
SUBJECT: Finance & Facilities Committee Meeting Report for January 26, 2022

In accordance with the General Laws of the Commonwealth of Massachusetts, Chapter 30A and amended by Executive Order No. __, issued March 13, 2020, suspending parts of the Open Meeting Law to allow public remote participation and participation by the public body remotely the Finance & Facilities Committee of the Board of Trustees met remotely on Wednesday, January 26, 2022. All votes taken during this meeting were by roll call vote.

Present for the Committee: Trustees Russell (chair), DeSimone (vice chair) and Mattera. Also present and participating: Vice President House (committee liaison) and staff associate Beaulieu.

Trustee Russell, committee chair, called the meeting to order at 4:50 pm.

Investment performance for calendar year ending December 31, 2021

(Attachment A)

Mr. Doherty and Mr. Tyler of Eastern Bank Wealth Management were in attendance for their second scheduled meeting to brief the trustees on the university's investments performance of the main and working capital portfolios for the calendar year ending December 31, 2021. Topics included performance of portfolios against benchmarks and peers; portfolio strategy going forward; and economic outlook.

Slides to supplement the previously provided information (Attachment B)

Slides were used throughout the meeting to facilitate the virtual meeting and highlight key aspects of the meeting topics, supplementing previously distributed materials.

FY22 Financials

An update on the FY22 financial results to date was provided, which included a pre-Omicron projection of managed net income, revenues and expenses.

Synario MYFP planning tool

A demonstration of Synario, a software planning tool for multi-year financial projections (MYFP) was presented. The software provides the ability to enter key assumptions such as enrollments and revenue drivers. The model presented includes fee increases of approximately 2.5% for FY23. The tool will allow the ability to layer financial estimates for key strategic initiatives on top of the baseline projection. This allows the integration of financial and strategic planning.

FY23 Budget Cycle

The MYFP includes the Board of Higher Education's requested state appropriation figure for Salem State University. The Governor's FY23 budget recommendation was released late this afternoon and will be reviewed to determine the extent to which collective bargaining expenses are included in the base appropriation. The Governor's recommended budget includes a large increase in student financial aid.

Further review of the Governor's budget components is underway. The board of trustees will be asked to set FY23 fees at the March and April meetings.

Capital projects status update (Attachment C)

The Division of Capital Asset Management and Maintenance (DCAMM) is preparing to issue an RFP for the sale of South Campus (part of Project BOLD) Included in the terms of sale will be a lease back of the Harrington Building until completion of renovated space on North Campus, expected in 2026.

There were no questions or comments on other informational items provided in the meeting packet that had been distributed prior to the meeting including:

FY22 Q1 (Attachment D)

Financial dashboard (Attachment E)

Multi Year Financial Projection (MYFP) discussion (Attachment F)

Sustainability update (Attachment G)

Committee work plan for the year (Attachment H)

Trustee DeSimone **MOVED** that the Finance and Facilities Committee meeting adjourn **SECONDED** by Trustee Lutts:

A roll call vote was taken.

Voting in the affirmative: Trustees DeSimone, Lutts, Russell

Voting against: None

The meeting adjourned at 5:57 pm.

Prepared by: D. Beaulieu, staff associate, finance and facilities

WEALTH MANAGEMENT REVIEW



January 26, 2022

Michael Tyler, CFA
Chief Investment Officer
617-897-1122

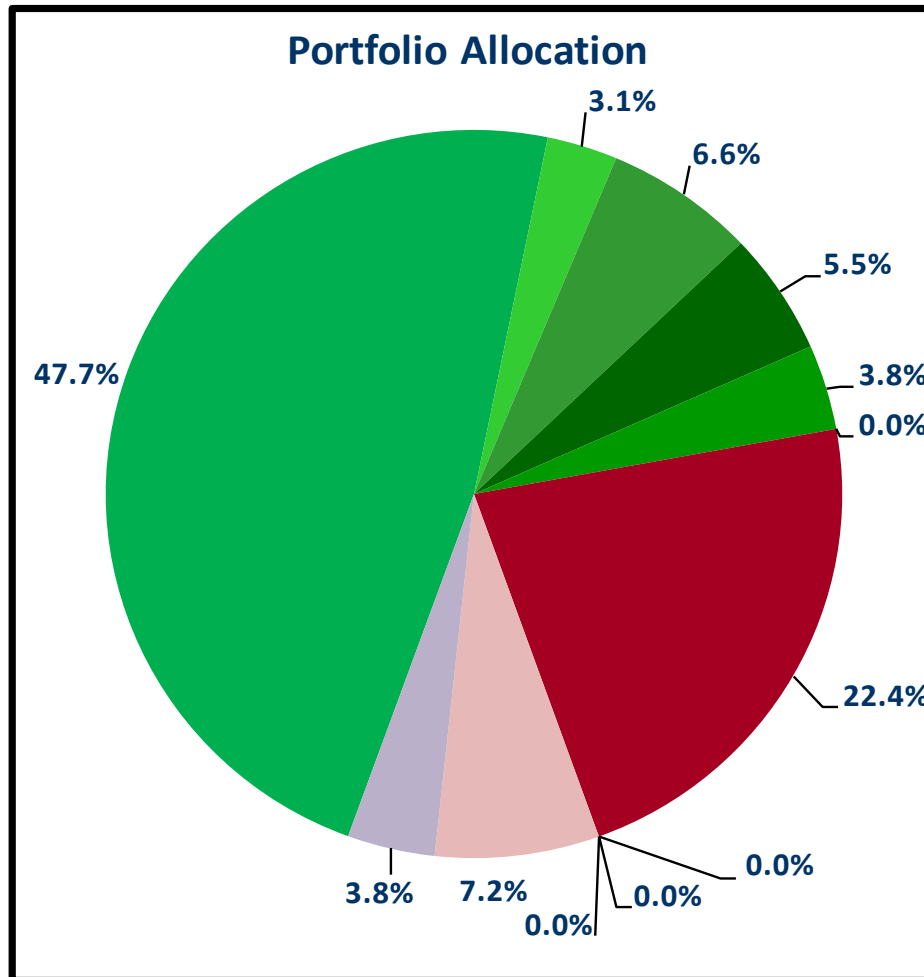
John F. Doherty, CFP®
Vice President
781-581-4215

Agenda

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Salem State University Portfolio



Market Value as of 12/31/2021:
\$22,548,719

Equities 66.6%

Individual Stocks	47.7%
Small/Mid-Cap ETFs	3.1%
Sector & Tactical ETFs	6.6%
Internat'l - Developed ETFs	5.5%
Internat'l - Emerging ETFs	3.8%
Global ex-USA ETFs	0.0%

Fixed Income 29.6%

Individual Bonds	22.4%
Target Date Maturity ETF's	0.0%
U.S. Treasury Bond ETF's	0.0%
Preferred Stock Funds	0.0%
Corporate Bond Funds	7.2%

Money Market 3.8%

Cash	3.8%
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Investment Policy Checklist

SSU Investment Portfolio

Key Item (as of December 31, 2021)	Policy	Salem State	Compliant?
Equity ratings: Common stocks: S&P Stock Guide Mutual funds: Morningstar	B+ 3 Star or better	B+ 3 & 4 Star	Yes Yes
Fixed Income: Individual corporate bonds position limit Maximum average maturity Minimum individual bond rating	<35% of capital 7 years Baa / BBB	22.4% 4.61 years Baa3 / BBB-	Yes Yes Yes
Alternative investments: Derivatives, forwards, swaps, futures	Prohibited	None held	Yes
Asset allocation range: Equities Fixed Income Cash	50% - 75% 25% - 50% 0% - 10%	66.6% 29.6% 3.8%	Yes Yes Yes
Fossil fuel divestment: Carbon Underground 200 Alternative energy suppliers	Divest prudently Seek options	None held Alternatives held	Yes Yes

Portfolio Performance

Salem State University Portfolio Total Return

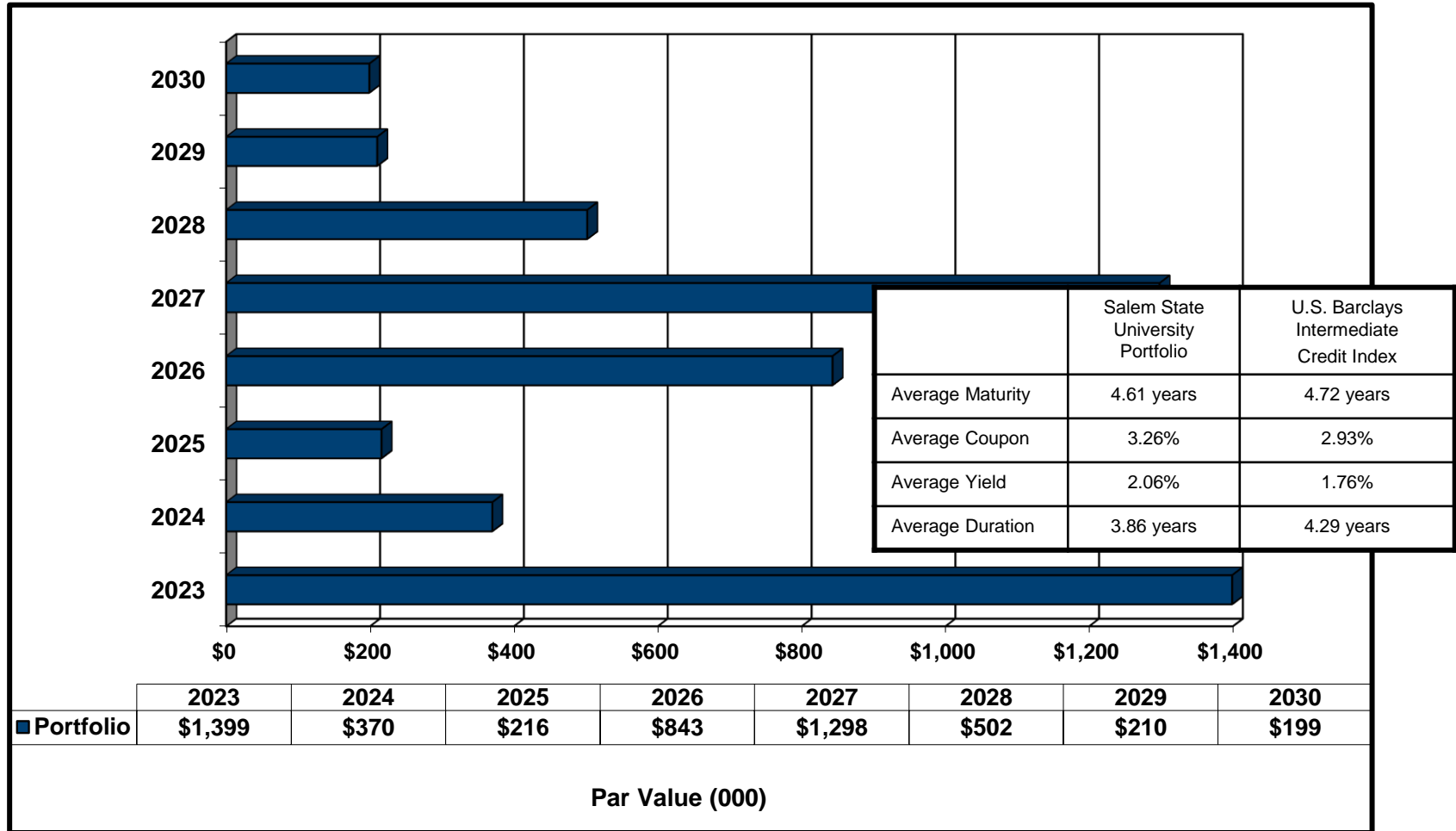
Investment Performance						
Strategy: Growth with Income ESG Sustainability						
As of December 31, 2021						
Asset Class / Benchmark	Ending Market Value	Allocation	YTD	1 YEAR	3 YEAR	5 YEAR
			To Date (12 Months)	Total Return	Total Return	Total Return
Salem State University	\$22,548,716	100.0%	13.39%	13.39%	18.35%	13.14%
Total Benchmark		100.0%	13.96%	13.96%	16.28%	11.74%
Equities	\$15,013,048	66.6%	21.45%	21.45%	26.62%	18.82%
*Multi-Asset Equity Blend		60.0%	24.77%	24.77%	24.02%	17.08%
Fixed Income	\$6,668,273	29.6%	-0.45%	-0.45%	5.49%	3.92%
Barclays US Interm Credit TR		37.0%	-1.03%	-1.03%	5.09%	3.77%
Money Market	\$867,394	3.8%	0.01%	0.01%	0.67%	0.78%
Lipper Money Market Index		3.0%	0.02%	0.02%	0.79%	0.93%
Portfolio Return Gross of Fee			13.39%	13.39%	18.35%	13.14%
Portfolio Return Net of Fee			12.88%	12.88%	17.82%	12.64%

*Consists of 60/40 S&P/MSCI All Country World Index

Source: First Rate

Bond Maturity Distribution

SSU Investment Portfolio

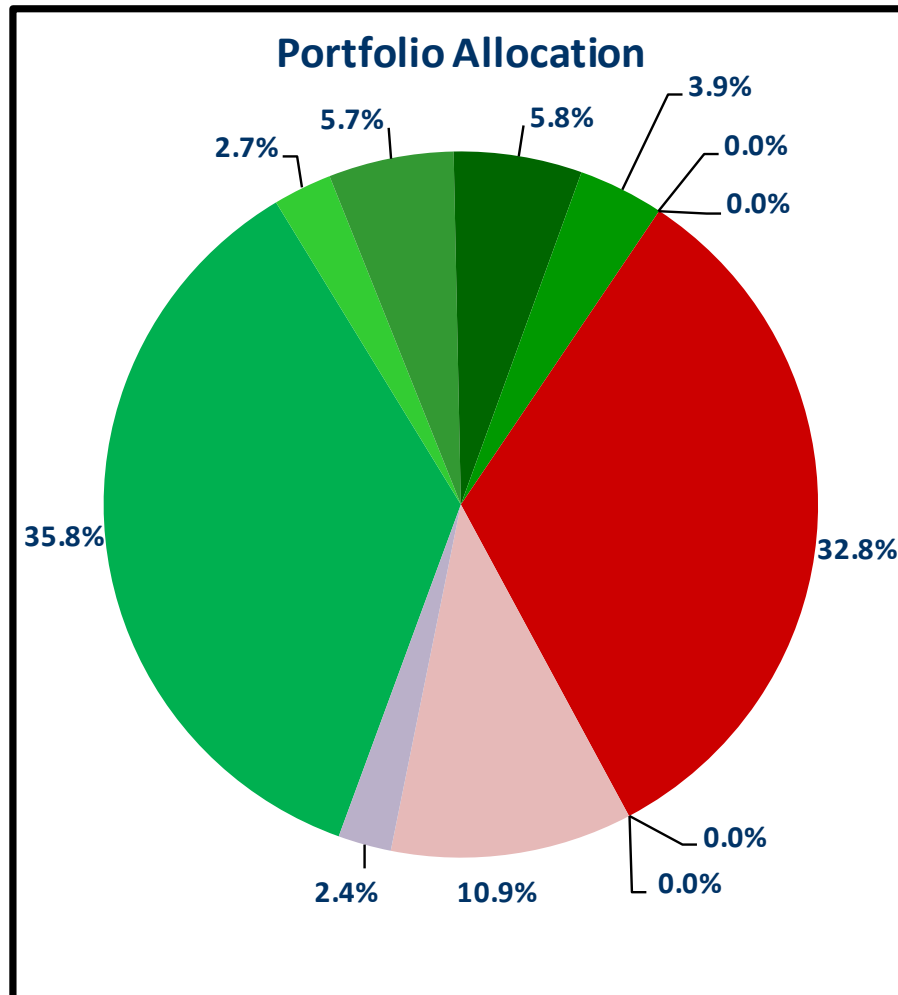


Individual Corporate Bond Ratings

Attachment A

Description	Units	Purchase Date	Time of Purchase	Current	Time of Purchase	Current
			Moody's Rating	Moody's Rating	S&P Rating	S&P Rating
ACE INA HOLDINGS 2.7% 03/13/2023	100,000	10/5/2016	A3	A3	A	A
AMERIPRISE FINANCIAL, INC. 4% 10/15/2023	175,000	12/15/2016	A3	A3	A	A-
AT&T INC 2.3% 06/01/2027	200,000	1/26/2018	Baa1	Baa2	BBB+	BBB
ABBVIE INC 3.2% 05/14/2026	100,000	9/6/2019	Baa2	Baa2	A-	BBB+
BANK OF AMERICA CORP 3.3% 01/11/2023	100,000	9/12/2016	Baa1	A2	BBB+	A-
CARDINAL HEALTH, INC. 3.2% 03/15/2023	150,000	7/21/2016	Baa2	Baa2	A-	BBB
CBS 3.7% 08/15/2024	150,000	4/28/2017	Baa2	Baa2	BBB	BBB
OMNICOM GROUP 2.45% 04/30/2030	200,000	12/27/2021	Baa1	Baa1	BBB+	BBB+
CITIGROUP 3.375% 03/01/2023	150,000	7/21/2016	Baa1	A3	BBB+	BBB+
WELLS FARGO & CO. 3% 10/23/2026	150,000	6/2/2020	A2	A1	BBB+	BBB+
UNION PACIFIC 3% 04/15/2027	200,000	3/2/2020	A2	Baa1	Baa1	A-
ALABAMA POWER CO 3.55% 12/01/2023	200,000	4/16/2019	A1	A1	A-	A-
AMERICAN EXPRESS CO 3.125% 05/20/2026	200,000	9/20/2019	A3	A3	BBB+	BBB+
ORACLE CORP. 2.3% 03/25/2028	150,000	8/9/2021	Baa2	Baa2	BBB+	BBB+
FIFTH THIRD BANKCORP 2.55% 05/05/2027	200,000	9/21/2020	A3	Baa1	A-	BBB+
CHARLES SCHWAB 2% 03/20/2028	150,000	9/24/2021	A2	A2	A	A
HYATT HOTES 3.375% 07/15/2023	125,000	12/20/2017	Baa2	Baa3	BBB	BB+
KEYCORP 4.15% 10/29/2025	100,000	12/21/2018	Baa1	Baa1	BBB+	BBB+
INTERCONTEXCHANGE GROUP 4% 10/15/2023	200,000	4/16/2019	A2	A3	A	A-
MARRIOTT INTERNATIONAL INC. 3.125% 06/15/2026	200,000	2/9/2021	Baa3	Baa3	BBB-	BBB-
VODAFONE GROUP 2.95% 02/19/2023	150,000	10/5/2016	Baa1	Baa2	BBB+	BBB
QUALCOMM INC 3.45% 05/20/2025	100,000	1/23/2019	A2	A2	A-	A
WHIRLPOOL 4% 03/01/2024	200,000	12/20/2017	Baa1	Baa1	BBB	BBB
STARBUCKS CORP 2% 03/12/2027	200,000	8/13/2020	Baa1	Baa1	BBB+	BBB+
QUEST DIAGNOSTIC INC 3.45 06/01/2026	150,000	12/18/2019	Baa2	Baa2	BBB+	BBB+
SYSCO CORP 3.25% 07/15/2027	150,000	1/24/2020	A3	Baa1	BBB+	BBB
LOWES COMPANIES INC 3.1% 05/03/2027	150,000	1/24/2020	Baa1	Baa1	BBB+	BBB+
AMEGEN 2.2% 02/21/2027	150,000	6/2/2020	A-	Baa1	Baa1	A-
SHERWOOD WILLIAMS 2.95% 08/15/2029	200,000	12/16/2021	Baa2	Baa2	BBB	BBB
VERIZON COMMUNICATIONS INC 2.1% 03/22/2028	200,000	9/24/2021	Baa1	Baa1	BBB+	BBB+

Salem State University – Working Capital Investment



Market Value as of 12/31/2021:
\$20,681,449

Equities	53.8%
■ Individual Stocks	35.8%
■ Small/Mid-Cap ETFs	2.7%
■ Sector & Tactical ETFs	5.7%
■ Internat'l - Developed ETFs	5.8%
■ Internat'l - Emerging ETFs	3.9%
■ Global ex-USA ETFs	0.0%
Fixed Income	43.8%
■ Individual Bonds	0.0%
■ Target Date Maturity ETF's	32.8%
■ U.S. Treasury Bond ETF's	0.0%
■ Preferred Stock Funds	0.0%
■ Corporate Bond Funds	10.9%
Money Market	2.4%
■ Cash	2.4%

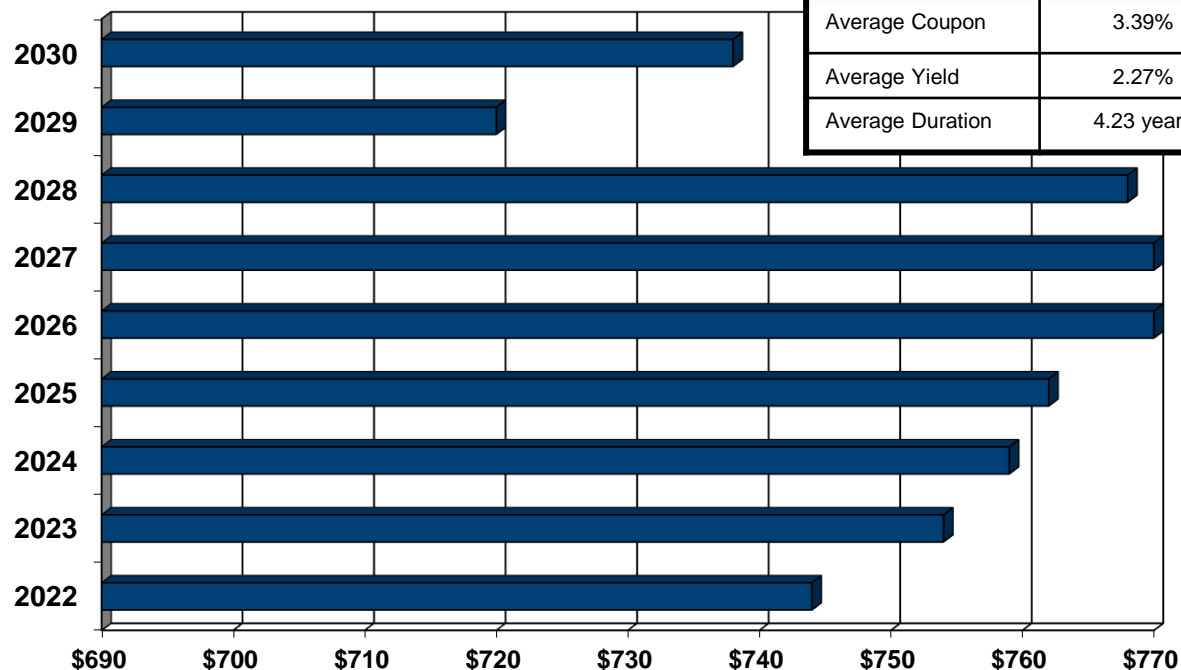
Investment Policy Checklist

Working Capital Investment

Key Item (as of December 31, 2021)	Policy	Salem State	Compliant?
Equity ratings: Common stocks: S&P Stock Guide Mutual funds: Morningstar	B+ 3 Star or better	B+ 3 & 4 Star	Yes Yes
Fixed Income: Individual corporate bonds position limit Maximum average maturity Minimum individual bond rating	<35% of capital 7 years Baa / BBB	No individ.Corp bonds held 5.19 years Invesco Bulletshares Corp Bond ETFs hold only investment grade bonds	Yes Yes Yes
Alternative investments: Derivatives, forwards, swaps, futures	Prohibited	None held	Yes
Asset allocation range: Equities Fixed Income Cash	50% - 75% 25% - 50% 0% - 10%	53.8% 43.8% 2.4%	Yes Yes Yes
Fossil fuel divestment: Carbon Underground 200 Alternative energy suppliers	Divest prudently Seek options	None held Alternatives held	Yes Yes

Bond Maturity Distribution

Working Capital Investment



	Salem State University - WCI Portfolio	U.S. Barclays Intermediate Credit Index
Average Maturity	5.19 years	4.72 years
Average Coupon	3.39%	2.93%
Average Yield	2.27%	1.76%
Average Duration	4.23 years	4.29 years

	2022	2023	2024	2025	2026	2027	2028	2029	2030
■ Portfolio	\$744	\$754	\$759	\$762	\$770	\$770	\$768	\$720	\$738
Par Value (000)									

ESG SUSTAINABILITY MULTI-ASSET EQUITY PORTFOLIO HOLDINGS (as of 12/31/21)

Portfolio Weightings vs 60/40 Blended Benchmark

Industry Weightings	% Of Portfolio	% Of Blend	Industry Weightings	% Of Portfolio	% Of Blend	Industry Weightings	% Of Portfolio	% Of Blend
CONSUMER DISCRETIONARY	7.77%	12.65%	HEALTH CARE	9.76%	12.64%	INFORMATION TECH	22.57%	27.72%
MARRIOTT INTERNATIONAL	1.89%		MERCK & CO	0.97%		BROADCOM	2.19%	
THE HOME DEPOT, INC.	2.61%		DANAHER CORP	1.60%		ADOBE SYSTEMS INC.	1.12%	
DARDEN RESTAURANTS	1.63%		JOHNSON & JOHNSON	1.44%		ADVANCED MICRO DEVICES	1.64%	
BURLINGTON STORES	1.64%		THERMO FISHER SCIENTIFIC	1.94%		AKAMAI TECHNOLOGIES	0.86%	
CONSUMER STAPLES	3.54%	6.24%	UNITEDHEALTH GROUP	1.89%		ANALOG DEVICES, INC.	0.96%	
PEPSICO	1.03%		ABBOTT LABS	1.92%		APPLE	3.06%	
WALMART	1.58%		COMMUNICATION SERVICES	8.92%	8.45%	APPLIED MATERIALS	1.84%	
SYSCO CORP	0.93%		ALPHABET CLASS C	1.54%		MICROSOFT	5.29%	
FUNDS	25.06%	0.40%	ALPHABET CLASS A	3.16%		MASTERCARD	1.61%	
SPDR HEALTH CARE ETF	1.65%		WALT DISNEY	1.15%		AUTOMATIC DATA PROCESSING	1.17%	
SPDR TECHNOLOGY ETF	2.18%		META PLATFORMS	2.36%		PAYPAL HOLDINGS	1.44%	
SPDR INDUSTRIALS ETF	1.96%		VERIZON	0.71%		MOTOROLA SOLUTIONS	1.39%	
NUVEEN ESG SMALL-CAP ETF	2.12%		INDUSTRIALS	6.61%	8.20%	FINANCIALS	8.59%	12.39%
CALVERT MID CAP	2.53%		HONEYWELL INTERNATIONAL	0.63%		INTERCONTINENTAL EXCHANGE	1.03%	
BLACKROCK GLOBAL IMPACT	2.77%		EATON CORP	1.41%		JPMORGAN CHASE & CO.	2.61%	
DFA US SUSTAINABILITY CORE	2.01%		IDEX CORPORATION	0.97%		ALLSTATE CORP.	0.93%	
DFA EMERGING MARKETS	3.11%		RAYTHEON TECHNOLOGIES	1.44%		PNC FINANCIAL	1.60%	
BOSTON COMMON ESG IMPACT IN	4.17%		NORTHROP GRUMMAN	1.12%		CAPITAL ONE FINANCIAL	0.95%	
CALVERT EMERGING MARKETS	2.56%		ILLINOIS TOOL WORKS	1.04%		BLACKROCK, INC.	1.47%	
MATERIALS	1.94%	3.43%	ENERGY	3.36%	2.84%	UTILITIES	1.82%	2.68%
EASTMAN CHEMICAL	0.97%		CALVERT GLOBAL	2.10%		AMEREN	0.70%	
AIR PRODUCTS & CHEMICALS	0.97%		INVESCO BUYBACK	1.26%		AMERICAN ELECTRIC POWER	1.12%	
CASH	0.24%	0.05%	REAL ESTATE	0.99%	2.31%			
			AMERICAN TOWER	0.99%				

Target allocation as of 12/31/2021; Allocation may not reflect EWM's current view and should not be used as the base of an investment decision.

Securities listed are not to be considered as a recommendation to buy or sell and are not guaranteed to be in portfolios. *Benchmark is a blend of 60% S&P 500 and 40% MSCI ACWI

Portfolio Performance

Working Capital Investment Total Return

Investment Performance				
Strategy: Balanced ESG Sustainability				
As of December 31, 2021				
Asset Class / Benchmark	Ending Market Value	Allocation	QTD	Inception
			To Date (3 Months)	To Date 4/1/2021
Salem State University	\$20,681,449	100.0%	3.94%	5.73%
Total Benchmark		100.0%	4.36%	9.40%
Equities	\$11,129,538	53.8%	7.49%	12.86%
*Multi-Asset Equity Blend		50.0%	9.31%	18.18%
Fixed Income	\$9,053,597	43.8%	-0.38%	0.63%
Barclays US Interm Credit TR		47.0%	-0.55%	1.07%
Money Market	\$498,314	2.4%	0.00%	0.01%
Lipper Money Market Index		3.0%	0.00%	0.01%
Portfolio Return Gross of Fee			3.94%	5.73%
Portfolio Return Net of Fee			3.82%	5.37%

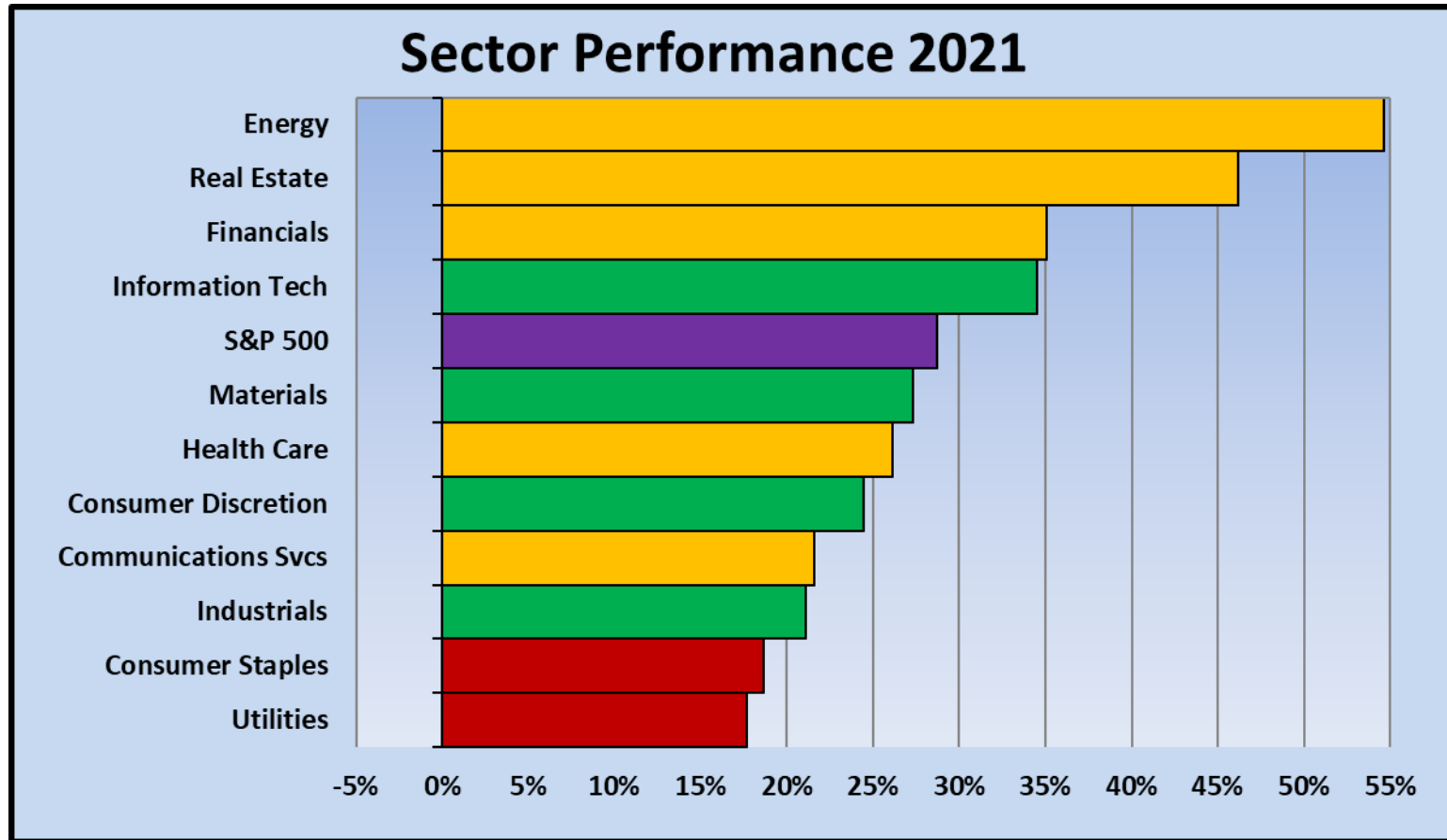
*Consists of 60/40 S&P/MSCI All Country World Index

Source: First Rate

Performance Review: 2021

- Total portfolios matched or outperformed benchmarks
 - Asset allocation boosted performance
 - Equity markets returned 28%, bond markets lost 3%
 - Our 5% tilt toward equities grew throughout the year
 - Fixed income portfolios beat their benchmarks due to credit and duration positioning
- Core U.S. equity lagged S&P 500 but handily beat peers
 - Core equities have outperformed Morningstar peers in seven of the last nine years, with one tie
 - Multi-Asset equities lagged the benchmark due to emerging markets
 - Value (+26%) outperformed growth (+22%) after a four-year slump
- Longer-term Core U.S. equity remains ahead of peers
 - Consistency matters: EBWM performance ranks ahead of S&P 500 and in second-quartile against peer group for 3- and 5-year periods
 - Sector allocation, profit-taking, and torpedo avoidance helped EBWM

Impact of Fossil Fuels Exclusion



Source: FactSet, Eastern Bank Wealth Management

Performance Review: U.S. Equities

- Morningstar surveyed ~3,500 active U.S. large-cap managers
- EBWM model returns are net of average fees

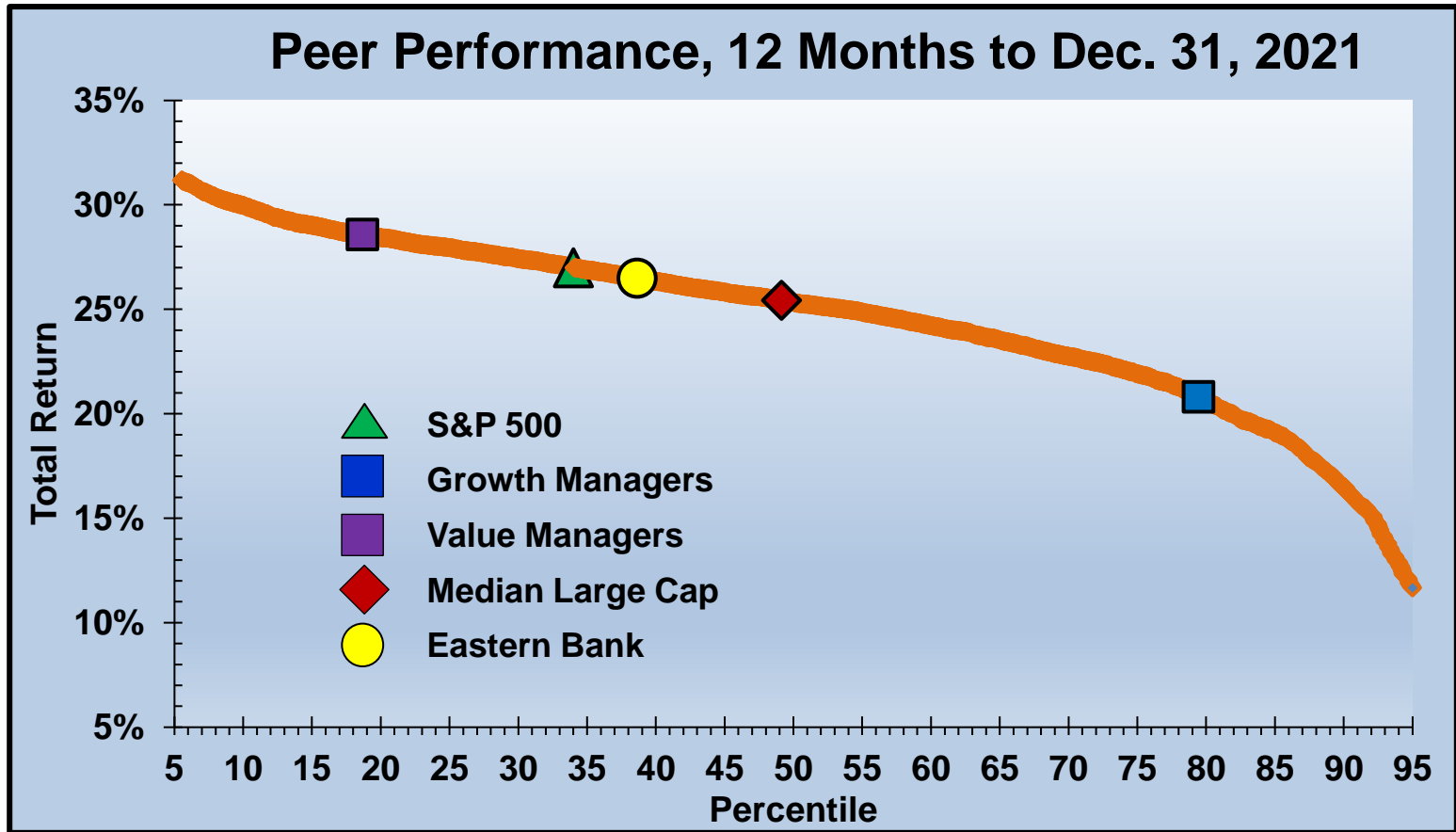
As of Dec. 31, 2021	2017	2018	2019	2020	2021-1Q	2021-2Q	2021-3Q	2021-4Q
Eastern Bank	23.69%	-3.18%	31.53%	18.59%	5.96%	8.80%	-0.25%	9.25%
EBWM Percentile	32	23	27	40	56	33	56	40
Large-Cap Peer Group	20.78%	-5.60%	29.02%	16.83%	6.29%	7.92%	-0.07%	8.71%
Core (Blended)	20.80%	-6.02%	29.57%	16.32%	6.33%	8.01%	0.11%	9.85%
Growth	28.31%	-2.01%	32.35%	34.34%	1.76%	10.74%	0.33%	7.59%
Value	16.01%	-8.94%	25.22%	2.57%	10.97%	5.39%	-0.74%	8.31%
S&P 500	21.84%	-4.38%	31.48%	18.40%	6.18%	8.55%	0.59%	11.03%

Source: Morningstar, Eastern Bank Wealth Management

As of Dec. 31, 2021	1-Year	3-Years	5-Years
Eastern Bank	26.69%	25.49%	18.66%
EBWM Percentile	37	41	33
Large-Cap Peer Group	25.34%	24.03%	16.71%
Core (Blended)	26.61%	24.42%	16.96%
Growth	21.90%	29.98%	22.73%
Value	26.05%	17.61%	11.47%
S&P 500	28.73%	26.08%	18.48%

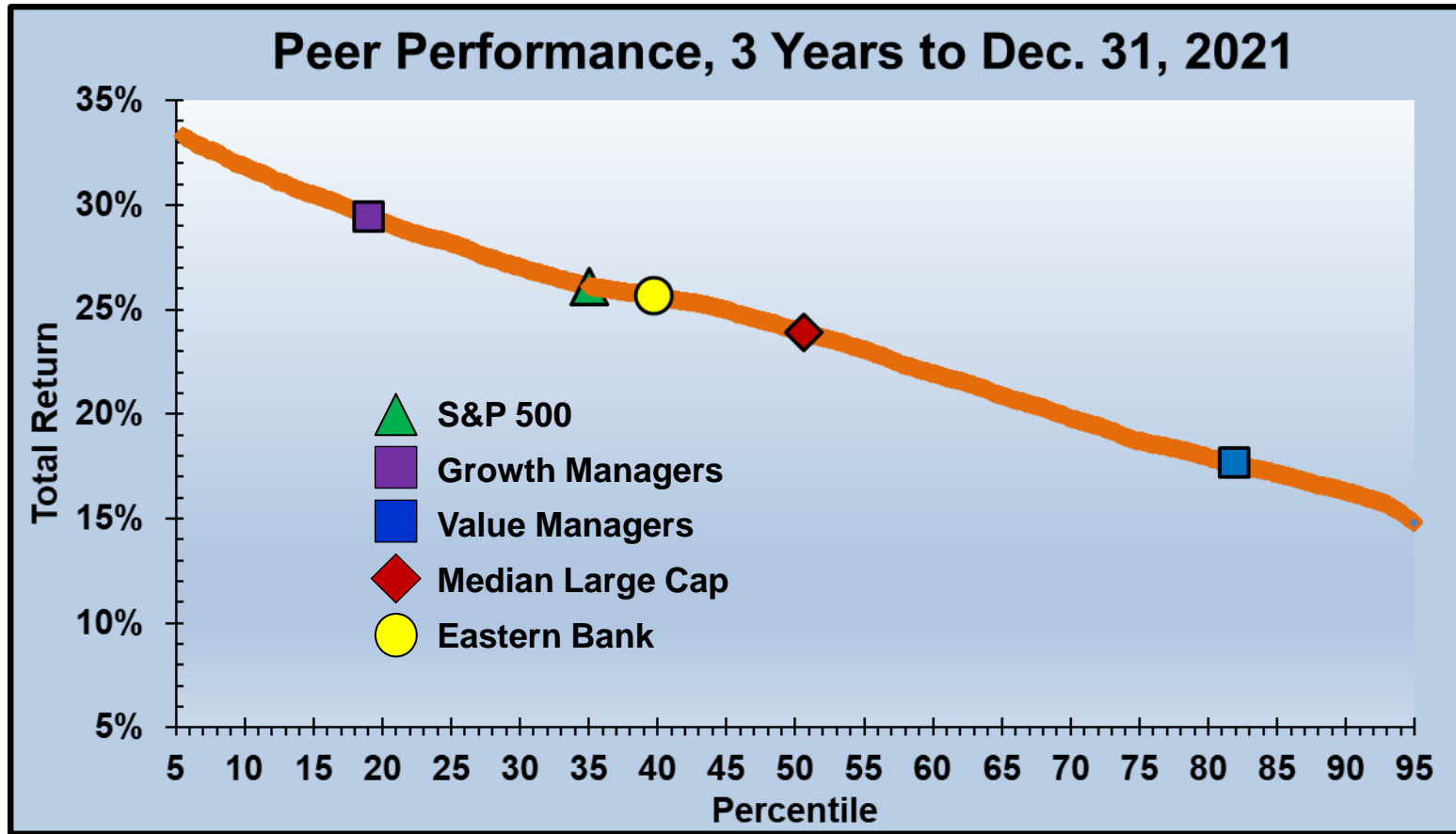
Source: Morningstar, Eastern Bank Wealth Management

Performance: U.S. Equity, 1 Year



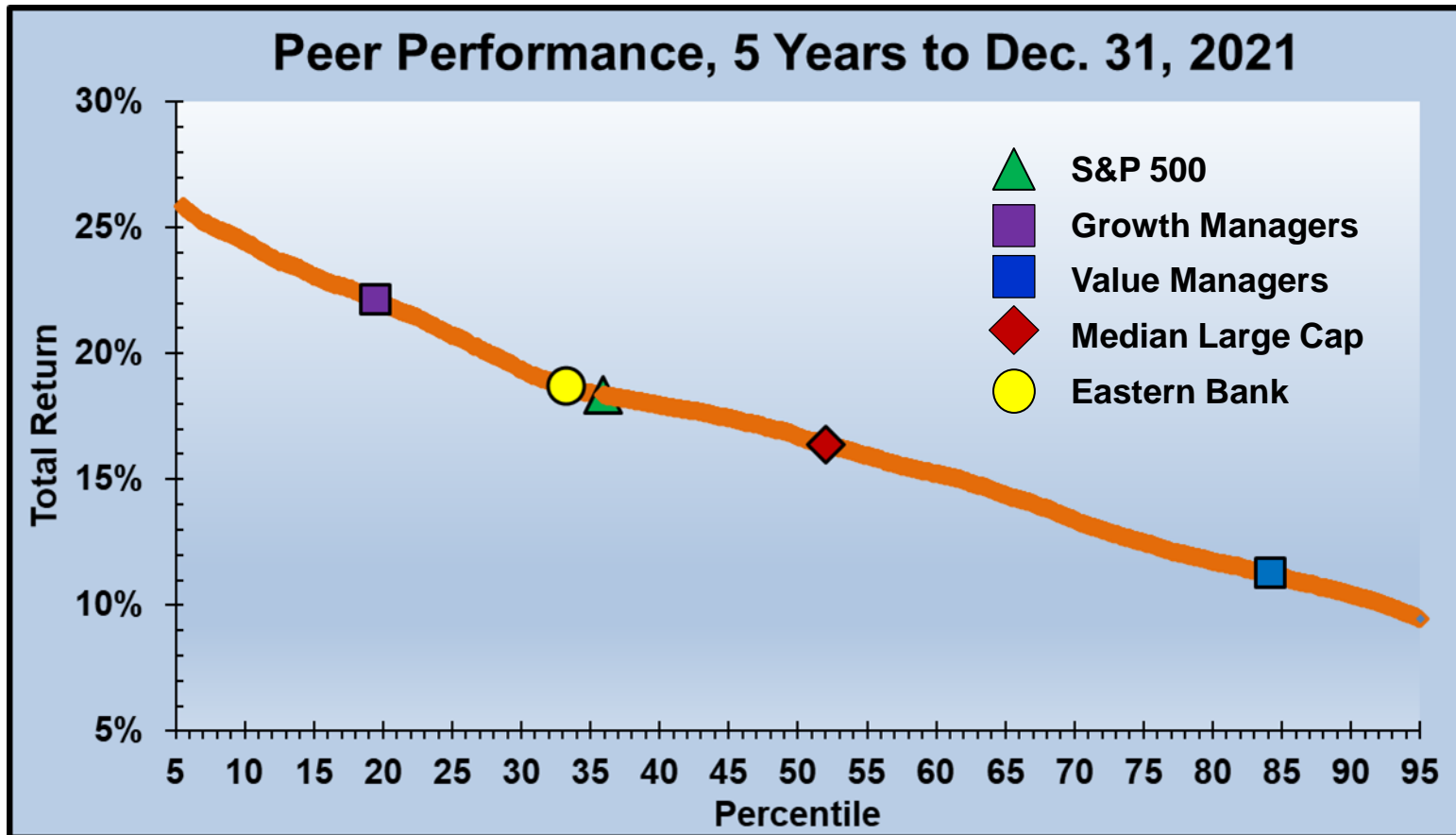
Source: Morningstar, Eastern Bank Wealth Management

Performance: U.S. Equity, 3-Year



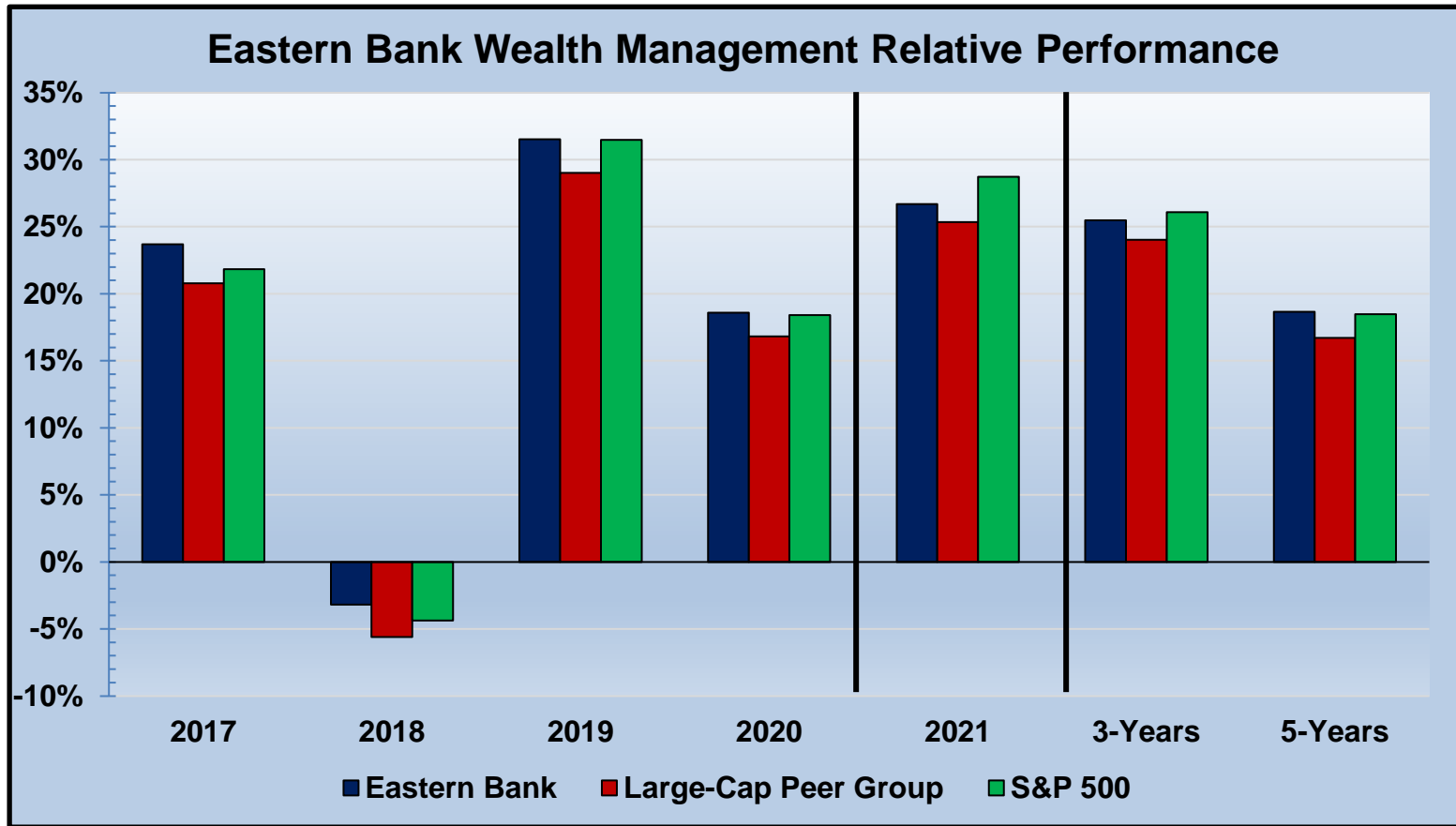
Source: Morningstar, Eastern Bank Wealth Management

Performance: U.S. Equity, 5-Year



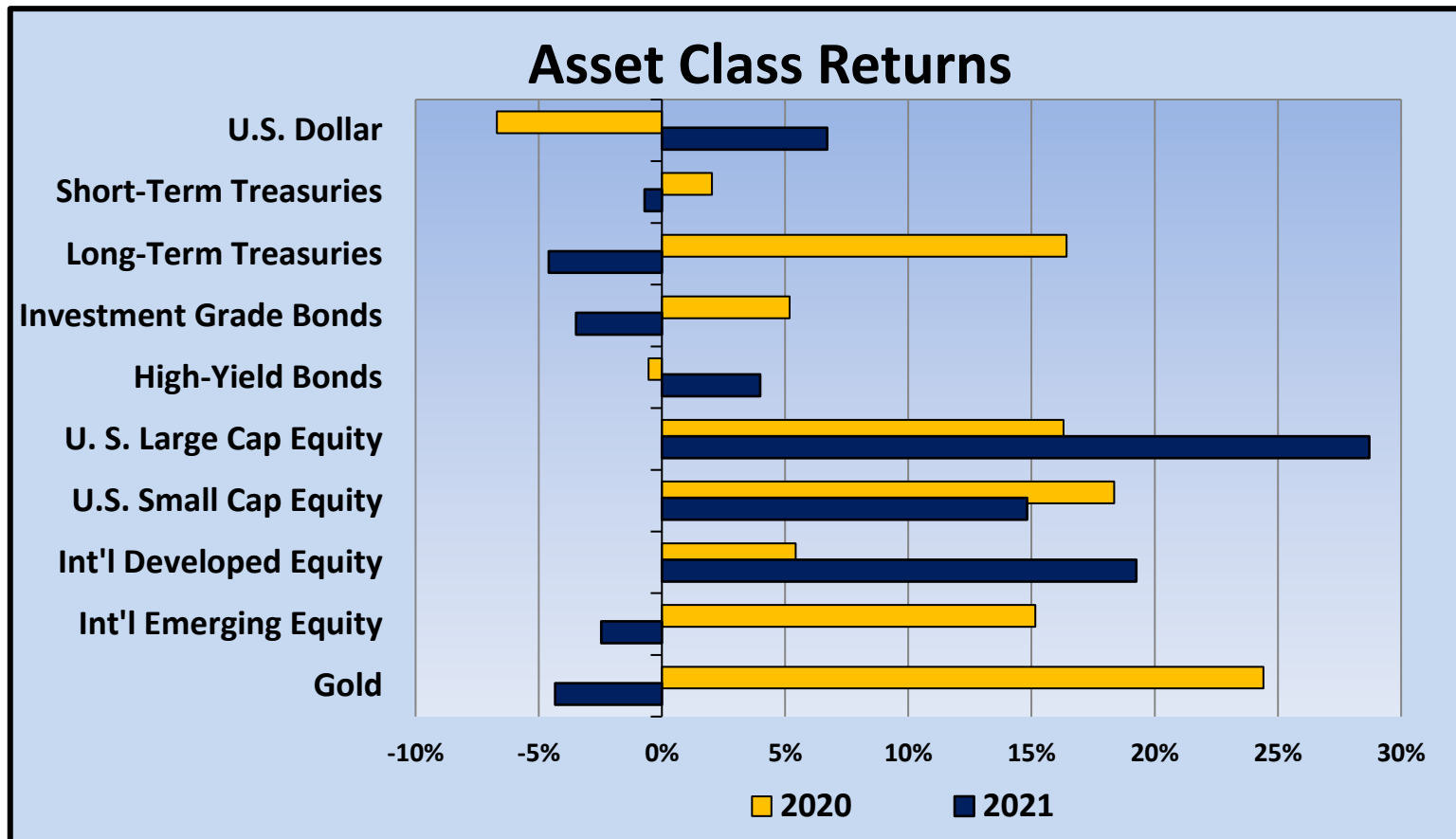
Source: Morningstar, Eastern Bank Wealth Management

Eastern Bank vs. Peers



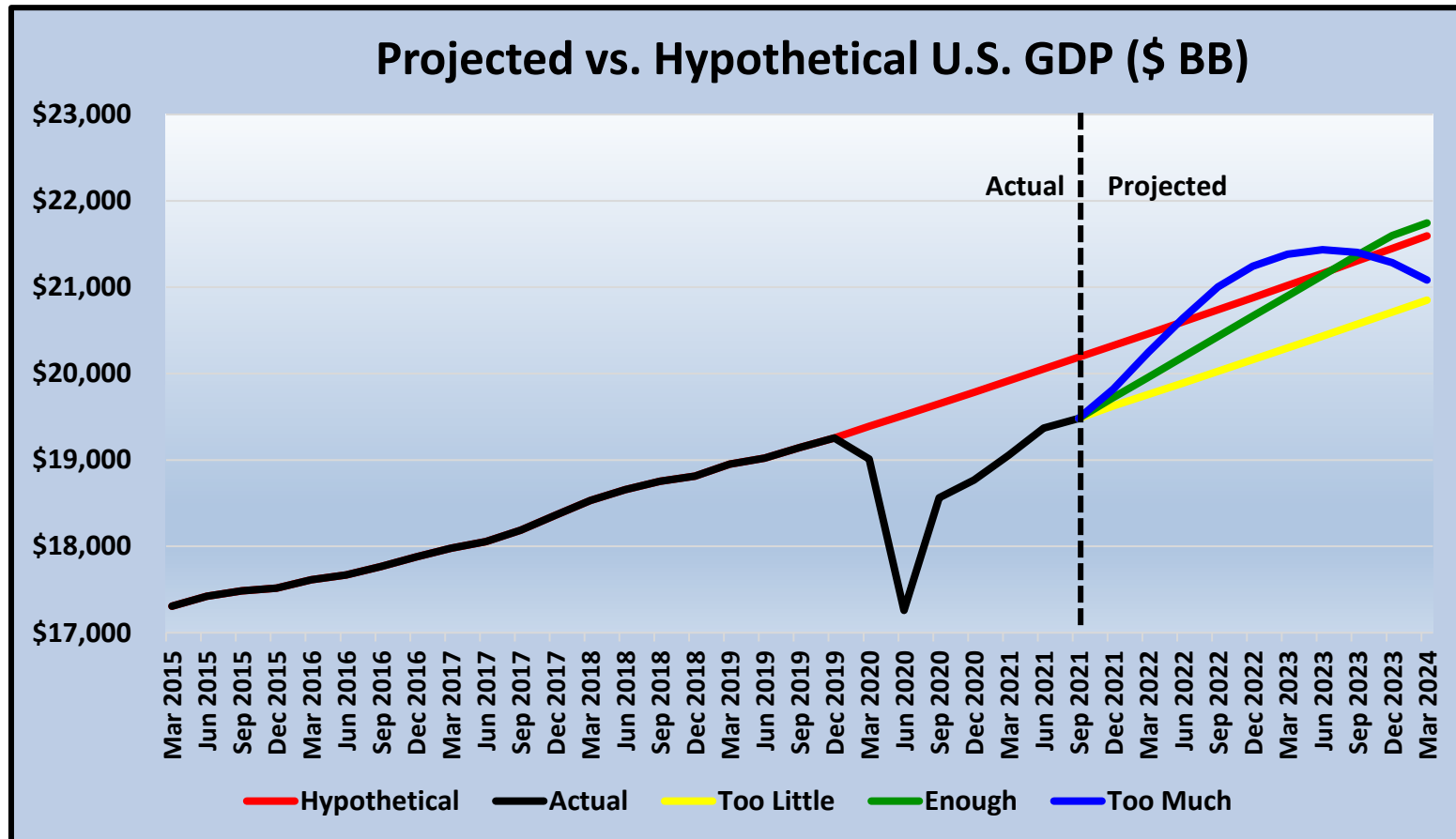
Source: Morningstar, Eastern Bank Wealth Management

Asset Allocation



Source: FactSet, Eastern Bank Wealth Management

Economic Outlook



Source: Commerce Department Bureau of Economic Analysis, Eastern Bank Wealth Management

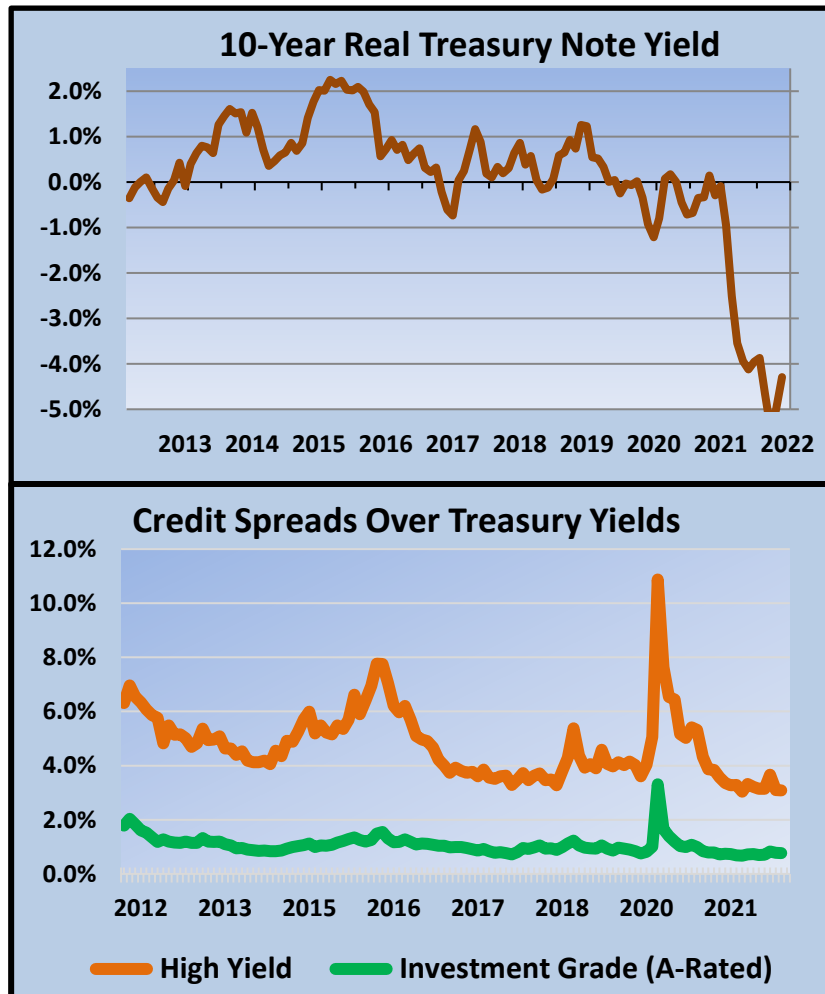
Recent Portfolio Changes

- Tactical asset allocation
 - Rebalanced portfolios in early January 2022
 - Trimmed equity after ~30% gains in 2021, but remain slightly overweight
 - Neutral allocation to international equities vs. U.S.; favor emerging markets
 - Shifted bond portfolios to expect somewhat higher inflation, lower credit risk
- Equity trades (not all names in all accounts)
 - *Purchases and additions:* Abbvie, Accenture, American Express, ConocoPhillips, Eli Lilly, Honeywell, Marvell Technologies, Oracle, Prudential Financial, Service Now, Tesla, Wal-Mart
 - *Sales and trims:* Arthur J. Gallagher, Akamai, Allstate, Alphabet, Broadcom, Comcast, Johnson & Johnson, Procter & Gamble
- ETF and mutual fund transactions
 - *Purchases:* BlackRock Emerging Markets, Columbia Acorn Europe, iShares Eurozone, TIAA-CREF Quant Small/MidCap Equity, Vanguard FTSE Developed Markets
 - *Sales and Trims:* Baillie Gifford Emerging Markets, Baillie Gifford International Growth, SPDR Industrial Select

Asset Allocation: Current Posture

- Outlook
 - U.S. economic recovery is faltering but not stalled, hampered by slowing vaccination rates, high Omicron caseloads, labor shortages, supply chain disruptions, and end of CARES / ARP support
 - Inflation is persisting: Excessive money supply, recovering demand, and supply chain disruptions raise risk of too much money chasing too few goods and services
- Strategy
 - Overweight to equities reflects improving economic outlook and lack of opportunity in fixed income; trimmed equities in January 2022 due to stock market outperformance vs. bonds
 - Equity portfolios tip toward pro-cyclical and value stocks
 - Fixed income portfolios avoid duration risk, seek credit risk

Market Monitor: Fixed Income



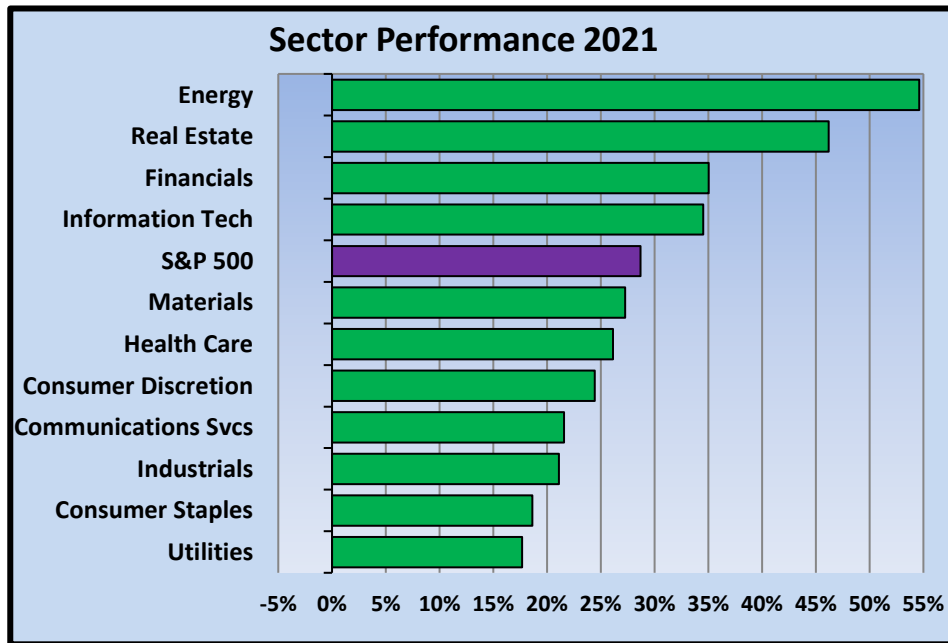
- Although longer-term interest rates have risen, *real* yields (after inflation) have remained well below zero, indicating that investors may remain worried about the recovery's durability.
- Credit market spreads remain very tight, however. Top-quality corporate debt now trades less than 1% above Treasury debt. High-yield bonds and bank loans are close to record low rates, reflecting stronger corporate balance sheets.
- This apparent dichotomy is mostly due to money from foreign investors flooding the Treasury debt markets.

Active Fixed Income Strategy

- Outlook
 - The U.S. economy is regaining its mojo. But the Omicron surge, Washington politics, supply chain disruptions, labor shortages, and inflation are short-term obstacles that could become big problems if not resolved soon.
 - The Federal Reserve has turned more hawkish, tapering its bond purchases and promising to raise interest rates at least twice this year – perhaps as early as March. Because U.S. yields are well above other sovereign rates already, capital is flowing into the U.S., supporting the dollar and the bond markets.
- Strategy
 - We have added some risk categories to our portfolios, including high-yield, preferred, and bank loan securities, to provide participation in credit risk while reducing interest rate exposure.
 - We use a nine-year bond ladder to provide better insulation from short-term market fluctuations.

Market Monitor: Domestic Equity

- U.S. stocks finished 2021 at their all-time highs, recovering in the fourth quarter after a September swoon. The S&P 500 gained 28%; this was the first year in its 95-year history that every sector gained at least 10%.
- Energy stocks rode rising oil prices to leadership. Financials and real estate gained from a steeper yield curve. The FANMAGs and technology stocks mirrored market returns. Defensive sectors continued to lag.



- The S&P 500 index's 1.4% dividend yield is below the 10-year Treasury yield, suggesting that stocks are fairly valued vs. bonds.
- Earnings estimates are rising faster than stock prices, so P/E ratios are lower now than they were a year ago; expectations may be too optimistic.

Domestic Equity Strategy Review

- Outlook
 - The recovery from Covid has been uneven. Consumer demand has been fueled by high savings rates, a robust jobs market, and government support. Supply chains remain under pressure from both geopolitics and Covid, leading to sharply higher inflation.
 - Momentum is slowing, however, as CARES and ARP support has ended and the Omicron variant has led to high absenteeism and renewed challenges for many businesses.
 - It may take several years for the U.S. to recover all of the jobs lost to the pandemic. It's still unclear if Build Back Better legislation has any chance of being enacted.
- Strategy
 - We remain fully invested. Domestic equity portfolios remain diversified across all sectors of the economy. We have gradually shifted our emphasis toward “value” stocks that have significant leverage to recovering demand.

Market Monitor: International Equity

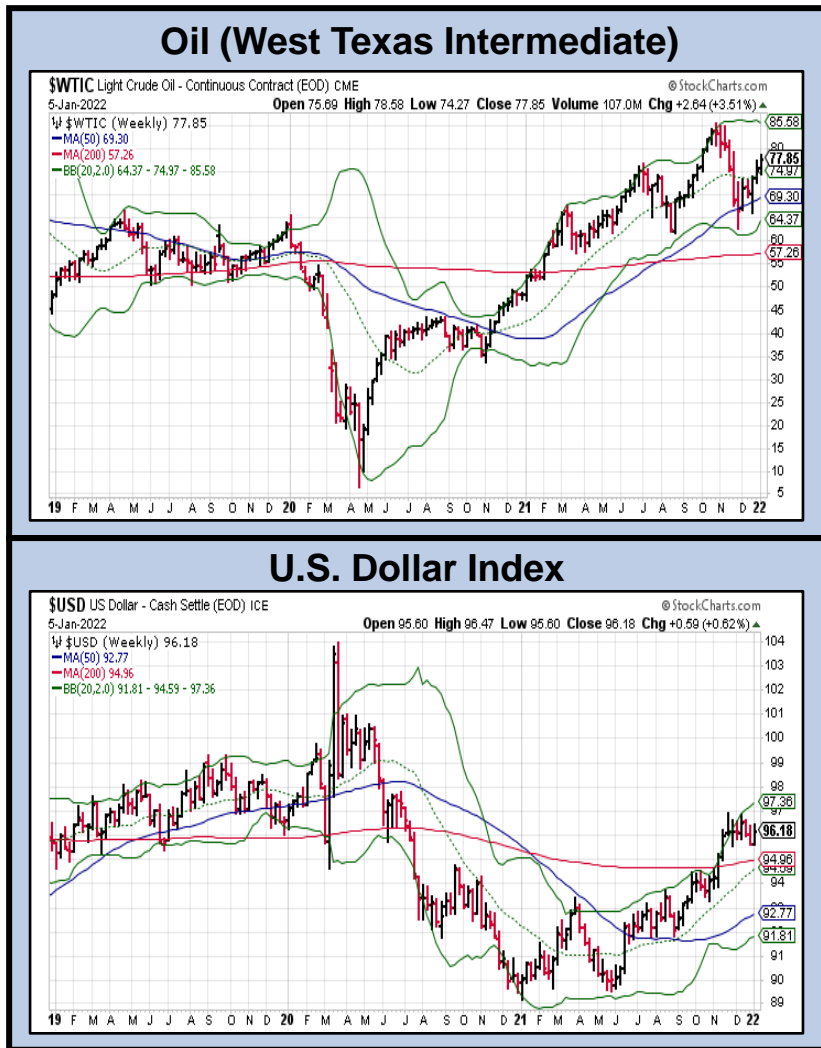


- Major foreign stock markets lagged far behind their U.S. counterparts in 2021. Initially slower vaccination rates have improved, but Omicron has dealt a severe setback. Supply chain disruptions and Brexit remain intractable problems. Valuations are below American levels, but so are growth rates.
- Emerging markets posted negative returns in 2021. China's regulatory crackdown and potential real estate defaults have spurred capital flight, which has bled into nearby markets as well. The strong dollar has also hurt.

International Equity Strategy Review

- Outlook
 - We think international markets offer both diversification and risk-management benefits. Valuations remain below U.S. levels, which limits downside risk, but fundamentals are still fragile.
 - Emerging markets are at particular risk, as the combination of China's slowdown and the dollar's strength has squeezed companies in smaller regional economies.
- Strategy
 - We are slightly underweight in our allocation to foreign markets; within that allocation, we think emerging markets have more attractive valuations and better fundamentals, but they badly detracted from Multi-Asset investment results in 2021.
 - Developed markets have been pressured by Omicron, Brexit, and the ECB's interest rate suppression; we think these problems won't go away easily or quickly. Emerging markets have struggled with China's economic slowdown and regulatory crackdown.

Market Monitor: Other Asset Classes



- Oil prices are volatile. OPEC has held output in check, while demand has recovered along with global economies. Retail gasoline prices in the U.S. are back to pre-pandemic levels.
- The U.S. dollar rallied through 2021; investors expect the Fed to begin raising interest rates soon, and U.S. Treasury yields remain significantly above most other sovereign debt.
- Industrial and agricultural commodities have rallied as economic recovery has taken hold. Gold belied its reputation as an inflation hedge, flatlining in 2021 despite rising inflation.

Other Asset Classes Strategy

- Outlook
 - Commodity prices have rallied sharply while gold has faltered, as economies are reviving and consumer demand rises.
 - Private equity and venture capital returns have been very strong, in part due to some well publicized recent IPOs and very low interest rates. These asset classes are more correlated with public equities than their sponsors want to admit; high fees hurt returns. Hedge fund results remain lackluster at best.
- Strategy
 - We don't hold commodities, an asset allocation decision that has benefited our clients over time but hurt portfolios more recently. We doubt that high inflation is will be sustained, so we are skeptical that they can rally much further. Oil has already retreated from its highs.
 - We do not recommend hedge funds, private equity, or venture capital. Despite recent results, historical returns have been unimpressive, particularly when adjusted for risk.

Appendix

Michael A. Tyler, CFA®

- Chief Investment Officer, Eastern Bank Wealth Management
- Former Partner at Wellington Management in Boston
- Founder/CEO of investment boutique
 - Advised institutional clients on corporate takeovers and managed hedge fund
- Board Memberships
 - John F. Kennedy Library Foundation
 - Associated Industries of Massachusetts, state's largest trade group
 - Align Impact (immediate past chair), values-based investment mission
- Frequent commentator on national (CNBC) and regional TV
- Harvard MBA, Princeton BA



John F. Doherty, CFP[®], CTFA

- Vice President, Eastern Bank Wealth Management since 2006
 - Over 20 years previously with BankBoston, Fleet National Bank, and Bank of America
- Expertise in trust, investments & banking
 - Clients include non-profit organizations, individuals, families, and trusts
- Board Memberships
 - Essex County Estate Planning Council, Lynn Home for Women
 - Active in youth activities in Melrose
- Suffolk University BS-Finance, Bentley University MBA
 - National Graduate Trust School (Northwestern University)
 - Certification in Financial Planning (Boston University)



William J. Walsh, CFP

- Director, Eastern Wealth Management
 - Oversees 50 experienced professionals committed to providing trust and estate management, investment management, and financial planning to individuals and organizations across eastern Mass. & NH
- Over 25 years of leadership experience
 - Director / Planning Officer at Weston Financial Group, a wealth management firm in Wellesley
 - Senior Vice President, City Executive & Market Leader at Bank of America / US Trust in Boston; managed a team of 14 private client advisors and managers dedicated to serving high-net-worth clients.
 - Adjunct Professor, Boston University
- Salem State College BS – Business Administration;
Boston University diploma in Financial Planning



Notices and Disclosure

- ***Investment Products:*** *Not insured by FDIC or any federal government agency. Not deposits of or guaranteed by any bank. May lose value.*
 - Eastern Bank Wealth Management is a division of Eastern Bank. Views are as of the date above and are subject to change based on market conditions and other factors. This material is for your private information and we are not soliciting any action based on it. All material has been obtained from sources believed to be reliable but its accuracy is not guaranteed. There is neither representation nor warranty as to the accuracy of, nor liability for the decisions based on such information.
 - Opinions expressed are our current opinions as of the date appearing on this material only. All opinions herein are subject to change without notice.
 - Past performance does not guarantee future performance. Investments made through Eastern Bank Wealth Management are not insured by FDIC or any federal government agency, are not deposits of or guaranteed by any bank, and may lose value.

Investment Review

Account Name	SALEM STATE-PLG	Account Number	XXX7524
		Assets Held As Of	DEC 31, 2021
		Valued As Of	DEC 31, 2021

Important Information

GAINS TAXED TO.....	EXEMPT	INCOME TAXED TO.....	EXEMPT
TRUST TAX YEAR END.....		TRUST TAX FILING STATUS.....	AGENCY
LONG TERM CARRYOVER LOSS....		SHORT TERM CARRYOVER LOSS....	
OFFICER.....	JOHN DOHERTY	INVESTMENT OBJECTIVE.....	GROWTH WITH INCOME
REVOCABILITY.....		INVESTMENT AUTHORITY.....	SOLE
FINAL TERMINATION DATE.....		DATE OF DEATH.....	
		TRUST SITUS.....	MASSACHUSETTS

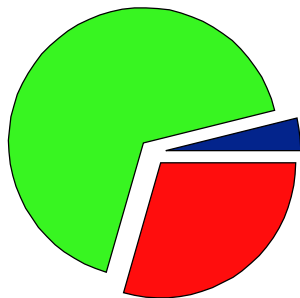
TRUSTEE RESTRICTIONS:

REMARKS:

RECOMMENDED CHANGES:
SECURITY PRICE VALUE COST INCOME EST INCOME CHANGE:
EST GAIN/LOSS:
RATIONALE FOR
RECOMMENDATION:

SUMMARY OF INVESTMENTS

Investment Allocation



3.8%	■	CASH ITEMS	867,394.46
66.6%	■	EQUITIES	15,013,048.45
29.6%	■	FIXED INCOME SECURITIES	6,668,273.47
<hr/>			
100.0%		Total	22,548,716.38

Investment Review

Account Name	SALEM STATE-PLG	Account Number	XXX7524
		Assets Held As Of	DEC 31, 2021
		Valued As Of	DEC 31, 2021

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
PRINCIPAL CASH				
MONEY MARKET FUNDS	867,394.46	3.85	87	0.01
TOTAL CASH ITEMS	867,394.46	3.85	87	0.01
FIXED INCOME SECURITIES				
CORPORATE/OTHER BONDS				
	5,040,878.50	22.36	147,107	2.92
MUTUAL FUND - CORPORATE BONDS				
UNCLASSIFIED	309,991.85	1.37	12,275	3.96
MUTUAL FUNDS	1,317,403.12	5.84	37,483	2.85
TOTAL MUTUAL FUND - CORPORATE BONDS	1,627,394.97	7.22	49,758	3.06
TOTAL FIXED INCOME SECURITIES	6,668,273.47	29.57	196,865	2.95
EQUITIES				
COMMON STOCKS				
MACHINERY	145,336.80	0.64	1,328	0.91
COMMUNICATION SERVICES	1,338,420.22	5.94	7,179	0.54
CONSUMER DISCRETIONARY	1,166,950.32	5.18	16,312	1.40
CONSUMER STAPLES	531,981.37	2.36	10,789	2.03
FINANCIALS	1,148,080.52	5.09	25,225	2.20
HEALTH CARE	1,464,423.99	6.49	18,799	1.28
INDUSTRIALS	848,081.15	3.76	16,463	1.94
INFORMATION TECHNOLOGY	3,389,820.13	15.03	26,894	0.79
MATERIALS	291,499.53	1.29	6,537	2.24
REAL ESTATE	148,590.00	0.66	2,647	1.78
UTILITIES	273,808.01	1.21	8,512	3.11
TOTAL COMMON STOCKS	10,746,992.04	47.66	140,685	1.31
MUTUAL FUND - LARGE CAP EQUITIES				
MUTUAL FUNDS	1,676,217.12	7.43	16,714	1.00
MUTUAL FUND - INTERNATIONAL EQUITIES				
MUTUAL FUNDS	1,040,788.92	4.62	13,938	1.34
MUTUAL FUND-SMALL AND MID CAP EQUITIES				
MUTUAL FUNDS	697,615.37	3.09	3,057	0.44

Investment Review

Account Name	SALEM STATE-PLG	Account Number	XXX7524
		Assets Held As Of	DEC 31, 2021
		Valued As Of	DEC 31, 2021

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
MUTUAL FUND - INTERNATIONAL EMERGING MKTS MUTUAL FUNDS	851,435.00	3.78	12,225	1.44
TOTAL EQUITIES	15,013,048.45	66.58	186,619	1.24
TOTAL FUND	22,548,716.38	100.00	383,571	1.70

For the Tax Year Ending 12/31

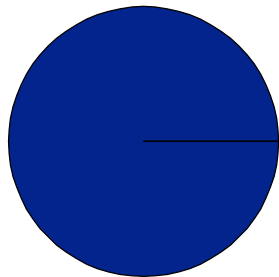
Net Short Term Gain/Loss 286,963.82


Net Long Term Gain/Loss * 1,217,740.49

* Includes Long Term Capital Gains Dividends

SUMMARY OF INVESTED INCOME

Investment Allocation



100.0%		CASH ITEMS	2,025.40
100.0%		Total	2,025.40

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021

SUMMARY OF INVESTED INCOME

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
INCOME CASH	2,025.40	100.00	0	0.00
TOTAL FUND	2,025.40	100.00	0	0.00

SCHEDULE OF INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
CASH ITEMS									
	PRINCIPAL CASH	0			0			0.0	
MONEY MARKET FUNDS									
	FEDERATED GOV'T OBLIGATION TAX MANAGED FUND # 637	867,394			867,394	0.01	87	0.0	
	TOTAL CASH ITEMS	867,394			867,394		87	0.0	
FIXED INCOME SECURITIES									
CORPORATE/OTHER BONDS									
100,000	BANK OF AMERICA CORP 3.3% 01/11/2023	100,780	100.78	102.744	102,744	3.30	3,300	3.2	
150,000	VODAFONE GROUP 2.95% 02/19/2023	150,903	100.60	102.14	153,210	2.95	4,425	2.9	
150,000	CITIGROUP 3.375% 03/01/2023	151,650	101.10	102.92	154,380	3.38	5,063	3.3	
100,000	ACE INA HOLDINGS 2.7% 03/13/2023	100,789	100.79	102.43	102,430	2.70	2,700	2.6	
150,000	CARDINAL HEALTH, INC. 3.2% 03/15/2023	151,704	101.14	102.692	154,038	3.20	4,800	3.1	
125,000	HYATT HOTELS CORP 3.375% 07/15/2023	126,152	100.92	102.299	127,874	3.38	4,219	3.3	
175,000	AMERIPRISE FINANCIAL INC 4% 10/15/2023	177,317	101.32	105.449	184,536	4.00	7,000	3.8	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021

SCHEDULE OF INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
200,000	INTERCONTEXCHANGE GROUP INC 4% 10/15/2023	204,218	102.11	105.51	211,020	4.00	8,000	3.8	
200,000	ALABAMA POWER CO 3.55% 12/01/2023	202,604	101.30	104.732	209,464	3.55	7,100	3.4	
200,000	WHIRLPOOL CORP. 4% 03/01/2024	204,219	102.11	105.985	211,970	4.00	8,000	3.8	
150,000	CBS 3.7% 08/15/2024	151,806	101.20	105.901	158,852	3.70	5,550	3.5	
100,000	QUALCOMM INC 3.45% 05/20/2025	97,640	97.64	106.605	106,605	3.45	3,450	3.2	
100,000	KEYCORP 4.15% 10/29/2025	100,679	100.68	109.42	109,420	4.15	4,150	3.8	
100,000	ABBVIE INC 3.2% 05/14/2026	101,807	101.81	106.053	106,053	3.20	3,200	3.0	
200,000	AMERICAN EXPRESS CO 3.125% 05/20/2026	204,976	102.49	105.874	211,748	3.13	6,250	3.0	
150,000	QUEST DIAGNOSTIC INC. 3.45% 06/01/2026	155,652	103.77	106.715	160,073	3.45	5,175	3.2	
200,000	MARRIOTT INTERNATIONAL INC. 3.125% 06/15/2026	210,979	105.49	103.906	207,812	3.13	6,250	3.0	
150,000	WELLS FARGO & CO 3% 10/23/2026	158,825	105.88	105.121	157,682	3.00	4,500	2.9	
150,000	AMGEN INC 2.2% 02/21/2027	156,664	104.44	102.421	153,632	2.20	3,300	2.1	
200,000	STARBUCKS CORP 2% 03/12/2027	208,562	104.28	101.214	202,428	2.00	4,000	2.0	
200,000	UNION PACIFIC CORP 3% 04/15/2027	212,081	106.04	106.135	212,270	3.00	6,000	2.8	
150,000	LOWES COMPANIES INC 3.1% 05/03/2027	156,170	104.11	106.758	160,137	3.10	4,650	2.9	
200,000	FIFTH THIRD BANCORP 2.55% 05/05/2027	214,200	107.10	103.213	206,426	2.55	5,100	2.5	
200,000	AT & T INC 2.3% 06/01/2027	210,244	105.12	101.801	203,602	2.30	4,600	2.3	
150,000	SYSCO CORP 3.25% 07/15/2027	157,879	105.25	106.406	159,609	3.25	4,875	3.1	
150,000	CHARLES SCHWAB 2% 03/20/2028	153,887	102.59	101.406	152,109	2.00	3,000	2.0	
200,000	VERIZON COMMUNICATIONS INC 2.1% 03/22/2028	204,544	102.27	100.271	200,542	2.10	4,200	2.1	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021

SCHEDULE OF INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
150,000	ORACLE CORPORATION 2.3% 03/25/2028	154,629	103.09	99.758	149,637	2.30	3,450	2.3	
200,000	SHERWIN WILLIAMS 2.95% 08/15/2029	211,716	105.86	105.296	210,592	2.95	5,900	2.8	
200,000	OMNICOM GROUP 2.45% 04/30/2030	201,090	100.55	99.993	199,986	2.45	4,900	2.5	
	TOTAL CORPORATE/OTHER BONDS	4,994,366			5,040,881		147,107	2.9	
MUTUAL FUND - CORPORATE BONDS									
UNCLASSIFIED									
32,734.09	CALVERT FLOATING RATE ADVANTAGE FUND	292,870	8.95	9.47	309,992	0.38	12,275	4.0	
MUTUAL FUNDS									
11,560.04	CALVERT HIGH YIELD BOND FUND	292,582	25.31	26.97	311,774	1.15	13,259	4.3	
38,864.26	CALVERT INCOME FUND	625,724	16.10	17.91	696,059	0.53	20,676	3.0	
12,069	ISHARES ESG 1-5 YR USD CORP BOND ETF	312,443	25.89	25.65	309,570	0.29	3,548	1.1	
	TOTAL MUTUAL FUNDS	1,230,749			1,317,403		37,483	2.8	
	TOTAL MUTUAL FUND - CORPORATE BONDS	1,523,619			1,627,395		49,758	3.1	
	TOTAL FIXED INCOME SECURITIES	6,517,985			6,668,276		196,865	3.0	
EQUITIES									
COMMON STOCKS									
MACHINERY									
615	IDEX CORPORATION	90,476	147.12	236.32	145,337	2.16	1,328	0.9	
COMMUNICATION SERVICES									
80	ALPHABET, INC. CL C	48,399	604.99	2893.59	231,487	0.00	0	0.0	
164	ALPHABET, INC. CL A	131,730	803.23	2897.04	475,115	0.00	0	0.0	
1,110	WALT DISNEY PRODUCTIONS	125,341	112.92	154.89	171,928	1.76	1,954	1.1	
1,052	FACEBOOK META PLATFORMS INC	197,887	188.11	336.35	353,840	0.00	0	0.0	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
2,041	VERIZON COMMUNICATIONS INC	87,617	42.93	51.96	106,050	2.56	5,225	4.9	
	TOTAL COMMUNICATION SERVICES	590,974			1,338,420		7,179	0.5	
	CONSUMER DISCRETIONARY								
847	BURLINGTON STORES, INC.	140,901	166.35	291.51	246,909	0.00	0	0.0	
1,624	DARDEN RESTAURANTS INC.	202,798	124.88	150.64	244,639	4.18	6,788	2.8	
943	HOME DEPOT INC	130,487	138.37	415.01	391,354	6.60	6,224	1.6	
1,719	MARRIOTT INTERNATIONAL INC. CL A	216,123	125.73	165.24	284,048	1.92	3,300	1.2	
	TOTAL CONSUMER DISCRETIONARY	690,309			1,166,950		16,312	1.4	
	CONSUMER STAPLES								
892	PEPSICO INC	106,307	119.18	173.71	154,949	4.30	3,836	2.5	
1,779	SYSCO CORP	96,065	54.00	78.55	139,740	1.88	3,345	2.4	
1,640	WALMART, INC.	162,477	99.07	144.69	237,292	2.20	3,608	1.5	
	TOTAL CONSUMER STAPLES	364,849			531,981		10,789	2.0	
	FINANCIALS								
1,191	ALLSTATE CORP	92,303	77.50	117.65	140,121	3.24	3,859	2.8	
241	BLACKROCK INC.	91,656	380.32	915.56	220,650	16.52	3,981	1.8	
1,136	INTERCONTEXCHANGE GROUP INC	83,644	73.63	136.77	155,371	1.32	1,500	1.0	
2,475	J P MORGAN CHASE & CO	194,543	78.60	158.35	391,916	4.00	9,900	2.5	
1,197	PNC BANK CORP	160,174	133.81	200.52	240,022	5.00	5,985	2.5	
	TOTAL FINANCIALS	622,320			1,148,080		25,225	2.2	
	HEALTH CARE								
2,044	ABBOTT LABORATORIES INC	139,624	68.31	140.74	287,673	1.88	3,843	1.3	
730	DANAHER CORP	63,522	87.02	329.01	240,177	0.84	613	0.3	
1,261	JOHNSON & JOHNSON	123,052	97.58	171.07	215,719	4.24	5,347	2.5	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
1,908	MERCK & CO INC. NEW	93,712	49.12	76.64	146,229	2.76	5,266	3.6	
436	THERMO FISHER SCIENTIFIC, INC.	151,734	348.01	667.24	290,917	1.04	453	0.2	
565	UNITEDHEALTH GROUP, INC	127,528	225.71	502.14	283,709	5.80	3,277	1.2	
	TOTAL HEALTH CARE	699,172			1,464,424		18,799	1.3	
	INDUSTRIALS								
455	HONEYWELL INT'L INC.	97,283	213.81	208.51	94,872	3.92	1,784	1.9	
634	ILLINOIS TOOL WORKS	116,328	183.48	246.80	156,471	4.88	3,094	2.0	
436	NORTHROP GRUMMAN	128,635	295.03	387.07	168,763	6.28	2,738	1.6	
2,507	RAYTHEON TECHNOLOGIES CORP	173,285	69.12	86.06	215,752	2.04	5,114	2.4	
1,228	EATON CORP PLC	91,764	74.73	172.82	212,223	3.04	3,733	1.8	
	TOTAL INDUSTRIALS	607,295			848,081		16,463	1.9	
	INFORMATION TECHNOLOGY								
297	ADOBE INC.	50,818	171.10	567.06	168,417	0.00	0	0.0	
1,714	ADVANCED MICRO DEVICES INC	163,090	95.15	143.90	246,645	0.00	0	0.0	
1,109	AKAMAI TECHNOLOGIES	125,713	113.36	117.04	129,797	0.00	0	0.0	
823	ANALOG DEVICES	41,986	51.02	175.77	144,659	2.76	2,271	1.6	
2,586	APPLE INC	205,013	79.28	177.57	459,196	0.88	2,276	0.5	
1,760	APPLIED MATERIALS	97,480	55.39	157.36	276,954	0.96	1,690	0.6	
711	AUTOMATIC DATA PROCESSING	116,494	163.84	246.58	175,318	4.16	2,958	1.7	
494	BROADCOM INC	115,316	233.43	665.41	328,713	16.40	8,102	2.5	
671	MASTERCARD	132,841	197.98	359.32	241,104	1.96	1,315	0.5	
2,361	MICROSOFT	339,182	143.66	336.32	794,052	2.48	5,855	0.7	
768	MOTOROLA SOLUTIONS, INC.	103,457	134.71	271.70	208,666	3.16	2,427	1.2	
1,147	PAYPAL HLDGS INC	133,786	116.64	188.58	216,301	0.00	0	0.0	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
	TOTAL INFORMATION TECHNOLOGY	1,625,176			3,389,822		26,894	0.8	
	MATERIALS								
480	AIR PRODUCTS & CHEMICALS	74,299	154.79	304.26	146,045	6.00	2,880	2.0	
1,203	EASTMAN CHEMICAL CO	122,491	101.82	120.91	145,455	3.04	3,657	2.5	
	TOTAL MATERIALS	196,790			291,500		6,537	2.2	
	REAL ESTATE								
508	AMERICAN TOWER REIT	120,723	237.64	292.50	148,590	5.21	2,647	1.8	
	UTILITIES								
1,183	AMEREN CORP.	85,354	72.15	89.01	105,299	2.20	2,603	2.5	
1,894	AMERICAN ELEC POWER CO	173,376	91.54	88.97	168,509	3.12	5,909	3.5	
	TOTAL UTILITIES	258,730			273,808		8,512	3.1	
	TOTAL COMMON STOCKS	5,866,814			10,746,993		140,685	1.3	
	MUTUAL FUND - LARGE CAP EQUITIES								
	MUTUAL FUNDS								
23,288.55	CALVERT GLOBAL ENERGY SOLUTIONS	176,772	7.59	13.52	314,861	0.07	1,537	0.5	
8,120.19	DFA U S SUSTAINABILITY CORE 1	200,373	24.68	37.21	302,152	0.35	2,858	0.9	
2,650	INVESCO BUYBACK WILDERHILL CLEAN ENERGY ETF	67,952	25.64	71.42	189,263	1.22	3,241	1.7	
1,762	SPDR HEALTH CARE SELECT SPDR ETF	216,247	122.73	140.89	248,248	1.87	3,298	1.3	
2,783	SPDR INDUSTRIAL SELECT	221,183	79.48	105.81	294,469	1.32	3,668	1.2	
1,882	SPDR TECHNOLOGY IDX	145,523	77.32	173.87	327,223	1.12	2,112	0.6	
	TOTAL MUTUAL FUNDS	1,028,050			1,676,216		16,714	1.0	
	MUTUAL FUND - INTERNATIONAL EQUITIES								

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
MUTUAL FUNDS									
31,784.94	BLACKROCK GLOBAL IMPACT FUND	499,977	15.73	13.06	415,111	0.10	3,083	0.7	
16,751.74	BOSTON COMMON ESG IMPACT INTN'L	643,267	38.40	37.35	625,678	0.65	10,855	1.7	
	TOTAL MUTUAL FUNDS	1,143,244			1,040,789		13,938	1.3	
MUTUAL FUND-SMALL AND MID CAP EQUITIES									
MUTUAL FUNDS									
7,903.64	CALVERT MID CAP I	300,563	38.03	47.97	379,138	0.08	616	0.2	
7,581	NUVEEN ESG SMALL CAP-ETF	335,080	44.20	42.01	318,478	0.32	2,441	0.8	
	TOTAL MUTUAL FUNDS	635,643			697,616		3,057	0.4	
MUTUAL FUND - INTERNATIONAL EMERGING MKTS									
MUTUAL FUNDS									
18,771.46	CALVERT EMERGING MARKETS EQUITY FUND	363,640	19.37	20.45	383,876	0.16	2,910	0.8	
45,660.03	DFA EMERGING MARKETS SUSTAINABILITY CORE 1 PORT.	414,342	9.07	10.24	467,559	0.20	9,315	2.0	
	TOTAL MUTUAL FUNDS	777,982			851,435		12,225	1.4	
	TOTAL EQUITIES	9,451,733			15,013,049		186,619	1.2	
	TOTAL FUND	16,837,112			22,548,719		383,571	1.7	

Investment Review

Account Name SALEM STATE-PLG

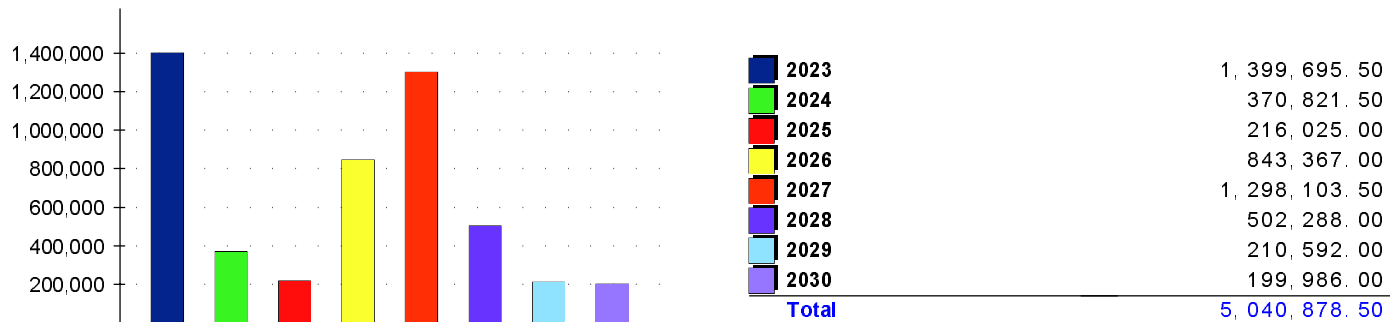
Account Number XXX7524
 Assets Held As Of DEC 31, 2021
 Valued As Of DEC 31, 2021

SCHEDULE OF INCOME INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	CURRENT YIELD	PLG COD
	INCOME CASH	2,025			2,025			0.0	

MATURITY SCHEDULE

Maturities by Year



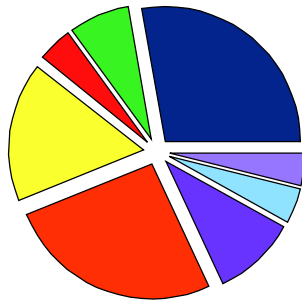
Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
 Assets Held As Of DEC 31, 2021
 Valued As Of DEC 31, 2021

MATURITY SCHEDULE

Percent at Market by Year



27.8%	2023	1,399,695.50
7.4%	2024	370,821.50
4.3%	2025	216,025.00
16.7%	2026	843,367.00
25.7%	2027	1,298,103.50
10.0%	2028	502,288.00
4.2%	2029	210,592.00
3.9%	2030	199,986.00
100.0%	Total	5,040,878.50

Maturing :	Federal Tax Cost	Current Market Value	Face Value	% at Market
2021				
2022				
2023	1,366,117.26	1,399,695.50	1,350,000.00	27.77
2024	356,025.66	370,821.50	350,000.00	7.36
2025	198,318.71	216,025.00	200,000.00	4.29
2026	832,238.54	843,367.00	800,000.00	16.73
2027	1,315,800.38	1,298,103.50	1,250,000.00	25.75
2028	513,059.25	502,288.00	500,000.00	9.96
2029	211,716.00	210,592.00	200,000.00	4.18
2030	201,090.00	199,986.00	200,000.00	3.97
TEN TO TWENTY YEARS				
OVER TWENTY YEARS				
TOTAL	4,994,365.80	5,040,878.50	4,850,000.00	100.00

MATURING NEXT 365 DAYS

Information may be a combination of maturity and prerefunded dates

Investment Review

Account Name	SALEM STATE WCI	Account Number	XXX6142
		Assets Held As Of	DEC 31, 2021
		Valued As Of	DEC 31, 2021

Important Information

GAINS TAXED TO.....
 TRUST TAX YEAR END.....
 LONG TERM CARRYOVER LOSS....
 OFFICER..... JOHN DOHERTY
 REVOCABILITY.....
 FINAL TERMINATION DATE.....

INCOME TAXED TO.....
 TRUST TAX FILING STATUS..... AGENCY
 SHORT TERM CARRYOVER LOSS...
 INVESTMENT OBJECTIVE..... BALANCED
 INVESTMENT AUTHORITY..... SOLE
 DATE OF DEATH.....
 TRUST SITUS..... MASSACHUSETTS

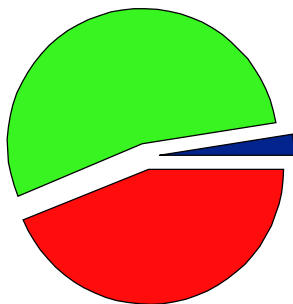
TRUSTEE RESTRICTIONS:

REMARKS:

RECOMMENDED CHANGES: SECURITY	PRICE	VALUE	COST	INCOME	EST INCOME CHANGE: EST GAIN/LOSS: RATIONALE FOR RECOMMENDATION:
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SUMMARY OF INVESTMENTS

Investment Allocation



2.4%		CASH ITEMS	498,314.07
53.8%		EQUITIES	11,129,537.82
43.8%		FIXED INCOME SECURITIES	9,053,597.43
100.0%		Total	20,681,449.32

Investment Review

Account Name	SALEM STATE WCI	Account Number	XXX6142
		Assets Held As Of	DEC 31, 2021
		Valued As Of	DEC 31, 2021

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
PRINCIPAL CASH	201 .71	0 .00	0	0 .00
MONEY MARKET FUNDS	498 , 112 .36	2 .41	50	0 .01
TOTAL CASH ITEMS	498 , 314 .07	2 .41	50	0 .01
FIXED INCOME SECURITIES				
MUTUAL FUND - CORPORATE BONDS				
UNCLASSIFIED	457 , 002 .56	2 .21	18 , 097	3 .96
MUTUAL FUNDS	1 , 807 , 561 .54	8 .74	51 , 352	2 .84
TOTAL MUTUAL FUND - CORPORATE BONDS	2 , 264 , 564 .10	10 .95	69 , 449	3 .07
MUTUAL FUNDS - TARGETED BOND ETFS				
MUTUAL FUNDS	6 , 789 , 033 .33	32 .83	126 , 330	1 .86
TOTAL FIXED INCOME SECURITIES	9 , 053 , 597 .43	43 .78	195 , 779	2 .16
EQUITIES				
COMMON STOCKS				
MACHINERY	95 , 945 .92	0 .46	877	0 .91
COMMUNICATION SERVICES	881 , 913 .51	4 .26	1 , 389	0 .16
CONSUMER DISCRETIONARY	784 , 584 .78	3 .79	10 , 831	1 .38
CONSUMER STAPLES	368 , 227 .23	1 .78	7 , 467	2 .03
FINANCIALS	845 , 748 .03	4 .09	18 , 022	2 .13
HEALTH CARE	1 , 000 , 860 .06	4 .84	13 , 021	1 .30
INDUSTRIALS	577 , 216 .00	2 .79	11 , 201	1 .94
INFORMATION TECHNOLOGY	2 , 322 , 422 .69	11 .23	18 , 227	0 .78
MATERIALS	189 , 375 .71	0 .92	4 , 233	2 .24
REAL ESTATE	107 , 055 .00	0 .52	1 , 907	1 .78
UTILITIES	227 , 898 .57	1 .10	6 , 923	3 .04
TOTAL COMMON STOCKS	7 , 401 , 247 .50	35 .79	94 , 098	1 .27
MUTUAL FUND - LARGE CAP EQUITIES				
MUTUAL FUNDS	1 , 378 , 622 .29	6 .67	14 , 125	1 .02
MUTUAL FUND - INTERNATIONAL EQUITIES				
MUTUAL FUNDS	995 , 127 .51	4 .81	13 , 262	1 .33
MUTUAL FUND-SMALL AND MID CAP EQUITIES				
MUTUAL FUNDS	551 , 164 .72	2 .67	2 , 432	0 .44

Investment Review

Account Name	SALEM STATE WCI	Account Number	XXX6142
		Assets Held As Of	DEC 31, 2021
		Valued As Of	DEC 31, 2021

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
MUTUAL FUND - INTERNATIONAL EMERGING MKTS MUTUAL FUNDS	803,375.80	3.88	11,509	1.43
TOTAL EQUITIES	11,129,537.82	53.81	135,426	1.22
TOTAL FUND	20,681,449.32	100.00	331,255	1.60

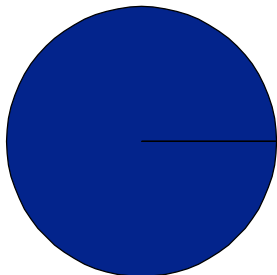
For the Tax Year Ending 12/31


Net Short Term Gain/Loss	25,706.30-
Net Long Term Gain/Loss *	24,577.55

* Includes Long Term Capital Gains Dividends

SUMMARY OF INVESTED INCOME

Investment Allocation



100.0%		CASH ITEMS	1,340.70
<hr/>			
100.0%		Total	1,340.70

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021

SUMMARY OF INVESTED INCOME

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
INCOME CASH	1,340.70	100.00	0	0.00
TOTAL FUND	1,340.70	100.00	0	0.00

SCHEDULE OF INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
CASH ITEMS									
	PRINCIPAL CASH	202			202			0.0	
MONEY MARKET FUNDS									
	FEDERATED GOV'T OBLIGATION TAX MANAGED FUND # 637	498,112			498,112	0.01	50	0.0	
	TOTAL CASH ITEMS	498,314			498,314		50	0.0	
FIXED INCOME SECURITIES									
MUTUAL FUND - CORPORATE BONDS									
UNCLASSIFIED									
48,257.93	CALVERT FLOATING RATE ADVANTAGE FUND	457,570	9.48	9.47	457,003	0.38	18,097	4.0	
MUTUAL FUNDS									
16,833.63	CALVERT HIGH YIELD BOND FUND	454,567	27.00	26.97	454,003	1.15	19,308	4.3	
50,591.53	CALVERT INCOME FUND	903,570	17.86	17.91	906,094	0.53	26,915	3.0	
17,445	ISHARES ESG 1-5 YR USD CORP BOND ETF	453,469	25.99	25.65	447,464	0.29	5,129	1.1	
	TOTAL MUTUAL FUNDS	1,811,606			1,807,561		51,352	2.8	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
	TOTAL MUTUAL FUND - CORPORATE BONDS	1,176			2,264,564		69,449	3.1	
	MUTUAL FUNDS - TARGETED BOND ETFS								
	MUTUAL FUNDS								
38,166	INVESCO BULLETSHARES 2030 CORPORATE BOND ETF	743,432	19.48	19.36	738,894	0.37	14,274	1.9	
34,403	INVESCO BULLETSHARES 2029 CORPORATE BOND ETF	725,422	21.09	20.93	720,055	0.40	13,796	1.9	
33,865	INVESCO BULLETSHARES 2028 CORPORATE BOND ETF	776,366	22.93	22.69	768,397	0.48	16,187	2.1	
35,747	INVESCO BULLETSHARES 2027 CORPORATE BOND ETF	780,598	21.84	21.55	770,348	0.45	16,122	2.1	
36,419	INVESCO BULLETSHARES 2026 CORPORATE BOND ETF	781,225	21.45	21.16	770,626	0.40	14,640	1.9	
34,806	INVESCO BULLETSHARES 2025 CORPORATE BOND ETF	774,268	22.25	21.90	762,251	0.38	13,226	1.7	
34,806	INVESCO BULLETSHARES 2024 CORPORATE BOND ETF	771,362	22.16	21.83	759,815	0.41	14,096	1.9	
35,142	INVESCO BULLETSHARES 2023 CORPORATE BOND ETF	763,746	21.73	21.46	754,147	0.33	11,737	1.6	
34,806	INVESCO BULLETSHARES 2022 CORPORATE BOND ETF	752,554	21.62	21.39	744,500	0.35	12,252	1.6	
	TOTAL MUTUAL FUNDS	6,868,973			6,789,033		126,330	1.9	
	TOTAL FIXED INCOME SECURITIES	9,138,149			9,053,597		195,779	2.2	
	EQUITIES								
	COMMON STOCKS								
	MACHINERY								
406	IDEX CORPORATION	88,979	219.16	236.32	95,946	2.16	877	0.9	
	COMMUNICATION SERVICES								
55	ALPHABET, INC. CL C	137,035	2,491.54	2893.59	159,147	0.00	0	0.0	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
115	ALPHABET, INC. CL A	283,302	2,463.50	2897.04	333,160	0.00	0	0.0	
789	WALT DISNEY PRODUCTIONS	138,525	175.57	154.89	122,208	1.76	1,389	1.1	
795	FACEBOOK META PLATFORMS INC	258,741	325.46	336.35	267,398	0.00	0	0.0	
	TOTAL COMMUNICATION SERVICES	817,603			881,913		1,389	0.2	
	CONSUMER DISCRETIONARY								
576	BURLINGTON STORES, INC.	181,650	315.36	291.51	167,910	0.00	0	0.0	
1,045	DARDEN RESTAURANTS INC.	149,587	143.14	150.64	157,419	4.18	4,368	2.8	
634	HOME DEPOT INC	206,451	325.63	415.01	263,116	6.60	4,184	1.6	
1,187	MARRIOTT INTERNATIONAL INC. CL A	175,272	147.66	165.24	196,140	1.92	2,279	1.2	
	TOTAL CONSUMER DISCRETIONARY	712,960			784,585		10,831	1.4	
	CONSUMER STAPLES								
642	PEPSICO INC	96,105	149.70	173.71	111,522	4.30	2,761	2.5	
1,170	SYSCO CORP	92,501	79.06	78.55	91,904	1.88	2,200	2.4	
1,139	WALMART, INC.	159,531	140.06	144.69	164,802	2.20	2,506	1.5	
	TOTAL CONSUMER STAPLES	348,137			368,228		7,467	2.0	
	FINANCIALS								
824	ALLSTATE CORP	104,310	126.59	117.65	96,944	3.24	2,670	2.8	
155	BLACKROCK INC.	131,691	849.62	915.56	141,912	16.52	2,561	1.8	
671	CAPITAL ONE FINANCIAL CORP	100,323	149.51	145.09	97,355	2.40	1,610	1.7	
768	INTERCONTEXCHANGE GROUP INC	92,151	119.99	136.77	105,039	1.32	1,014	1.0	
1,568	J P MORGAN CHASE & CO	248,534	158.50	158.35	248,293	4.00	6,272	2.5	
779	PNC BANK CORP	148,164	190.20	200.52	156,205	5.00	3,895	2.5	
	TOTAL FINANCIALS	825,173			845,748		18,022	2.1	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
HEALTH CARE									
1,444	ABBOTT LABORATORIES INC	173,072	119.86	140.74	203,229	1.88	2,715	1.3	
477	DANAHER CORP	124,698	261.42	329.01	156,938	0.84	401	0.3	
879	JOHNSON & JOHNSON	144,874	164.82	171.07	150,371	4.24	3,727	2.5	
1,309	MERCK & CO INC. NEW	99,421	75.95	76.64	100,322	2.76	3,613	3.6	
291	THERMO FISHER SCIENTIFIC, INC.	147,231	505.95	667.24	194,167	1.04	303	0.2	
390	UNITEDHEALTH GROUP, INC	158,878	407.38	502.14	195,835	5.80	2,262	1.2	
	TOTAL HEALTH CARE	848,174			1,000,862		13,021	1.3	
INDUSTRIALS									
326	HONEYWELL INTL INC.	69,463	213.08	208.51	67,974	3.92	1,278	1.9	
435	ILLINOIS TOOL WORKS	99,249	228.16	246.80	107,358	4.88	2,123	2.0	
304	NORTHROP GRUMMAN	107,925	355.02	387.07	117,669	6.28	1,909	1.6	
1,694	RAYTHEON TECHNOLOGIES CORP	143,062	84.45	86.06	145,786	2.04	3,456	2.4	
801	EATON CORP PLC	119,074	148.66	172.82	138,429	3.04	2,435	1.8	
	TOTAL INDUSTRIALS	538,773			577,216		11,201	1.9	
INFORMATION TECHNOLOGY									
216	ADOBE INC.	118,403	548.16	567.06	122,485	0.00	0	0.0	
1,137	ADVANCED MICRO DEVICES INC	113,561	99.88	143.90	163,614	0.00	0	0.0	
807	AKAMAI TECHNOLOGIES	89,780	111.25	117.04	94,451	0.00	0	0.0	
532	ANALOG DEVICES	86,457	162.51	175.77	93,510	2.76	1,468	1.6	
1,833	APPLE INC	252,706	137.86	177.57	325,486	0.88	1,613	0.5	
1,070	APPLIED MATERIALS	145,358	135.85	157.36	168,375	0.96	1,027	0.6	
499	AUTOMATIC DATA PROCESSING	101,545	203.50	246.58	123,043	4.16	2,076	1.7	
330	BROADCOM INC	159,106	482.14	665.41	219,585	16.40	5,412	2.5	
485	MASTERCARD	177,614	366.21	359.32	174,270	1.96	951	0.5	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021

SCHEDULE OF INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
1,628	MICROSOFT	458,441	281.60	336.32	547,529	2.48	4,037	0.7	
520	MOTOROLA SOLUTIONS, INC.	109,968	211.48	271.70	141,284	3.16	1,643	1.2	
789	PAYPAL HLDGS INC	202,020	256.05	188.58	148,790	0.00	0	0.0	
	TOTAL INFORMATION TECHNOLOGY	2,014,959			2,322,422		18,227	0.8	
	MATERIALS								
320	AIR PRODUCTS & CHEMICALS	93,218	291.31	304.26	97,363	6.00	1,920	2.0	
761	EASTMAN CHEMICAL CO	77,945	102.42	120.91	92,013	3.04	2,313	2.5	
	TOTAL MATERIALS	171,163			189,376		4,233	2.2	
	REAL ESTATE								
366	AMERICAN TOWER REIT	94,723	258.81	292.50	107,055	5.21	1,907	1.8	
	UTILITIES								
1,160	AMEREN CORP.	97,959	84.45	89.01	103,252	2.20	2,552	2.5	
1,401	AMERICAN ELEC POWER CO	119,936	85.61	88.97	124,647	3.12	4,371	3.5	
	TOTAL UTILITIES	217,895			227,899		6,923	3.0	
	TOTAL COMMON STOCKS	6,678,539			7,401,250		94,098	1.3	
	MUTUAL FUND - LARGE CAP EQUITIES								
	MUTUAL FUNDS								
18,727.45	CALVERT GLOBAL ENERGY SOLUTIONS	247,579	13.22	13.52	253,195	0.07	1,236	0.5	
6,387.75	DFA U S SUSTAINABILITY CORE 1	221,251	34.64	37.21	237,688	0.35	2,248	0.9	
2,886	INVESCO BUYBACK WILDERHILL CLEAN ENERGY ETF	248,798	86.21	71.42	206,118	1.22	3,530	1.7	
1,377	SPDR HEALTH CARE SELECT SPDR ETF	174,747	126.90	140.89	194,006	1.87	2,578	1.3	
2,183	SPDR INDUSTRIAL SELECT	224,064	102.64	105.81	230,983	1.32	2,877	1.2	
1,476	SPDR TECHNOLOGY IDX	217,796	147.56	173.87	256,632	1.12	1,656	0.6	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2021
Valued As Of DEC 31, 2021**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
	TOTAL MUTUAL FUNDS	1,334,235			1,378,622		14,125	1.0	
	MUTUAL FUND - INTERNATIONAL EQUITIES								
	MUTUAL FUNDS								
30,892.13	BLACKROCK GLOBAL IMPACT FUND	452,577	14.65	13.06	403,451	0.10	2,997	0.7	
15,841.4	BOSTON COMMON ESG IMPACT INTN'L	611,803	38.62	37.35	591,676	0.65	10,265	1.7	
	TOTAL MUTUAL FUNDS	1,064,380			995,127		13,262	1.3	
	MUTUAL FUND-SMALL AND MID CAP EQUITIES								
	MUTUAL FUNDS								
6,189.71	CALVERT MID CAP I	313,310	50.62	47.97	296,920	0.08	483	0.2	
6,052	NUVEEN ESG SMALL CAP-ETF	268,786	44.41	42.01	254,245	0.32	1,949	0.8	
	TOTAL MUTUAL FUNDS	582,096			551,165		2,432	0.4	
	MUTUAL FUND - INTERNATIONAL EMERGING MKTS								
	MUTUAL FUNDS								
17,811.93	CALVERT EMERGING MARKETS EQUITY FUND	395,437	22.20	20.45	364,254	0.16	2,761	0.8	
42,883	DFA EMERGING MARKETS SUSTAINABILITY CORE 1 PORT.	467,974	10.91	10.24	439,122	0.20	8,748	2.0	
	TOTAL MUTUAL FUNDS	863,411			803,376		11,509	1.4	
	TOTAL EQUITIES	10,522,661			11,129,540		135,426	1.2	
	TOTAL FUND	20,159,124			20,681,451		331,255	1.6	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
 Assets Held As Of DEC 31, 2021
 Valued As Of DEC 31, 2021

SCHEDULE OF INCOME INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	PLG YIELD	PLG COD
	INCOME CASH	1,341			1,341			0.0	

Board of Trustees Finance and Facilities Committee January 26, 2022

Karen House

Vice President for Finance and Facilities

Flow of the meeting

Objectives:

- Inform BOT of current year financial status
- *Prepare* to set fees and establish FY23 budget
- No action items today

Topics:

- Eastern – investments
- Financial Update
 - FY21 Q1 and Dashboard
 - MYFP, focus on FY23 and FY24
- Real estate, facilities, and sustainability

Investment Discussion

FY22 Financials (FF p.64 & p 69)

- FY22 Projection – positive MNI of \$7.9M vs budgeted deficit of \$3.9M
- Positive revenue budget variance
 - Final pieces of institutional HEERF (covid relief): \$7.1M
 - Housing occupancy approx. 1500 vs 1100 budgeted: \$5.1M
 - Appropriation higher: \$5.1M
 - Assumes state funds the CBA's (FY21 & FY22)
 - Enrollment is lower than last year but above the budget
- Projection does not incorporate Omicron impact; TBD as semester settles in
 - Staggered opening of residence halls, with student account adjustments for room & board
- Expenses:
 - Compensation up due to CBA. 2 years of pay increases + 1 year of covid bonuses – to be distributed during FY22 – plus fringe benefits.
 - Projected savings in Support

FY23 Budget Cycle

- BHE budget voted in December
- Gov. budget is revealed Jan. 26
- BOT sets fees March/April
- Legislative process in spring
- BOT approves budget May/June
- Final state budget June or early summer
- FY begins July 1

MYFP Intro & demonstration

(FF p. 72)

Goals of today's discussion

- Discuss evolution of MYFP at SSU
- Review FY23 & FY24 key assumptions and results
- Prepare to set FY23 fees
- Demonstrate capabilities of the system
- Strategic initiatives – what if – link with development of strategic plan

Sallyann Lopez to demonstrate Synario & discuss

← → ↻ synario.com/wep21/#B.top

Apps CFRS Test Polaris SSTA sign in Vision for a Sustain... Video Conferencing... Salem State Univers... Ben Transition - On... CFRS Launch 122 Broadway - On...

text Navigate Snip Undo Redo Viewing Close Logoff Deck: January 2022 Board Meeting Slide: Title Slide



January 26, 2022

Other Topics

- Real estate, facilities, and sustainability
- Charter & Workplan

Capital Projects Status Update December 2021

PROJECTS UNDER CONSTRUCTION

Administration: roof replacement and repairs to the utility tunnel
Completed Fall 2021, in project closeout phase
Current estimate \$2.4 million subject to final closeout process

Automated building controls: phase 1, 7 Buildings
Anticipated completion: Winter 2022
Budget: \$1,046,010

- Update outdated legacy controls hardware to open network system
- Under construction

O'Keefe: roof replacement
Completed Fall 2021, in project closeout phase
Current estimate \$2.3 million subject to final closeout process

- Replacement of the roof on the entire building, kalwall window system on the third floor. Add humidification to the gym. Replace failing mechanical equipment.

Parking Garage: safety fencing (Installation of security fencing in openings on floors 2 through roof)
Completed October 2021
Final cost \$376,000

Lighting upgrades: campus wide lighting upgrades
Anticipated completion: Summer 2022
Budget: \$2 million estimated
Other:

- Estimated annual utility savings of \$200,000 per year
- Under construction

PROJECTS IN PLANNING/STUDIES

Meier Hall: penthouse waterproofing
Anticipated completion: Summer 2022, Currently out to bid
Current estimate: \$1,053,000 based on certified study estimate

Berry Library: HVAC repair (Design for the repair and replacement of malfunctioning HVAC system)
Design completed in Summer 2021
Cost estimate per recent engineering study, \$2.8 million

- DCAMM certified study approved recently
- Funding requested from DCAMM

**Capital Projects Status Update
December 2021**

PROJECTS IN PLANNING/STUDIES (CONT)

Sullivan: elevator replacement

Preliminary study completed, scope to be determined

Next steps: Completion of DCAMM certified study

Sullivan: basement structural repairs

- Structural repairs to subsurface coal bunkers

- New ADA ramp

Next steps: Completion of DCAMM certified study

Campus Wide: automated building controls upgrade: phases 2 and 3

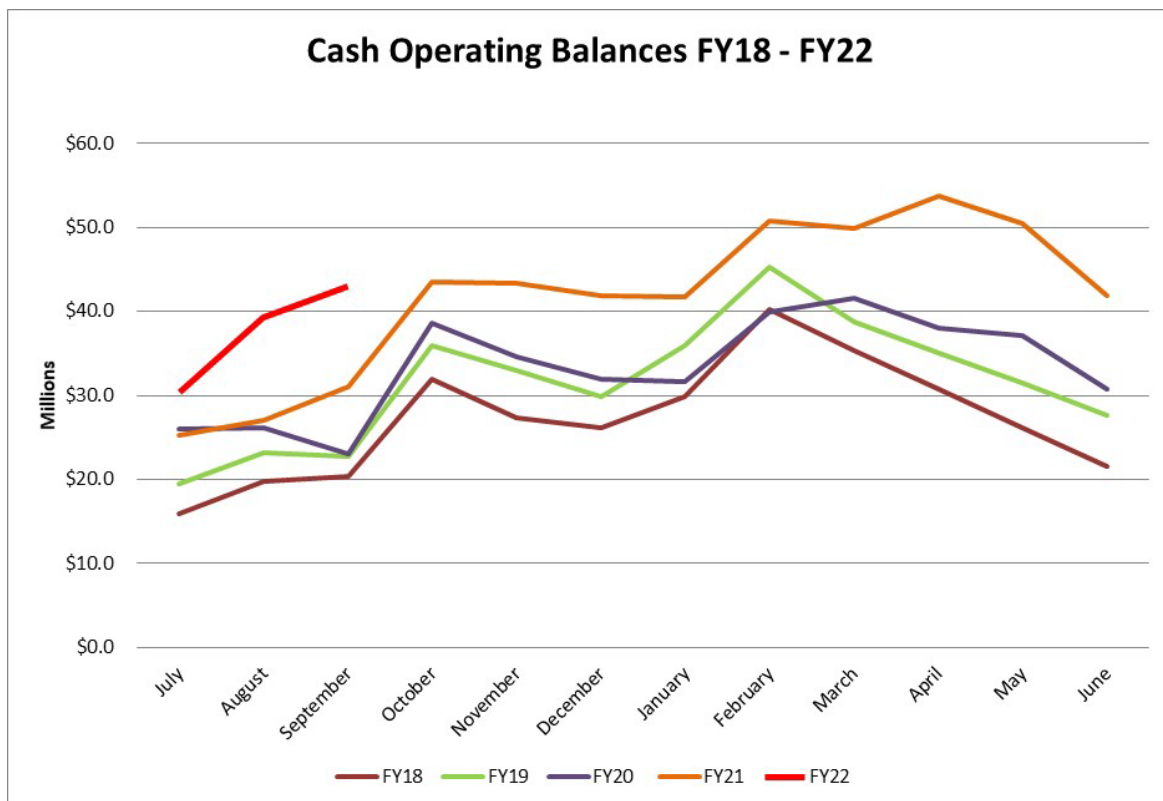
Next steps: certified study is underway

**Salem State University
Interim Financial Review through the First Quarter (Q1) of FY22 (9/30/2021)
Commentary**

Introduction – The attached package includes a summarized Management Revenue & Expense Report that distinguishes between managed and non-cash revenue and expense activity, in addition to the traditional GAAP-style financial statements. Thus, the package for the period ending September 30, 2021 includes the following unaudited financial statements:

- Management Revenue & Expense Report
- Management Revenue & Expense Report by Trust Funds
- Statements of Net Position
- Statement of Cash Flows
- Statements of Revenues, Expenses and Changes in Net Position by Natural Classification

KEY ITEMS SUMMARY:



Note: Operating Cash includes Deposits Held by State Treasurer

Summary Financial Information for FY21Q1 and FY22Q1

	<i>(In Thousands)</i>				Budget	Projection
	FY21Q1	FY22Q1	\$ Change	% Change	FY22	FY22
Managed Revenues	\$ 64,017	\$ 68,349	\$ 4,332	6.8%	\$ 160,612	\$ 178,158
Managed Expenses	30,124	31,978	1,854	6.2%	164,547	170,160
Managed Net Income	33,893	36,371	▲ 2,478	7.3%	(3,935)	▲ 7,998
Non Cash Revenue/(Expenses)	(1,165)	(2,757)	▼ (1,592)	136.7%	(3,921)	(3,921)
Total Increase/(Decrease) in Net Position	\$ 32,728	\$ 33,614	▲ 886	2.7%	\$ (7,856)	▲ 4,077

Balance Sheet – Excluding cash with state and other agencies, the cash balance increased \$4.9 since June 30, 2021 primarily due to the timing of payments. On September 30, 2021, the accounts receivable balance stood at \$34.8 million, an increase of \$26.6 million since June 30, 2021 due to the billing of the Fall semester. The September 2021 accounts receivable balance is comparable to the balance as of September 2020. Capital assets have decreased \$1.9 million primarily due to depreciation taken through the first quarter, offset slightly by asset additions. Investments have increased 5.6% or \$1.9 million to \$36.0 million since June 30, 2021, primarily due to a transfer of \$2.5 million to the working capital investment account and offset by current market conditions. Accounts payable and accrued expenses decreased \$2.1 million or 33.5% due to timing of payments. Accrued payroll decreased 38.0% or \$2.9 million due to payments made in July of 2021 related to FY21 expenses. Other liabilities decreased \$2.5 million or 43.9% due to the recognition of Summer Tuition which was deferred at June 30, 2021.

Cash Operating Balances FY18 through FY22 (September) – The cash graph displays operating cash balances by month and excludes deposits held by MSCBA/DCAMM. Operating cash flows are cyclical as depicted in the cash graph. However, cash flows demonstrate a significant increase in FY21 and continue in FY22 due to the COVID-19 situation in which the MSCBA restructured debt and eliminated an assessment expense (Fall 2020), as well as grant funds from HEERF.

Managed Revenues and Expenses - For the three months ending September 30, 2021 (FY22), Salem State's net position increased by \$33.6 million overall which is slightly higher than the prior year of \$32.7 million. For managed net income, the YTD result through the first quarter of FY22 is \$36.4 million, an increase of \$2.5 million or 7.3% over the same period in FY21. Net tuition and fees decreased \$3.3 million, or 8.4% over the same period in FY21 due to enrollment decreases. Auxiliary enterprise revenue was \$4.0 million or 61.1% higher over prior year due to increased housing and meal plans which was primarily from increased student presence on campus during FY22 over FY21. Managed expenses of \$32.0 million increased \$1.9 million or 6.2% over the same period in the prior year. Compensation increased \$1.0 million or 4.1%. The university has continued to control compensation expenses through limited hiring.

Changes in Non-Cash Revenues and Expenses – The total net non-cash revenues and expenses through the first quarter decreased \$1.6 million (expense) primarily due to investment activity.

Comparison of Current FY22 Projection to Approved FY22 Budget –

Managed Revenue and Expense Activity:

- A favorable variance of \$1.6 million in net tuition and fees is projected which is related to Fall 2021 enrollment being higher than budgeted.
- A favorable variance of \$7.1 million in Grant revenue. This is the recognition of an additional \$7.1 million in ARPA or HEERF III funding that was not part of the FY22 original budget.
- A favorable variance of \$5.07 million in Auxiliary revenue is due to fall semester housing and therefore dining revenues being higher than budgeted. The FY22 Original Budget assumed an occupancy of 1,100, actual occupancy is 1,511. Spring 2022 occupancy now assumes an historical melt rate of -6.5% from fall

Attachment D

actuals and is projected at 1,413. Housing occupancy has a significant effect on Dining revenue. Given the increased occupancy, Dining revenue will also increase.

- A favorable projected variance of \$5.07 million in state support is assumed from the collective bargaining contract funding requested on behalf of Salem State by the Dept of Higher Education. Of this, \$3.5 million is projected as the increase to the general appropriation with an additional \$1.6 million provided through state-paid fringe benefits. This funding is used exclusively on benefitted faculty and staff salaries and does not cover the full benefitted faculty and staff expense to the university.
- Other revenue is expected to be \$1.5 million lower than budgeted due a reduction in the projections of investment income. Market conditions vary and are not expected to increase indefinitely.
- Turning to expenses, an unfavorable variance of \$4.7 million in compensation is due to the retroactive salary increases to be paid out in FY22 offset by additional vacancy savings of \$1.7 million from continued vacancies and delayed hiring.
- Support expenses assume \$4.0 million in reduced expenses based on historical spending. The remote work environment and reduced expenditures are projected to continue because of the pandemic; however, it is difficult to identify where and by how much the savings will continue.
- Facility-related expenses are expected to be \$4.09 million unfavorable to budget. The FY22 projection includes \$4.2 million in Bates' defeasance costs that were not included in the original budget.

Non-Cash Revenue and Expenses:

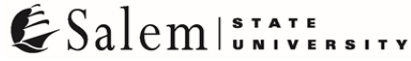
- As is the university's practice, the budget does not include a calculation of the impact of GASB 68 pension and GASB 75 OPEB liability adjustment for FY22. Information to book these adjustments is maintained by and received from the Commonwealth as the books are closed for the fiscal year. As the University has not received any estimate for these amounts from the Commonwealth, the projection does not include any estimate for GASB 68 or GASB 75.

The Management Revenue & Expense Report displays the year-to-date activity through the applicable quarter of the prior year compared to the current year. The Statement of Net Position and related analysis compares the prior year's fiscal year-end balance to the balance at the end of the applicable quarter in the current year. This is done to focus on what changed in the current fiscal year. Similarly, the Statement of Cash Flows is presented through the end of the applicable quarter in the current year and shows the change in cash from the end of the prior fiscal year.

Financial reports and information herein are hereby certified by the President or designee, VP for Finance and Facilities Karen House, that all records were maintained in accordance with proper procedures, including documentation of receipts, disbursements, and bank accounts, and that all expenditures were made to advance Salem State University's mission. The information is for the University without the inclusion of the Assistance Corporation and Foundation and is derived from the financial system of record (PeopleSoft) as the numbers stood when the period being reported was closed.

Management Revenue & Expense Report
(In Thousands)

	1st Qtr FY 2021	1st Qtr FY 2022	Change from FY 2021 1st Qtr	Change %	Year End FY 2021	Original Budget FY 2022	Projection FY 2022
Managed Revenues:							
Tuition and fees	\$ 40,268	\$ 39,162	\$ (1,106)	-2.7%	\$ 80,469	\$ 74,705	\$ 76,356
Less: scholarships, fellowships & waivers	(1,283)	(3,433)	(2,150)	167.6%	(31,471)	(25,608)	(25,608)
Net tuition and fees	38,985	35,729	(3,256)	-8.4%	48,998	49,097	50,748
Federal, state & private grants	1,668	4,237	2,569	154.0%	31,619	22,206	29,380
Auxiliary enterprises	6,561	10,569	4,008	61.1%	12,100	14,756	19,826
State general appropriations	15,204	15,807	603	4.0%	67,963	69,383	74,460
Other revenue	1,599	2,007	408	25.5%	5,390	5,170	3,744
Total Managed Revenues (A)	64,017	68,349	4,332	6.8%	166,070	160,612	178,158
Managed Expenses:							
Compensation	24,592	25,595	1,003	4.1%	104,920	113,045	117,767
Support	3,957	4,735	778	19.7%	20,317	30,553	27,356
Facility-related	1,575	1,648	73	4.6%	13,235	20,949	25,037
Total Managed Expenses (B)	30,124	31,978	1,854	6.2%	138,472	164,547	170,160
Managed Net Income (A-B)=(C)	33,893	36,371	2,478	7.3%	27,598	(3,935)	7,998
Non-Cash Revenue/(Expenses):							
Capital grants	-	59	59	100.0%	3,708	1,835	1,835
Depreciation	(2,337)	(2,327)	10	-0.4%	(9,474)	(9,690)	(9,690)
Unrealized gains/(losses)	1,172	(489)	(1,661)	-141.7%	3,252	-	-
GASB 68 Pension	-	-	-	-	(1,085)	-	-
GASB 75 OPEB	-	-	-	-	5,266	-	-
Use of Net Position	-	-	-	-	-	3,934	3,934
Total Non-Cash Revenue/(Expenses)	(1,165)	(2,757)	(1,592)	136.7%	1,667	(3,921)	(3,921)
Total Increase/(Decrease) in Net Position	\$ 32,728	\$ 33,614	\$ 886	2.7%	\$ 29,265	\$ (7,856)	\$ 4,077



Management Revenue & Expense Report by Trust Funds
September 30, 2021

Account Description	FY 2021 Year-End (\$K)	Unrestricted Auxiliaries	Educational & General Funds	Grants	Gifts & Contributions	Residence Halls	Restricted Other	Total Restricted Endowments	Net Invested in Capital Assets	FY 2022 YTD- September Actuals (\$K)
Managed Revenues:										
Net tuition and fees	\$48,998		\$38,467	(\$2,699)	(\$42)	(\$233)	\$236			\$35,729
Federal, state & private Grants	31,619			4,203		34				4,237
Auxiliary enterprises	12,100	\$2,730	108			7,668	63			10,569
State general appropriations	67,963		15,794	13						15,807
Other revenue	5,390	16	496	(74)	1,556		8	\$5		2,007
Total Managed Revenues	166,070	2,746	54,865	1,443	1,514	7,469	307	5	-	68,349
Managed Expenses:										
Compensation	104,920	35	24,034	576	101	849				25,595
Support	20,317	169	4,270	93	96	72	35			4,735
Facility-related	13,235	(760)	5,007	2	(\$65)	277	72		(\$2,885)	1,648
Total Managed Expenses	138,472	(556)	33,311	671	132	1,198	107	-	(2,885)	31,978
Managed Net Income	27,598	3,302	21,554	772	1,382	6,271	200	5	2,885	36,371
Non-Cash Revenues/(Expenses):										
Capital grants	3,708		59							59
Depreciation	(9,474)								(2,327)	(2,327)
Unrealized gains/(losses)	3,252		(474)				(1)	(14)		(489)
GASB 68 Pension	(1,085)									-
GASB 75 OPEB	5,266									-
Total Non-Cash Revenue/(Expenses)	1,667	-	(415)	-	-	-	(1)	(14)	(2,327)	(2,757)
Total Increase/(Decrease) in Net Position	\$29,265	\$3,302	\$21,139	\$772	\$1,382	\$6,271	\$199	(\$9)	\$558	\$33,614

Statements of Net Position
(In Thousands)

	FY 2021	FY 2022 YTD	Change	
	Year End	September 30	\$	%
Assets:				
Cash	\$ 37,405	\$ 42,253	\$ 4,848	13.0%
Cash with State and other agencies	6,774	1,523	(5,251)	-77.5%
Accounts and other receivables	8,247	34,807	26,560	322.1%
Capital assets	157,958	156,061	(1,897)	-1.2%
Investments	34,044	35,964	1,920	5.6%
Loans receivable, net	1,218	1,148	(70)	-5.7%
Debt Service Reserve	1,176	1,176	-	0.0%
Other Assets	365	198	(167)	-45.8%
Total Assets	247,187	273,130	25,943	10.5%
Deferred Outflows of Resources	20,988	20,988	-	0.0%
Total Assets and Deferred Outflows of Resources	\$ 268,175	\$ 294,118	\$ 25,943	9.7%
Liabilities:				
Accounts payable and accrued expenses	\$ 6,121	\$ 4,069	\$ (2,052)	-33.5%
Accrued Payroll	7,681	4,759	(2,922)	-38.0%
Bonds and notes payable	33,030	32,924	(106)	-0.3%
Compensated absences	10,149	10,149	-	0.0%
Loan payable, federal financial assistance programs	1,916	1,916	-	0.0%
Other liabilities	5,754	3,227	(2,527)	-43.9%
Net Pension Liability	39,994	39,994	-	0.0%
Net OPEB Liability	51,463	51,463	-	0.0%
Total Liabilities	156,108	148,501	(7,607)	-4.9%
Deferred Inflows	65,866	65,802	(64)	-0.1%
Total Liabilities and Deferred Inflows of Resources	221,974	214,303	(7,671)	-3.5%
Net Position:				
Invested in capital assets	122,095	120,040	(2,055)	-1.7%
Restricted	11,746	20,366	8,620	73.4%
Unrestricted	(87,640)	(60,591)	27,049	-30.9%
Total Net Position	46,201	79,815	33,614	72.8%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 268,175	\$ 294,118	\$ 25,943	9.7%



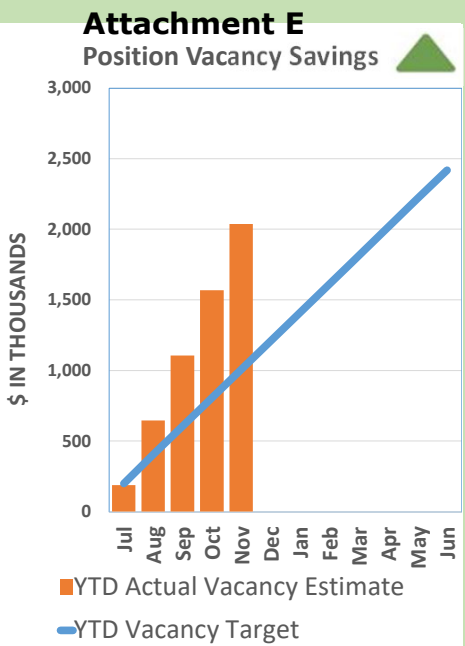
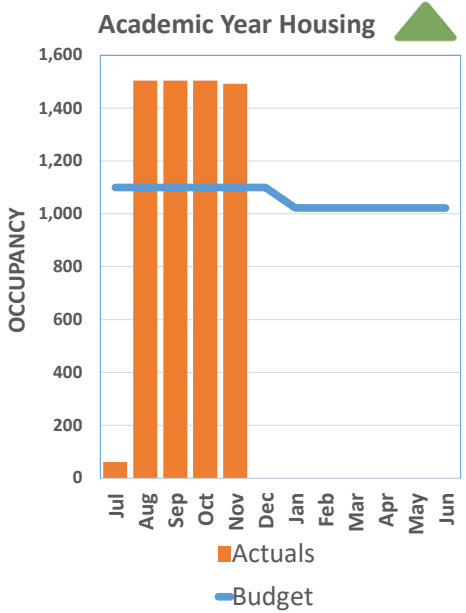
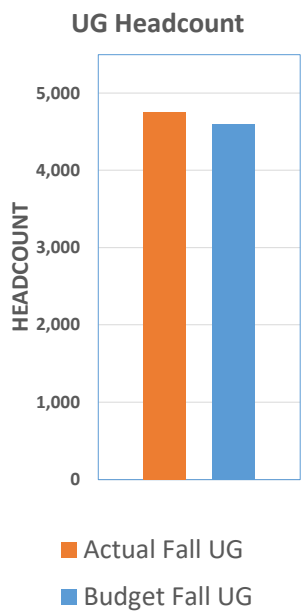
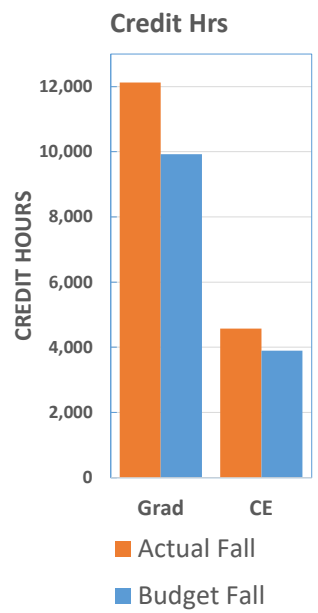
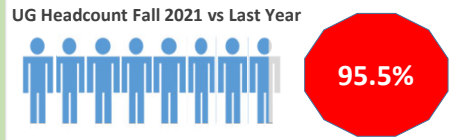
Statement of Cash Flows
(In Thousands)

	YTD 09/30/21 FY 2022
Cash flow from operating activities:	
Tuition and fees (net)	\$ 10,764
Grants and contracts	1,932
Payments to vendors, employees and students	(30,694)
Auxiliary and other receipts	4,744
Net cash used by operating activities	(13,254)
Cash flow from non-operating activities:	
State appropriations (net)	11,780
Gifts, investment and other sources	1,959
HEERF grants	3,710
Net cash provided by non-operating activities	17,449
Cash flow from capital, financing and investing activities:	
Purchases of capital assets	(2,288)
Debt service payments on note payables	(74)
Investment activities (net)	(2,236)
Net cash used in capital financing, and investing activities	(4,598)
Net decrease in cash and cash equivalents	(403)
Cash and cash equivalents at beginning of period	44,179
Cash and cash equivalents at end of period	\$ 43,776

Statements of Revenues, Expenses and Changes in Net Position by Natural Classification
(In Thousands)

	Year to Date through September 30		Full Fiscal Year		
	FY2021	FY2022	FY2021	FY2022	FY2022
	Actual	Actual	Actual	Budget	Projection
Operating Revenues:					
Tuition and fees	\$ 40,268	\$ 39,162	\$ 80,469	\$ 74,705	\$ 76,356
Less: scholarships and fellowships	(913)	(1,014)	(18,695)	(16,395)	(17,709)
Net tuition and fees	39,355	38,148	61,774	58,310	58,647
Federal, state and private grants	1,668	1,981	19,844	18,752	18,752
Sales and services of educational departments	87	24	350	508	507
Auxiliary enterprises	6,561	10,569	12,100	14,756	19,826
Other operating revenues	34	246	638	281	354
Total Operating Revenues	47,705	50,968	94,706	92,607	98,086
Operating Expenses:					
Compensation and benefits	24,592	25,595	100,740	113,045	117,767
Supplies and services	5,084	5,715	29,917	46,149	32,079
Utilities	445	497	3,124	4,362	4,361
Depreciation	2,337	2,327	9,474	9,690	9,690
Scholarships and fellowships	370	2,419	12,776	9,212	7,898
Total Operating Expenses	32,828	36,553	156,031	182,458	171,795
Non-Operating Revenues/Expenses:					
State appropriations, net	15,204	15,807	67,963	69,383	74,460
HEERF Grants	-	2,256	11,776	3,454	10,628
Gifts	1,296	1,559	2,370	2,376	2,376
Contribution from SSUAC	-	-	-	-	-
Investment income (loss)	1,354	(311)	5,283	2,006	508
Other revenue - MSCBA	-	-	-	-	(14,897)
Interest expense on bonds & other debt	(3)	(171)	(511)	(991)	(991)
Net Non-Operating Revenues/Expenses	17,851	19,140	86,881	76,228	72,084
Capital grants	-	59	3,709	1,835	1,835
Use of Net Position	-	-	-	-	3,934
Total Increase (Decrease) in Net Position	\$ 32,728	\$ 33,614	\$ 29,265	\$ (11,788)	\$ 4,144

Statistics



Key Managed Revenues as of 11/30/2021 (current fiscal year) and November month end, closed (prior fiscal year)

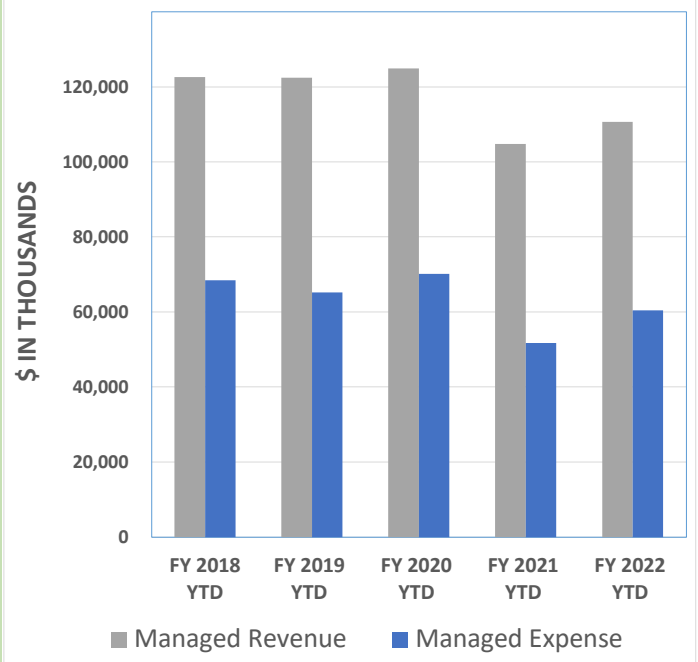
Net Tuition & Fees			State General Appropriations			Auxiliaries		
Full Year 2022 Budget: \$49.1M 30.6% of Total Managed Revenue Budget			Full Year 2022 Budget: \$69.4M 43.2% of Total Managed Revenue Budget			Full Year 2022 Budget: \$14.8M 9.2% of Total Managed Revenue Budget		
% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$56,171K	\$47,270K	\$ Actual	\$26,854K	\$28,761K	\$ Actual	\$12,226K	\$20,121K

Managed Expenses as of 11/30/2021 (current fiscal year) and November month end, closed (prior fiscal year)

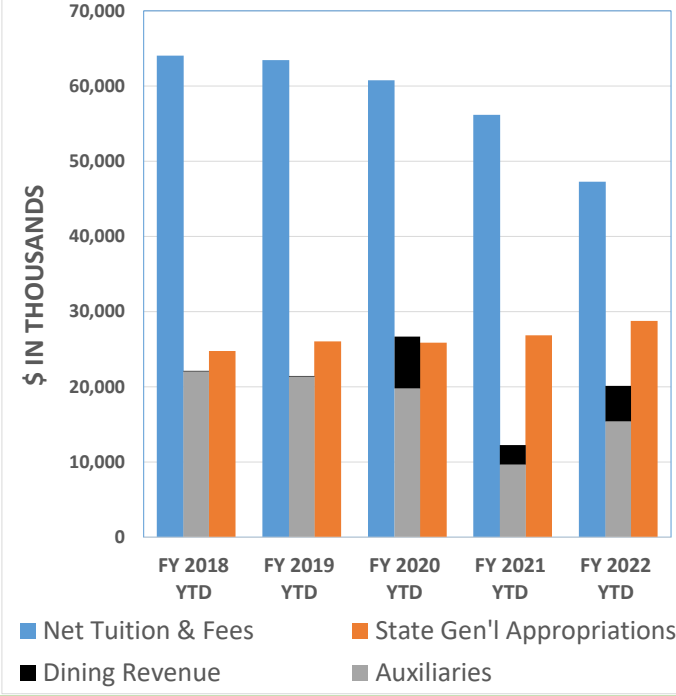
Compensation			Support			Facility Related		
Full Year 2022 Budget: \$113M 68.7% of Total Managed Expenses Budget			Full Year 2022 Budget: \$30.6M 18.6% of Total Managed Expenses Budget			Full Year 2022 Budget: \$20.9M 12.7% of Total Managed Expenses Budget		
% Attainment	Prior FY*	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$41,068K	\$42,952K	\$ Actual	\$7,825K	\$8,573K	\$ Actual	\$2,852K	\$8,865K

Managed Net Income Trends as of 11/30/2021 (current fiscal year) and November Month end, closed (prior fiscal years)

Five-Year Managed Revenue & Expense Trend

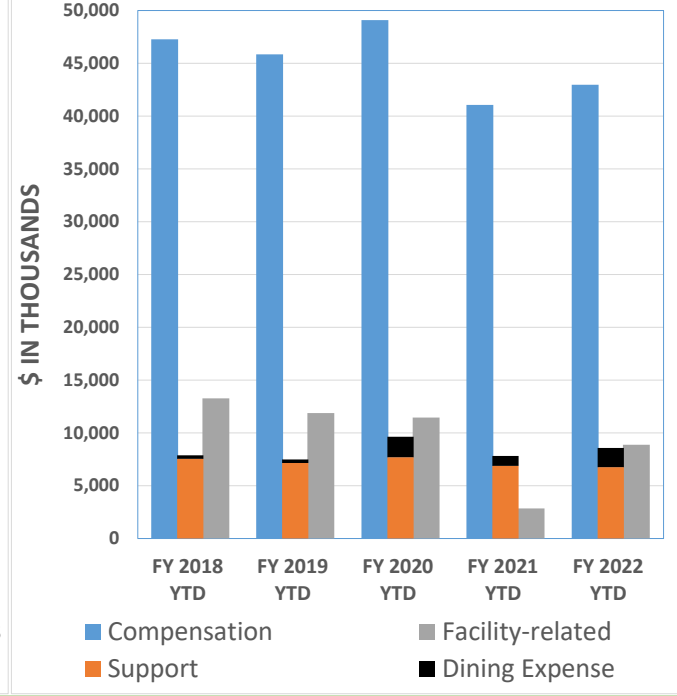


Trends - Key Managed Revenues



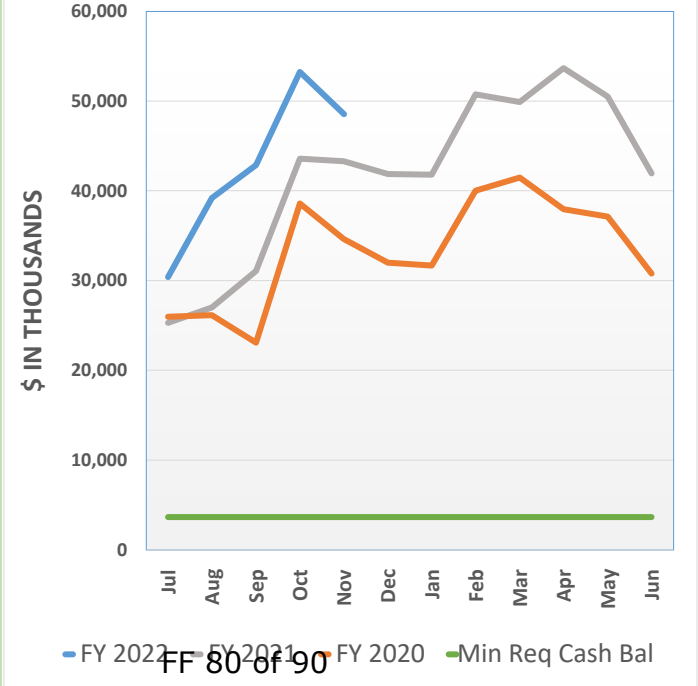
Attachment E

Trends - Key Managed Expenses

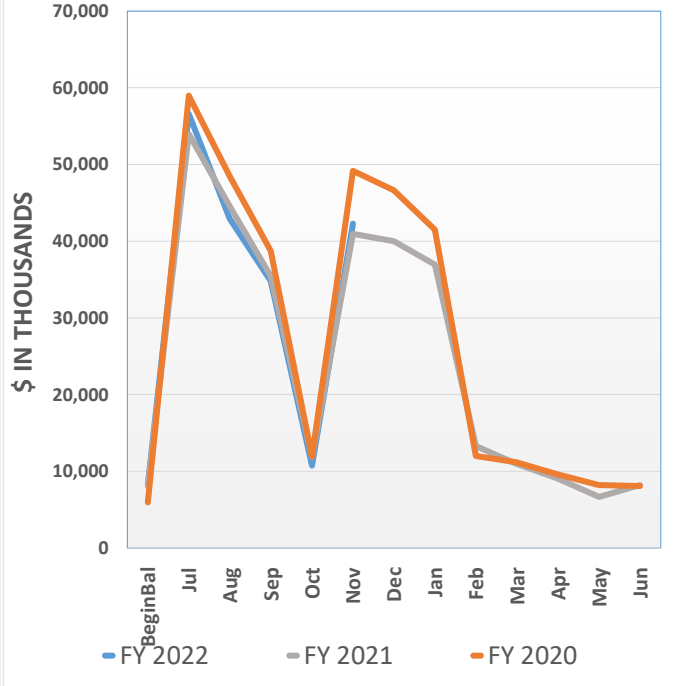


Balance Sheet Trends

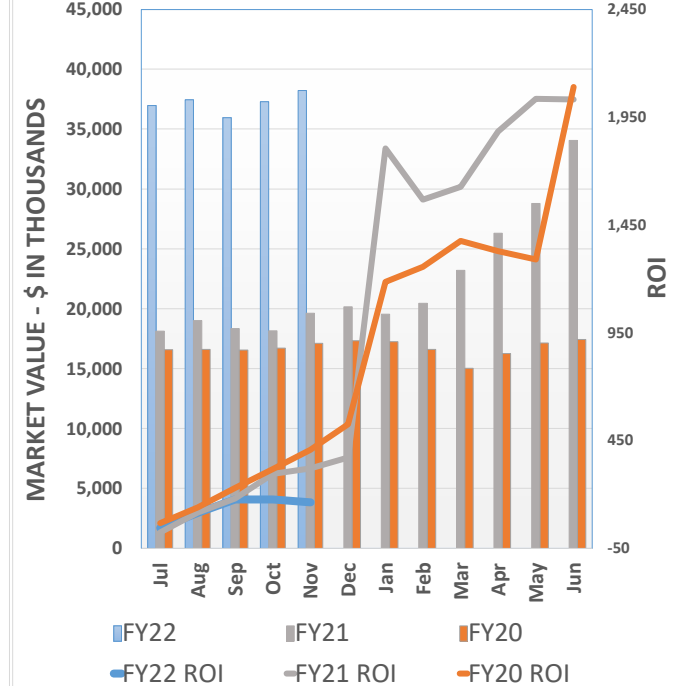
Monthly Cash Balances



Monthly Gross Receivables



Investments



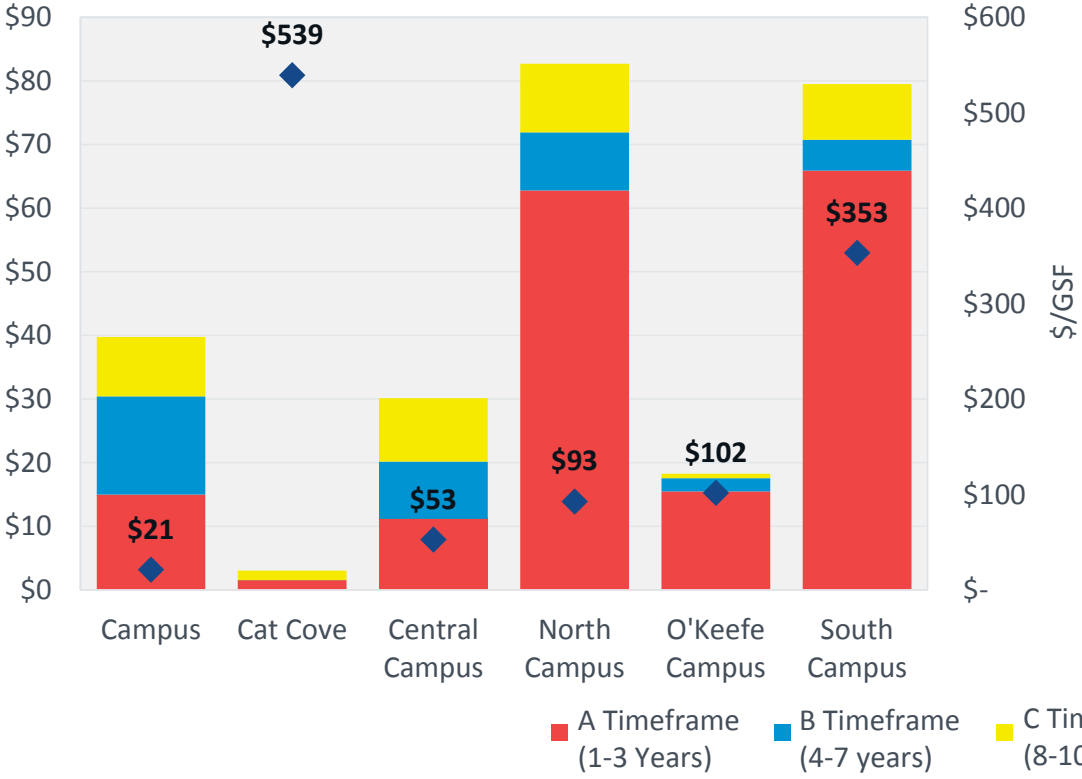
Data as of December 2017



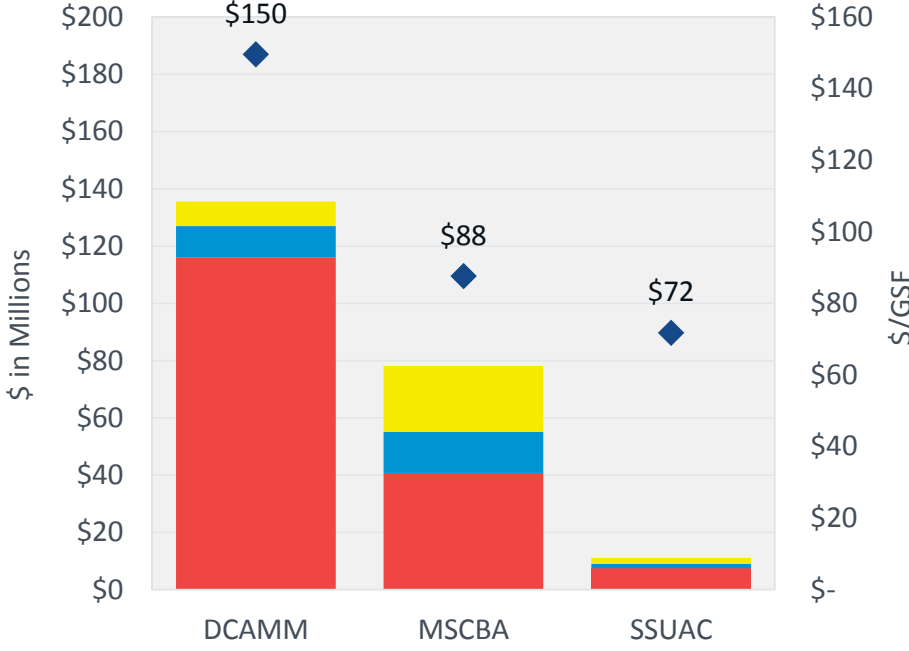
Asset Reinvestment Need by Campus

Breaking out campus AR Need by timeframe

Total Asset Reinvestment Need



Total Asset Reinvestment Need



**Multi-Year Financial Projection (MYFP): Background Information for
Finance and Facilities Committee Meeting of January 26, 2022
January 11, 2022
Karen House**

For the January 26 meeting, we intend to present the current version of the Multi-Year Financial Projection (MYFP) in a live demonstration to serve as a backdrop to budget planning discussions. Background information about the MYFP is provided here.

Purpose of a Multi-Year Financial Projection (MYFP):

The university uses a multi-year financial projection (MYFP) model to support informed decision-making that contributes to the university's long-range financial wellbeing. The MYFP:

- Incorporates variable and significant financial data into a tool with input layers (such as drivers, assumptions, and initiatives) and presentation layers showing the results.
- Assists in realistic financial goal-setting.
- Displays the effects of choices and perceived environmental trends on the bottom line over time.
- Allows for alternative (what-if) financial scenarios.
- Promotes transparency/financial literacy such that key stakeholders can engage productively in planning for the university's future.
- Can inform discussions and advocacy with the Commonwealth and other influential parties.

Development:

In FY17 the university developed an *Excel-based* set of data and calculations for an MYFP. We used that tool to inform decision making: a notable example is the Voluntary Separation Incentive Program (VSIP) developed in FY19 and implemented in FY20 to avert a potential budget problem the MYFP revealed for FY21. We have moved now to use of a third-party university financial planning software program called Synario that allows us to upload historical data, current year budget and projection data, as well as enter inputs or assumptions. This produces a multi-year view of what our financial results could be in the future if we remain on the current course and allows us to see the impact of alternative decisions we might make.

What you can expect to see:

1. The MYFP is a planning tool that displays several years of history and current through future years FY22 - FY28. It is fair to say that more attention has been paid to FY22 - FY24 and less on years beyond. Please note that as of this writing, the full impact of the Omicron wave of the Covid pandemic is not yet fully understood in terms of student enrollment and housing decisions and is not, therefore reflected in the FY22 projection. The university is engaged in a strategic planning process during FY22. The results of that process, currently unknown, are expected to influence the longer-term horizon. Because SSU BOLD is a major initiative that will be realized in a few years, we show the impact of BOLD as a standalone initiative that can easily be included or excluded from the presentation layer.
2. The financial data are presented in the Managed Net Income report format, which trustees are familiar with as it is used for the approved budget document as well as each quarterly financial report. We also attempt to project cash in cash flow at a summarized level.
3. You will see a summary of the major assumptions and drivers that are carried in the model, including enrollment, fee rates, , housing occupancy, and state appropriations.
4. The presentation view is primarily table-oriented financial information, along with a cash balance graph.

During the meeting on January 26, budget director Sallyann Lopez will display on screen the current version of the MYFP, we will review the baseline managed net income and cash flow projection, we will include a few strategic initiatives to see how they impact the results, and if desired, we will demonstrate a few what-if changes to the underlying assumptions.

What it is not:

1. The MYFP is not intended to be a highly detailed, multi-year budget. This does not replace the university's annual budgeting process.
2. It is not intended to display projected information in functional (IPEDS, or government reporting process) format. Natural classification of expenses (compensation, support, facilities) is more useful from a modeling perspective than functional classification.
3. This is not intended to substitute for audited financial statements and thus is not shown on a full GAAP (generally accepted accounting principles) basis. The emphasis is on understandable, summarized information to support decisions.
4. This MYFP model is not designed to support academic program-level net revenue analysis.

Key components of the university's budget revenue and expense drivers, with FY22 budgeted amounts for reference:

1. Revenue sources:
 - a. Tuition & fees (**\$74.5 million** excluding financial aid discounts), which are enrollment and rate driven
 - b. State Appropriation (**\$69.4 million**): which has several components
 - i. General Appropriations Act, aka GAA (**\$51.2 million**) – the base amount appropriated to our university in the Commonwealth's annual budget
 - ii. Formula or Performance Funding (**\$0.0 million**) – appropriated to DHE to allocate to campuses, hopefully then rolled into base in the next year
 - iii. State-Paid Fringe Benefits (**\$19.1 million**) – the Commonwealth pays for fringe benefits on salaries that are able to be charged against the GAA. This revenue item is a wash because we are also charged for these fringe benefits as an expense item. In addition, we must pay the cost of fringe benefits from locally generated revenue, such as tuition/fees, for the majority of our payroll that is not able to be covered by the GAA.
 - c. Capital Grants (**\$1.8 million**): these are revenue appropriations from the Commonwealth for specific, large capital projects such as the Berry Library and Learning Commons. As such they are quite variable and difficult to predict. There is no associated expense on the university's books because the projects are capitalized as assets on the balance sheet.
 - d. Auxiliary Enterprises (**\$14.8 million**): self-supported operations that serve students, faculty, and staff, predominantly residence hall operations.
2. Expense drivers:
 - a. Compensation (**\$113.0 million**) is the largest component of our expense budget. Collective Bargaining Agreements (CBA) significantly impact these costs. The most recent agreements, still to be implemented, cover the retroactive period since FY21 and extend through FY23. In addition, the fringe benefit rate (**39.5%** including Medicare Tax) is set by the Commonwealth each year and can be a significant driver of expense shifts year over year.
 - b. MSCBA Assessment and interest expense (**\$11.9 million**) – these expenses are for long-term commitments associated with capital projects. The current fiscal year is the second and final year of major savings produced by the July 1, 2020 restructuring of debt by MSCBA.

- c. Depreciation expense (**\$9.7** million) increase based on capital additions.

Next steps:

1. The university will continue to monitor the internal and external environment and update financial assumptions and parameters accordingly. For example, the Commonwealth will begin its FY23 budget process later this month. We will have more confidence about our assumption for state support as that process unfolds.
2. This data will help inform the university's FY23 operating budget. Holding this discussion in January provides information to the trustees as you are asked to set fee rates for FY23 during the March/April meetings.
3. As the university's strategic plan begins to develop in the coming months, we will provide a standalone, multi-year template to appropriate parties to quantify the high priority ideas in a consistent manner. These initiatives can then be individually integrated into the MYFP for a comprehensive view of the future that includes the expected impact from the strategic plan.

For the presentation on Jan. 26, trustees may wish to review or have at hand the following materials that were part of the packet for the September 29, 2021 committee meeting:

- Financial Profile including 5-year financial history and key revenue drivers (pages 101-111 of 148)
- FY22 operating budget package, approved by the Board of Trustees in June 2021 (page 113 – 148 of 148)



Salem State Sustainability Update January, 2022

Salem State Won a Leading By Example Award

Department of Energy Resources (DOER) recognized the campus decarbonization planning work conducted by Salem State University (SSU) and University of Massachusetts Amherst, Dartmouth and Lowell by honoring the four universities with a shared Leading By Example award on December 9, 2021. Our collaborative efforts led to comprehensive decarbonization studies that will also be helpful to other state agencies as they seek to understand the strategies needed to meet carbon neutrality by 2050.

Reducing Fossil Fuels

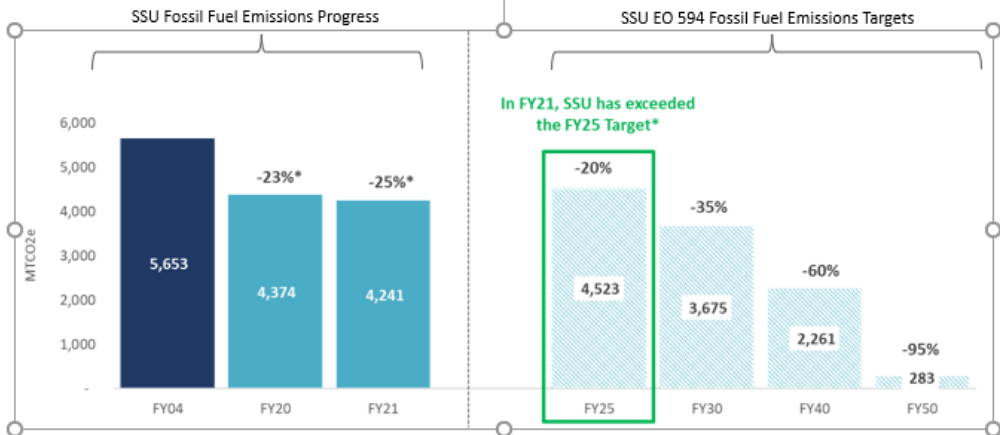
Based on data SSU submits annually, DOER assessed Salem State’s progress against the Executive Order 594 goal to eliminate emissions from on-site fossil fuels by 2050, finding that SSU’s 25% reduction exceeds the 20% reduction targeted for FY25. Note that changes due to COVID may cause the emissions reduction picture to look rosier than it might otherwise be.

SSU Progress & Onsite Fossil Fuel Emissions Targets

Target #1: Reduce emissions associated with burning of onsite fossil fuels in state-owned buildings & vehicles:

- > 20% reduction by 2025
- > 35% reduction by 2030
- > 60% reduction by 2040
- > 95% reduction by 2050

*Current statewide progress: 21% reduction as of FY20**

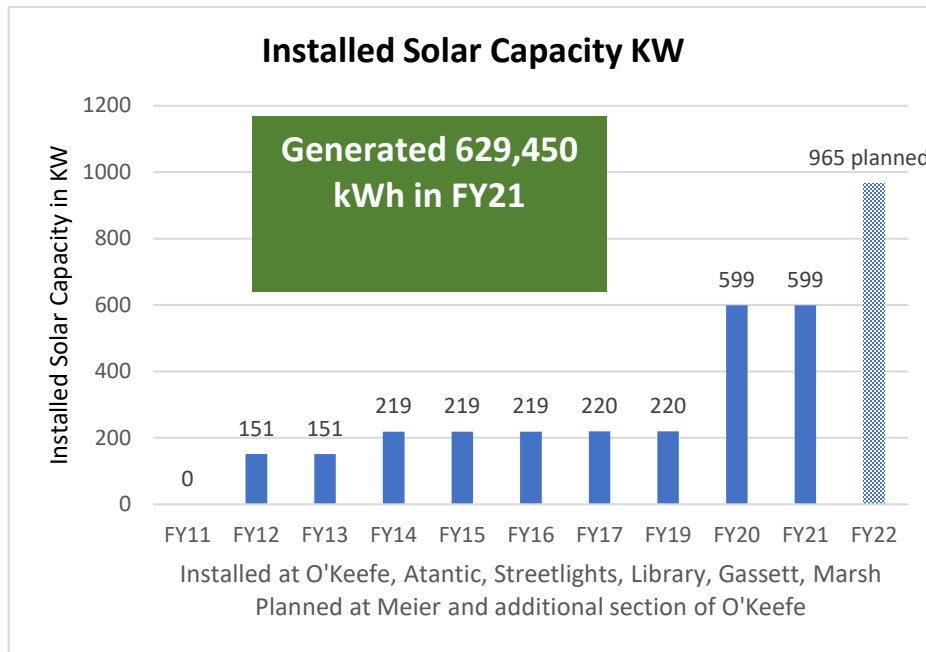


*FY20 and FY21 partner and portfolio progress includes impacts from COVID related closures and operational changes, in addition to partner efforts to reduce onsite fossil fuel emissions. Future year data may show an increase compared to COVID impacted years.



Solar Update

The addition of rooftop solar arrays on Meier Hall (beginning in January 2022) and an additional section of the O’Keefe Complex (in summer 2022) will bring our installed capacity close to 1 MW, which will provide approximately nine percent of SSU’s annual electricity usage.



Promotion of green commuting updates to students

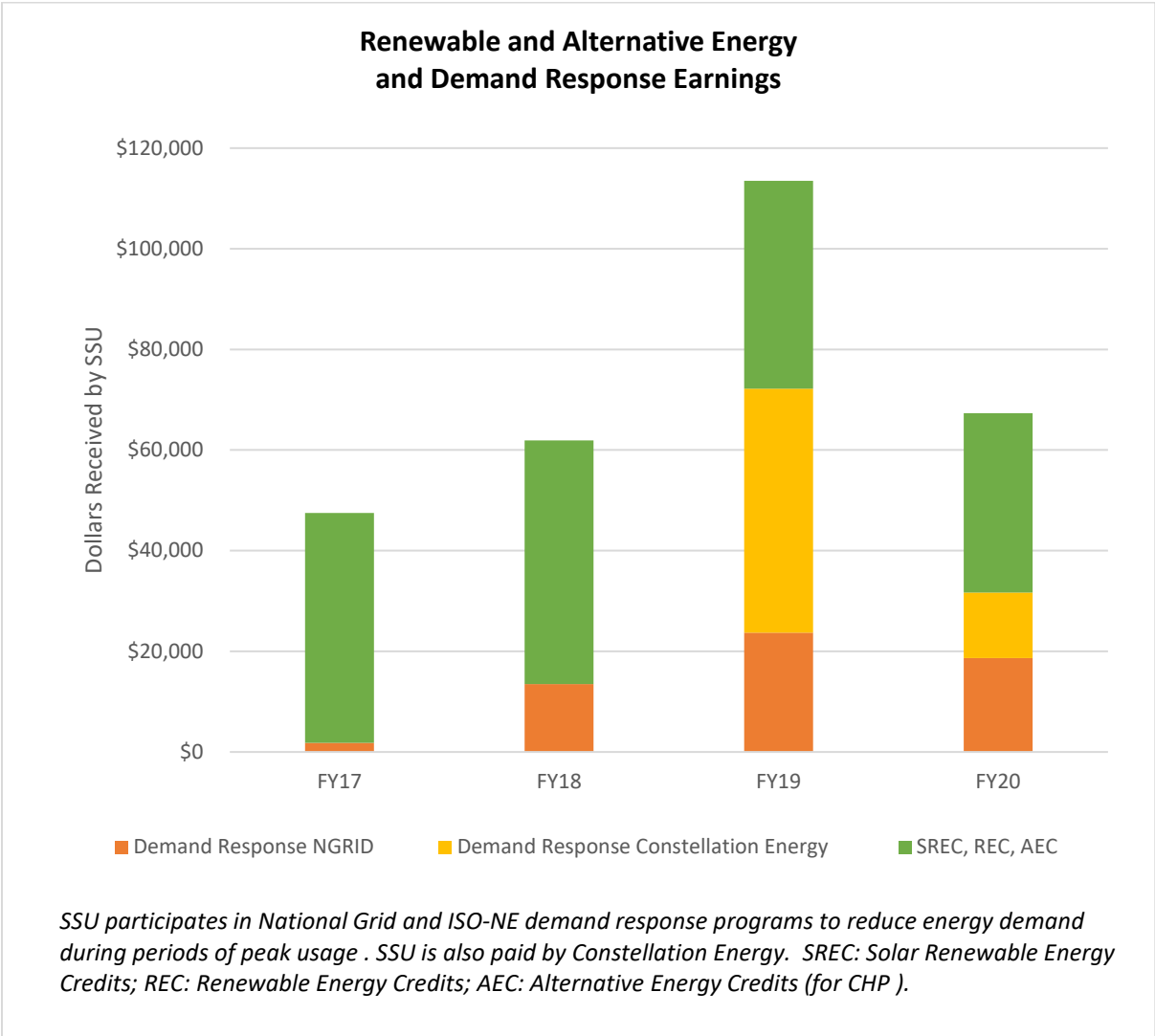
- Central Campus Bike Path Extension**
The city officially opened the bike path extension from Central Campus to Salem’s downtown on December 14, 2021. Bikers can travel on a protected bike path from SSU’s campus, to Riley Plaza in downtown Salem, opening up great oportunities for our students.
- Salem Skipper Shared Van Service now free**
The city’s shared, on-demand van service now runs seven days and evenings each week. Students ride for free six times per week on weekends and evenings after 7 pm.

Energy Efficiency

- Energy saving VFD (variable frequency drive) replacement projects in Sullivan and Central buildings are underway. This project was closely coordinated with National Grid to maximize incentives.
- The SSU campus wide Building Controls Upgrade project will optimize and stabilize the energy management system across campus, help reduce overall energy use, and provide a healthy interior environment. In Phase 1, controls have been added to Atlantic, Marsh and Central Buildings with Meier almost

complete. Three more buildings will be complete in the next quarter. The design drawings for Phases 2 and 3, covering 12 more buildings, are complete.

- SSU has been participating in several Demand Response programs which offer incentives to reduce energy load during peak electrical demand days as part of the utility’s demand response programs. We just received our final FY20 payment. Data through FY20 is shown below. The controls project mentioned above will help us standardize our response to demand events, leading to more predictable performance from year to year.



**Finance and Facilities Committee Work Plan for FY22
September 2021 DRAFT**

September 29, 2021 w BOT Oct. 13, 2021

- Finance and investment matters
 - Investment performance for period ending June 30, 2021
 - Investment policy change (action)
 - Financial update
- Real estate, facilities, and sustainability
 - SSU BOLD status update
 - Sustainability update
 - Capital projects status update
- Other (information only)
 - Committee charter
 - Committee work plan for the year
 - Financial Profile (for reference)
 - Budget FY22 (for reference)

January 26, 2022 w BOT February 9, 2022

- Finance and investment matters
 - Investment advisors – review calendar 2021 performance
 - MYFP presentation
 - FY22 Q1 financials
 - Financial dashboard
- Real estate, facilities, and sustainability
 - Sustainability update
 - Capital projects status update

March 30, 2022 w BOT April 13, 2022

- Finance and investment matters
 - Graduate and continuing education fees for FY23 (action)
 - Undergraduate fees for FY23 (action)
 - FY22 Q2 financials
 - Financial dashboard
 - FY23 budget planning
- Real estate, facilities, and sustainability
 - Sustainability update
 - Capital projects status update

May 25, 2022 w BOT June 8, 2022

- Finance and Investment Matters

**Finance and Facilities Committee Work Plan for FY22
September 2021 DRAFT**

- FY23 all funds budget (action) (includes trust funds, transfers, & contracts > \$500K)
- FY22 Q3 financials
- Financial dashboard

- Real estate, facilities, and sustainability
 - Sustainability
 - Capital projects status update