6,213,003	6,233,203	6,254,079	6,275,764	6,448,853	6,470,160
LSSU Cash at Schwab	104,778	104,818	104,858	130,479	181,272	181,287	181,295	181,303	181,310	181,317	31,325	31,328
Foundation Cash investment at Schwab	(2,570,205)	(2,570,205)	(2,570,205)	(2,595,805)	(2,646,579)	(2,646,579)	(2,646,579)	(2,646,579)	(2,646,579)	(2,646,579)	(2,646,579)	(2,646,579)
Foundation Cash for CFRE	52,959	52,859	52,859	52,859	52,859	52,859	52,859	52,859	52,859	52,859	52,859	52,959
Foundation Unrestricted Cash	(251,343)	(251,343)	(251,443)	(251,443)	(251,543)	(256,543)	(256,643)	(256,643)	(156,743)	(156,793)	(156,843)	(158,155)
LSSU Cash at GovMIC	1,752,905	1,760,836	1,768,379	773,664	275,215	276,302	277,363	278,312	279,353	2,287,504	1,794,496	1,800,885
Total	13,815,402	16,929,539	13,716,708	13,434,764	12,890,762	14,963,980	17,334,364	17,126,072	14,090,937	15,104,507	13,720,524	13,489,487

Available Institutional and Component Unit cash holdings as of August 31, 2025.

	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar	30-Apr	31-May	30-Jun
Cash at CSB	2,560,657	5,119,022										
Cash at Huntington	3,560,092	3,567,500										
Cash at Nicolet	279,339	280,279										
Cash at BMO - USD	1,848	1,430										
Cash at BMO - USD	1,232,516	1,232,516										
CD at 4Front	273,692	273,692										
LSSU Investments at Schwab	6,493,067	6,015,515										
LSSU Cash at Schwab	31,330	31,331										
Foundation Cash investment at Schwab	(2,646,579)	(2,646,579)										
Foundation Cash for CFRE	52,959	52,959										
Foundation Unrestricted Cash	(158,155)	(158,255)										
LSSU Cash at GovMIC	1,005,429	1,009,119										
Total	12,686,194	14,778,528										

Suggested Actions/Motions:

None



LAKE SUPERIOR STATE UNIVERSITY

Finance Report October 3, 2025

Agenda Item #2: FY26 Fund Balance Summary Dashboards

Information

Action

Discussion

Purpose:

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

Background:

Agenda Item #1 provides information of the annually approved budgets for the General and Auxiliary Funds. Agenda Item #2 provides information on all LSSU fund balances. In many cases units have fund balances that may be positive or negative at any point in time. All LSSU fund balances are discussed and where appropriate, financial summaries are provided. All dashboard data was acquired on September 9, 2025. All FY26 balances are year-to-date (YTD).

Information:

General Funds (1xxx):

The actual General Fund contains Fund 1000 (commonly referred to as the General Fund or GF) and 122 other funds numbered 1001 – 1Z99 (commonly referred to as Professional Development (PD) funds). Fund 1000 (the GF) is the University's main operating fund.

	2021	2022	2023	2024	2025	2026
Fund 1000 (General Fund)	14,494.84	27,702.54	(187,930.24)	(423,539.59)	(811,596.39)	2,431,418.95
Funds 1001 - 1Z99	579,291.27	649,786.34	618,243.43	666,246.63	833,450.75	811,633.47
	593,786.11	677,488.88	430,313.19	242,707.04	21,854.36	3,243,052.42

Designated Funds (15xxxx):

There are 64 active Designated Funds. These funds were created for specific (designated/restricted) purposes; about 25 hold funds that have been transferred in from the Foundation for a designated purpose. The largest fund in the group is the Charter School 3% fund with about \$3M in annual activity. There are 5 funds with balances over \$50,000. Three funds are designated as unrestricted and are broken out in the following table.

	2021	2022	2023	2024	2025	2026
Designated Funds	1,101,563.08	957,303.40	561,174.92	1,625,649.99	2,212,686.48	1,961,617.73
Unrestricted Funds	352,367.89	1,306,529.01	575,614.88	140,106.94	303,479.81	310,600.99
	1,453,930.97	2,263,832.41	1,136,789.80	1,765,756.93	2,516,166.29	2,272,218.72

External Funds (2xxxx & 2xxxxx):

The External Funds are comprised of grants, expendable portions of endowments/gifts, and the expendable amounts for Scholarships. There are over 270 funds in this grouping. No dashboard will be presented.

Auxiliary Funds (3xxx):

There are 52 active Auxiliary Funds; grouped below by functional area. Eight of the Funds are currently in deficit.

	2021	2022	2023	2024	2025	2026
Housing (31xx)	298,235.64	384,384.93	497,074.40	379,947.14	573,947.36	2,366,436.47
Cisler Operations (32xx)	(1,447,443.32)	(752,184.38)	(992,284.15)	(1,074,390.86)	(1,579,955.68)	(809,625.96)
Health Care Center (36xx)	(105,110.67)	73,389.42	(32,077.66)	(157,934.65)	(357,933.35)	(337,116.59)
Athletics (37xx)	(47,753.17)	(240,867.61)	(1,005,126.54)	(1,890,210.29)	(3,080,957.90)	(3,566,932.38)
Student Government (38xx)	324,218.09	179,620.08	188,902.07	192,653.11	191,403.46	245,078.39
Club Sports (39xx)	3,973.58	15,017.36	59,593.77	38,688.85	21,470.21	(23,049.21)
Other Auxiliary	<u>930,488.01</u>	<u>1,364,109.94</u>	<u>1,172,676.01</u>	<u>1,098,331.37</u>	<u>1,007,060.35</u>	<u>1,051,020.90</u>
	(43,391.84)	1,023,469.74	(111,242.10)	(1,412,915.33)	(3,224,965.55)	(1,074,188.38)

Loan Funds (4xx & 4xxx):

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

LSSU Endowment (6xxxx):

The 6xxxx funds hold 62 endowments held by LSSU. The endowments were set up before the LSSU Foundation existed. There is no active fund raising occurring within this fund group. For the most part, these funds are utilized for student scholarships. Unrestricted funds are shown separately. Future presentations will further delineate the fund designations by quasi-endowments, donor restricted expendable endowments, donor restricted expendable funds, and true endowments.

	2021	2022	2023	2024	2025	2026
Unrestricted	323,682.98	344,613.24	344,867.21	350,386.51	356,443.69	356,443.69
Restricted	<u>15,143,064.60</u>	<u>12,198,104.62</u>	<u>13,393,831.13</u>	<u>14,634,744.16</u>	<u>16,540,152.15</u>	<u>16,540,152.15</u>
	15,466,747.58	12,542,717.86	13,738,698.34	14,985,130.67	16,896,595.84	16,896,595.84

Reserve Funds (7xx):

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

The largest volume of activity has historically been, and continues to be, in the health insurance reserve fund (\$4.5M - \$5M annually). LSSU and employees pay into the fund, and payments to carriers are made from the fund.

From FY21 through FY25, the State of Michigan paid down the unfunded MPSERS liabilities, resulting in these liabilities being recorded as an asset. Furthermore, \$3.4M in available funding was identified within the liabilities and moved to a new MPSERS Reserve Fund in FY25.

	2021	2022	2023	2024	2025	2026
MUSIC-Insurance Reserve	251,347.48	251,347.48	251,347.48	244,744.39	244,744.39	223,666.25
MPSERS Reserve					3,438,925.97	3,438,925.97
Workers Comp	2,098,415.17	584,456.97	572,558.28	554,594.07	534,630.11	541,012.67
Unemployment Comp	389,671.18	426,304.79	449,466.19	475,625.06	490,938.78	484,098.37
Empl Tuition Waiver-Rebate						(82,613.53)
Health Insurance Res	1,612,407.83	560,357.54	637,083.51	618,633.15	190,615.09	(170,076.61)
MPSERS Net Pension Liability	(16,520,077.00)	(12,560,865.00)	(5,425,201.03)	2,799,335.97	281,213.00	281,213.00
MPSERS OPEB Liability	(1,111,560.00)	756,236.00	1,245,349.00	2,045,684.00	2,009,040.00	2,009,040.00
	(13,279,795.34)	(9,982,162.22)	(2,269,396.57)	6,738,616.64	7,190,107.34	6,725,266.12
Balance w/o Liabilities	4,351,841.66	1,822,466.78	1,910,455.46	1,893,596.67	4,899,854.34	4,435,013.12

As of FY25, LSSU began reporting on the MPSERS liability funds. All financial entries made by LSSU for these funds are directed by the State. The funds were created to track the liability associated with the State of Michigan's (MPSERS) retirement plan. In FY24 this liability became a receivable. Liability Funds are actuarially determined and are not available for use by LSSU.

Agency Funds (8xxx):

There are 50 active agency funds. These are generally a combination of LSSU-based or LSSU-connected entities that have funds at LSSU; where the funds are intended for LSSU's use. Examples of agency funds are scholarships and University clubs. These funds are also used as clearing areas for LSSU benefits. No dashboards will be presented.

Foundation Endowments (8xxxxx):

There are about 500 active funds in this area, including six unrestricted, operational funds. All endowed funds are broken into two areas: the endowed portion and an expendable portion. Non-endowed funds are just listed as expendable.

	2021	2022	2023	2024	2025	2026
Unrestricted	494,839.06	387,604.55	417,862.96	354,046.10	305,843.39	269,344.32
Restricted	19,822,076.82	22,175,412.78	23,616,571.11	24,337,382.00	30,055,887.28	30,179,234.17
Unrealized	<u>4,969,360.42</u>	<u>(119,411.94)</u>	<u>1,704,251.07</u>	<u>3,868,987.90</u>	<u>2,356,757.84</u>	<u>2,356,757.84</u>
	25,286,276.30	22,443,605.39	25,738,685.14	28,560,416.00	32,718,488.51	32,805,336.33

Plant Funds (9xxx):

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

	2021	2022	2023	2024	2025	2026
Marine Laker Collect	199.31	199.31	199.31	199.31	199.31	199.31
Other Norris Project	3,233.47	0.00	0.00	0.00	0.00	(22,423.75)
Norris Maintenance	3,528.50	3,528.50	3,528.50	0.00	0.00	0.00
Capital Reserve	344,666.98	580,671.90	759,181.72	858,976.77	372,327.15	182,143.15
Renovation-Ada Project	15,318.00	15,318.00	11,817.05	11,817.05	11,817.05	11,817.05
Auxiliary R-R	245,378.25	501,260.61	480,246.20	10,181.08	208,074.65	44,480.58
Housing Furnishings	70,026.55	89,072.03	132,250.06	40,226.76	81,055.60	6,604.49
Telephone Reserve	84,327.56	84,327.56	84,327.56	84,327.56	84,327.56	84,327.56
Parking Reserve	61,377.96	111,377.96	136,535.73	174,393.73	210,318.73	210,318.73
Cooper Gym Floor Replacement-Norris	0.00	42,520.08	42,520.08	42,520.08	42,520.08	42,520.08
Campus Expansion	99,123.90	102,623.90	106,023.90	109,423.90	112,823.90	112,823.90
ARL Htchery Renovations 2018	<u>428,619.79</u>	<u>399,144.48</u>	<u>399,144.48</u>	<u>385,940.48</u>	<u>356,907.93</u>	<u>356,907.93</u>
	1,355,800.27	1,930,044.33	2,155,774.59	1,718,006.72	1,480,371.96	1,029,719.03

Overall Operational Fund Summary:

The following funds are considered the core operational areas of LSSU; showing all liabilities.

	2021	2022	2023	2024	2025	2026-YTD
General Fund (1000)	14,494.84	27,702.54	(187,930.24)	(423,539.59)	(811,596.39)	2,431,418.95
General Fund (1xxx)	579,291.27	649,786.34	618,243.43	666,246.63	833,450.75	811,633.47
Auxiliary Funds	(43,391.84)	1,023,469.74	(111,242.10)	(1,412,915.33)	(3,224,965.55)	(1,074,188.38)
Designated Funds	1,453,930.97	2,263,832.41	1,136,789.80	1,765,756.93	2,516,166.29	2,272,218.72
Reserve Funds	(13,279,795.34)	(9,982,162.22)	(2,269,396.57)	6,738,616.64	7,190,107.34	6,725,266.12
Plant Funds	1,355,800.27	1,930,044.33	2,155,774.59	1,718,006.72	1,480,371.96	1,029,719.03
	(9,919,669.83)	(4,087,326.86)	1,342,238.91	9,052,172.00	7,983,534.40	12,196,067.91

As the State paid down the unfunded MPSERS liability (FY22-FY24), MPSERS fund became available for use in FY25. The following funds are considered the core operational areas of LSSU; ignoring all liabilities.

	2021	2022	2023	2024	2025	2026-YTD	YTD
General Fund (1000)	14,494.84	27,702.54	(187,930.24)	(423,539.59)	(811,596.39)	2,431,418.95	
General Fund (1xxx)	579,291.27	649,786.34	618,243.43	666,246.63	833,450.75	811,633.47	
Auxiliary Funds	(43,391.84)	1,023,469.74	(111,242.10)	(1,412,915.33)	(3,224,965.55)	(1,074,188.38)	
Designated Funds	1,453,930.97	2,263,832.41	1,136,789.80	1,765,756.93	2,516,166.29	2,272,218.72	
Reserve Funds	4,351,841.66	1,822,466.78	1,910,455.46	1,893,596.67	4,899,854.34	4,435,013.12	
Plant Funds	1,355,800.27	1,930,044.33	2,155,774.59	1,718,006.72	1,480,371.96	1,029,719.03	
	7,711,967.17	7,717,302.14	5,522,090.94	4,207,152.03	5,693,281.40	9,905,814.91	



Finance Report
October 3, 2025

Agenda Item #3: FY26 Year-to-Date Summary

Information

Action

Discussion

Purpose:

The purpose of this item is to provide the year-to-date activity of the General and Auxiliary Funds.

Background:

The Board approved the provisional General and Auxiliary Fund budgets at the July 2025 Board meeting. Those budgets totaled a deficit of \$2.8M. Additional work has been done and LSSU is proposing new final budgets for FY26 later in this report. As such, no annual tables have been created for FY26, but summaries were provided in Agenda Item #1. The following table summarizes all the General and Auxiliary Fund information provided in Agenda Item #1.

	General Fund	Housing	Cisler Operations	Athletics
Revenue	13,595,825	2,060,251	1,256,988	73,776
Salary/Fringe	-2,088,744	-77,403	-8,103	-254,080
Supplies	-4,321,091	-171,646	-462,614	-323,967
Transfers	-878,703	-306,408	0	356,248
Profit/(Loss)	6,307,287	1,504,794	786,270	-148,023

Cash Balances (Table 9):

LSSU and Foundation cash is comingled in some cash funds. Since some of the Foundation cash is designated as unrestricted, it has been broken out. Canadian funds have been broken out and are reported at the USD equivalency.

The overall FY26 balance of \$14.8M has increased by about \$2M since year-end. This is typical for this time of the year. The balance is about \$2.2M less than last year at this time and the lowest in the last ten years.

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

Fund Balance Dashboard Notes:

General Fund: The Fund Balance is \$3.24M and is expected to improve over the next few months as State Appropriations and Federal funds are processed.

Designated Funds: \$1.6M in Charter School funds make up the bulk of the funds. About \$400,000 are CFRE related. The remainder is spread out over 60 other funds.

Auxiliary Funds: The current deficit of \$1.07M is better than the FY25 year-end balance of \$3.2M due to fall 2025 Housing and Dining revenue.

Reserve Funds: Several changes to the Reserve Fund table were made. All of them deal with how MPSERS liabilities are calculated by the State and recorded by LSSU. Agenda Item #2, pages 6-7 provide more details.

Plant Funds: Transfers to the Plant Fund have been reduced for FY26 (similar to plans for FY24 and FY25); therefore we expected to see this fund balance decline throughout the year (especially the Capital Reserve). Reduced FY24-FY25 funding has resulted in the fund balance decreasing from \$2.16M in FY23 to \$1.03M today.

Overall Summary: There are sufficient fund balances (\$9.9M) recorded at this time for FY26.

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

Other Financial Events:

FY25 Final Report:

A fairly detailed report on FY25 performance was provided to the Board at the July meeting. No major adjustments occurred since that report was written. Rather than duplicate the many pages of information, text summaries are provided for each of the typical areas of review.

1) FY25 General Fund Final Report:

The General Fund ended FY25 with a deficit of \$388,057. This was better than the projected deficit of \$685,000. Most revenue areas performed better than expected. Financial Aid was the largest area of overspending, but a new plan which includes a realistic budget has been put in place for FY26 and it appears to be performing well. Salary & Supply expenditures were significantly below budget and helped to offset the overspending.

2) FY25 Housing Final Report:

Revenues were at 109% of budget:	\$4,044,332
Expenditures were at 97% of budget:	-\$2,580,893
Transfers were at 96% of budget:	-\$1,294,983

Total FY25 Housing gain	\$168,456
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3) FY25 Cisler Operations Final Report:

Revenues were at 101% of budget:	\$3,169,356
Expenditures were at 103% of budget:	-\$3,581,740
Total FY25 Cisler Operations loss	-\$412,384

4) FY25 Athletics Final Report:

Revenues were at 149% of budget:	\$709,246
Expenditures were at 105% of budget:	-\$3,469,724
Transfers were at 93% of budget:	\$1,487,881
Total FY25 Athletics loss	-\$1,272,597

5) FY25 Overall Auxiliary Final Report:

Total Auxiliary revenues were \$10,063,036.
Total Auxiliary expenditures were \$11,853,062.

Total FY25 Auxiliary loss	-\$1,790,026
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6) FY25 Year-End Fund Balance Report

See the FY26 Fund Balance Report (page 8) for FY25 and FY26 year-to-date fund balances. The combined General and Auxiliary Fund balances decreased by just over \$2M in FY25; ending FY25 with a deficit of \$3,203,111.

Suggested Actions/Motions:

No action required.



LAKE SUPERIOR STATE UNIVERSITY

Finance Report
October 3, 2025

Agenda Item #4: FY26 General Fund Budget Proposal

Information

Action

Discussion

Purpose:

The purpose is to secure Board approval of the FY26 General Fund Operating Budget.

Background:

The Board approved a provisional FY26 General Fund (GF) budget in July and requested a final budget for the October meeting. All revenue estimates have been updated and additional budget adjustments have been made.

Budget Adjustments:

Since the July meeting, budget managers have reviewed their budget requests and made cuts where possible. All revenue estimates have been updated based on final fall 2025 enrollments, and include actions taken at the September Board meeting. Total FY26 revenues are projected to be about \$39,045,507. Expenditures are estimated to be about \$39,082,024. The result is a FY26 GF budget showing an expected deficit of \$36,516.

To achieve the near-zero balance, the following were entered as revenue:

- a) Continued FY25 base funding from the State,
- b) 2% increase in base funding from the State,
- c) \$2.5M Endowment draw for scholarships,
- d) Charter School Operations support, and
- e) Investment Policy Changes.

An additional \$600,000 in expenditures were moved to be covered under a future loan for infrastructure improvements, and \$155,000 was estimated to be saved through the restructuring of employee benefits.

Suggested Actions/Motions:

The President recommends the Board approve the FY26 General Fund budget as presented.

Area	Revenue
Tuition Summer	687,151
Tuition Fall	9,268,932
Tuition Spring	8,253,188
Tuition Winter	17,000
State Appropriation	15,774,662
Gifts-Other	3,607,215
Interest Income	140,000
Department Activity	643,500
Norris Center Revenue	174,600
Arts Center Revenue	41,759
Nursing Simulation Lab Revenue	5,000
CFRE Kiosk	82,500
Indirect Cost Recovery	350,000
	39,045,507
Area	Expenditure
Salary	(15,453,033)
Fringe	(5,865,985)
Supplies	(14,064,109)
Transfers	(3,698,897)
	(39,082,024)
Net Profit/(Loss)	(36,516)



LAKE SUPERIOR STATE UNIVERSITY

Finance Report October 3, 2025

Agenda Item #5: FY26 Auxiliary Fund Budget Proposals

Information

Action

Discussion

Purpose:

The purpose is to secure Board approval of the FY26 Auxiliary Fund Operating Budgets.

Background:

The Board approved provisional FY26 Auxiliary Fund budgets in July and requested a final budget for the October meeting. Revenue estimates have been updated and additional budget adjustments have been made.

Information/Discussion:

The Auxiliary Fund budgets will be presented in groups, consistent with prior reporting. Those groups are Housing, Cisler Operations, Health Care Center, Athletics (operations), Athletic Activities, Student Government, Club Sports, and Other Auxiliary.

Area	Revenue	Salary	Fringe	Supplies	Transfers	Net Profit/(Loss)
Housing	4,047,319	(755,889)	(323,269)	(1,815,847)	(812,978)	339,336
Cisler Operations	3,024,612	(244,315)	(172,203)	(3,028,629)		(420,535)
Health Care Center	608,000	(324,548)	(122,582)	(170,037)		(9,167)
Athletics	628,710	(1,499,986)	(520,782)	(1,245,985)	1,396,912	(1,241,131)
Athletic Activities	224,000			(19,780)	(66,341)	137,879
Student Government	170,525			(294,885)	77,968	(46,392)
Club Sports	135,000	(120,528)	(40,865)	(183,087)	209,297	(183)
Other Auxiliary	900,900	(61,305)	(18,595)	(1,184,411)	271,724	(91,687)
	9,739,066	(3,006,570)	(1,198,296)	(7,942,661)	1,076,582	(1,331,880)

Housing and Athletic Activities have submitted surplus budgets, consistent with prior year actual performance. Student Government has submitted a deficit budget request for FY26, as it plans to spend down some of its \$150,000 fund balance. Club Sports always receives funding from the General Fund such that the net budget is near \$0.

Cisler Operations, Athletics, and the Health Care Center are requesting deficit budgets for FY26. The current combined fund balance deficit of these areas is \$5.2M. These budgets would increase that deficit to about \$6.87M. The Other Auxiliary areas have sufficient fund balances to cover the requested deficit of \$91,687. Overall the current fund balance of the Auxiliary Units is a deficit of \$3.2M. Approval of the FY26 requests would increase the deficit to about \$4.5M.

Suggested Actions/Motions:

The President recommends that the Board approve the FY26 Auxiliary Fund budgets as presented.



**Finance Report
October 3, 2025**

Agenda Item #6: Proposal to Rename the Administration Building

Information

Action

Discussion

Purpose:

The purpose is to secure Board approval to rename the Administration Building to Meridian Hall.

Background:

The administration building is one of the many historic buildings on campus, but unlike the many other historic structures, it lacks a defining name. Other structures are named after individuals tied to the historic nature of the campus, the great lakes, or reflect the Native American heritage of the region.

Information/Discussion:

As LSSU studied the campus and examined potential names, a defining feature emerged. LSSU is located on the Principle Meridian of Michigan. A principal meridian is a north-south line of reference used in the United States Public Land Survey System to establish and describe land parcels. It serves as a foundational axis that intersects with a corresponding east-west "base line" to create a grid of "townships" and "sections," ensuring standardized legal descriptions of land. LSSU sits right on the principal meridian for the entire State of Michigan. In fact, Meridian Street runs right in front of the Norris Center and terminates at the main entrance to the campus. Hence, the name Meridian Hall was formulated.

Section 5.08.1 of the Board's Bylaws state: "The Board retains authority to exercise oversight powers in the naming of facilities and memorials". Therefore, this is being presented to the Board today.

Suggested Actions/Motions:

The President recommends that the Board approve the renaming of the Administration Building to Meridian Hall.



**Finance Report
October 3, 2025**

Agenda Item #7: Proposed Loan/Line-of-Credit

Information

Action

Discussion

Purpose:

The purpose is to secure Board approval to pursue and/or execute a Loan or Line-of-Credit for infrastructure, recruitment, and retention.

Background:

Efforts to reduce budget deficits over the last several years have resulted in less than desired infrastructural maintenance and repair. Although deferred maintenance is common at most universities, it is exacerbated at LSSU due to the number of older buildings on campus, and the infrastructure that supports them.

The average age of all LSSU buildings is over 71 years¹, and 18 are over 100 years old. The average age of the residence halls is over 80 years. Many sections of the steam system and electrical systems are beyond design life.

As LSSU continues to strive for balanced budgets it must find ways to maintain its infrastructure to attract and retain students.

Information/Discussion:

Numerous infrastructure related projects have been identified by Cabinet, and during a retreat several structures were visited to demonstrate the breadth and depth of the various issues. Costs estimates for several projects were also reviewed. Several lists of the many infrastructure needs is provided in Appendix A. The lists are in broad categories, such as: building related issues, roofs, sidewalks, parking lots, safety related issues, roads, etc. Some of the listed projects have been deemed as necessary. For this reason, LSSU would like to take out a loan, or establish a line-of-credit, to address some of the more significant items.

Before discussing the projects, a general quantification of the annual need was determined. From the appendix, we can pull several rolled-up numbers and make some assumptions. We will assume all buildings have a life of 50 years (not realistic, but it generates the smallest annual amount), all roads and parking lots last 20 years, and all sidewalks last 15 years. Just these four categories generate an annual maintenance/replacement cost of just under \$4M.

LSSU generally invests less than \$500,000 into deferred maintenance on an annual basis. The following table show the calculation of the \$4M annual, based on the information from Appendix A.

¹ Many structures, such as the Row Houses, have been remodeled, but the exteriors and foundations are original.

Asset	Value	Life (yrs)	Annual	Comments
Buildings	171,000,000	50	3,420,000	Probably more. Many are beyond 50 years.
Roads	1,500,000	20	75,000	20-30 years, less in cold climates.
Parking Lots	5,800,000	20	290,000	20-30 years, less in cold climates. 15-20 years, less in cold climates.
Sidewalks	3,000,000	15	<u>200,000</u>	Ours are only 4" thick with no rebar.
				3,985,000

Of the items listed in Appendix A, several have been deemed as high priority and are summarized below.

These include:

Student/Community Facing Infrastructure	\$800,000	Implement as weather allows
Fire/Safety/Compliance Projects	\$650,000	Necessary
Crawford Hall Chiller Replacement	\$550,000	Estimated
Crawford Hall Power Upgrades	\$135,000	Quoted
Crawford Roof	\$650,000	Estimated
Recruitment Related Initiatives	\$500,000	Estimated
Other Infrastructure	\$750,000	Estimated

To enhance recruitment and retention efforts, as well as address outward facing infrastructure needs, LSSU would pursue replacement of up to \$800,000 worth of student/community facing infrastructure within the next year.

For safety, lower insurance rates, and compliance with external agencies, \$650,000 is being requested.

The Crawford Hall Chiller failed and a rental has been in place at a cost of about \$42,000/month. A new chiller is estimated to cost between \$500,000 and \$600,000. This needs to be ordered before year-end for installation in the spring. Additionally, the roof has several leaks and is in need to replacement. The replacement cost is estimated at \$650,000.

Crawford Hall's scientific equipment additions have exceeded the building's electrical load capacity. This is causing some equipment to fail due to line over/under voltage issues. A quote for repairs has been secured. The cost is \$135,000.

New recruitment and scholarships plans have been developed and have been provided to the Board. Costs associated with these plans are estimated at \$500,000.

The total amount of all listed items exceeds the \$3.25M funding, but many are estimated. Other infrastructure needs have been identified and total about \$750,000. LSSU would not expend more than the \$3.25M loan. LSSU would return to the Board for any additional expenditures or changes to the proposed expenditures.

Funding Details:

LSSU would seek funding in the form of a loan or line-of-credit not to exceed \$3.25M. LSSU is seeking approval to potentially collateralize the funding for a better interest rate. Collateralizing the Phoenix property, recently appraised at \$3.25M is proposed.

If a loan was issued then funding for the aforementioned projects would be set aside and used as noted. No further use of the funds would occur without Board approval.

If a line-of-credit was issued, funds would be drawn as needed for the aforementioned projects. No further use of the funds would occur without Board approval.

Suggested Actions/Motions:

The President recommends the following actions be taken by the Board:

Grant approval to pursue and execute a loan or line-of-credit not to exceed \$3.25M.

Authorization be given to the President and/or CFO related to the execution of any documents necessary for the issuance of the loan or line-of-credit.

Authorization be given to the President and/or CFO to collateralize the loan or line-of-credit if deemed to be in the best interest of LSSU.

Authorization be given to the President and/or CFO related to the execution of the projects listed within this agenda item.

Appendix A Deferred Maintenance Lists

LSSU has documented about \$24M in deferred maintenance, which is not unusual for a university of this size and age. This Appendix will begin by outlining many of the larger, known campus infrastructure needs and end with some rough funding estimates to address long-term goals. In most cases, Housing assets are not included, unless these have been communicated to Facilities.

Known Building Issues

ADA Building Access	Unknown	Most older buildings
Admin HVAC	350,000	Beyond life
Alumni House	250,000	Windows, porch, electrical, carpet, etc.
CANUSA Roof	150,000	Estimate (just to mothball)
CASET	3,500,000	Foundation work (estimated)
Crawford Chiller	450,000	Could be higher ~ \$600,000
Crawford Power Systems	125,000	Electrical use exceeds design specifications
Crawford Roof	450,000	Beyond Life
Hillside	400,000	Complete renovation
Ice Arena Dehumidification		Significant seasonal humidity issues
Ice Arena HVAC		One system has already failed
Ice Arena Roof	Unknown	Several over-ice leaks
Ice Arena Ice System	3,900,000	Quote Available
Library Roof	450,000	Beyond Life
Norris (SAC)	800,000	New floor (old quote)
Norris	150,000	2 nd Floor AC
Norris	850,000	Quote
Norris	Unknown	Dive pool
Norris	Unknown	Pool Ceiling
Row Houses	20,000	Replace outdoor lighting
Row Houses	Unknown	Repair/Replace steps and porches
Tuckpointing	Unknown	Brady, CAS, Fletcher, Norris

Roofs

Norris Lobby	35,000	Quote
Library Entrance	4,500	Quote
Cisler	155,000	Quote
Towers A-D	138,500	Quote
Admin	Unknown	Needs replacement
Considine	Unknown	Leak point is unknown
Crawford Hall	Unknown	Beyond Life
Library	Unknown	Beyond Life
Physical Plant	Unknown	Needs replacement
Townhouses	Unknown	Laundry area need replacement

Fire Deficiencies

For several years, deficiency reports had been routed to an employee who no longer worked at LSSU. Once identified (about 10 months ago), actions began to address about 25 deficiencies. These are rather major issues that needed to be addressed.

Additionally, the local fire chief toured campus and identified numerous other issues. Some issues dealt with individuals that just modified spaces for their use without implementing proper fire/safety systems (removal of ceilings, rerouting of ventilation, blocking fire

suppression systems, etc.). Other are more subtle: arrows missing on exit signs, bulbs that don't work, materials piled to ceiling, overloaded outlets, etc. The fire chief's main issue was that LSSU continues to modify structures with no permits/approvals using in-house untrained labor. Examples were sited (21 pages). \$61,000 was expended in FY25 to address deficiencies.

Another \$57,000 is spent annually to maintain, inspect, and monitor fire/safety systems.

Many of the building fire alarm systems are outdated and/or parts are not available. Cost to update and/or replace is estimated at \$120,000.

Finally, external insurance carriers are asking that we increase the remote monitoring of all fire systems. Quotes to do so are \$103,000.

Buildings

LSSU has \$171M in building assets and another \$29M in equipment. Building replacement costs are about \$425M based on an appraisal conducted in 2023.

Roads

LSSU has 186,345 sq-ft of main and access roads (areas not meant for foot traffic). At a cost of \$8 per sq-ft to replace this would equate to about \$1.5M to replace.

Parking Lots

LSSU has 731,517 sq-ft of parking lots. At a cost of \$8 per sq-ft to replace (grind and retop) this would equate to about \$5.8M to replace. Resurfacing would be less, and complete reconstruction would be more.

Sidewalks

LSSU has about 31,150 ft (about 6 miles) of sidewalks with a typical width of 6-8 ft. At a replacement cost of \$15/square foot this is about \$3M.

Grounds

LSSU occupies 115 acres and about 75 acres is used and needs to be maintained. LSSU has three (3.5) full-time groundskeepers. We need four plus a lead groundskeeper, and seasonal part-time staff, in order to maintain "average" quality. Research suggested 6.5 staff for a typical "university level" appearance.

Underground Electrical Lines

In 2017 one of the two high-voltage underground cable loops failed, leading to campus wide power issues. About \$500,000 was invested to repair and replace cable. It was determined that about $\frac{1}{2}$ of the underground cabling had a 30 year life and was close to 50 years old. Much of it still needs to be replaced. Estimated cost is \$1M - \$1.5M.

Steam Tunnels and Condensate Lines

Steam tunnels serve as critical infrastructure for distributing steam and other utilities. Their primary purpose is to carry high-pressure steam from a central heating plant to various buildings across the campus, where it is used for heating, and hot water. Instead of relying on individual boilers in each building, a modern central steam system generally offers a more efficient and controllable method of campus-wide climate management.

However, steam tunnels come with safety considerations. They are typically locked and inaccessible to the public due to the presence of high-temperature steam, confined spaces, and electrical systems. Many older systems also require periodic upgrades to address aging infrastructure or improve energy efficiency. In some cases, campuses are transitioning from older, traditional, steam systems to modern utility-based energy or renewable alternatives. LSSU is looking at alternatives.

During FY25, one of the condensate lines under Easterday was about to collapse. It cost \$80,000 to replace it. During another steam tunnel issue, we discovered another condensate line that had failed. At the time, we had no choice but to bury it - and schedule a repair later. We believe many of the condensate lines are failing or have failed.