



Fitchburg State University

Board of Trustees Finance and Administration Committee Meeting

Published on April 20, 2021 at 4:15 PM EDT

Date and Time

Tuesday April 27, 2021 at 8:00 AM EDT

Location

This will be a remote meeting

The Fitchburg State University Board of Trustees Finance and Administration Committee will meet on Tuesday, April 27 at 8:00 a.m. This meeting will be held via teleconference as approved by Governor Baker.

For public viewing:

Live stream

stream.meet.google.com/stream/c75409f4-030a-4903-995d-57bdcce6fa4e

Agenda

	Purpose	Presenter	Time
I. Opening Items			8:00 AM
Opening Items			
A. Record Attendance and Guests			
B. Call the Meeting to Order			1 m
C. Approve Minutes from November 10, 2020 Finance Committee - VOTE (21-20/21)	Approve Minutes		2 m
Approve minutes for Board of Trustees Finance and Administration Committee Meeting with the Foundation Audit Committee on November 10, 2020			
II. FY2022 Budget Discussion			8:03 AM
Finance and Administration			
A. FY2022 Budget Narrative	Discuss		10 m
B. Budget Summary Revenue	Discuss		10 m
C. Budget Summary Expenses			15 m

	Purpose	Presenter	Time
D. Summary of Operating Funds FY2022			10 m
III. FY2022 Budget VOTES			8:48 AM
A. FY2022 Budget - VOTE (22-20/21)	Vote		3 m
B. Roll Forward of Funds to FY2022 Budget - VOTE (23-20/21)	Vote		3 m
IV. Notifications			8:54 AM
A. Financial Statements (N07-20/21)			5 m
V. Closing Items			8:59 AM
A. Adjourn Meeting	Vote		

Cover Sheet

Approve Minutes from November 10, 2020 Finance Committee - VOTE (21-20/21)

Section: I. Opening Items
Item: C. Approve Minutes from November 10, 2020 Finance
Committee - VOTE (21-20/21)
Purpose: Approve Minutes
Submitted by:
Related Material:
Minutes for Board of Trustees Finance and Administration Committee Meeting with the
Foundation Audit Committee on November 10, 2020
VOTE minutes November 10, 2020.pdf



Fitchburg State University

Minutes

Board of Trustees Finance and Administration Committee Meeting with the Foundation Audit Committee

Date and Time

Tuesday November 10, 2020 at 8:30 AM

The Fitchburg State University Board of Trustees Finance and Administration Committee will meet remotely on Tuesday, November 10, 2020 at 8:30 a.m.

Public view:

Live stream

stream.meet.google.com/stream/05c30515-d9a0-4f3f-aac9-3b87a9639f5f

Committee Members Present

D. Irving (remote), D. Phillips (remote), D. Tiernan (remote), L. Barrieau (remote), M. Nicholson (remote)

Committee Members Absent

None

Guests Present

A. Cardelle (remote), A. Mercadante (remote), D. Celuzza (remote), G. Doiron (remote), J. Bry (remote), J. Wolfman (remote), K. Smith (remote), L. Bayless (remote), M. McKenzie (remote), M. Scarselli (remote), M. Scott (remote), M. Siderwicz (remote), M. Snyder (remote), N. Smith (remote), R. Lapidus (remote), S. Swartz (remote), Y. Malcolm (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

D. Phillips called a meeting of the Finance and Administration Committee of Fitchburg State University to order on Tuesday Nov 10, 2020 at 8:31 AM.

C. Approve Minutes from the June 24, 2020 Finance Committee - VOTE (06/20-21)

M. Nicholson made a motion to approve the minutes from Board of Trustees Finance and Administration Committee Meeting on 06-24-20.

D. Irving seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

D. Irving Aye

M. Nicholson Aye

L. Barrieau Aye

D. Tiernan Aye

D. Phillips Aye

II. Presentation by the Auditors

A. Board Presentation Exhibits

Introductions were made. The following auditors from CohnReznick discussed the audit PowerPoint presentation:

Ms. Karen Smith, Audit Partner

Mr. Mark Snyder, Audit Senior Manager

Ms. Maryellen Scarselli, Audit Manager

Ms. Michelle Scott, Audit Senior

K. Smith and M. Scarselli presented the Foundation and Supporting Organization audit results.

The Foundation and Supporting Organization audits are being issued with a "clean" unmodified opinion. There were no findings. They thanked Jay Bry, Yvonne Malcolm, and Denise Brindle for their hard work and assistance. An overview of the consolidated statements of financial position; consolidated statements of activities and of cash flows; footnotes and disclosures were presented. A question and answer session ensued.

A. Mercadante made motion to accept the Foundation and Supporting Org. audits. N. Smith seconded the motion. The motion passed unanimously.

D. Celuzza left the meeting at 8:46 a.m.

K. Smith next presented the University audit results. She stated the financial statements are being issued with a "clean" unmodified opinion. The report on internal controls states that there were no findings. She thanked Jay Bry, Yvonne Malcolm, Denise Brindle and the financial services staff for their hard work.

M. Snyder provided the financial statements overview. He said some modifications were made after the draft was distributed but there were no changes to the bottom line.

M. Snyder reviewed the university statements of net position. The auditors touched on the statements of revenues, expenses, and changes in net position. They also briefly highlighted some of the footnotes and disclosures and assets. There was a discussion.

M. Snyder asked the president to briefly discuss the current and anticipated future impact of COVID 19.

The president said the impact started during the spring semester. The university was forced to vacate the Residence Halls midterm requiring the issuance of refunds to students for housing, food service and parking. This action came at a significant cost to the university. Additionally, in order to comply with the Governor's guidelines, the university had purchased personal protection equipment, sanitizers and other cleaning equipment, technology, signage and various other items. A significant big-ticket item was the COVID tests and the personnel necessary to administer the tests. He informed the committee of the additional state testing guidelines that will be implemented in the next couple of weeks and the implication associated with more rigorous testing protocols.

J. Bry discussed that the budget processes are challenging with enrollment and residence hall occupancy. He noted the additional investment being made in the enrollment management and admissions areas in support of future recruiting efforts.

M. Snyder noted the bond restructuring on the principal of the debt service in the residence halls for the next two years due to COVID. J. Bry also noted that the bulk of the savings were to happen in this year and that the cost of the restructuring would occur in future years although, the debt service curve does not change much over the long term.

M. Snyder announced the upcoming GASB accounting pronouncements as they relate to the deferment of leases.

There is no separate management letter being issued related to the audit.

There was a discussion.

B. FY2020 Audit - VOTE (7/20-21)

D. Irving made a motion to accept the FY2020 audit as presented.

M. Nicholson seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

D. Phillips Aye

M. Nicholson Aye

L. Barrieau Aye

D. Tiernan Aye

D. Irving Aye

The president thanked Jay Bry, Yvonne Malcolm, Denise Brindle and the staff in Financial Services for all of their hard work.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:11 AM.

Respectfully Submitted,
D. Phillips

**Fitchburg State University
REQUEST FOR BOARD ACTION**

TO: Board of Trustees Administration & Finance Committee	DATE: April 27, 2021
FROM: The President	REQUEST NUMBER: 21-20/21
SUBJECT: Consideration of Minutes	

It is requested that the Fitchburg State University Board of Trustees Administration and Finance Committee vote to approve the minutes from the November 10, 2020 meeting.

Cover Sheet

FY2022 Budget Narrative

Section:	II. FY2022 Budget Discussion
Item:	A. FY2022 Budget Narrative
Purpose:	Discuss
Submitted by:	
Related Material:	Budget Narrative FY2022 Final RSL.pdf

April 27, 2021

Board of Trustees
Fitchburg State University
Fitchburg, MA 01420

FY2022 BUDGET NARRATIVE

FY2021 proved to be the toughest budget cycle in this institution's history with so many unknowns at the start of the cycle along with an entire fiscal year conducted largely online and remote. A combination of fiscal responsibility, smart reductions in expenditures, enactment of an early retirement initiative, day enrollment declines not as severe as anticipated, an increase from projected graduate enrollment, and level state appropriations all contributed in minimizing the financial impact of COVID-19. Additionally, the ability to orchestrate a smooth and complete overnight pivot to online instruction and remote work operations and three rounds of federal assistance positively contributed to the challenging scenario. Fitchburg State also benefited from a relatively small number of positive COVID-19 cases and spread amongst the members of our campus due to the reduction of physical presence (student, faculty and staff) and proactive efforts in testing and subsequent contact tracing.

For FY2022, the university is planning a return to in-person operations in the Fall 2021, as indicated by President Lapidus in an email to campus on March 17, 2021, "...I write to let you know that the university, consistent with our sister institutions, plans to work toward an in-person reopening for the fall semester." We are not completely out of the woods yet, as noted by the president in the same letter, "Understanding that COVID-19 will have longer-term impacts, the university is prepared to act in accordance with guidelines issued by federal, state, and local health officials. The university will continually review its plans, activities, and operations and is prepared to adjust course as necessary." For these reasons, the university asked each operating department to prepare a flat operating budget for FY22 (meaning reduction measures enacted in FY21 will remain in place for discretionary spending).

Executive leadership anticipates continued costs associated with COVID-19 testing and cleaning, personnel costs, and information technology (approx. \$1.5 million in FY22). State appropriations are likely to be level at the final FY21 amounts. Undergraduate enrollments look promising based on a 62% increase in applications, a 17% increase in acceptances, and a 12% increase in deposits for the Fall as compared to the previous year at the same time. It is still too early to tell how the projected enrollment numbers and revenue figures will conclude. Finally, we anticipate residence hall occupancy to increase by approximately 16% relative to last years' actual levels (increase of \$1 million in revenue). While promising, this increase only captures 60% of the design occupancy and results in a housing deficit of \$1.8 million. Day operations, while trending

positive after a very difficult year, are anticipated to still fall short 549 FTE students compared to FY17 levels. This results in a projected negative operating deficit of \$1,350,991 which is down from the budgeted deficit of \$2,417,894 in FY21. As mentioned above, housing demand is anticipated to incur a deficit of \$1.8 million which the university must cover to maintain the fund balance specified by the Massachusetts State College Building Authority (MSCBA) bond requirements. The additional COVID-19 operating expenses of \$1.5 million contribute to the overall FY22 budget deficit of \$4.64 million. Future fiscal year projections anticipate additional deficits of \$3.55 million in FY23 and \$2.9 million in FY24.

The university's 5-year strategic plan (2020-2025) is focused on two key themes: education justice and becoming a student ready university. As such, during this upcoming year, the university will continue its efforts to increase retention and serve non-traditional populations via multi-modal methods of delivery while balancing the challenges of the continuing decline of traditional age undergraduate students and those presented by the COVID-19 crisis. Two actions Fitchburg State is taking in support of these important initiatives is the creation of and search for two new staff positions (an associate vice president for enrollment management and a director of the Center for Diversity and Inclusiveness.) Both are anticipated to be in place for the beginning of the 2021-22 academic year.

The university continues to maintain its long-term partnership with the Educational Advisory Board (EAB) to assist with student retention, which in the most recent measurement cycle increased by 3%, to 77% overall, from Fall 19 to Fall 20. This was the largest retention rate increase in the state university system during the time period. This past year the university expanded its partnership to include Enrollment Services to support undergraduate enrollment efforts. This included assistance building our senior application funnel and assistance growing our sophomore/junior pipeline. We also have EAB conducting an operational audit of our Admission Office. The new search for an AVP of Enrollment had been one area identified in the audit as being critical to directing the efforts of three distinct units (Admissions, Financial Aid, and Marketing and Integrated Communications) to further a university-wide strategy designed to achieve increased enrollment and retention objectives.

The university will also be taking advantage of EAB's technology solutions which include their Academic Performance Solutions (APS) and DataHub. APS helps enable improved data-based decisions by analyzing, visualizing, and benchmarking data across the institution and against peer institutions. This technology has assisted with leveraging data to better evaluate faculty line requests and to more effectively make decisions using course enrollment data and historical demand for course offerings. The DataHub is a higher education data management solution that unifies and organizes data assets across campus into a single centralized platform to support real-time decision-making with a 360-degree view of students, faculty, and operations.

During FY21, the Department of Higher Education (DHE) hired an external financial consultant, EY Parthenon, to conduct an analysis to assess financial risk across plausible FY21 scenarios due to the switch to virtual learning created by COVID-19 (note: this sensitivity analysis was conducted prior to the final state budget being approved and the three rounds of federal stimulus funding being enacted.) Specifically, they provided a normalized, aggregate view of the degree, nature, and timeline of liquidity risk across the higher education system in Massachusetts under common sensitivities. EY Parthenon worked with each state university finance team to collect FY17A (actuals) to FY20E (estimates) financial data and FY21 preliminary forecasts from all 24 institutions (State Universities and Community Colleges.) Their main findings were:

- State universities began FY21 with cash and investment liquidity equal to 6.3 months of projected cash operating expenses and community colleges with 4.4 months (Fitchburg State = 5.9).
- All 24 institutions are expected to be in a notably worse financial position by June 2021 compared with June 2020 under all scenarios, indicating a reduced resiliency to cope with a continued adverse outlook for enrollment and state appropriations going into FY22. (Again, this was before the federal stimulus funds.)
- Under best- and worst-case scenarios, all nine state universities end FY21 in a positive liquidity position.

In our individual meeting with EY Parthenon, the steps taken by the leadership team were deemed effective in reducing costs and mitigating anticipated losses. Previous financial conservatism has allowed the university to endure the anticipated reserve reductions and remain financially stable.

The university is committed to focusing its resources toward knowledge creation, career readiness, social mobility and lifelong learning, serving as an engine of development for the region, reinforcing our distinctive value proposition, while responsibly stewarding our physical and financial resources to navigate a path to long-term sustainability. The steps taken in the past years to increase revenue and reserves, while at the same time closely manage costs, has provided the university the financial footing to navigate these recent unique challenges.

FY2022 Operating Budget

The funding forecast for state appropriation is flat at \$33,197,515, tuition and fees of \$53,005,369, auxiliary services of \$10,914,689, and total revenue of \$109,836,044. This results in a \$3,143,267 operating deficit (prior to additional COVID-19 expenses). The overall goal for the upcoming year is to strike a balance between increases in enrollment and cost cutting measures, both of which further the effort to retain a stable financial footing. The university must remain conscious of the cost of education for our students and their families and the dynamics associated with an increasingly competitive higher education market. The university will balance the FY22 budget with unrestricted assets, supplemented by various stimulus funding programs, to ensure that daily cash-flow needs are met and that adequate reserves remain to satisfy longer-term obligations.

Summary of Revenue Sources

Increases in revenue of 8.2% compared to the FY21 budget projection are the result of an anticipated level state appropriation compared to what was originally thought to have been a reduced state appropriation; a projected increase in tuition and fees; a loss of housing revenue is expected based on a projected 60% occupancy rate; a reinstatement of residence hall bond payments; and an increase in food services revenue due to the increase in the number of students living on campus. Encouragingly, the traditional School of Graduate, Online and Continuing Education division saw a 3% increase in revenue in Fall FY21 and enrollment growth in accelerated programs increased 34% during this same period. These increases are not expected to be as large in FY22, but are anticipated to grow at a rate of 2% and 20% respectively.

FY2022 Revenue Sources	
State Appropriations	\$ 33,197,515
Collective Bargaining	\$ 573,943
Financial Aid	\$ 7,300,000
Grants	\$ 1,492,410
Dorm Authority Housing	\$ 7,526,689
Food Service	\$ 3,388,000
Tuition and Fees	\$ 53,005,369
Investment Income	\$ 768,800
Sales and Service	\$ 2,009,050
Unrestricted Assets	\$ 308,268
Foundation	\$ 266,000
Totals	\$ 109,836,044

Summary of Higher Education Emergency Relief Fund (HEERF) funding

On March 10, 2021, Congress passed the American Rescue Plan (ARPA). ARPA will provide another much-needed infusion of federal relief dollars into American colleges and universities. This relief, builds on two bills passed earlier in the public health crisis: the Coronavirus Aid, Relief, and Economic Security (CARES) and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). It will also provide additional funding to state and local governments, which should have a positive downstream effect on public institutions' budgets. In sum, it is anticipated that the three rounds of funding will make the university eligible for approximately \$12.91 million in institutional support and about \$9.96 million in direct support to students in the form of emergency financial aid.

This federal funding has enabled Fitchburg State to offset losses initially incurred, and those that continue to incur, from COVID-19: refunds in housing and dining from the shutdown in Spring 2020 and Fall 2020; COVID-19 testing; PPE; additional personnel and cleaning supplies and services; and reductions in enrollment. It will take time to account for the exact impact due to the closure, decreased enrollments and remote learning over the three fiscal years. In FY20 we realized a \$3.45 million dollar net loss and used \$4.2 million in cash in excess of revenue. As of April 12, 2021, the actual total of COVID-19 direct expenses is \$1.6 million and there are still three operational months remaining in the fiscal year. The cumulative losses for FY20-FY22 are anticipated to be approximately \$12.51 million.

It is important to point out that the estimated impact of COVID-19 exacerbated an already identified demographic decline in college aged students. It had a particularly dramatic negative impact on enrollment at community colleges which serve as feeder institutions. On a positive note, the availability of federal relief funds has enabled our students that need the most financial support, to receive it and continue their studies. In Spring 2020 the university issued direct emergency financial aid payments to our undergraduate students in the amount of \$1.95 million and another \$1.95 million in Fall 2020. Distribution of an additional \$6.05 million is anticipated in Fall 2021.

Summary of Operating Expenses

Total operating expenses are projected to be \$111,961,768. The bulk of these expenses consist of faculty and staff salaries and related personnel expenses (now approximately 50% of the budget), student aid and scholarships, auxiliary services expenditures, technology costs, and departmental operating budgets. This represents a 7.8% increase from the prior year budget. The increases are primarily attributable to personnel costs that were reduced in FY21 (planned furlough that did not occur, hiring freeze, reinstatement of debt service, nominal increase in fixed operating expenses, and auxiliary services expenses.

FY2022 Operating Expenses	
Regular Employee Compensation	\$ 43,386,194
Regular Employee Related Expenses	\$ 388,474
Special Employee/Contracted Services	\$ 7,527,316
Pension and Insurance Related Expenditures	\$ 4,603,297
Administrative Expenses	\$ 1,965,867
Facility Operational Supplies	\$ 1,199,070
Energy Costs and Space Rental Expenses	\$ 4,898,820
Consultant Services	\$ 1,686,647
Operational Services	\$ 5,895,012
Equipment Purchase	\$ 167,224
Equipment Lease Rental Maintenance and Repair	\$ 991,552
Purchased Client Services - Program	\$ 265,149
Construction and Improvements Building	\$ 6,212,910
Grants and External Subsidies	\$ -
Benefit Programs	\$ 10,452,020
Loans and Special Payments	\$ 17,343,302
Information Technology Expenses	\$ 4,978,914
TOTAL EXPENSES	\$ 111,961,768

COVID-19 Expenses

In addition to the usual operating expenses outlined above, the university is projecting \$1.5 million in expenses in FY22 for testing and related services, additional cleaning services, and the purchase of supplies and cleaning products needed to prevent the spread of COVID-19. Additionally, expenditures are anticipated in response to technology requirements for both academic and business delivery. As these expenses are not part of normal operations, this expense is not incorporated into the operating expenses above. These costs are captured below the line to highlight that they are unusual expenses and have a likely chance of being reimbursed.

Staffing

The leadership team of the university continues to evaluate and capitalize on staffing vacancies to redeploy resources that will strategically serve current and future needs. However, it is important to note that the state appropriation of \$33.5 million continues to fall short of the \$40.3 million needed to fully fund payroll. This shortfall is further compounded because every payroll dollar not covered by the state appropriation adds an additional 39.5% percent to cover employee fringe benefits – or an additional \$3.4 million. This presentation also assumes no collective bargaining increases at this time given that negotiations are just beginning and that no financial parameters have been provided by the Commonwealth.

As part of the cost containment and right-sizing efforts, created as a result of real and projected enrollment decline in traditional age undergraduate students, evaluation of new hires utilizing APS data has been very focused. Evaluation of course offerings with consolidation or elimination of under enrolled classes has resulted in adjunct faculty cost savings of \$560,000 in FY21. The implementation of an Early Retirement Incentive Program, to date, has yielded 20 participants that will result in salary savings attributable to either lower salaried rehires or not refilling the position.

School of Graduate, Online and Continuing Education Division

The university's effort to increase enrollments and revenues by partnering with Academic Partnerships, in support of accelerated programs, four years ago continues to be very successful. Enrollment growth continues within the division of the School of Graduate, Online and Continuing Education (SGOCE). A continuation of growth is anticipated for FY22.

The traditional SGOCE programs continue to struggle with enrollment growth as the master degree market has become much more competitive in recent years and enrollment growth rates are slowing. To counter that decline, SGOCE has begun to focus on the creation of workforce development programs. In addition, they are exploring expansion of life-long learning programs to continue to build on the success of the Adult Learning in the Fitchburg Area (ALFA) program and to meet the changing educational landscape.

Facility and Technology Improvement Program

The university has continued to deploy funds toward capital renewal as an institution and in partnership with the Division of Capital Asset Management and Maintenance (DCAMM) and the Massachusetts State College Building Authority (MSCBA). These efforts are designed to continue to improve the learning, living, and working environment of the campus. In particular the 5-year Deferred Maintenance Funding program from DCAMM has been leveraged, yielding approximately \$7.5 million over a five-year time period. Work in FY21 included the continued renovation of McKay C along with a series of smaller deferred maintenance projects across the campus. FY22 will include the final phase of renovation of McKay C and the first phase of the Thompson Hall renovation. Concurrently, work continues on a DCAMM funded infrastructure initiative (\$24 million), which will replace antiquated electrical distribution systems, as well as replace and add new generator capabilities to campus facilities. Also, in FY21, DCAMM provided \$1.2 million in funds, which did not require a match, to be used for small repair projects. These projects ranged from structural repairs to the Holmes Bridge to critical AC replacements in a back-up computer server room.

The Information Technology Department (IT) continues to implement their five-year plan designed to systematically renew systems and equipment that serve the student community. This has included upgrading student computer labs, upgrading the wi-fi system along with other core upgrades. This past year, IT also undertook the task of converting the university to the Google platform, which was critical to the successful transition to remote learning and working when the COVID-19 pandemic hit in March 2020. The ever-increasing demand for technology services and capabilities by both students and staff is a challenge and will require substantial continued investment.


Conclusion

This budget plan represents ongoing efforts to strategically invest in the future, while at the same time demonstrate continued diligence in both cost containment and right-sizing of operations. It is anticipated that the future will provide considerable challenge as the result of significant change and disruption in the higher education landscape. By being proactive in recognizing and planning for this change (enrollment challenges, realities of state funding, new curricular opportunities, among others), the university is positioning itself for success and a stable financial future.

Cover Sheet

Budget Summary Revenue


Section: II. FY2022 Budget Discussion
Item: B. Budget Summary Revenue
Purpose: Discuss
Submitted by:
Related Material: BOT Budget Summary Revenue 4.13.21.pdf

 FITCHBURG STATE UNIVERSITY	BOT APPROVED BUDGET			PROJECTED BUDGET		ACTUALS		
	FY21 Budget	FY22 Budget	change to previous FY	FY23 Projected	FY24 Projected	FY19 Actuals	FY20 Actuals	FY21 Projected Close
REVENUE SOURCES	Day Revenue							
General Appropriations Act	\$ 29,400,756	\$ 33,197,515	\$ 3,796,759	\$ 33,529,490	\$ 33,864,785	\$ 31,555,192	\$ 32,989,439	\$ 33,197,515
Collective Bargaining (CBA) funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 878,046	\$ -	
Other State Appropriations	\$ 50,795	\$ 573,943	\$ 523,148	\$ -	\$ -	\$ -	\$ 307,141	\$ 573,943
DCAM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,293,980	\$ 321,613	\$ 1,047,539
Tuition and Fees - Day	\$ 29,631,896	\$ 31,394,668	\$ 1,762,772	\$ 30,713,791	\$ 31,057,453	\$ 33,902,853	\$ 32,616,406	\$ 30,152,038
Retained Out-of-State Tuition	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,467,300	\$ 1,516,919	\$ 1,331,570	\$ 1,190,777	\$ 1,146,782
Non-State Supported Tuition	\$ 1,077,000	\$ 1,110,387	\$ 33,387	\$ 1,053,521	\$ 1,089,148	\$ 1,077,821	\$ 948,728	\$ 307,981
Financial Aid	\$ 7,300,000	\$ 7,300,000	\$ -	\$ 7,300,000	\$ 7,300,000	\$ 7,454,792	\$ 7,110,034	\$ 6,552,056
Grants	\$ 1,492,410	\$ 1,492,410	\$ -	\$ 1,492,410	\$ 1,492,410	\$ 1,912,072	\$ 1,726,224	\$ 1,399,092
Investment Income	\$ 750,000	\$ 768,800	\$ 18,800	\$ 750,000	\$ 772,500	\$ 1,404,021	\$ 967,274	\$ 649,147
Sales, Service, & Other Income	\$ 1,804,500	\$ 2,009,050	\$ 204,550	\$ 2,302,267	\$ 2,348,312	\$ 2,602,733	\$ 2,285,668	\$ 807,410
Reserve from Fund Balance	\$ 140,975	\$ 308,268	\$ 167,293	\$ -	\$ -	\$ -	\$ -	\$ 100,950
Transfer - Foundation, etc.	\$ 266,000	\$ 266,000	\$ -	\$ 275,000	\$ 275,000	\$ 297,301	\$ 358,359	\$ 266,000
Subtotal Day	\$ 73,414,332	\$ 79,921,041	\$ 6,506,709	\$ 78,883,779	\$ 79,716,527	\$ 83,710,381	\$ 80,821,663	\$ 76,200,453
	Auxillary Revenue							
Dorm Authority - Housing	\$ 7,907,107	\$ 7,526,689	\$ (380,418)	\$ 10,128,505	\$ 11,322,125	\$ 10,822,350	\$ 7,398,681	\$ 6,591,378
Food Service	\$ 3,080,000	\$ 3,388,000	\$ 308,000	\$ 4,000,000	\$ 4,400,000	\$ 4,411,690	\$ 3,157,802	\$ 2,234,676
Subtotal Auxillary	\$ 10,987,107	\$ 10,914,689	\$ (72,418)	\$ 14,128,505	\$ 15,722,125	\$ 15,234,040	\$ 10,556,483	\$ 8,826,054
	GCE + CPS & AP Revenue							
Graduate & Continuing Education (GCE)	\$ 8,544,545	\$ 8,742,657	\$ 198,112	\$ 8,735,798	\$ 8,702,617	\$ 14,439,097	\$ 8,368,175	\$ 8,182,897
Accelerated Programs (AP)	\$ 8,540,165	\$ 10,257,657	\$ 1,717,492	\$ 10,549,339	\$ 10,865,819	\$ -	\$ 7,332,655	\$ 10,939,232
Subtotal GCE & AP	\$ 17,084,710	\$ 19,000,314	\$ 1,915,604	\$ 19,285,137	\$ 19,568,436	\$ 14,439,097	\$ 15,700,830	\$ 19,122,129
Total Revenue	\$ 101,486,149	\$ 109,836,044	\$ 8,349,895	\$ 112,297,421	\$ 115,007,088	\$ 113,383,518	\$ 107,078,976	\$ 104,148,636

Cover Sheet

Budget Summary Expenses

Section: II. FY2022 Budget Discussion
Item: C. Budget Summary Expenses
Purpose:
Submitted by:
Related Material: BOT Budget Summary Expenses 4.13.21.pdf

 FITCHBURG STATE UNIVERSITY	BOT APPROVED BUDGET			PROJECTED BUDGET		ACTUALS		
	FY21 Budget	FY22 Budget	change to previous FY	FY23 Projected	FY24 Projected	FY19 Actuals	FY20 Actuals	FY21 Actual through Q2
OPERATING EXPENSES	Day Expenses							
Day Salaries	\$ 37,712,901	\$ 40,502,811	\$ 2,789,910	\$ 40,907,839	\$ 41,725,996	\$ 39,124,686	\$ 38,881,101	\$ 40,166,481
University Fringe	\$ 3,431,223	\$ 3,366,253	\$ (64,970)	\$ 3,399,916	\$ 3,467,914	\$ 2,592,464	\$ 2,725,811	\$ 3,280,841
University Operating	\$ 29,156,272	\$ 32,168,648	\$ 3,012,376	\$ 32,683,346	\$ 33,663,846	\$ 31,549,677	\$ 32,112,632	\$ 28,780,722
Utilities	\$ 3,560,852	\$ 3,897,320	\$ 336,468	\$ 3,936,293	\$ 3,975,656	\$ 5,293,907	\$ 3,283,763	\$ 3,491,965
Capital	\$ 4,725,000	\$ 4,725,000	\$ -	\$ 4,725,000	\$ 4,725,000	\$ 8,098,509	\$ 7,791,076	\$ 6,787,038
Subtotal Day	\$ 78,586,249	\$ 84,660,032	\$ 6,073,784	\$ 85,652,394	\$ 87,558,413	\$ 86,659,243	\$ 84,794,383	\$ 82,507,047
	Housing Expenses							
Housing Salaries	\$ 1,162,004	\$ 1,193,843	\$ 31,839	\$ 1,229,700	\$ 1,266,600	\$ 1,845,213	\$ 1,210,432	\$ 1,155,923
Housing Fringe	\$ 451,787	\$ 457,482	\$ 5,695	\$ 471,200	\$ 485,300	\$ 425,287	\$ 466,193	\$ 442,950
Housing Utilities	\$ 1,257,840	\$ 1,001,500	\$ (256,340)	\$ 1,011,515	\$ 1,020,000	\$ 1,114,288	\$ 968,414	\$ 951,700
Housing Operating	\$ 5,035,476	\$ 6,666,140	\$ 1,630,664	\$ 8,197,608	\$ 8,010,523	\$ 7,723,495	\$ 8,894,589	\$ 3,813,840
Subtotal Housing	\$ 7,907,107	\$ 9,318,965	\$ 1,411,858	\$ 10,910,023	\$ 10,782,423	\$ 11,108,283	\$ 11,539,628	\$ 6,364,413
	GCE + CPS Expenses							
GCE + CPS Salaries	\$ 1,204,208	\$ 1,291,356	\$ 87,148	\$ 1,304,270	\$ 1,330,355	\$ 1,293,243	\$ 1,246,760	\$ 1,202,571
GCE + CPS Fringe	\$ 468,196	\$ 602,499	\$ 134,303	\$ 608,524	\$ 620,694	\$ 540,945	\$ 538,550	\$ 475,016
GCE + CPS Operating	\$ 4,614,647	\$ 3,862,219	\$ (752,428)	\$ 3,862,219	\$ 3,862,219	\$ 7,579,517	\$ 3,645,412	\$ 2,921,116
Ed Service Fee Transfer to University	\$ 2,609,673	\$ 2,882,470	\$ 272,797	\$ 2,882,470	\$ 2,853,645	\$ 3,000,000	\$ 2,773,976	\$ 3,734,156
Subtotal GCE + CPS	\$ 8,896,724	\$ 8,638,544	\$ (258,180)	\$ 8,657,483	\$ 8,666,914	\$ 12,413,705	\$ 8,204,698	\$ 8,332,859
	AP Expenses							
AP Salaries	\$ 306,557	\$ 398,184	\$ 91,627	\$ 402,166	\$ 410,209	\$ -	\$ 274,952	\$ 359,983
AP Fringe	\$ 119,189	\$ 177,063	\$ 57,874	\$ 178,834	\$ 182,410	\$ -	\$ 128,594	\$ 142,193
AP Operating	\$ 5,363,775	\$ 5,385,895	\$ 22,120	\$ 5,439,754	\$ 5,494,151	\$ -	\$ 4,372,811	\$ 4,748,070
Ed Service Fee Transfer to University	\$ 2,724,443	\$ 3,383,085	\$ 658,642	\$ 3,484,578	\$ 3,589,115	\$ -	\$ 2,445,212	\$ 3,263,636
Subtotal AP	\$ 8,513,964	\$ 9,344,227	\$ 830,263	\$ 9,505,331	\$ 9,675,886	\$ -	\$ 7,221,569	\$ 8,513,882
Total Expense	\$ 103,904,044	\$ 111,961,768	\$ 8,057,724	\$ 114,725,231	\$ 116,683,635	\$ 110,181,231	\$ 111,760,278	\$ 105,718,201
	BUDGETED Net Surplus/(Loss)							
Day Operations	\$ (2,417,895)	\$ (1,350,991)		\$ (2,768,615)	\$ (3,441,886)	\$ 1,462,828	\$ (814,918)	\$ (2,418,158)
Housing	\$ -	\$ (1,792,276)		\$ (781,518)	\$ 539,702	\$ (285,933)	\$ (2,185,485)	\$ 226,965
COVID Expenses	\$ (2,000,000)	\$ (1,500,000)		\$ -	\$ -	\$ -	\$ (464,902)	\$ (1,653,760)
Day Subtotal	\$ (4,417,895)	\$ (4,643,267)		\$ (3,550,133)	\$ (2,902,184)	\$ 1,176,895	\$ (3,465,305)	\$ (3,844,953)
GCE	\$ (352,179)	\$ 104,113		\$ 78,315	\$ 35,703	\$ 2,025,392	\$ 163,477	\$ (149,962)
AP	\$ 26,201	\$ 913,430		\$ 1,044,008	\$ 1,189,933	\$ -	\$ 111,086	\$ 2,425,350
GCE/AP Subtotal	\$ (325,978)	\$ 1,017,543		\$ 1,122,323	\$ 1,225,636	\$ 2,025,392	\$ 274,563	\$ 2,275,388

Cover Sheet

Summary of Operating Funds FY2022

Section: II. FY2022 Budget Discussion
Item: D. Summary of Operating Funds FY2022
Purpose:
Submitted by:
Related Material: Summary of Operating Funds FY22.pdf

Summary of Operating Funds

The University budget is composed of two primary sources: state appropriations and funds held in trust. The various trust funds come from fees, grants, auxiliary activities and other sources. State appropriations are estimated at \$33.7 million, Trust funds from tuition and fees \$53 million, Auxiliary \$10.9 million and Financial Aid, Grants, etc. at \$12.14 million.

FY2022 Summary of Operating Fund Accounts	FY2021 Budget Proposal	FY2022 Budget Proposal	Delta
C81/C90 State Maintenance/Coll Barg	\$ 29,400,756	\$ 33,771,458	\$ 4,370,702
T65/T65P University Fee	\$ 33,441,289	\$ 34,762,476	\$ 1,321,187
T10/T19 Continuing Education CPS	\$ 6,287,051	\$ 5,756,074	\$ (530,977)
T15 Accelerated On Line Programs	\$ 5,789,521	\$ 5,961,142	\$ 171,621
T11 Student Activity	\$ 400,000	\$ 539,054	\$ 139,054
T16 Technology Fee	\$ 1,573,000	\$ 1,841,900	\$ 268,900
T22 Dorm Authority	\$ 7,907,107	\$ 9,318,965	\$ 1,411,858
T25 Food Service	\$ 2,640,000	\$ 2,904,000	\$ 264,000
T24 General Purpose	\$ 133,125	\$ 133,125	\$ -
T26 Student Financial Aid	\$ 31,200	\$ 31,200	\$ -
T36 Summer Conference	\$ 97,000	\$ 97,000	\$ -
T37 Bookstore Trust Fund	\$ 150,000	\$ 150,000	\$ -
T38 Parking Scholarship	\$ 45,500	\$ 25,000	\$ (20,500)
T99 Out of State Tuition	\$ 1,500,000	\$ 1,356,747	\$ (143,253)
N91/N93 Retirement of Debt	\$ 5,716,085	\$ 6,209,210	\$ 493,125
F13 Federal Work Study	\$ 260,060	\$ 260,060	\$ -
Transfer Fin Aid, Grants, Clubs, etc.	\$ 8,532,350	\$ 8,844,357	\$ 312,007
Total	\$ 103,904,044	\$ 111,961,768	\$ 8,057,724

Cover Sheet

FY2022 Budget - VOTE (22-20/21)

Section:	III. FY2022 Budget VOTES
Item:	A. FY2022 Budget - VOTE (22-20/21)
Purpose:	Vote
Submitted by:	
Related Material:	VOTE Budget FY2022.pdf

**Fitchburg State University
REQUEST FOR BOARD ACTION**

TO: Board of Trustees Finance Committee	DATE: April 27, 2021
FROM: The President	REQUEST NUMBER: 22-20/21
SUBJECT: FY2022 Budget	

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend the FY2022 Budget as presented by the President.

Cover Sheet

Roll Forward of Funds to FY2022 Budget - VOTE (23-20/21)

Section:	III. FY2022 Budget VOTES
Item:	B. Roll Forward of Funds to FY2022 Budget - VOTE (23-20/21)
Purpose:	Vote
Submitted by:	
Related Material:	VOTE Roll forward of funds to FY2022 budget (1).pdf

**Fitchburg State University
REQUEST FOR BOARD ACTION**

TO: Board of Trustees Finance Committee	DATE: April 27, 2021
FROM: The President	REQUEST NUMBER: 23-20/21
SUBJECT: Roll Forward of Funds to FY2022 Budget	

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend that ongoing capital projects roll forward into the FY2022 University Budget.

Cover Sheet

Financial Statements (N07-20/21)

Section:	IV. Notifications
Item:	A. Financial Statements (N07-20/21)
Purpose:	
Submitted by:	
Related Material:	Mar 21 Executive Summary (2).pdf FSU_ Mar 2021 Quarterly Financial statement.pdf

FITCHBURG STATE UNIVERSITY

Board of Trustees

NOTIFICATIONS

TO: Board of Trustees Administration and Finance Committee	DATE: April 27, 2021
FROM: The President	NOTIFICATION NUMBER: N07-20/21
SUBJECT: Financial Report	

FITCHBURG STATE UNIVERSITY
STATEMENTS OF NET ASSETS
March 31, 2021, 2020 and 2019

ASSETS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current Assets			
Cash and Cash Equivalents	\$ 30,101,104	\$ 31,874,978	\$ 33,320,391
Cash and cash equivalents-restricted	9,390,647	10,471,463	6,820,700
Bond proceeds	-	-	2,513,445
Accounts receivable, net	4,793,868	5,726,617	4,181,573
Loans receivable, net-current portion	1,277	1,105	1,125
Other assets	-	197,443	195,707
	<hr/>	<hr/>	<hr/>
Total Current Assets	44,286,896	48,271,606	47,032,941
Noncurrent Assets			
Restricted cash and cash equivalents	8,497,575	5,080,840	5,694,509
Investments	19,681,754	15,685,027	16,287,122
Endowment investments	1,149,378	918,105	865,787
Loans receivable, net	1,092,501	1,332,467	1,541,843
Prepaid expenses	171,682	34,509	79,891
Capital assets, net	179,082,498	179,763,342	179,923,947
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	209,675,388	202,814,290	204,393,099
	<hr/>	<hr/>	<hr/>
Total Assets	253,962,284	251,085,896	251,426,040
Deferred Outflows of Resources			
Deferred outflows - pensions	8,276,468	8,886,437	5,579,646
	<hr/>	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	\$ 262,238,752	\$ 259,972,333	\$ 257,005,686
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For those charged with governance and internal management use only

FITCHBURG STATE UNIVERSITY
STATEMENTS OF NET ASSETS
March 31, 2021, 2020 and 2019

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current Liabilities			
Bond payable-current portion	\$ 4,198,819	\$ 4,148,659	\$ 3,733,820
Accounts payable and accrued liabilities	2,773,476	1,502,891	2,841,369
Salaries and benefits payable	2,918,012	2,963,329	2,711,766
Accrued workers compensation-current portio	104,231	128,796	141,432
Compensated absences-current portion	3,887,879	3,479,284	3,325,251
Accrued faculty payroll	4,603,129	4,787,726	4,851,361
Deferred revenue-current portion	3,309,682	689,585	738,027
Capital lease-current portion	132,483	259,038	254,441
Other liabilities	372,620	1,342,318	756,265
	<u>22,300,331</u>	<u>19,301,626</u>	<u>19,353,732</u>
Total Current Liabilities			
Noncurrent Liabilities			
Bonds payable	52,715,244	53,466,674	58,296,142
Accrued workers compensation	373,893	462,010	507,339
Compensated absences	2,382,893	2,224,460	2,310,768
Capital lease	-	131,325	390,362
Due to federal loan programs-Perkins	965,635	1,102,121	1,481,135
Due to federal loan programs-Nursing	249,435	247,238	383,243
Unfunded pension liability	12,763,415	12,484,412	11,430,648
Net OPEB Liability	24,061,207	21,928,435	22,232,674
	<u>93,511,722</u>	<u>92,046,675</u>	<u>97,032,311</u>
Total Noncurrent Liabilities			
Total Liabilities			
	<u>115,812,053</u>	<u>111,348,301</u>	<u>116,386,043</u>
Deferred Inflows of Resources			
Deferred inflows - concessions	758,754	1,011,672	1,074,901
Deferred inflow - OPEB	6,233,735	6,838,918	2,609,760
Deferred inflows - pensions	1,171,344	855,293	679,709
	<u>8,163,833</u>	<u>8,705,883</u>	<u>4,364,370</u>
Total Deferred Inflows of Resources			
Net Assets			
Invested in capital assets, net of related debt	124,781,903	125,252,950	122,007,533
Restricted for:			
Non-expendable			
Endowment Funds	558,059	495,832	518,299
Expendable			
Endowment Earnings-Scholarship	335,379	391,878	419,485
Loans	181,720	359,076	260,522
Other	148,515	249,860	383,613
Capital projects	39,450	50,000	1,036,981
Debt service	11,319,699	7,079,820	6,839,706
Unrestricted	898,141	6,038,733	4,789,134
	<u>138,262,866</u>	<u>139,918,149</u>	<u>136,255,273</u>
Total Net Assets			
Total Liabilities, Deferred Inflows and Net Assets			
	<u>\$ 262,238,752</u>	<u>\$ 259,972,333</u>	<u>\$ 257,005,686</u>

For those charged with governance and internal management use only

FITCHBURG STATE UNIVERSITY
STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Student tuition and fees	\$ 46,745,970	\$ 47,478,261	\$ 49,813,049
Waivers and exemptions	(880,733)	(967,078)	(1,627,704)
Net student tuition and fees	45,865,237	46,511,183	48,185,345
Federal grants and contracts	9,285,165	7,621,943	7,927,100
State and local grants and contracts	753,168	740,956	661,683
Nongovernmental grants and contracts	446,629	554,396	575,563
Sales and services of educational departments	569,612	1,003,305	994,290
Auxiliary enterprises:			
Residential life (net of scholarship allowances)	6,608,890	10,654,666	11,395,165
Residential life-dining hall revenue	2,155,597	4,278,062	4,505,113
Administrative overhead	57,153	65,830	61,319
Fundraising	7,418	132,759	129,929
Commissions	1,782,645	366,591	649,672
Miscellaneous	50,863	5,473	11,472
Nursing and Perkins	7,778	162,400	26,980
Total Operating Revenues	67,590,155	72,097,564	75,123,631
Operating Expenses			
Salaries:			
Faculty	18,412,516	19,150,903	19,405,446
Exempt wages	3,332,166	3,452,541	3,008,951
Non-exempt wages	15,149,495	15,923,901	14,537,595
Benefits	11,728,677	12,076,739	11,831,037
Other Operating Expenses:			
Employee related travel	80,325	296,285	328,231
Administrative expense	1,567,905	1,544,953	1,411,554
Facility operational supplies	1,089,473	1,109,578	1,108,256
Utilities	2,180,955	2,347,017	2,263,811
Consultant services	1,106,998	840,347	940,832
Operational services	4,917,651	2,611,040	3,431,978
Equipment purchases	464,979	361,226	564,659
Equipment lease/rental/repair/maint	295,700	598,845	602,563
Purchased client services-program	13,421	209,386	196,623
Construction and building improvement	786,751	1,142,661	1,080,271
Grants and Subsidies	84,672	96,187	52,348
Scholarships	10,460,780	9,833,474	10,031,928
Loans & special payments	98,627	22,436	-
IT expenditures	2,695,281	3,231,528	3,433,401
Depreciation	8,419,805	7,758,679	7,607,766
Bad debt expense	-	(47,058)	(48,986)
Auxiliary enterprises:			
Residential life-Dining Hall expense	1,687,503	2,972,066	3,197,174
Residential life	5,233,327	10,213,556	9,757,162
Total Operating Expenses	89,807,007	95,746,290	94,742,600
Operating profit/(loss)	(22,216,852)	(23,648,726)	(19,618,969)

For those charged with governance and internal management use only

FITCHBURG STATE UNIVERSITY
STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Nonoperating Revenues (Expenses)			
State appropriations	36,143,109	40,054,718	33,498,584
Investment income (net of investment expenses)	745,735	(2,749,130)	804,937
Unrealized gain/(loss)	1,657,758	1,683,605	(179,400)
Interest on capital debt	<u>(330,616)</u>	<u>(1,820,907)</u>	<u>(2,113,899)</u>
Net Nonoperating Revenues (Expenses)	<u>38,215,986</u>	<u>37,168,286</u>	<u>32,010,222</u>
Income (loss) before Capital and Endowment Additions	15,999,134	13,519,560	12,391,253
Capital appropriations	246,666	-	6,688
Capital grants and gifts	<u>189,688</u>	<u>189,688</u>	<u>469,198</u>
Increase in net assets	16,435,488	13,709,248	12,867,139
Net Assets - beginning of period	<u>121,827,378</u>	<u>126,208,900</u>	<u>123,388,134</u>
Net Assets - end of period	<u>\$ 138,262,866</u>	<u>\$ 139,918,148</u>	<u>\$ 136,255,273</u>

For those charged with governance and internal management use only

FITCHBURG STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase in net assets	\$ 16,435,488	\$ 13,709,249	\$ 12,867,139
Adjustments to reconcile increase in net assets to cash provided by (used by) operating activities:			
(Gain)/loss on marketable securities	(1,657,758)	1,738,989	(214,076)
Depreciation	8,419,805	7,758,679	7,607,766
(Increase) decrease in assets:			
Accounts receivable	(1,830,411)	(3,355,996)	(1,928,185)
Loans receivable	180,766	149,601	160,828
Other assets	93,958	212,779	167,856
Account Description			
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	108,151	(2,648,806)	(43,448)
Compensated absences	529,029	198,394	294,738
Accrued faculty payroll	371,818	793,926	1,341,002
Deferred revenue	(1,478,026)	(1,297,906)	(1,122,133)
Other liabilities	<u>(69,784)</u>	<u>1,005,182</u>	<u>383,998</u>
Net cash provided by operating activities	<u>21,103,036</u>	<u>18,264,091</u>	<u>19,515,485</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	4,117,738	3,654,377	43,290
Unrealized gain on cash investments	(510,659)	(183,765)	(209,242)
Purchase of investments	(4,642,367)	(4,030,126)	(43,957)
Acquisition of property, plant and equipment	<u>(6,032,237)</u>	<u>(4,701,291)</u>	<u>(6,082,188)</u>
Net cash (used by) investing activities	<u>(7,067,525)</u>	<u>(5,260,805)</u>	<u>(6,292,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Federal loan program	(139,301)	(522,607)	19,013
Proceeds of bond issue	-	-	2,623,144
Payments of capital debt	(1,109,972)	(4,444,624)	(3,378,851)
Payments of capital leases	<u>(257,879)</u>	<u>(254,441)</u>	<u>(249,898)</u>
Net cash provided by financing activities	<u>(1,507,152)</u>	<u>(5,221,672)</u>	<u>(986,592)</u>
Net increase in cash	12,528,359	7,781,614	12,236,796
Cash and cash equivalents - beginning of period	<u>35,460,968</u>	<u>39,645,667</u>	<u>36,112,248</u>
Cash and cash equivalents - end of period	<u>\$ 47,989,327</u>	<u>\$ 47,427,281</u>	<u>\$ 48,349,044</u>
Supplemental Disclosures:			
Cash paid for interest	<u>\$ 897,293</u>	<u>\$ 2,367,866</u>	<u>\$ 2,352,270</u>

For those charged with governance and internal management use only

**Fitchburg State University
Executive Summary
Financial Statements for the Nine Months Ended
March 31, 2021, 2020 and 2019**

Statements of Net Assets (pages 2-3):

- Between 2019 and 2020, total assets remained unchanged but increased by a little over \$2.8 million in 2021. This increase was mainly due to an increase in Investments - a rebound from prior year.
- Total liabilities increased by \$4.5 million between 2020 and 2021. Of that \$4.5 million increase, OPEB liability increased by \$2 million and the other \$2.5 million was because of budgeted salary appropriation received from the Commonwealth to be expended in FY21.
- Slight changes in Total net assets between the years 2019 to 2021 with most of this volatility occurring in debt service and unrestricted net assets.
- Outstanding debt did not see any appreciable change between 2020 and 2021, because our major portfolio consists of MSCBA debt that was refinanced in July 2021.

Statements of Revenues, Expenses and Changes in Net Assets (pages 4-5):

- Total operating revenue decreased each year, and this decrease was mainly due to a decrease in both auxiliary enterprises – housing and dining.
- Tuition and fee revenue saw its sharpest decline of \$1.5 million between the period 2019 to 2020 but saw only a slight decrease of .7 million between 2020 to 2021. Although the on-campus revenues have dropped because of COVID, online revenues, on the other hand, have consistently increased yearly.
- As a byproduct of the yearly increase in online tuition revenue, the operational services expenses have also increased. This increase is due to the commission paid to the online program service provider. 2020 was an outlier because of the late payment of an invoice.
- State appropriations decreased to \$36.4 million as compared with \$40.05 million for the same period last year. Last year's increase was due to an increase in the fringe benefit rate charged by the Commonwealth and a slight increase in state appropriations for retroactive salary increases paid in FY2019.
- Total expenditures decreased by 5.9 million between 2020 and 2021. This decrease is mainly due to a decrease in auxiliary services. Auxiliary services, which represents the operation of both the residence halls and the dining facilities, had expenses totaling \$6.9 million in 2021 versus income of \$8.8 million.

Statements of Cash Flows (page 6):

- Cash on hand has been consistent between 2019 to 2021 – approximately \$48 million.
- In 2021 - net cash provided from operations was \$21.1 million. Acquisitions of property and equipment totaled \$6.0 million – largely because of Percival and MSCBA on-campus renovations.