



Fitchburg State University

Board of Trustees Joint Meeting (Foundation/Supporting Org)

Board of Trustees

Published on October 24, 2025 at 5:52 PM EDT

Date and Time

Thursday October 30, 2025 at 1:00 PM EDT

Location

This meeting will be held at Fitchburg State University Main Lounge and will also be livestreamed

Public Live Stream:

<https://www.fitchburgstate.edu/live>

Agenda

	Purpose	Presenter	Time
I. Opening Items			1:00 PM
A.	Call the Meeting to Order	Michael Fiorentino, Jr.	
	Call the Board of Trustee Meeting to Order - Michael Fiorentino		
B.	Record Attendance - Board of Trustees	Michael Fiorentino, Jr.	1 m
C.	Call the Meeting to Order	Donna Hodge	1 m
	Call the Foundation Board Meeting to Order - Dr. Donna Hodge		
D.	Record Attendance - Foundation Board	Donna Hodge	1 m

	Purpose	Presenter	Time
E. Public Comments	Discuss	Michael Fiorentino, Jr.	5 m
F. Approve Minutes - 5/19/2025	Approve Minutes	Michael Fiorentino, Jr.	2 m
G. Approve Minutes - August 12, 2025	Approve Minutes	Michael Fiorentino, Jr.	2 m
II. Finance Committee Update			1:12 PM
A. Presented by Karen Spinelli	FYI	Karen Spinelli	5 m
B. Audit Report (joined virtually by Foundation Board)	FYI	Bollus Lynch	15 m
C. Audit Context, FY25 Final Budget & Working FY26 Budget	FYI	Robert Labonte	13 m
D. VOTE: Approve FY25 Audit (Foundation Board)	Vote		1 m
E. VOTE: Approve FY25 Audit (Board of Trustees)	Vote		1 m
III. Academic Affairs Committee			1:47 PM
A. Academic Affairs Committee Update	FYI	Jennifer Flanagan	5 m
B. Provost and Executive Vice President, Dr. Patricia Marshall	FYI	Patricia Marshall	15 m
IV. President's Report			2:07 PM
A. Presented by Dr. Donna Hodge, President	FYI	Donna Hodge	25 m
B. Associate Vice President of Capital Planning and Maintenance	FYI	Matt Lechter	10 m
C. VP of Enrollment Management & Student Success	FYI	Pam McCafferty	25 m
V. Break			3:07 PM

	Purpose	Presenter	Time
A. Break	FYI		10 m
VI. Student Trustee Report			3:17 PM
A. Presented by M. Gill	FYI	Matthew Gill	10 m
VII. Enrollment Management			3:27 PM
A. Enrollment Management and Student Success Committee Update	FYI	Eric Gregoire	5 m
VIII. Operations and Safety			3:32 PM
A. Operations and Safety Committee Update	FYI	Lynn Barrieau	5 m
IX. Student Experience			3:37 PM
A. Student Experience Committee Update	FYI	Lynn Barrieau	5 m
X. Special Presentation: Women's Ice Hockey			3:42 PM
A. Presented by Matt Burke, Pam McCafferty and Tim St. John	FYI		30 m
B. Discussion	Discuss		14 m
C. VOTE: Women's Ice Hockey	Vote		1 m
XI. Closing Items			4:27 PM
A. Chair Fiorentino and President Hodge	FYI	Michael Fiorentino and Donna Hodge	5 m
B. Adjourn Meeting	FYI	Michael Fiorentino, Jr.	

Coversheet

Approve Minutes - 5/19/2025

Section:	I. Opening Items
Item:	F. Approve Minutes - 5/19/2025
Purpose:	Approve Minutes
Submitted by:	
Related Material:	Minutes for Board of Trustees on May 19, 2025 VOTE Minutes May 19, 2025.pdf



Fitchburg State University

Minutes

Board of Trustees

Fitchburg State University Board of Trustees Meeting

Date and Time

Monday May 19, 2025 at 10:00 AM

Location

This is a virtual only meeting. It will be streamed and recorded.

Notice of a meeting of the Fitchburg State University Board of Trustees on Monday, May 19, 2025 at 10:00 a.m.

The meeting will be virtual, livestreamed and recorded.

Public Live Stream:

<https://www.fitchburgstate.edu/live>

Trustees Present

C. Stimpson (remote), E. Gregoire (remote), J. Flanagan (remote), K. Spinelli (remote), L. Barrieau (remote), M. Fiorentino, Jr. (remote), M. Gill (remote), S. Rodriguez (remote)

Trustees Absent

D. Tiernan, M. Morris, S. King-Goodwin

Ex Officio Members Present

D. Hodge (remote)

Non Voting Members Present

D. Hodge (remote)

Guests Present

David Niemi (remote), K. Lundgren (remote), M. Bruun (remote), stacey Luster (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

M. Fiorentino, Jr. called a meeting of the board of trustees of Fitchburg State University to order on Monday May 19, 2025 at 10:05 AM.

Chairman Michael Fiorentino extended congratulations to all graduates and undergraduates who participated in the week's commencement exercises, highlighting the exciting and energizing nature of the events. He commended the entire campus staff for their successful efforts in organizing the ceremonies, noting the smooth adjustments made for Saturday's event, which resulted in wonderful graduate and undergraduate ceremonies.

II. Board Chair's Report

A. Approval of Minutes, April 17, 2025 VOTE (21.2024-2025)

J. Flanagan made a motion to approve the minutes from Board of Trustees on 04-17-25.

E. Gregoire seconded the motion.

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

Roll Call

J. Flanagan	Aye
D. Tiernan	Absent
K. Spinelli	Aye
L. Barrieau	Aye
M. Gill	Aye
S. Rodriguez	Aye
S. King-Goodwin	Absent
M. Morris	Absent
M. Fiorentino, Jr.	Aye
E. Gregoire	Aye
C. Stimpson	Aye

B. Letter of Support for President Hodge - VOTE (22-2024/2025)

C. Stimpson made a motion to Approve Letter of support to the commissioner for Dr. Hodge.

E. Gregoire seconded the motion.

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

Roll Call

D. Tiernan	Absent
M. Morris	Absent
M. Fiorentino, Jr.	Aye
J. Flanagan	Aye
S. King-Goodwin	Absent
L. Barrieau	Aye
K. Spinelli	Aye
E. Gregoire	Aye
C. Stimpson	Aye
M. Gill	Aye
S. Rodriguez	Aye

III. Finance Committee Update

A. Update from Karen Spinelli, Chair of the Finance Committee

Karen Spinelli, Chair of the Finance Committee, provided an update on the May 13th meeting, where the proposed FY26 budget was discussed.

Key points from her report included:

- **Budget Overview:** President Hodge and Heidi Swift presented the budget, which largely mirrors the FY25 working budget but incorporates internal adjustments and clarifies priorities. Key assumptions include flat enrollment, alignment with the Governor's proposed state budget figures, and a potential fee increase to sustain student support.
- **Budget Details:** Discussions covered the university's former "Extraordinary Budget Request" (EBRQ) process. Unfunded requests remain in areas such as athletics and adjunct faculty compensation, which will be closely monitored. Personnel costs reflect fully funded faculty lines and anticipated hires, with a strategic decision not to refill the Vice President of Student Affairs position to redirect resources towards enrollment management and student success.
- **Revenue and Expense Trends:** The committee discussed a decrease in the transfer fee from the School of Graduate, Online, and Continuing Education (SGOCE) to the main institution and rising utility costs.
- **Thin Reserve:** The budget projects a thin reserve, highlighting the need for careful financial management and consideration of a fee increase. Concerns were raised about the reliance on trust fund transfers for cash flow, emphasizing the necessity of a long-term sustainability plan.
- **Q&A:** The committee engaged in a detailed Q&A session regarding grant funding, personnel costs, and reserve balances. President Hodge addressed cash flow

concerns and emphasized balancing fiscal responsibility with investing in people and the student experience, reiterating the long-term goal of enrollment growth and differentiation.

- **Proposed Fee Increase:** President Hodge presented four options, including no increase, highlighting Fitchburg State's current position with the lowest fees among its peers. Three potential increases (approximately 3.9%, 4.8%, and 6.8%) were outlined, detailing their impact on student fees and reserve reliance. Communication of any fee increase to students was also discussed.
- **Recommendation:** A consensus emerged to recommend the middle option of a 4.8% fee increase to the full board for further discussion.

Chairman Michael Fiorentino opened the floor for questions or discussion regarding the Finance Committee report. No questions were raised.

IV. President's Report

A. From the President

- **Investiture Celebration:** President Hodge expressed gratitude to Chairman Fiorentino and the board for their support during her formal investiture celebration. The accompanying gala successfully raised close to \$400,000, indicating strong community support.
- **Commencement Week:** The President highlighted the success of commencement week, which included a nursing pinning ceremony for 35 new nurses, a graduate ceremony for almost 300 students, and the main commencement ceremony for 430 graduates. Despite initial weather concerns, the team's preparations allowed for a successful outdoor event.
- **Police Academy:** The 8th Police Academy class has begun, with completion scheduled for September 12th.
- **Personnel Updates:**
 - **Matt Brunn** has accepted the offer to serve as Chief of Staff, while continuing his duties as Executive Director of Communications and Public Affairs.
 - **Dr. Laura Bayless** announced her retirement, effective July 1st.
 - **Dean of Students, Tim St. John** will continue leading student affairs. The university does not intend to replace the Vice President of Student Affairs position, instead redirecting funding to an enrollment and student success role.
 - **Matt Lechter** has stepped in as Interim AVP for Capital Planning and Maintenance following JD Head's departure. President Hodge acknowledged Matt Lechter and Chief Michael Cloutier for their leadership during this transition, highlighting the university's commitment to leveraging internal expertise.

Chairman Michael Fiorentino opened the floor for questions for the President. No questions were raised.

V. FY26 Proposed Budget

A. Proposed FY26 Budget Presentation

Chairman Michael Fiorentino opened the budget review, emphasizing the inclusive campus-wide effort in preparing the budget. He noted that he and President Hodge would have extensive conversations over the summer regarding the budget process and future multi-year fee increase reviews, with a detailed report to follow in the fall.

President Donna Hodge provided further details on the budget:

- **Long-term Planning:** The campus is working towards a clearer five-year financial plan to enhance transparency and engagement.
- **Finance Team Structure:** The President acknowledged the unique structure of the finance team, with no single sitting director and key contracted employees like Heidi Swift and Bob Labonte providing crucial support.
- **Culture Shift:** A key goal is to change the financial culture on campus, promoting transparency and clear communication.
- **Level-Setting Budgets:** The process began by asking departments to level-set their budgets based on historical spending and true operational needs, moving away from the "Extraordinary Budget Request" (EBRQ) process.
- **EBRQ Reallocation:** The roughly \$700,000 in EBRQ funds were reallocated to cover core, previously unfunded operational needs (e.g., vehicle repairs, HVAC), building these directly into departmental budgets.
- **Trust Fund Transfers:** The budget clearly reflects a \$3.5 million transfer from trust fund reserves to manage cash flow. This amount is higher than formally approved in past years but reflects historical transfer practices. The intent is to maintain this transfer and provide updates on actual needs.
- **Flat Enrollment (Up from Budgeted):** The budget assumes flat enrollment based on actual final census data (2295 in fall, 2032 in spring, or 2164 annualized FTE), which is an increase from previous budgeted numbers. This would represent a true level enrollment for the first time in many years.
- **Enrollment Goals:** While the budget is conservative, President Hodge continues to push enrollment and student success teams to set more audacious long-term growth goals.
- **Fee Increase Scenarios:** Four fee increase scenarios were presented, with the **4.8% increase** (Option 2) being the finance team's and committee's recommendation, as it still positions Fitchburg State's fees relatively low compared to peers.
- **State Appropriation Baseline:** The budget uses the Senate's draft budget as the baseline for state appropriation planning.
- **Specific Budget Notes:**

- The \$700,000 in EBRQ funds was the only flexible pool for non-level funded budget requests.
- An unfunded gap of about \$650,000 exists between new budget requests and what could be covered. This includes \$67,000 for one-time academic affairs needs and \$118,000 for athletic needs (e.g., preseason meals, travel, official costs), for which alternative funding sources like foundation or donor support will be sought.
- The largest unfunded request was a \$490,000 increase for adjunct budget/rates, which was not included in the current budget but will be closely monitored.
- Utilities are up by nearly \$1 million across the board.
- No performance or formula funding is currently included, though a state allocation is expected.
- SGOCE's transfer to the university has decreased by almost \$2 million since FY23, reaching \$5.8 million this year, which is unsustainable long-term. The SGOCE and foundation budgets have been conservatively pulled back to FY24 levels due to revenue declines.
- SGOCE Transfer: Anticipating a transfer of \$5.8 million for fiscal year 2024, a decrease from \$7.7 million in fiscal year 2023. The current reliance on these transfers is deemed unsustainable due to university costs in supporting SGOCE operations. The administration is exploring creative solutions for SGOCE funding, including an upcoming meeting to discuss the "rise point contract" crucial for enrollment.
- President's Budget Reduction: The budget includes a \$12,000 reduction to the president's budget without impacting operational needs or managed events.
- Personnel Funding: All full-time faculty and tenure-track line requests submitted by the provost and academic leadership have been fully funded. Priorities include critical faculty backfills in growth areas and minimizing institutional risk from key staff departures. The university is focusing on leveraging existing campus expertise and rethinking positions to meet student needs while being fiscally conservative.
- CFO Search: The campus is actively engaged in a CFO search. Deadlines for inquiries/nominations ended April 30th, with applications closing June 15th. A robust pool of candidates has been identified, and additional support from partners like Academic Search is being considered to expand the national candidate pool.
- Future Budget Monitoring: Key variables for future budget updates include SGOCE performance, fall undergraduate day enrollment trends, final state allocations, housing trends (which are positive), and collective bargaining obligations/state contract funding.
- Benefits Cost Reduction: For the first time in many years, fiscal year 2026 is projected to see a decrease in benefit costs, from 45% in FY25 to an anticipated 35% in FY26, resulting in significant savings.
- Trust Fund Transfer: The current intent is to keep the transfer from trust funds in the budget, with updates provided as changes related to proposed fee increases

occur, allowing for board counsel. Final FY26 budget approval will occur during a virtual business meeting before the annual board retreat.

- FY25 vs. FY26 Budget Comparison: The budget proposal presents FY25 approved budgets alongside the FY26 proposal for comparison.
- Revenue - State Maintenance: Projections are based on Senate numbers, with strong support for higher education anticipated in various versions of the state budget.
- Fringe Benefits (Local Funds): A significant savings of approximately \$200,000 is anticipated for local trust funds due to the fringe benefit reduction.
- Tuition - Undergrad Day Division Fees: Budgeted with an approximate \$500,000 increase based on actuals for the current year.
- ED Service Transfer Fee: This fee has declined by almost \$2 million over the past few years, despite consistent or increased service levels.
- Operating Revenue Reserves: A \$3.5 million reserve from the T65 fund is shown for transparency and will be continuously monitored.
- Graduate & Continuing Education: The School of Graduate and Continuing Education, accelerated programs, and Center for Professional Studies are being level-set on both revenue and expense sides and will continue to be monitored.
- Reliance on Trust Funds: Approximately half of the total campus reserve is restricted, indicating that long-term reliance on trust fund transfers is unsustainable. While an outsized reliance on trust funds exists (common among campuses), the campus does not have a structural deficit. The issue is that expenses have grown, while enrollment as a revenue source has thinned.
- Student Support Needs: The changing needs of students, particularly an increase in care referrals (from less than 300 last year to over 750 this year), highlight the need for increased person-power and expertise in student support systems. This is an area where the campus cannot afford to make cuts.
- Personnel Costs: \$53 million budgeted for personnel costs, including faculty and projected FY26 salaries. While savings may be realized (e.g., from search timelines or reallocating VP of Student Affairs salary to an Enrollment Management VP), the full picture is presented.
- Fixed Costs: A change to fixed costs, around \$1 million due to contractual obligations, contributed to an increase in expenses.
- Net Positive: A net positive of \$344,000 for FY25 is positive but offers little wiggle room for unexpected issues or unfunded programs.
- Federal Award Pulled Back: The campus received notification of a federal award (NEH grant for theater block) being pulled back due to an executive order. No monies had been spent or built into the budget, so it does not impact current finances but will be discussed at the board retreat.
- Capital Budget: Capital is budgeted at \$5.2 million versus \$4.7 million. This is considered minimal for the campus, but the commonwealth's commitment to deferred maintenance and infrastructure needs is appreciated. Historical spending has often exceeded the budgeted amount due to matching fund requirements for state gifts.

- Projects: The Conlan window replacement is scheduled to begin this summer.

Michael Fiorentino opened the floor for questions and emphasized that the budget is a work in progress, with trustees to be notified of changes. An official budget review will occur at the board retreat.

The President expressed appreciation for board members attending finance committee meetings and one-on-one conversations, which helped clarify thinking.

B. FY26 Proposed Budget - VOTE (23.2024/2025)

K. Spinelli made a motion to Approve the proposed FY26 budget.

C. Stimpson seconded the motion.

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

Roll Call

D. Tiernan	Absent
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M. Gill Aye

S. Rodriguez Aye

K. Spinelli Aye

C. Stimpson Aye

E. Gregoire Aye

J. Flanagan	Absent
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S. King-Goodwin Absent

M. Fiorentino, Jr. Aye

L. Barrieau Aye

M. Morris	Absent
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C. Proposed Fee Increase - VOTE (24-2024/2025)

K. Spinelli made a motion to Approve the Proposed fee increase of 4.8%.

E. Gregoire seconded the motion.

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

Roll Call

S. King-Goodwin Absent

L. Barrieau Aye

M. Morris	Absent
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S. Rodriguez Aye

J. Flanagan	Absent
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M. Gill	No
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C. Stimpson Aye

D. Tiernan	Absent
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M. Fiorentino, Jr. Aye

K. Spinelli Aye

E. Gregoire Aye

- **Context:** The President emphasized the importance of examining tuition and fees relative to other state public institutions. Fitchburg State has the lowest fees among

its state public colleagues (excluding unique institutions like Mass Maritime, MCLA, and Mass Art).

- **Peer Comparison:** Other state public institutions are anticipated to have at least a 3% fee increase, with some expecting higher.
- **Options Presented:**
 - **Option 1:** 3.9% increase, still placing Fitchburg State at the bottom of its peers (excluding Mass Maritime). Total annual impact to students: \$438.
 - **Option 2:** 4.8% increase, considered a better long-term plan to avoid dramatic increases in future years. Still places Fitchburg State at the bottom of the state public rankings. Total annual impact to students: \$540.
 - **Option 3:** 6.8% increase, a bolder option that would likely result in a lower necessary fee increase next year. Even with this, Fitchburg State would remain in the lower third of peer institutions (assuming peers only raise by 3%). Total annual impact to students: \$768.
- **Rationale for Increase:** The campus has been conservative with fee increases, falling behind inflation. Fee increases provide a stable budget and ensure the continuation of excellent student services. Cutting services is deemed more difficult than implementing fee increases.
- **Student/Faculty Communication:** While large group discussions haven't occurred, individual and small group conversations with students and faculty indicate that while no one desires fee increases, there's an understanding of its necessity given the increased student needs and the campus's historical conservatism.
- **Five-Year Plan:** Michael Fiorentino stressed the importance of developing a substantial five-year plan for budget and fee increases, based on good data, to avoid year-to-year reactive decisions. He applauded the team for their efforts in planning for the upcoming year.

Discussion on Proposed Fee Increase:

- The President clarified the university's approach to financial planning, stating that the fiscal year 2026 budget was challenging due to the recent arrival of the new administration and the ongoing unraveling of prior fiscal years. For fiscal year 2027, the goal is to present three versions of the proposed budget to the board, each with different fee increase scenarios
- A significant long-term opportunity for the campus will be a radical debt restructure in fiscal year 2027. Discussions are ongoing with the Council of Presidents regarding state assistance for public institutions' debt. The President acknowledged the uncertainty of federal funding, referencing a recent federal award (NEH grant for the theater block) that was pulled back. While this specific instance had a small impact as the funds were not yet budgeted, it signals trends at the federal level that the university is monitoring.

- The President reiterated the commitment to transparent budgeting, presenting proposals that include fee increases and potential transfers from trust funds, seeking the board's comfort level with these strategies.

Discussion and Vote on Fee Increase Proposal:

- Michael Fiorentino opened the floor for discussion on the proposed fee increases, emphasizing the importance of a five-year plan for budgeting and fee projections. He stressed that this planning should occur earlier in the year, allowing for serious conversation with the board and the college community. He applauded the team for their efforts in putting together the current proposal.
- Eric Gregoire thanked the President for the presentation and the forward-looking approach. He advocated for bringing the fee conversation earlier in the calendar to better inform students and families about the value proposition of Fitchburg State, given its position at the lower end of the state university system. He supported the committee's recommendation, acknowledging it as a difficult but necessary strategic step. He also suggested future discussions focus more deeply on student financial aid, including sources, funding, and the impact of federal and state aid on students' ability to manage cost increases.
- The President agreed, adding that the university needs to improve its approach to financial aid packaging. Historically, financial aid was used as a retention strategy, but moving forward, it should be a recruitment strategy, with aid offers presented upfront to new students. This aligns with modern student expectations and is a practice used by sister campuses, offering a competitive advantage.
- Matthew Gill questioned the methodology for determining the fee increase numbers and raised concerns about the lack of student input and whether students could afford the increase. He noted that many students would not anticipate any increase.

The President responded by explaining that the numbers were derived from:

- **Historical increases:** Analyzing past fee increases and the resulting deficits due to rising utilities and fixed costs.
- **Inflation:** Fees need to increase to cover basic inflationary pressures.
- **Financial Aid Coverage:** The President acknowledged the impact of increases on students but noted that a large majority of students rely on financial aid, federal, or state support (like Pell Grants), which often cover such increases.
- **Offsetting Costs:** The university is committed to decreasing other costs for students, such as ensuring no additional fees for counseling or tutoring services. Efforts are also being made to manage and reduce the rising cost of textbooks through a new campus bookstore partner and by faculty utilizing open educational resources.

The President emphasized that while no one desires fee increases, they are sometimes necessary to maintain quality services. She highlighted the importance of board

members, as student representatives, in making these tough decisions while considering the student impact. She also mentioned a potential future discussion point: using any enrollment increases beyond the budgeted amount to increase institutional aid for students, thereby reducing their overall cost of attendance.

VI. Closing Items

A. Adjourn Meeting

E. Gregoire made a motion to Adjourn Meeting.
L. Barrieau seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

M. Gill	Aye
K. Spinelli	Aye
L. Barrieau	Aye
S. King-Goodwin	Absent
S. Rodriguez	Aye
M. Fiorentino, Jr.	Aye
J. Flanagan	Absent
C. Stimpson	Aye
M. Morris	Absent
D. Tiernan	Absent
E. Gregoire	Aye

Michael Fiorentino thanked the board members, university administrators, and staff for their work on the budget and fee proposal. He assured the trustees that any future changes or updates would be communicated, and a special meeting would be called if necessary.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 11:19 AM.

Respectfully Submitted,
M. Fiorentino, Jr.

Fitchburg State University
REQUEST FOR BOARD ACTION

TO: Board of Trustees Meeting	DATE: October 30, 2025
FROM: The President	REQUEST NUMBER: 01-2025-2026
SUBJECT: May 19, 2025 meeting minutes	

It is requested that the Fitchburg State University Board of Trustees vote to approve the minutes from the May 19, 2025 meeting.

Coversheet

Approve Minutes - August 12, 2025

Section:	I. Opening Items
Item:	G. Approve Minutes - August 12, 2025
Purpose:	Approve Minutes
Submitted by:	
Related Material:	Minutes for Special Board of Trustees Meeting on August 12, 2025 VOTE Minutes August 12, 2025.pdf



Fitchburg State University

Minutes

Special Board of Trustees Meeting

Fitchburg State University Board of Trustees Meeting

Date and Time

Tuesday August 12, 2025 at 10:00 AM

Location

This meeting will be held at the Fitchburg Art Museum 185 Elm Street, Fitchburg, MA 01420 and will also be livestreamed

Trustees Present

C. Stimpson, D. Tiernan, E. Gregoire, J. Flanagan, K. Spinelli, L. Barrieau, M. Fiorentino, Jr., M. Gill, M. Morris (remote), S. Rodriguez

Trustees Absent

S. King-Goodwin

Ex Officio Members Present

D. Hodge

Non Voting Members Present

D. Hodge

Guests Present

K. Lundgren, M. Bruun

I. Opening Items

A.

Record Attendance

B. Call the Meeting to Order

M. Fiorentino, Jr. called a meeting of the board of trustees of Fitchburg State University to order on Tuesday Aug 12, 2025 at 10:03 AM.

II. FY26 Budget Update

A. Final Budget Approval Recap (May 2025)

President Hodge provided an update on the final fiscal year 2026 budget, which had been approved by the House, Senate, and Governor since the board's last meeting in May.

- **Fiscal Year 2026 Budget Review:** The President presented a side-by-side comparison of the proposed FY26 budget with previous years' approved budgets. The FY26 budget was built to mirror the FY25 working budget, incorporating internal adjustments and prioritizing discipline.
- **Enrollment Assumptions:** The FY26 budget assumed a flat undergraduate day enrollment of 2,295 students in the fall and 2,032 in the spring, which equates to a 2,164 annualized full-time enrollment, matching FY25 actuals.
- **Fee Increase:** The board approved a 4.8% fee increase, which was the mid-tier option recommended by the finance committee and the President's team. This increase is estimated to generate \$1.14 million in revenue.
- **Budgetary Adjustments:**
 - **Extraordinary Budget Requests (EBRQs):** The \$700,000 formerly allocated to EBRQs, which funded routine expenses like HVAC repairs and travel, was reallocated back into core operations.
 - **New Budget Requests:** Of the \$2 million in new requests, all but \$650,000 were funded. Notable unfunded requests included \$67,000 for one-time academic affairs needs and a \$490,000 increase for the adjunct budget.
 - **Athletics and Student Meals:** The \$118,000 for preseason meals and travel for student-athletes and resident assistants (RAs) was covered using external student success funds, not the core budget.
- **State Funding:**
 - The final state appropriation for FY26 is \$42 million, which is a \$964,000 (3%) increase from FY25. This number is lower than the initial \$45 million estimate used in the May budget, which was based on the Senate's higher proposal.
 - An additional \$1.7 million is estimated from the new equity-based performance funding formula, a number that is expected to increase.
 - Student success funding was level-funded at about \$14 million for the statewide public system. However, this is considered a mixed blessing as several targeted student programs were reduced or eliminated, including funding for hunger-free campus initiatives, high-demand scholarships, and

mental health support. The university will need to use student success funding to close these gaps.

- There were no new FY26 capital funds from the state. This is because the governor is supporting the Bright Act, which, if passed, would provide significant funding for deferred maintenance and campus infrastructure projects.
- **Budget Outlook:** The final FY26 budget maintains a thin margin, but the President affirmed that the university is on track to operate with a balanced budget. The FY25 operating loss of \$1.5 million was offset by a \$3 million increase in investments, resulting in a positive \$1.5 million cash flow.

B. Impacts of State and Federal FY26 Budgets on Fitchburg State

- **Changing Student Demographics:** The President noted that the traditional model of the 18-year-old high school graduate is shifting. The university is seeing more adult learners, graduate students, and a growing population of students with some college credit but no degree.
- **Response to Governor's Executive Order:** The President addressed the Governor's executive order stating that degrees are not necessary for 90% of state jobs. This highlights a need for the university to shift its focus from just degree programs to a broader student journey. The President emphasized that a degree is still a valuable tool for developing critical thinking skills and that the university must adapt to serve a workforce that needs to re-skill or up-skill.
- **New Programmatic Approaches:** To meet these new demands, the university is exploring more certificate programs and shorter-term credentials. For example, a new certificate in Artificial Intelligence (AI) is already being offered through the graduate and online education programs.
- **Co-ops and Apprenticeships:** There is also a strong emphasis on developing more co-ops and apprenticeships to provide students with hands-on, real-world experience, which is increasingly important to them.
- **Student Demands:** A recent internal survey of incoming students revealed that their top priorities are career preparation and understanding how a degree program will lead to a job. The desire for a social experience and friends was ranked much lower.
- **Market Competition:** The President concluded this part of the discussion by noting that there are 14 colleges and universities in the Worcester area alone. The key challenge for Fitchburg State is to demonstrate why a student should choose their institution over the others.

C. Q&A

- **Impact of the Bright Act:** A board member asked about the impact if the Bright Act does not pass. The President explained that the FY26 budget does not rely on these funds. While some projects, like the next phase of the Conlon Hall window

project, might be put on hold, the state would likely have to reallocate some money to capital projects.

- **National Admissions Trends:** The President addressed a question about national enrollment trends, noting that fewer children are being born, leading to a decline in high school graduates. The new challenge and opportunity for public institutions is to serve adult learners who need to re-skill or up-skill, as well as those with some college credit but no degree. The President believes Fitchburg State is well-positioned to meet these changing demographics.

III. AY 2025/2026 Slate of Officers Presented

A. VOTE (02.2025-2026)

J. Flanagan made a motion to Vote for Slate of Officers.
E. Gregoire seconded the motion.

Nominations: The current executive committee presented a slate of officers: Dave Tiernan as Clerk, Lynn Barrieau as Vice Chair, and the Chair retaining his position. A call for other nominations was made, but none were heard.

The Chair expressed gratitude to the board members and the President for their hard work and support during his first year.
The board **VOTED** to approve the motion.

Roll Call

L. Barrieau	Aye
D. Tiernan	Aye
S. King-Goodwin	Absent
M. Morris	Aye
S. Rodriguez	Aye
M. Gill	Aye
M. Fiorentino, Jr.	Aye
J. Flanagan	Aye
K. Spinelli	Aye
E. Gregoire	Aye
C. Stimpson	Aye

IV. Executive Session to Discuss Real Property

A. VOTE (01.2025-2026)

L. Barrieau made a motion to Enter into Executive Session to discuss real property.
J. Flanagan seconded the motion.
A motion was made to enter executive session in accordance with Massachusetts General Law Chapter 30A, Section 21. The Chair determined that an open discussion would be detrimental to the university's negotiation position regarding the purchase, exchange, and lease of real property.

The motion passed unanimously, and the public meeting was concluded and will not reconvene.

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

Roll Call

C. Stimpson	Aye
K. Spinelli	Aye
M. Morris	Aye
M. Gill	Aye
S. Rodriguez	Aye
S. King-Goodwin	Absent
E. Gregoire	Aye
M. Fiorentino, Jr.	Aye
L. Barrieau	Aye
J. Flanagan	Aye
D. Tiernan	Aye

V. 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 11:26 AM.

Respectfully Submitted,
M. Fiorentino, Jr.

Fitchburg State University
REQUEST FOR BOARD ACTION

TO: Board of Trustees Meeting	DATE: October 30, 2025
FROM: The President	REQUEST NUMBER: 02-2025-2026
SUBJECT: August 12, 2025 meeting minutes	

It is requested that the Fitchburg State University Board of Trustees vote to approve the minutes from the August 12, 2025 meeting.

Coversheet

Audit Report (joined virtually by Foundation Board)

Section:	II. Finance Committee Update
Item:	B. Audit Report (joined virtually by Foundation Board)
Purpose:	FYI
Submitted by:	
Related Material:	Fitchburg State Foundation 2025 FS - DRAFT 10.14.2025.pdf FSU Foundation Supporting Org 2025 FS - DRAFT 10.14.2025.pdf Fitchburg State University 2025 FS - DRAFT 10.15.2025.pdf FSU - Message to Fin Com 10.15.2025_Summary.pdf

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

AND

INDEPENDENT AUDITOR'S REPORT

DISCUSSION DRAFT 10.14.2025

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fitchburg State University Foundation, Inc.

Opinion

We have audited the consolidated financial statements of Fitchburg State University Foundation, Inc. (the Foundation), which comprise the consolidated statement of financial position as of June 30, 2025, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2025, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Worcester, Massachusetts
_____, 2025

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(With Summarized Comparative Information for 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Cash and equivalents	\$ 6,530,913	\$ 4,712,265
Investments	32,615,604	30,043,044
Due from affiliate	-	74,408
Accrued investment income receivable	76,679	74,743
Grants receivable	2,710	360
Contributions receivable, net	270,237	689,332
Prepaid expenses and other assets	68,127	79,478
Property and equipment, net of accumulated depreciation	6,672,819	6,889,055
Total assets	<u>\$ 46,237,089</u>	<u>\$ 42,562,685</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable, trade	\$ 64,288	\$ 89,789
Environmental remediation liability	100,780	120,430
Accrued interest payable	7,108	7,409
Deferred revenue	192,568	80,000
Agency fund	39,482	61,080
Due to affiliate	52,483	-
Notes payable - bank	365,975	389,026
First mortgage notes payable	3,233,981	3,439,068
Total liabilities	<u>4,056,665</u>	<u>4,186,802</u>
Net assets		
Without donor restrictions	6,009,721	5,622,018
With donor restrictions	36,170,703	32,753,865
Total net assets	<u>42,180,424</u>	<u>38,375,883</u>
Total liabilities and net assets	<u>\$ 46,237,089</u>	<u>\$ 42,562,685</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025
(With Summarized Comparative Information for 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
Revenue and support				
Program revenues				
Gifts and donations	\$ 67,689	\$ 1,401,081	\$ 1,468,770	\$ 1,948,193
Grants and contracts, state	-	555,555	555,555	555,555
Grants and contracts, other	-	147,432	147,432	436,000
Contribution of financial assets and services	-	50,000	50,000	-
Sales and services	12,111	84,201	96,312	97,605
Rental income	235,525	-	235,525	233,188
License fee income	282,290	-	282,290	430,324
Contribution of nonfinancial assets and services	249,854	-	249,854	235,293
Other revenue				
Other income	263,082	-	263,082	445,893
Interest and dividends	131,139	510,025	641,164	622,806
Gain on investments, net	425,354	2,186,034	2,611,388	3,105,494
Net assets released from restrictions	1,517,490	(1,517,490)	-	-
Total revenue and support	3,184,534	3,416,838	6,601,372	8,110,351
Expenses and losses				
Program services	2,341,812	-	2,341,812	2,330,788
Management and general	268,765	-	268,765	286,877
Fundraising	186,254	-	186,254	108,536
Total expenses	2,796,831	-	2,796,831	2,726,201
Change in net assets	387,703	3,416,838	3,804,541	5,384,150
Net assets, beginning of year	5,622,018	32,753,865	38,375,883	32,991,733
Net assets, end of year	\$ 6,009,721	\$ 36,170,703	\$ 42,180,424	\$ 38,375,883

See accompanying independent auditor's report and notes to consolidated financial statements.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025
(With Summarized Comparative Information for 2024)

	Program Services	Management and General	Fundraising	Totals	
				2025	2024
Scholarships	\$ 684,158	\$ -	\$ -	\$ 684,158	\$ 568,116
Community services	24,038	-	-	24,038	27,578
Speakers and cultural programs	60,065	-	-	60,065	157,602
Outside services	1,893	-	10,924	12,817	33,310
Accounting and audit	-	23,100	-	23,100	36,000
Insurance	136,408	29,604	-	166,012	165,961
Affiliated personnel costs	-	172,019	77,835	249,854	235,294
Supplies	43,458	-	-	43,458	4,232
Equipment and maintenance	107,076	-	4,950	112,026	266,625
Printing and publications	119,122	-	6,990	126,112	14,793
Travel	8,448	-	-	8,448	10,817
Meetings and conferences	26,340	-	79,204	105,544	62,427
Awards and grants	317,099	-	4,400	321,499	283,049
Contribution made to University	364,631	-	-	364,631	362,000
Fees, fines, licenses and permits	3,677	1,379	1,000	6,056	15,572
Repairs and maintenance	43,642	-	-	43,642	15,190
Rent	37,566	-	-	37,566	37,566
Interest	158,751	12,001	-	170,752	199,818
Miscellaneous	-	8,367	-	8,367	8,603
Other financial fees	474	10,725	951	12,150	14,778
Credit card fees	-	300	-	300	1,075
Bad debt expense	-	-	-	-	150
Donations	-	-	-	-	500
Depreciation	204,966	11,270	-	216,236	205,145
	<u>\$ 2,341,812</u>	<u>\$ 268,765</u>	<u>\$ 186,254</u>	<u>\$ 2,796,831</u>	<u>\$ 2,726,201</u>

See accompanying independent auditor's report and notes to consolidated financial statements.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

(With Summarized Comparative Information for 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 3,804,541	\$ 5,384,150
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on investments	(2,807,466)	(3,277,311)
Depreciation	216,236	205,145
Amortization of debt issuance costs	1,414	19,236
Gain on sale of property	-	(102,512)
Contributions restricted for long-term investment	(1,284,403)	(1,829,530)
Decrease (increase) in operating assets:		
Due from affiliate	74,408	(74,408)
Accrued investment income receivable	(1,936)	(17,007)
Grants receivable	(2,350)	207,142
Contributions receivable, net	(41,728)	389,128
Prepaid expenses and other assets	11,351	51,372
Increase (decrease) in operating liabilities:		
Accounts payable, trade	(25,501)	24,873
Agency fund	(21,598)	30,000
Due to affiliate	52,483	(525,509)
Environmental remediation liability	(19,650)	(40,718)
Accrued interest payable	(301)	(1,385)
Deferred revenue	112,568	80,000
Net cash provided by operating activities	<u>68,068</u>	<u>522,666</u>
Cash flows from investing activities:		
Proceeds from sale of property	-	265,000
Proceeds from sale of investments	8,866,854	5,098,095
Purchase of investments	<u>(8,631,948)</u>	<u>(6,248,402)</u>
Net cash provided by (used in) investing activities	<u>234,906</u>	<u>(885,307)</u>
Cash flows from financing activities:		
Payments on first mortgage notes payable	(206,501)	(454,534)
Payments on note payable - bank	(23,051)	(22,087)
Net borrowings (repayments) on bank line of credit	-	(125,000)
Contributions received for long-term investment	<u>1,745,226</u>	<u>2,314,647</u>
Net cash provided by financing activities	<u>1,515,674</u>	<u>1,713,026</u>
Net change in cash and equivalents	1,818,648	1,350,385
Cash and equivalents, beginning of year	<u>4,712,265</u>	<u>3,361,880</u>
Cash and equivalents, end of year	<u><u>\$ 6,530,913</u></u>	<u><u>\$ 4,712,265</u></u>

See accompanying independent auditor's report and notes to consolidated financial statements.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - DESCRIPTION OF ORGANIZATION

Organization

Fitchburg State University Foundation, Inc. (the Foundation) was organized on June 6, 1978, exclusively for the benefit of Fitchburg State University (the "University"), to establish scholarships and make awards to educationally talented and needy students; to establish a Distinguished Professor award within the faculty of the University; to subsidize inter-collegiate athletic programs; to subsidize budgets of departments of the University as needed for particular purposes; to encourage public use and support of functions and activities which further the mission of the University; and to encourage other activities necessary for, or incidental to, any or all of the foregoing. The following programs are supported under the auspices of the Foundation: Center Stage, Alumni Association, Women in Today's Society, Amelia V. Gallucci-Cirio endowment and the University's Booster Clubs.

FSU Foundation Supporting Organization, Inc. (the Supporting Organization) was organized on October 29, 1999 to be a supporting organization operated, supervised and controlled for the exclusive benefit of the Foundation and all of its educational and charitable activities. As of June 30, 2025, the Supporting Organization's sole program activity has been to acquire, hold, operate and lease real estate and related improvements for the benefit of the Foundation and University.

The Foundation and the Supporting Organization are collectively referred to hereinafter as the "Organization."

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include the accounts of the Foundation and the Supporting Organization. All significant intercompany accounts and transactions have been eliminated in consolidation.

Professional standards require that a not-for-profit organization consolidate another not-for-profit organization if the reporting not-for-profit (the Foundation) has both control and an economic interest in the other not-for-profit organization (the Supporting Organization). The Supporting Organization's Articles of Organization limit its activities to those that are for the exclusive benefit of the Foundation.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Method of accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis, whereby income is recorded when earned and expenses recorded when incurred in the appropriate accounting period.

Basis of presentation

The consolidated financial statements of the Organization are presented in accordance with guidance issued by the FASB for the presentation of financial statements of Not-for-Profit Entities. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation (continued)

The two categories are differentiated as follows:

Without donor restrictions

Net assets without donor restrictions represent funds available for support of the Organization's functions and operations that are not externally restricted for identified purposes by donors. Net assets without donor restrictions include resources that the governing board may use for any designated purposes and resources whose use is limited by agreement between the Foundation and outside party other than a donor.

With donor restrictions

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific period or purpose. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions, or when the stipulated time has passed. Programs supported by the Organization operate under budgetary restrictions except for the Women in Today's Society program. Income earned from support derived by the Women in Today's Society program is restricted; ninety percent (90%) of such income is available for the Women in Today's Society program with ten percent (10%) available for general Organization expenses. Other donor-imposed restrictions on net assets are permanent in nature. These net assets have been restricted by donors to be maintained in perpetuity.

Summarized comparative information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Risks and uncertainties

The Organization maintains an investment portfolio consisting of a combination of U.S. Treasury securities and other government obligations, corporate bonds, equity securities and mutual funds that are invested in equity securities, bonds and other investment securities. The Organization's investments in equity securities, corporate bonds and mutual funds include both domestic and foreign investments. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and such changes could materially affect the Organization's investment account balances.

Contributions and bequests

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give are reported at net realizable value if at the time the promise is made, collection is expected to be received in one year or less. Unconditional promises to give that are expected to be collected in more than one year are reported at fair value using present value techniques and a discount rate determined by management of the Organization. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are recognized only when the conditions on which they depend are substantially met. An allowance for uncollectible contributions receivable is provided based on management's judgement, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Contributions in the form of property and equipment and other assets are recorded at fair value on the date the donation is received.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and bequests (continued)

Contributions received are recorded as contributions with donor restrictions or contributions without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions expire during the same fiscal year are recognized as revenue without donor restrictions.

Contributions of nonfinancial assets

The Organization receives contributions in a form other than cash or investments. If material, donated supplies and other items are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising events. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Donated services with an estimated fair value of \$249,854 met those criteria and are included in contributions of nonfinancial assets in the statement of activities. Those services were primarily received from Fitchburg State University for management and operating services.

Sales and services

Sales and services revenue primarily consist of revenue generated from various cultural programs, functions and events organized by the Organization. Revenue is recognized when the programs, functions and events have taken place and as services are performed. Revenues received for future programs, functions and events are deferred to the applicable year in which they are earned.

Rental and license fee income

Rental and license fee income is recognized ratably when earned.

Cash and cash equivalents

The Organization maintains operating cash at three financial institutions in Massachusetts. In addition, the Organization maintains money market funds at four different financial institutions. The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Grants and accounts receivable

Grants and accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual account balances. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There is no allowance for uncollectible grants and accounts receivable as of June 30, 2025 and 2024.

Investments

Investments consist of debt, marketable equity securities, mutual funds and other investments, which are carried at fair value. Unrealized gains and losses are included in revenue. Investment income and gains are reported as increases in net assets without donor restrictions, unless a donor or law temporarily or permanently restricts their use. Gains and losses on the disposition of investments are principally determined based on the first-in, first-out method or specific identification of securities sold. Investment income is recognized when earned. Dividends are recorded on the ex-dividend date.

The Organization's investment policy consists of a target asset allocation range of 50% to 70% equity securities, 30% to 50% fixed income securities and up to 10% in cash and equivalents.

Endowments

The Organization's endowments consist of approximately 120 individual funds at June 30, 2025 and 2024, that are restricted by donors to function as endowments primarily for the granting of scholarships and to fund other academic and cultural programs. During 2018, the Board of Directors voted to earmark a board-designated fund entitled "The Fund for Fitchburg State" to function as an endowment fund. The fund will be invested and generate earnings which will be used to fill the gap for students with financial need. During fiscal 2018, \$25,000 of net assets without donor restrictions were board-designated to function as an endowment (Note 5). The Board approved an additional \$58,993 during fiscal 2024, bringing the total fund up to \$83,993. In accordance with accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Directors of the Organization has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The funds will remain in net assets with donor restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate restricted endowment funds: (i) the duration and preservation of the fund, (ii) the purposes of the Organization and the donor-restricted endowment fund, (iii) general economic conditions, (iv) the possible effect of inflation and deflation, (v) the expected total return from income and the appreciation of investments, (vi) other resources of the Organization, and (vii) the investment policies of the Organization.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Investment and spending policies

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a variety of investments that aim to preserve principal, generate income and provide the opportunity for conservative growth.

The Organization's performance goals are to provide an average annual total rate of return, net of fees, that equals or exceeds its spending rate plus inflation ("CPI") over a rolling five-year period. Additionally, the endowment assets are invested in a manner that is intended to produce results that equal or exceed the average return of appropriate capital market indices weighted by the Organization's asset allocation target percentages over a rolling five-year period. The Organization's performance goals are also intended to produce results that equal or exceed the average return of a universe of similarly managed funds. The Organization's performance goals are based upon a long-term investment horizon. Accordingly, actual returns in any given year may vary from these amounts.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a spending policy of appropriating for distribution each year a percentage of its endowment fund's average fair value over the preceding three years. The amount to be appropriated for distribution shall not exceed 5%. In establishing this policy, the Organization considered the long-term expected return on its endowment fund assets. Accordingly, over the long-term, the Organization expects the current spending policy to be consistent with the Organization's objective of seeking to maintain the purchasing power of the endowment fund assets held in perpetuity or for a specified term as well as to provide additional real growth through investment return.

Funds with deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Massachusetts General Laws requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2025 and 2024, there were no deficiencies of this nature.

Property and equipment

Property and equipment are recorded at cost, if purchased or constructed and, if donated, at fair value at the time of the donation. Property and equipment are depreciated on the straight-line method over their estimated useful lives of 40 years for buildings, 20 years for building and land improvements, 7 and 10 years for furniture and fixtures, 5 years for equipment and 3 years for computer software and equipment. Depreciation commences when the asset is placed in service.

Generally, all additions and improvements with an individual cost or, if donated, fair value in excess of \$50,000 are capitalized to property and equipment.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Leases as lessee

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its consolidated statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the consolidated statement of activities.

The Organization made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Organization utilizes the discount rate implicit in the lease agreement, if known, or the Organization's incremental borrowing rate for a loan with terms similar to the lease's terms.

Leases as lessor

The Organization's leases are considered operating leases and rental income is recognized on a straight-line basis over the term of the lease. Deferred rent receivables represent the amount by which the cumulative straight-line rental revenue recorded to date exceeds cash rents billed to date under the lease agreement and are included in accounts receivable, net on the consolidated statement of financial position. Deferred rent receivables as of June 30, 2025 and 2024 were not material to the financial statements.

Renting and leasing operations consist of leasing commercial space under a long-term lease agreement with the Commonwealth of Massachusetts acting by and through its Division of Capital Asset Management and Maintenance ("DCAM") on behalf of Fitchburg State University. In addition, the Organization granted Fitchburg State University an exclusive license to occupy, manage, maintain and operate certain other property owned by the Organization pursuant to License Agreements with initial terms of one year and automatic annual renewals thereafter.

Impairment of long-lived assets

The Organization's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that such assets may be impaired. An evaluation is performed by obtaining a market appraisal or by measuring the estimated future undiscounted cash flows (without interest charges) associated with the asset to the asset's carrying amount to determine if a write-down to fair value is required. If an impairment is present, the assets are reported at the lower of carrying value or fair value.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the first mortgage notes payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan. Unamortized debt issuance costs are \$14,850 and \$16,264 at June 30, 2025 and 2024, respectively.

Income taxes

The Foundation and the Supporting Organization are classified by the Internal Revenue Service as "publicly supported organizations" exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation or Supporting Organization's tax-exempt purposes are subject to taxation as unrelated business income.

The Foundation and Supporting Organization did not have any material unrelated business income for the years ended June 30, 2025 and 2024. Accordingly, no provision for income taxes has been made for the Foundation and Supporting Organization in the accompanying consolidated financial statements.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the consolidated financial statements. Management does not believe its evaluation of tax positions will significantly change within twelve months of June 30, 2025. Any changes in tax positions will be recorded when the ultimate outcome becomes known. Accrued interest and penalties associated with uncertain tax positions, if any, are recognized as a part of interest expense and miscellaneous other expenses, respectively, in the accompanying consolidated statements of activities. The Foundation and Supporting Organization have no accrued interest and penalties associated with uncertain tax positions at June 30, 2025 and 2024 and none were incurred during the years then ended. The Foundation and Supporting Organization's income tax returns are subject to examination by taxing authorities generally for the years ended June 30, 2022, 2023, and 2024.

Functional expenses

The costs related to various activities of the Organization have been summarized on a functional basis in the accompanying statements of activities and functional expenses. The financial statements report certain categories of expense that are attributed to more than one supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include affiliate personnel costs, printing and publications, meetings and conferences, and other costs, which have been allocated among the program and supporting services benefited using a reasonable allocation method consistently applied.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Foundation generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. Advertising expenses were not material to the financial statements at June 30, 2025 and 2024.

Subsequent event

The Organization has evaluated subsequent events through _____, 2025, which is the date these consolidated financial statements were available to be issued.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**3 - CASH AND EQUIVALENTS**

Cash and equivalents consist of the following at June 30:

	2025	2024
Cash and other demand deposits	\$ 4,800,611	\$ 3,645,630
Money market funds	1,730,302	1,066,635
	<u>\$ 6,530,913</u>	<u>\$ 4,712,265</u>

Money market funds include general Charles Schwab cash sweep and Schwab Government Money Market funds in the aggregate amount of \$887,498 and \$437,588 at June 30, 2025 and 2024, respectively. The Schwab Government Money Market invests in U.S. government securities and other obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities. The fund seeks to obtain the highest current income consistent with stability of capital and liquidity. At June 30, 2025 and 2024, the fund's investment securities had a weighted average maturity of 41 and 31 days, respectively. The fund had an average credit quality rating of Am and AAAM at June 30, 2025 and 2024, respectively.

Money market funds also include Dreyfus Government Cash Management Fund in the aggregate amount of \$84,266 and \$50,974 at June 30, 2025 and 2024, respectively. The Dreyfus Government Cash Management Fund invests in U.S. Government securities and repurchase agreements. The fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity. The fund had an average credit quality rating of BBB+ and an AAAM at June 30, 2025 and June 30, 2024 respectively.

Money market funds also include the RWM Cash Management Money Market account in the aggregate amount of \$285,633 and \$105,416 at June 30, 2025 and 2024, respectively.

Money market funds also include the Fidelity Bank LifeDesign Business Cash Management Money Market account with a balance of \$472,905 and \$472,657 at June 30, 2025 and 2024, respectively.

The Organization maintains its operating cash and cash equivalent balances in several accounts in various banks. The Organization's general, non-sweep accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. The Organization's sweep accounts are insured by the Depositors Insurance Fund up to \$5 million. At times, the non-sweep cash balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to these cash and cash equivalent balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash and cash equivalent balances at June 30, 2025 and 2024.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)4 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year as of June 30, 2025 and 2024 consist of the following:

	2025	2024
Financial assets at year end		
Cash and cash equivalents (excluding agency funds)	\$ 6,491,431	\$ 4,651,185
Investments	32,615,604	30,043,044
Due from affiliate	-	74,408
Accrued investment income receivable	76,679	74,743
Grants receivable	2,710	360
Contributions receivable (net of purpose or time restrictions)	120,000	-
Total financial assets	39,306,424	34,843,740
Less: Financial assets held to meet donor-imposed restrictions		
Purpose-restricted net assets	13,766,759	11,882,646
Donor-restricted endowment funds	19,675,590	18,357,000
Board designated net assets	83,993	83,993
	<u>\$ 5,780,082</u>	<u>\$ 4,520,101</u>

The Organization regularly monitors liquidity required to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted sources.

5 - INVESTMENTS

Investments are included at their fair values in the accompanying consolidated financial statements and consist of the following at June 30:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 10,397,127	\$ 18,465,650	\$ 7,918,785	\$ 16,159,647
Preferred stock	6,416	6,452	6,416	6,460
Mutual funds	5,391,629	6,230,952	5,462,855	5,841,851
Corporate bonds	4,514,752	4,492,093	4,905,137	4,713,590
U.S. government securities	3,453,033	3,420,457	3,443,779	3,321,496
	<u>\$ 23,762,957</u>	<u>\$ 32,615,604</u>	<u>\$ 21,736,972</u>	<u>\$ 30,043,044</u>

At June 30, 2025, the fair value of investments in debt securities by contractual maturities is as follows:

	Maturity				
	Within 1 year	1 - 5 years	6 -10 years	More than 10 years	Total
Corporate bonds	\$ 408,920	\$ 2,902,466	\$ 1,180,706	\$ -	\$ 4,492,092
U.S. government securities	671,375	1,891,572	857,510	-	3,420,457
	<u>\$ 1,080,295</u>	<u>\$ 4,794,038</u>	<u>\$ 2,038,216</u>	<u>\$ -</u>	<u>\$ 7,912,549</u>

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

5 - INVESTMENTS (Continued)

The following table presents the gross unrealized losses and fair values of the Organization's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the investments have been in a continuous unrealized loss position at June 30, 2025.

Description of Investments	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equities	\$ 1,374,273	\$ 178,724	\$ -	\$ -	\$ 1,374,273	\$ 178,724
Mutual funds	-	-	1,504,702	108,027	1,504,702	108,027
Corporate bonds	338,934	3,388	1,240,810	94,784	1,579,744	98,172
U.S. government securities	151,137	842	1,132,115	71,916	1,283,252	72,758
Total	<u>\$ 1,864,344</u>	<u>\$ 182,954</u>	<u>\$ 3,877,627</u>	<u>\$ 274,727</u>	<u>\$ 5,741,971</u>	<u>\$ 457,681</u>

The following table presents the gross unrealized losses and fair values of the Organization's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the investments have been in a continuous unrealized loss position at June 30, 2024.

Description of Investments	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equities	\$ 1,537	\$ 24,223	\$ -	\$ -	\$ 1,537	\$ 24,223
Mutual funds	19,066	205,723	60,602	40,997	79,668	246,720
Corporate bonds	564,000	15,275	370,000	5,425	934,000	20,700
U.S. government securities	-	-	269,000	4,446	269,000	4,446
Total	<u>\$ 584,603</u>	<u>\$ 245,221</u>	<u>\$ 699,602</u>	<u>\$ 50,868</u>	<u>\$ 1,284,205</u>	<u>\$ 296,089</u>

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)5 - INVESTMENTS (Continued)Equities and preferred stocks

The Organization has 77 investments in equities, of which 9 were in an unrealized loss position at June 30, 2025. The Organization also has 1 investment in preferred stock, of which was in an unrealized gain position at June 30, 2024. The fluctuation in the equity securities and preferred stocks reflects general economic conditions and current changes in the industries of the companies in which the securities are held. The Organization has evaluated the severity and duration of the impairments. Based on that evaluation and the Organization's ability and intent to hold these investments for a reasonable period of time sufficient for a recovery of fair value, the Organization does not consider these investments to be other-than-temporarily impaired at June 30, 2025.

Mutual funds

The Organization has 139 mutual fund investments, of which 6 were in an unrealized loss position at June 30, 2025. The mutual funds are invested in equities and debt securities of companies in diverse industries and reflect current general economic conditions. The Organization has evaluated the severity and duration of the impairments. Based on that evaluation and the Organization's ability and intent to hold the investments for a reasonable period of time sufficient for a recovery of fair value, the Organization does not consider these investments to be other-than-temporarily impaired at June 30, 2025.

Corporate bonds

At June 30, 2025, the Organization's investments in corporate debt securities were in the form of interest-bearing securities of top-rated corporate issuers. The Organization has 79 corporate debt security investments, of which 27 were in an unrealized loss position at June 30, 2025.

The securities in an unrealized loss position are comprised of fixed-rate debt securities of varying maturities. The value of fixed income securities is sensitive to interest rate fluctuations and the credit rating of the issuer.

There have been no indications of default on interest or principal payments by the issuers. The Organization does not intend to sell nor does it believe it would be required to sell the corporate bonds before their anticipated market value recovery. Accordingly, the Organization does not consider these investments to be other-than-temporarily impaired at June 30, 2025.

U.S. government obligations

The Organization has 33 U.S. government investment securities at June 30, 2025, of which 10 were in an unrealized loss position as a result of interest rate fluctuations. The contractual terms of the investments do not allow the issuer to settle the securities at a price less than the amortized cost of the investment. The Organization does not intend to sell nor does it believe it would be required to sell these investment securities before their anticipated market value recovery. Accordingly, the Organization does not consider the investments to be other-than-temporarily impaired at June 30, 2025.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)5 - INVESTMENTS (Continued)Endowment

The following table represents the composition of the Organization's endowment net assets by type of fund at June 30, 2025:

<u>Fund Type</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted funds	\$ -	\$ 13,766,759	\$ 13,766,759
Donor restricted amounts required to be held in perpetuity	-	19,675,590	19,675,590
Board-designated for endowment fund	83,993	-	83,993
Total funds	<u>\$ 83,993</u>	<u>\$ 33,442,349</u>	<u>\$ 33,526,342</u>

The Board-designated endowment as of June 30, 2025 and 2024, represents funds designated for students with financial needs to be awarded financial aid scholarships.

Changes in the endowment net assets for the year ended June 30, 2025 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 83,993	\$ 30,239,646	\$ 30,323,639
Investment return			
Investment income	-	509,482	509,482
Appreciation, realized and unrealized	-	2,348,708	2,348,708
Total investment return	-	2,858,190	2,858,190
Contributions	-	1,296,925	1,296,925
Other income	-	1,955	1,955
Appropriation of endowment assets for expenditure	-	(465,412)	(465,412)
Investment management fees	-	(164,079)	(164,079)
Reclassification of net assets	-	(324,876)	(324,876)
Endowment net assets, end of year	<u>\$ 83,993</u>	<u>\$ 33,442,349</u>	<u>\$ 33,526,342</u>

The following table represents the composition of the Organization's endowment net assets by type of fund at June 30, 2024:

<u>Fund Type</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted funds	\$ -	\$ 11,882,646	\$ 11,882,646
Donor restricted amounts required to be held in perpetuity	-	18,357,000	18,357,000
Board-designated for endowment fund	83,993	-	83,993
Total funds	<u>\$ 83,993</u>	<u>\$ 30,239,646</u>	<u>\$ 30,323,639</u>

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)5 - INVESTMENTS (Continued)Endowment (continued)

Changes in the endowment net assets for the year ended June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 25,000	\$ 25,478,543	\$ 25,503,543
Investment return			
Investment income	-	509,410	509,410
Appreciation, realized and unrealized	-	2,706,662	2,706,662
Total investment return	-	3,216,072	3,216,072
Contributions	-	1,835,005	1,835,005
Other income	-	12,796	12,796
Appropriation of endowment assets for expenditure	-	(451,289)	(451,289)
Investment management fees	-	(142,053)	(142,053)
Reclassification of net assets	-	290,572	290,572
Transfer to create board designated funds	58,993	-	58,993
Endowment net assets, end of year	\$ 83,993	\$ 30,239,646	\$ 30,323,639

6 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable consist of the unpaid balances (net of discount and any allowance for uncollectible contributions) pledged as contributions to the Organization. The majority of the contribution's receivable are generally pledged from North Central Massachusetts area contributors. The year-end balances are exclusive of potential contributions to be received as part of corporate matching gift programs. Unpaid Alumni Association telethon contributions from the previous fall and spring telethon campaigns are written off at the end of each fiscal year.

Contributions receivable consist of the following at June 30:

	2025	2024
Receivable in less than one year	\$ 141,850	\$ 603,100
Receivable in one to five years	140,000	100,000
	281,850	703,100
Discount on pledges	(11,613)	(13,768)
	\$ 270,237	\$ 689,332

Contributions which are to be received in more than one year are reflected net of a discount of 3.79% determined at the time of the contribution.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)7 - FAIR VALUE MEASUREMENTS

FASB's guidance on fair value measurements established a framework for measuring fair value of assets and liabilities and expanded related disclosures. FASB's guidance requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants. The guidance established a three-level valuation hierarchy based upon observable and non-observable inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3").

Fair value is the price the Organization would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization's market assumptions. Preference is given to observable inputs.

The fair value hierarchy under the guidance is as follows:

- Level 1: Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2: Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and
- Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The guidance requires the use of observable data if such data is available without undue costs and effort.

When available, the Organization uses unadjusted quoted market prices to measure the fair value and classifies such items within Level 1. At June 30, 2025 and 2024, Level 1 securities primarily include publicly-traded equity securities and mutual funds.

When quoted market prices are unobservable, the Organization uses quotes from independent pricing vendors based on recent trading activity and other relevant information including market interest rate curves, referenced credit spreads and estimated prepayment rates where applicable. At June 30, 2025 and 2024, Level 2 securities consist primarily of corporate bonds, U.S. government securities and preferred stocks.

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

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)7 - FAIR VALUE MEASUREMENTS (Continued)

The fair value of assets measured on a recurring basis at June 30, 2025 is as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equities	\$ 18,465,650	\$ 18,465,650	\$ -	\$ -
Preferred stock	6,452	-	6,452	-
Mutual funds	6,230,952	6,230,952	-	-
Corporate bonds	4,492,093	-	4,492,093	-
U.S. government securities	3,420,457	-	3,420,457	-
	<u>\$ 32,615,604</u>	<u>\$ 24,696,602</u>	<u>\$ 7,919,002</u>	<u>\$ -</u>

The fair value of assets measured on a recurring basis at June 30, 2024 is as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equities	\$ 16,159,647	\$ 16,159,647	\$ -	\$ -
Preferred stock	6,460	-	6,460	-
Mutual funds	5,841,851	5,841,851	-	-
Corporate bonds	4,713,590	-	4,713,590	-
U.S. government securities	3,321,496	-	3,321,496	-
	<u>\$ 30,043,044</u>	<u>\$ 22,001,498</u>	<u>\$ 8,041,546</u>	<u>\$ -</u>

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)8 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2025 and 2024 consist of the following:

	2025	2024
Real estate under lease		
Land	\$ 402,664	\$ 402,664
Building	1,557,724	1,557,724
Building improvements	342,079	342,079
	<u>2,302,467</u>	<u>2,302,4Z67</u>
Real estate used for student housing		
Land	236,524	236,524
Building	434,225	434,225
Building improvements	28,600	28,600
	<u>699,349</u>	<u>699,349</u>
Real estate used for faculty and staff housing		
Land	198,648	198,648
Land improvements	9,994	9,994
Building	813,475	813,475
	<u>1,022,117</u>	<u>1,022,117</u>
Other		
Land	1,961,799	1,961,799
Land improvements	96,228	96,228
Buildings	1,744,963	1,744,963
Building improvements	1,109,005	1,109,005
Equipment	172,312	172,312
Computer software	641,878	641,878
Furniture and fixtures	60,773	60,773
Library materials	6,570	6,570
	<u>5,793,528</u>	<u>5,793,528</u>
	9,817,461	9,817,461
Less accumulated depreciation	<u>3,144,642</u>	<u>2,928,406</u>
	<u>\$ 6,672,819</u>	<u>\$ 6,889,055</u>

Accumulated depreciation on real estate under lease amounted to \$876,018 and \$819,971 at June 30, 2025 and 2024, respectively. Accumulated depreciation on real estate used for student housing amounted to \$218,948 and \$206,662 at June 30, 2025 and 2024, respectively. Accumulated depreciation on real estate used for faculty and staff housing amounted to \$107,075 and \$86,239 at June 30, 2025 and 2024, respectively.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)8 - PROPERTY AND EQUIPMENT (Continued)

On November 13, 2019, the Supporting Organization acquired a property in close proximity to the Fitchburg State University campus to support the downtown Theater project. The property, which consists of land and a building, was purchased for \$1 after the Supporting Organization was notified by the Massachusetts Department of Environmental Protection ("DEP") about an environmental issue with the property that requires remediation before the property is usable. The Supporting Organization razed the building on the property and is actively working on converting the land to a parking lot. During the year ended June 30, 2022, the Supporting Organization determined that additional costs of the remediation are expected above insured policy limits in the amount of \$465,696, which was accrued as a liability for environmental remediation accordingly. As of June 30, 2025, and 2024, the remaining environmental liability of \$100,780 and \$120,430, respectively, is shown on the accompanying statements of financial position.

In fiscal 2017, the Supporting Organization acquired a property in close proximity to the Fitchburg State University campus consistent with the Supporting Organization's mission and the University's strategic plan which includes campus expansion. The property, which includes land and a building, was purchased for an aggregate cost of \$360,305. The acquisition was financed, in part, with a mortgage note on the property in the amount of \$280,000 (see Note 6). The Supporting Organization is planning a major renovation and expansion of the property which, when completed, is expected to cost approximately \$25,000,000 and consist of a multi-phased project providing academic space, student support services space, retail and community space and theatre renovation. The space is expected to be used by the University, the City of Fitchburg and surrounding communities. Fitchburg State University will be responsible for the costs of the project's development and construction pursuant to the terms of the license agreement between the University and the Supporting Organization. Funding for the project is expected to come from a variety of sources including, but not limited to, New Markets Tax Credits, Historic Tax Credits, bonds, grants and philanthropy. The project is in the very early stages of development and is estimated to require four years for completion. At some point during that period, the property will be transferred to a new entity. The Supporting Organization will pay for certain legal services incurred in connection with the project, which the Supporting Organization currently estimates to be approximately \$148,000 for the entire project. The Supporting Organization expects to fund these costs through operating cash. The Supporting Organization incurred \$26,448 of legal costs related to the project which have been recorded in prepaid expenses and other assets on the statement of financial position as of June 30, 2025 and 2024.

9 - OTHER ASSETS

Prepaid expenses and other assets at June 30, 2025 and 2024 includes an art collection in the amount of \$39,025.

10 - AGENCY FUNDS

The Supporting Organization is part of a collaboration of local businesses and non-profit organizations located in Fitchburg, Massachusetts called Re-imagine North of Main. The collaboration is committed to making a collective impact and dedicated to improving the quality of life in Fitchburg. The Organization is holding monies for the benefit of North of Main projects and disbursing that as needed to specific vendors identified by the members of the collaboration. For the years ended June 30, 2025 and 2024, the Organization did not collect or disburse any monies in connection with this collaboration. At June 30, 2025 and 2024, the Organization was holding \$31,080 of funds that is to be used exclusively by the members of the coalition.

The Supporting Organization was holding \$30,000 in funds received in June 2024 for the renovation of Abolitionist Park in Fitchburg, Massachusetts. The Organization is acting solely as the fiscal agent for these funds as owner of the land to be renovated. At June 30, 2025 and June 30, 2024, the Organization was holding funds to be used exclusively for work to be done at Abolitionist Park totaling \$3,050 and \$30,000, respectively.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)10 - AGENCY FUNDS (Continued)

The Foundation received a total of \$12,000 in November 2024 and May 2025 for the support of the Marquee Gallery in Fitchburg, Massachusetts. The Foundation is acting solely as the fiscal agent for the grant funds received while the volunteer group work towards establishing a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. The purpose of this grant funding is to promote the work of local artists by creating a cultural space for their work in Fitchburg, Massachusetts. At June 30, 2025, the Foundation had \$5,352 on hand for this organization.

11 - LINES OF CREDITFoundation

In October 2022, the Foundation renewed its existing demand revolving working capital line of credit agreement with Workers' Credit Union which permits the Foundation to borrow up to \$250,000 for a period of five years. Pursuant to the provisions of the line of credit agreement, maximum advances under the line are limited to 70% of the pledged investment collateral unless otherwise approved by the lender. Interest rate as at June 30, 2025 was 8.5%. As of June 30, 2025 and 2024, there was no outstanding liability under the line of credit.

Borrowings under the line are secured by investments with an equivalent fair value of \$15,737,367 at June 30, 2025. The line was also collateralized by all funds held by the lender. At June 30, 2025, the Foundation has total cash balances of approximately \$58,185 held by the lender. The Foundation may prepay outstanding revolving loans under the agreement in whole or in part without premium or penalty. The line of credit agreement expires on October 24, 2027.

Supporting Organization

In November 2021, the Supporting Organization entered into a demand unsecured revolving line of credit agreement with Rollstone Bank and Trust which permits the Supporting Organization to borrow up to \$250,000. The line of credit provides for interest at The Wall Street Journal Prime Rate less 0.25% (effective rates of 7.25% at June 30, 2025 and 8.25% at June 30, 2024). The agreement renews annually.

The line of credit agreement contains, among other covenants, the maintenance of a debt service coverage ratio, as defined, of at least 1.00 to 1. In addition, the agreement provides that the line of credit be brought to a zero balance for 30 consecutive days annually during the term of the agreement. There was no balance outstanding on the line of credit at June 30, 2025 and 2024. The line of credit agreement expires on November 30, 2025.

12 - FIRST MORTGAGE NOTES PAYABLEFoundation

Fidelity Cooperative Bank provided financing to the Foundation in the form of a mortgage note payable dated April 16, 2008 in the original amount of \$550,000. The note is secured by a first mortgage interest in certain real estate properties on the Fitchburg State University campus and related personal property located thereon, and an assignment of leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The note has a term of 20 years, maturing on April 16, 2028, with a fixed interest rate of 4.27% per annum and a monthly installment of principal and interest of \$2,454 through the maturity date. At that point, a final principal payment for the remaining amount outstanding will be due. The note may be prepaid at any time, in whole or in part, without premium or penalty.

At June 30, 2025 and 2024, the outstanding principal balance of this mortgage note payable amounted to \$263,527 and \$281,175, respectively.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

12 - FIRST MORTGAGE NOTES PAYABLE (Continued)

Supporting Organization

Avidia Bank

Avidia Bank provided financing to the Supporting Organization in the form of a note, dated September 28, 2022, in the amount of \$281,200. The note is secured by a first mortgage interest in certain real estate owned by the Supporting Organization and an assignment of certain related leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The mortgage note has a term of 25 years maturing on September 28, 2047, with a fixed rate of interest of 4.25% per annum and a monthly installment of principal and interest of \$1,533 through September 27, 2027. At that point, the interest rate will be adjusted every 60 months with a floor of 4.25% per annum.

The note has a fixed rate prepayment charge in the event of the prepayment of the note before September 27, 2027. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary.

As of June 30, 2025 and 2024, the outstanding principal balance of the mortgage loan amounted to \$262,908 and \$269,814, respectively.

Workers' Credit Union

Workers' Credit Union ("WCU") provided financing to the Supporting Organization in the form of a note, dated February 27, 2009, in the amount of \$750,000. The note is secured by a first mortgage interest in certain real estate owned by the Supporting Organization and an assignment of certain related leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The mortgage note has a term of 20 years maturing on February 27, 2029, with a fixed rate of interest of 5.25% and monthly installments of principal and interest of \$4,517 through February 27, 2024, at which point the interest rate was adjusted to a fixed rate of 6.79% per annum until February 27, 2029 with a monthly installment of principal of interest of \$4,812.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$377,329 and \$408,332, respectively.

Rollstone Bank & Trust - 131 Highland Avenue

Rollstone Bank & Trust provided financing to the Supporting Organization in the form of a note, dated December 22, 2014 in the amount of \$240,000. The note is secured by a first mortgage interest in the real estate property located at 131 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 20 years, maturing on December 22, 2034, and provides for a fixed rate of interest of 3.25% per annum with monthly installments of principal and interest of \$1,367.

The loan agreement requires the Supporting Organization to maintain a ratio of Cash Flow (after distributions), as defined, to the Current Maturity of Long-Term Debt plus interest, as defined, of not less than 1.0 to 1 for any fiscal year. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$133,681 and \$145,465, respectively.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)12 - FIRST MORTGAGE NOTES PAYABLE (Continued)Supporting Organization (continued)Rollstone Bank & Trust - 167 Klondike Avenue

Rollstone Bank & Trust provided additional financing to the Supporting Organization in the form of a note, dated December 9, 2020 in the amount of \$1,538,000. This note is secured by a first mortgage interest in the real estate property located at 167 Klondike Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 15 years maturing on December 9, 2035 with a fixed rate of interest of 3.5% per annum and monthly installments of principal and interest of \$11,032 through December 9, 2030. At that point, the interest rate shall be adjusted to the Federal Home Loan Bank of Boston Five Year Classic Advance Rate plus 2.25% and monthly payments adjusted accordingly.

The loan agreement requires the Supporting Organization to maintain a debt service ratio equal to or greater than 1:1. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

As of June 30, 2025 and 2024, the outstanding principal balance of the mortgage loan amounted to \$1,158,880 and \$1,248,402, respectively.

Fidelity Co-Operative Bank - 340 Highland Avenue

Fidelity Co-Operative Bank provided financing to the Supporting Organization in the form of a note, dated June 26, 2013, in the amount of \$83,200. The note is secured by a first mortgage interest in the real estate property located at 340 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 20 years, maturing on June 26, 2033 with a fixed rate of interest of 5.20% per annum through June 26, 2023, at which point, the interest rate was adjusted to a fixed rate of 6.98% per annum until June 26, 2028 with a monthly installment of principal and interest of \$521.

The note includes a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Supporting Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$63,384 and \$65,087, respectively.

Fidelity Co-Operative Bank - 198 Pearl Street

Fidelity Co-Operative Bank provided additional financing to the Supporting Organization in the form of a note, dated October 19, 2016, in the amount of \$118,000. The note is secured by a Negative Pledge Agreement on the real estate located at 198 Pearl Street in Fitchburg, Massachusetts.

The promissory note has a term of 10 years, maturing on October 21, 2026 with a fixed rate of interest of 4.11% per annum and monthly installments of principal and interest of \$726 through the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

12 - FIRST MORTGAGE NOTES PAYABLE (Continued)

Supporting Organization (continued)

Fidelity Co-Operative Bank - 198 Pearl Street (continued)

The business loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the business loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Supporting Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$78,300 and \$83,626, respectively.

Fidelity Co-Operative Bank - 9 Clinton Street and 85-7 Pearl Street

Fidelity Co-Operative Bank provided additional financing to the Supporting Organization in the form of a note dated January 13, 2017, in the amount of \$220,000. The note is secured by a Negative Pledge Agreement on the real estate located at 9 Clinton Street and 85-7 Pearl Street in Fitchburg, Massachusetts.

The promissory note has a term of 10 years, maturing on January 13, 2037 with a fixed rate of interest of 4.76% per annum and monthly installments of principal and interest of \$1,431 based on a 20-year principal amortization until the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due.

The note provides for the payment of a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement. The loan is cross-defaulted and cross collateralized with any and all other loans made by the lender to the Supporting Organization.

As of June 30, 2025 and 2024, the outstanding principal balance of the loan amounted to \$151,350 and \$160,963, respectively.

BankHometown - 164 Highland Avenue

BankHometown provided financing to the Supporting Organization in the form of a note, dated June 18, 2019, in the amount of \$312,000. The note is secured by a first mortgage interest in the real estate property located at 164 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The commercial note has a term of 10 years, maturing on June 18, 2029, with a fixed rate of interest of 4.60% per annum and monthly installments of principal and interest of \$1,752 through June 18, 2024, at which point, the interest rate was adjusted to 6.20% per annum with a monthly principal and interest payment of \$1,999. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

The loan agreement requires the Supporting Organization to maintain a Debt Service Coverage Ratio, as defined, of no less than 1.10 to 1 to be measured annually at the end of the fiscal year. The loan agreement also requires the Supporting Organization to maintain a Loan-to-Value Ratio of no more than 80% at any time during the term of the loan.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$267,362 and \$274,525, respectively.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

12 - FIRST MORTGAGE NOTES PAYABLE (Continued)

Supporting Organization (continued)

BankHometown - 174 Highland Avenue

BankHometown provided additional financing to the Supporting Organization in the form of a note, dated June 18, 2019, in the amount of \$138,400. The note is secured by a first mortgage interest in the real estate property located at 174 Highland Avenue in Fitchburg, Massachusetts and an assignment of rents and leases on the property.

The commercial note has a term of 10 years, maturing on June 18, 2029, with a fixed rate of interest of 4.60% per annum and monthly installments of principal and interest of \$777 through June 18, 2024, at which point, the interest rate was adjusted to 6.2% per annum with a monthly principal and interest payment of \$887. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

The loan agreement requires the Supporting Organization to maintain a Debt Service Coverage Ratio, as defined, of no less than 1.10 to 1 to be measured annually at the end of the fiscal year. The loan agreement also requires the Supporting Organization to maintain a Loan-to-Value Ratio of no more than 80% at any time during the term of the loan.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$118,599 and \$121,776, respectively.

Enterprise Bank and Trust Company - 689 - 717 Main Street

Enterprise Bank and Trust Company provided financing to the Supporting Organization in the form of a note, dated November 4, 2016, in the amount of \$280,000. The note is secured by a first mortgage interest in the real estate property located at 689 - 717 Main Street in Fitchburg, Massachusetts and an assignment or rents on the property.

The promissory note has a term of 30 years, maturing on November 4, 2046, with a fixed rate of interest of 4.33% per annum with monthly installments of principal and interest of \$1,401 through the maturity date. At that point, a final principal payment for the remaining amount will be due.

If the note is prepaid in whole or in part during the first 117 months of each fixed rate period for the purpose of refinancing the note with another financial institution, the note provides for a prepayment penalty equal to 3% of any principal reduction. Except for the foregoing, the note may be prepaid in whole or in part without penalty. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Supporting Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$233,619 and \$240,020, respectively.

Webster First Federal Credit Union

Webster First Federal Credit Union provided financing to the Supporting Organization in the form of a note, dated September 22, 2017, in the amount of \$250,000. The note is secured by a first mortgage interest in the real estate properties located at 66 and 0 Day Street and 721-725 Main Street Fitchburg, Massachusetts and an assignment of leases and rents on the properties.

The commercial note has a term of 15 years, maturing on October 1, 2032, with a fixed rate of interest of 3.75% per annum and monthly installments of principal and interest of \$1,825 through October 1, 2027. At that point, the interest rate will be adjusted to the Federal Home Loan Bank Boston Classic Advance Five-Year Rate plus 1.5% per annum for the remaining 5 years of the loan term with a floor of 3.75% per annum. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$139,892 and \$156,147, respectively.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

12 - FIRST MORTGAGE NOTES PAYABLE (Continued)Supporting Organization (continued)Aggregate Principal Maturities

Aggregate principal maturities for all first mortgage notes payable for each of the next five years and thereafter, using the interest rate in effect at June 30, 2025, are estimated to be as follows:

2026	\$ 215,687
2027	292,393
2028	435,162
2029	786,904
2030	171,730
Thereafter	<u>1,346,955</u>
	3,248,831
Less: Unamortized debt issuance costs	<u>14,850</u>
	<u>\$ 3,233,981</u>

13 - NOTE PAYABLE - BANKSupporting Organization

Enterprise Bank and Trust Company provided financing to the Supporting Organization in the form of a note payable dated April 26, 2007 in the amount of \$680,000. The note is secured by investments owned by the Foundation with a fair value of approximately \$3,259,000 and \$2,959,000 at June 30, 2025 and 2024, respectively. In addition, payment and performance of the Supporting Organization obligations under the loan agreement have been guaranteed by the Foundation.

The note payable has a term of 30 years, expiring on May 5, 2037, with a fixed rate of interest of 6% per annum and monthly installments of principal and interest of \$3,280 through April 26, 2027. At this point, the interest rate will be adjusted to the Federal Home Loan Bank Boston Classic Advance Five Year Rate plus 1.15% per annum through maturity.

As of June 30, 2025 and 2024, the outstanding principal balance of the loan amounted to \$365,975 and \$389,026, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rate in effect at June 30, 2025, are estimated to be as follows:

2026	\$ 24,106
2027	25,162
2028	26,230
2029	27,416
2030	28,809
Thereafter	<u>234,252</u>
	<u>\$ 365,975</u>

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)14 - LEASES AS LESSEE

On July 1, 2019, the Supporting Organization entered into an operating lease agreement with an unrelated third party for the office space located in Fitchburg, Massachusetts. The space is being used by Fitchburg State University as office and classroom space for its Center for Professional Studies. The new lease provides a base annual rent of \$30,632 per annum. The agreement includes an option to renew annually with an increase of 2% commencing July 1st of the following year. The Supporting Organization considers this agreement to fall under the short-term lease exemption under ASC 842.

On July 1, 2022, the Supporting Organization entered into an operating lease agreement with an unrelated third party for 2,350 square feet of office space and 20 parking spaces located in Fitchburg, Massachusetts. The lease has a base annual rent of \$31,870 per annum increasing 1% annually effective July 1st if the Organization extends the lease for another year. The Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2024 and 2023, rent expense amounted to \$31,870.

On July 1, 2017, the Supporting Organization entered into an operating lease agreement with the above-mentioned unrelated third party for an additional 1,424 square feet of office space located in Fitchburg, Massachusetts. The lease has a base annual rent of \$5,696 per annum, if the Organization extends the lease for another year. The Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2024, and 2023, rent expense amounted to \$5,696 each year.

The Organization may extend the initial terms of each lease under the same terms and conditions, for successive periods of one year provided it is not then in default of the lease terms and it gives the proper notice. The Organization may cancel the lease at any time with the payment of two months base rent as a termination charge. The Organization considers both agreements to fall under the short-term lease exemption under ASC 842.

The following is a schedule of future minimum rental payments under these operating lease agreements at June 30, 2025:

2026	\$ <u>40,732</u>
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15 - LEASES AS LESSOR AND LICENSE AGREEMENTS

On August 16, 2016, the Supporting Organization leased a building consisting of 4,179 square feet of office space and 53,429 square feet of warehouse space located in Fitchburg, Massachusetts near the University campus to the Massachusetts Division of Capital Asset Maintenance (DCAM) on behalf of the University. The lease has a base rent of \$165,000 per year payable in monthly installments of \$13,750 for the entire lease term of ten years. The University is also responsible for the payment of normal operating, maintenance, and repair costs associated with the use of the property. For the years ended June 30, 2025 and 2024, rental income amounted to \$165,000 in each year.

On June 1, 2019, the Supporting Organization leased property in Fitchburg, Massachusetts to an unrelated third party. The lease has base rent of \$22,968 payable in monthly installments of \$1,914 for the entire lease term of five years. The property was sold to the lessee in June 2024. For the year ended June 30, 2024 rental income amounted to \$21,538.

On June 30, 2022, the Supporting Organization leased property located in Fitchburg, Massachusetts to an unrelated third party. The lease has an annual base rent of \$6,000 payable in monthly installments of \$500 for the entire lease term of two years. The lease was terminated effective July 2024. For the years ended June 30, 2025, and 2024 rental income amounted to \$500 and \$6,000, respectively.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

15 - LEASES AS LESSOR AND LICENSE AGREEMENTS (Continued)

On August 6, 2020, the Supporting Organization entered into a lease agreement with Fitchburg Housing Authority ("FHA") to lease the land located at 66 Day Street to be used for parking by FHA employees. The Supporting Organization is leasing the property solely for convenience to FHA, and no revenue is being generated by this lease agreement.

On September 10, 2023, the Supporting Organization leased property located in Fitchburg, Massachusetts to an unrelated third party for an initial term of 5 years. The lease has a monthly rent of \$2,625 for the initial period of twelve months and the rent will increase by 3% for each successive twelve-month period. For the year ended June 30, 2025 and June 30, 2024, rental income amounted to \$31,500 and \$26,250 respectively.

The following is a schedule of future minimum rental income under the operating lease agreements at June 30, 2025:

2026	\$ 196,500
2027	52,125
2028	31,500
2029	5,250
	\$ 285,375

The Supporting Organization and the University are parties to License Agreements whereby the Organization granted to the University irrevocable and exclusive licenses to occupy, manage, maintain and operate certain property owned by the Supporting Organization. The License Agreements provide for initial terms of one year and automatic annual renewals thereafter. The License Agreements provide for annual license fees payable, in arrears, in 4 equal quarterly installments. All costs to operate and maintain the property, including any capital improvements made thereto, shall be borne by the University. The License Agreements may be terminated by either party upon the expiration of the initial term of the agreements and any subsequent renewal term with the giving of proper notice. In addition, the University may terminate the agreements at any time with the giving of proper notice. For the years ended June 30, 2025, and 2024, license fee income amounted to \$282,290 and \$430,324, respectively.

16 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions in the amount of \$16,495,111, as of June 30, 2025, are available for scholarships to qualified students and to promote cultural programs within Fitchburg State University. Net asset with donor restrictions in the amount of \$14,396,865 as of June 30, 2024, are available for scholarships to qualified students and to promote cultural programs within Fitchburg State University.

Remaining net assets with donor restrictions in the amounts of \$19,675,600 and \$18,357,000 as of June 30, 2025, and 2024, respectively, are invested in perpetuity.

Net assets released from restrictions during 2025 represent the satisfaction of program restrictions in the amount of \$872,322 and the satisfaction of scholarship-related restrictions in the amount of \$645,168.

FITCHBURG STATE UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

17 - TRANSACTIONS WITH RELATED PARTY

Fitchburg State University renders certain administrative services to the Foundation and Supporting Organization. These services, with a value of \$249,854 and \$235,293, respectively, have been recognized as contribution in kind income in the accompanying consolidated statement of activities for the years ended June 30, 2025 and 2024.

During fiscal 2025 and 2024, the Foundation made contributions without donor restrictions to Fitchburg State University in the amount of \$364,631 and \$362,000, respectively, to support the activities and further the mission of the University. The Foundation currently expects to make contributions without donor restrictions to the University in future years in amounts that shall be determined each year.

As of June 30, 2025, the Organization has miscellaneous accounts payable totaling \$52,483 from the Fitchburg State University, which is reflected as due to affiliate in the accompanying consolidated statements of financial position.

As of June 30, 2024, the Organization has miscellaneous accounts receivable totaling \$74,408 from the Fitchburg State University, which is reflected as due from affiliate in the accompanying consolidated statements of financial position.

18 - MAJOR DONORS

During fiscal 2025, the Organization received restricted gift and grant donations totaling \$865,198 from nine donors which represents approximately 52% of total gifts, donations and grant revenue for 2025.

During fiscal 2024, the Organization received restricted gift and grant donations totaling \$1,302,864 from eight donors which represents approximately 55% of total gifts, donations and grant revenue for 2024.

19 - SUPPLEMENTAL CASH FLOW INFORMATION

	<u>2025</u>	<u>2024</u>
Cash paid for interest during the year	<u>\$ 171,054</u>	<u>\$ 181,967</u>

OTHER REPORT

DISCUSSIO DRAFT 10.14.2025

BOLLUS LYNCH

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Board of Directors
Fitchburg State University Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statement of Fitchburg State University Foundation, Inc., which comprise the consolidated statement of financial position as of June 30, 2025, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated _____, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fitchburg State University Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fitchburg State University Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Fitchburg State University Foundation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fitchburg State University Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

(Continued)

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Worcester, Massachusetts
_____, 2025

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

***FINANCIAL STATEMENTS
AND OTHER REPORT***

YEARS ENDED JUNE 30, 2025 AND 2024

AND

INDEPENDENT AUDITOR'S REPORT

DISCUSSION DRAFT 10.14.2025

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.
FINANCIAL STATEMENTS
AND OTHER REPORT
YEARS ENDED JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
FSU Foundation Supporting Organization, Inc.

Opinion

We have audited the financial statements of FSU Foundation Supporting Organization, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Worcester, Massachusetts
_____, 2025

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 275,010	\$ 289,912
Grants receivable	2,710	360
Due from affiliate	9,361	37,797
Prepaid expenses and other assets	28,273	32,924
Property and equipment, net of accumulated depreciation	<u>6,253,790</u>	<u>6,446,387</u>
Total assets	<u>\$ 6,569,144</u>	<u>\$ 6,807,380</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable, trade	\$ 12,368	\$ 48,664
Due to affiliate	200,000	300,000
Agency fund	34,130	61,080
Accrued interest payable	6,400	6,909
Note payable - bank	365,975	389,026
First mortgage notes payable	2,970,454	3,157,893
Environmental remediation liability	<u>100,780</u>	<u>120,430</u>
Total liabilities	<u>3,690,107</u>	<u>4,084,002</u>
Net assets		
Without donor restrictions	<u>2,879,037</u>	<u>2,723,378</u>
Total net assets	<u>2,879,037</u>	<u>2,723,378</u>
Total liabilities and net assets	<u>\$ 6,569,144</u>	<u>\$ 6,807,380</u>

See accompanying independent auditor's report and notes to financial statements.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Revenue and support		
Program revenues and support		
Rental income	\$ 235,525	\$ 233,188
License fee income	282,290	430,324
Contributions of nonfinancial assets and services	14,991	14,118
Other income		
Other income	263,082	445,893
Interest income	<u>567</u>	<u>984</u>
Total revenue and support	<u>796,455</u>	<u>1,124,507</u>
Expenses and losses		
Program services	606,941	662,932
Management and general	<u>33,855</u>	<u>40,221</u>
Total expenses	<u>640,796</u>	<u>703,153</u>
Change in net assets	155,659	421,354
Net assets, beginning of year	<u>2,723,378</u>	<u>2,302,024</u>
Net assets, end of year	<u><u>\$ 2,879,037</u></u>	<u><u>\$ 2,723,378</u></u>

See accompanying independent auditor's report and notes to financial statements.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Program Services	Management and General	Fundraising	Total
Affiliate personnel costs	\$ -	\$ 14,991	\$ -	\$ 14,991
Insurance	136,408	-	-	136,408
Rent	37,566	-	-	37,566
Professional services	-	10,500	-	10,500
Landscaping	35,335	-	-	35,335
Other expense	-	8,364	-	8,364
Real estate and other taxes	3,190	-	-	3,190
Depreciation	192,597	-	-	192,597
Repairs and maintenance	43,094	-	-	43,094
Interest	158,751	-	-	158,751
	<u>\$ 606,941</u>	<u>\$ 33,855</u>	<u>\$ -</u>	<u>\$ 640,796</u>

See accompanying independent auditor's report and notes to financial statements.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
Affiliate personnel costs	\$ -	\$ 14,118	\$ -	\$ 14,118
Insurance	129,634	-	-	129,634
Rent	37,566	-	-	37,566
Professional services	-	17,000	-	17,000
Landscaping	15,190	-	-	15,190
Other expense	-	8,603	-	8,603
Donations	-	500	-	500
Real estate and other taxes	3,607	-	-	3,607
Depreciation	181,506	-	-	181,506
Repairs and maintenance	108,237	-	-	108,237
Interest	187,192	-	-	187,192
	<u>\$ 662,932</u>	<u>\$ 40,221</u>	<u>\$ -</u>	<u>\$ 703,153</u>

See accompanying independent auditor's report and notes to financial statements.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 155,659	\$ 421,354
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	192,597	181,506
Amortization of debt issuance costs	1,414	19,236
Gain on sale of property	-	(102,512)
Decrease (increase) in operating assets:		
Grants receivable	(2,350)	207,142
Due from affiliate	28,436	276,452
Prepaid expenses and other assets	4,651	18,539
Increase (decrease) in operating liabilities:		
Accounts payable, trade	(36,296)	43,787
Due to affiliate	(100,000)	(915,492)
Agency fund	(26,950)	30,000
Accrued interest payable	(509)	(1,371)
Environmental liability	(19,650)	(40,718)
Net cash provided by operating activities	197,002	137,923
Cash flows from investing activities:		
Proceeds from sale of property	-	265,000
Net cash provided by investment activities	-	265,000
Cash flows from financing activities:		
Payments on first mortgage notes payable	(188,853)	(437,729)
Payments on note payable - bank	(23,051)	(22,087)
Payment on bank line of credit	-	(125,000)
Net cash provided by used in financing activities	(211,904)	(584,816)
Net change in cash and cash equivalents	(14,902)	(181,893)
Cash and cash equivalents, beginning of year	289,912	471,805
Cash and cash equivalents, end of year	\$ 275,010	\$ 289,912

See accompanying independent auditor's report and notes to financial statements.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS

1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

FSU Foundation Supporting Organization, Inc. (the "Organization") was organized on October 29, 1999 to be a supporting organization operated, supervised and controlled for the exclusive benefit of Fitchburg State University Foundation, Inc. (the "Foundation") and all of its educational and charitable activities. As of June 30, 2025, the Organization's sole program activity has been to acquire, hold, operate and lease real estate and related improvements for the benefit of the Foundation and Fitchburg State University (the "University").

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Method of accounting

The financial statements of the Organization have been prepared on the accrual basis, whereby income is recorded when earned and expenses recorded when incurred in the appropriate accounting period.

Basis of presentation

The financial statements of the Organization are presented in accordance with guidance issued by the Financial Accounting Standards Board ("FASB") for the presentation of financial statements of not-for-profit entities. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions. The two categories are differentiated as follows:

Without donor restrictions

Net assets without donor restrictions represent funds available for support of the Organization's functions and operations that are not externally restricted for identified purposes by donors. Net assets without donor restrictions include resources that the governing board may use for any designated purposes and resources whose use is limited by agreement between the Organization and outside party other than a donor.

With donor restrictions

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific period or purpose. Donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions, or when the stipulated time has passed. Other donor restrictions are perpetual in nature, whereby the donor stipulates the funds be maintained in perpetuity.

As of June 30, 2025 and 2024, the Organization's net assets are not subject to donor-imposed restrictions; accordingly, all of the net assets are accounted for as net assets without donor restrictions.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give are reported at net realizable value if at the time the promise is made, collection is expected to be received in one year or less. Unconditional promises to give that are expected to be collected in more than one year are reported at fair value using present value techniques and a discount rate determined by management of the Organization. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are recognized only when the conditions on which they depend are substantially met. Contributions in the form of property and equipment and other assets are recorded at fair value on the date the donation is received.

Contributions received are recorded as contributions with donor restrictions or contributions without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. All donor-restricted contributions are recorded as increases in donor restricted net assets. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions expire during the same fiscal year are recognized as revenue without donor restrictions.

Contributions of nonfinancial assets

The Organization receives contributions in a form other than cash or investments. If material, donated supplies and other items are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising events. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. U.S. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

During the year ended June 30, 2025 and 2024, donated services with an estimated fair value of \$14,991 and \$14,118, respectively, met those criteria and are included in contributions of nonfinancial assets in the statements of activities. Those services were primarily received from Fitchburg State University for management and operating services.

Rental and license fee income

Rental and license fee income is recognized ratably when earned.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Grants and accounts receivable

Grants and accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual account balances. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There is no allowance for uncollectible grants and accounts receivable as of June 30, 2025 and 2024.

Property and equipment

Property and equipment are recorded at cost if purchased or constructed and, if donated, at fair value at the time of the donation. Property and equipment are depreciated on the straight-line method over their estimated useful lives of 40 years for buildings, 20 years for building and land improvements, and 10 years for furniture and fixtures. Depreciation commences when the asset is placed in service.

Generally, all additions and improvements with an individual cost or, if donated, fair value in excess of \$50,000 are capitalized to property and equipment.

Leases as lessee

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

The Organization made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Organization utilizes the discount rate implicit in the lease agreement, if known, or the Organization's incremental borrowing rate for a loan with terms similar to the lease's terms.

Leases as lessor

The Organization's leases are considered operating leases and rental income is recognized on a straight-line basis over the term of the lease. Deferred rent receivables represent the amount by which the cumulative straight-line rental revenue recorded to date exceeds cash rents billed to date under the lease agreement and are included in accounts receivable, net on the statement of financial position. Deferred rent receivables as of June 30, 2025 and 2024 were not material to the financial statements.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Leases as lessor (continued)

Renting and leasing operations consist of leasing commercial space under a long-term lease agreement with the Commonwealth of Massachusetts acting by and through its Division of Capital Asset Management and Maintenance ("DCAM") on behalf of Fitchburg State University. In addition, the Organization granted Fitchburg State University an exclusive license to occupy, manage, maintain and operate certain other property owned by the Organization pursuant to License Agreements with initial terms of one year and automatic annual renewals thereafter.

Impairment of long-lived assets

The Organization's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that such assets may be impaired. An evaluation is performed by obtaining a market appraisal, property assessment value or by measuring the estimated future undiscounted cash flows (without interest charges) associated with the asset to the asset's carrying amount to determine if a write-down to fair value is required. If an impairment is present, the assets are reported at the lower of carrying value or fair value.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the first mortgage notes payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan. Unamortized debt issuance costs are \$14,850 and \$16,264 at June 30, 2025 and 2024, respectively.

Statement of cash flows

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income taxes

The Organization is classified by the Internal Revenue Service as a "publicly supported organization" exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

The Organization did not have any material unrelated business income for the years ended June 30, 2025 and 2024. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will significantly change within twelve months of June 30, 2025. Any changes in tax positions will be recorded when the ultimate outcome becomes known. Accrued interest and penalties associated with uncertain tax positions are recognized as a part of interest expense and miscellaneous other expenses, respectively, in the accompanying statements of activities. The Organization has no accrued interest and penalties associated with uncertain tax positions at June 30, 2025 and 2024 and none were incurred during the years then ended. The Organization's income tax returns are subject to examination by taxing authorities generally for the years ended June 30, 2022, 2023 and 2024.

Subsequent events

The Organization has evaluated subsequent events through _____, 2025, which is the date these financial statements were available to be issued.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Functional expenses

The costs related to various activities of the Organization have been summarized on a functional basis in the accompanying statements of activities and functional expenses. The financial statements report certain categories of expense that are attributed to more than one supporting function. Therefore, some expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include affiliate personnel and other costs, which have been allocated among the program and supporting services benefited using a reasonable allocation method consistently applied.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

2 - CASH AND CASH EQUIVALENTS

The Organization maintains its operating cash and cash equivalent balances in several accounts in various banks. The Organization's general, non-sweep accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. The Organization's sweep accounts are insured by the Depositors Insurance Fund up to \$5 million. At times, the non-sweep cash balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to these cash and cash equivalent balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash and cash equivalent balances at June 30, 2025 and 2024.

3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year as of June 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash (excluding agency fund)	\$ 240,880	\$ 228,832
Grants receivable	2,710	360
Due from affiliate	<u>9,361</u>	<u>37,797</u>
Total financial assets	<u>\$ 252,951</u>	<u>\$ 266,989</u>

The Organization has various sources of liquidity at its disposal including cash and a steady revenue stream from license and rental fees. In addition, the Organization has access to a line of credit of \$250,000 (See Note 10). In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The Organization regularly monitors liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Refer to the statement of cash flows, which identifies the sources and uses of the Organization's cash for fiscal years 2025 and 2024.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2025 and 2024 consist of the following:

	2025	2024
Real estate under lease		
Land	\$ 402,664	\$ 402,664
Building	1,557,724	1,557,724
Building improvements	342,079	342,079
	<u>2,302,467</u>	<u>2,302,467</u>
Real estate used for student housing		
Land	236,524	236,524
Building	434,225	434,225
Building improvements	28,600	28,600
	<u>699,349</u>	<u>699,349</u>
Real estate used for faculty and staff housing		
Land	198,648	198,648
Land improvements	9,994	9,994
Building	813,475	813,475
	<u>1,022,117</u>	<u>1,022,117</u>
Other		
Land	1,827,509	1,827,509
Building	1,317,589	1,317,589
Land improvements	96,228	96,228
Building improvements	1,069,436	1,069,436
Furniture and fixtures	28,446	28,446
	<u>4,339,208</u>	<u>4,339,208</u>
	8,363,141	8,363,141
Less accumulated depreciation	<u>2,109,351</u>	<u>1,916,754</u>
	<u>\$ 6,253,790</u>	<u>\$ 6,446,387</u>

Accumulated depreciation on real estate under lease amounted to \$876,018 and \$819,971 at June 30, 2025 and 2024, respectively. Accumulated depreciation on real estate used for student housing amounted to \$218,948 and \$206,662 at June 30, 2025 and 2024, respectively. Accumulated depreciation on real estate used for faculty and staff housing amounted to \$107,075 and \$86,239 at June 30, 2025 and 2024, respectively.

In fiscal year 2024, the Organization sold land and a building to a tenant that was originally leasing the property at a gain of \$110,306. The proceeds of \$250,000 from this transaction were used to pay off a mortgage on the property.

In fiscal year 2024, the Organization also sold 50% of a land parcel purchased in fiscal year 2023 to a neighboring business at loss of \$7,794. The proceeds on this transaction were \$15,000.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)4 - PROPERTY AND EQUIPMENT (Continued)

On November 13, 2019, the Organization acquired a property in close proximity to the Fitchburg State University campus to support the downtown Theater project. The property, which consists of land and a building, was purchased for \$1 after the Organization was notified by the Massachusetts Department of Environmental Protection ("DEP") about an environmental issue with the property that requires remediation before the property is usable. The Organization razed the building on the property and is actively working on converting the land to a parking lot. During the year ended June 30, 2022, the Organization determined that additional costs of the remediation are expected above insured policy limits in the amount of \$465,696, which was accrued as a liability for environmental remediation accordingly. As of June 30, 2025, and 2024, the remaining environmental liability of \$100,780 and \$120,430, respectively, is shown on the accompanying statements of financial position.

In fiscal 2017, the Organization acquired a property in close proximity to the Fitchburg State University campus consistent with the Organization's mission and the University's strategic plan which includes campus expansion. The property, which includes land and a building, was purchased for an aggregate cost of \$360,305. The acquisition was financed, in part, with a mortgage note on the property in the amount of \$280,000 (see Note 6). The Organization is planning a major renovation and expansion of the property which, when completed, is expected to cost approximately \$25,000,000 and consist of a multi-phased project providing academic space, student support services space, retail and community space and theatre renovation. The space is expected to be used by the University, the City of Fitchburg and surrounding communities. Fitchburg State University will be responsible for the costs of the project's development and construction pursuant to the terms of the license agreement between the University and the Organization. Funding for the project is expected to come from a variety of sources including, but not limited to, New Markets Tax Credits, Historic Tax Credits, bonds, grants and philanthropy. The project is in the very early stages of development and is estimated to require four years for completion. At some point during that period, the property will be transferred to a new entity. The Organization will pay for certain legal services incurred in connection with the project, which the Organization currently estimates to be approximately \$148,000 for the entire project. The Organization expects to fund these costs through operating cash. The Organization incurred \$26,448 of legal costs related to the project which have been recorded in prepaid expenses and other assets on the statement of financial position as of June 30, 2025 and 2024.

5 - AGENCY FUND

The Organization is part of a collaboration of local businesses and non-profit organizations located in Fitchburg, Massachusetts called Re-imagine North of Main. The collaboration is committed to making a collective impact and dedicated to improving the quality of life in Fitchburg. The Organization is holding monies for the benefit of North of Main projects and disbursing that as needed to specific vendors identified by the members of the collaboration. For the years ended June 30, 2025 and 2024, the Organization did not collect or disburse any monies in connection with this collaboration. At June 30, 2025 and 2024, the Organization was holding \$31,080 of funds that is to be used exclusively by the members of the coalition.

The Organization was holding \$30,000 in funds received in June 2024 for the renovation of Abolitionist Park in Fitchburg, Massachusetts. The Organization is acting solely as the fiscal agent for these funds as owner of the land to be renovated. At June 30, 2025 and June 30, 2024, the Organization was holding funds to be used exclusively for work to be done at Abolitionist Park totaling \$3,050 and \$30,000, respectively.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - FIRST MORTGAGE NOTES PAYABLE

Avidia Bank

Avidia Bank provided financing to the Organization in the form of a note, dated September 28, 2022, in the amount of \$281,200. The note is secured by a first mortgage interest in certain real estate owned by the Organization and an assignment of certain related leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The mortgage note has a term of 25 years maturing on September 28, 2047, with a fixed rate of interest of 4.25% per annum and a monthly installment of principal and interest of \$1,533 through September 27, 2027. At that point, the interest rate will be adjusted every 60 months with a floor of 4.25% per annum.

The note has a fixed rate prepayment charge in the event of the prepayment of the note before September 27, 2027. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary.

As of June 30, 2025 and 2024, the outstanding principal balance of the mortgage loan amounted to \$262,908 and \$269,814, respectively.

Workers' Credit Union

Workers' Credit Union ("WCU") provided financing to the Organization in the form of a note, dated February 27, 2009, in the amount of \$750,000. The note is secured by a first mortgage interest in certain real estate owned by the Organization and an assignment of certain related leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The mortgage note has a term of 20 years maturing on February 27, 2029, with a fixed rate of interest of 5.25% and monthly installments of principal and interest of \$4,517 through February 27, 2024, at which point the interest rate was adjusted to a fixed rate of 6.79% per annum until February 27, 2029 with a monthly installment of principal of interest of \$4,812.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$377,329 and \$408,332, respectively.

Rollstone Bank & Trust - 131 Highland Avenue

Rollstone Bank & Trust provided financing to the Organization in the form of a note, dated December 22, 2014 in the amount of \$240,000. The note is secured by a first mortgage interest in the real estate property located at 131 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 20 years, maturing on December 22, 2034, and provides for a fixed rate of interest of 3.25% per annum with monthly installments of principal and interest of \$1,367.

The loan agreement requires the Organization to maintain a ratio of Cash Flow (after distributions), as defined, to the Current Maturity of Long-Term Debt plus interest, as defined, of not less than 1.0 to 1 for any fiscal year. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$133,681 and \$145,465, respectively.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)6 - FIRST MORTGAGE NOTES PAYABLE (Continued)Rollstone Bank & Trust - 167 Klondike Avenue

Rollstone Bank & Trust provided additional financing to the Organization in the form of a note, dated December 9, 2020 in the amount of \$1,538,000. This note is secured by a first mortgage interest in the real estate property located at 167 Klondike Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 15 years maturing on December 9, 2035 with a fixed rate of interest of 3.5% per annum and monthly installments of principal and interest of \$11,032 through December 9, 2030. At that point, the interest rate shall be adjusted to the Federal Home Loan Bank of Boston Five Year Classic Advance Rate plus 2.25% and monthly payments adjusted accordingly.

The loan agreement requires the Organization to maintain a debt service ratio equal to or greater than 1:1. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

As of June 30, 2025 and 2024, the outstanding principal balance of the mortgage loan amounted to \$1,158,880 and \$1,248,402, respectively.

Fidelity Co-Operative Bank - 340 Highland Avenue

Fidelity Co-Operative Bank provided financing to the Organization in the form of a note, dated June 26, 2013, in the amount of \$83,200. The note is secured by a first mortgage interest in the real estate property located at 340 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 20 years, maturing on June 26, 2033 with a fixed rate of interest of 5.20% per annum through June 26, 2023, at which point, the interest rate was adjusted to a fixed rate of 6.98% per annum until June 26, 2028 with a monthly installment of principal and interest of \$521.

The note includes a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$63,384 and \$65,087, respectively.

Fidelity Co-Operative Bank - 198 Pearl Street

Fidelity Co-Operative Bank provided additional financing to the Organization in the form of a note, dated October 19, 2016, in the amount of \$118,000. The note is secured by a Negative Pledge Agreement on the real estate located at 198 Pearl Street in Fitchburg, Massachusetts.

The promissory note has a term of 10 years, maturing on October 21, 2026 with a fixed rate of interest of 4.11% per annum and monthly installments of principal and interest of \$726 through the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)6 - FIRST MORTGAGE NOTES PAYABLE (Continued)Fidelity Co-Operative Bank - 198 Pearl Street (continued)

The business loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the business loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$78,300 and \$83,626, respectively.

Fidelity Co-Operative Bank - 9 Clinton Street and 85-7 Pearl Street

Fidelity Co-Operative Bank provided additional financing to the Organization in the form of a note dated January 13, 2017, in the amount of \$220,000. The note is secured by a Negative Pledge Agreement on the real estate located at 9 Clinton Street and 85-7 Pearl Street in Fitchburg, Massachusetts.

The promissory note has a term of 10 years, maturing on January 13, 2037 with a fixed rate of interest of 4.76% per annum and monthly installments of principal and interest of \$1,431 based on a 20-year principal amortization until the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due.

The note provides for the payment of a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement. The loan is cross-defaulted and cross collateralized with any and all other loans made by the lender to the Organization.

As of June 30, 2025 and 2024, the outstanding principal balance of the loan amounted to \$151,350 and \$160,963, respectively.

BankHometown - 164 Highland Avenue

BankHometown provided financing to the Organization in the form of a note, dated June 18, 2019, in the amount of \$312,000. The note is secured by a first mortgage interest in the real estate property located at 164 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The commercial note has a term of 10 years, maturing on June 18, 2029, with a fixed rate of interest of 4.60% per annum and monthly installments of principal and interest of \$1,752 through June 18, 2024, at which point, the interest rate was adjusted to 6.20% per annum with a monthly principal and interest payment of \$1,999. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

The loan agreement requires the Organization to maintain a Debt Service Coverage Ratio, as defined, of no less than 1.10 to 1 to be measured annually at the end of the fiscal year. The loan agreement also requires the Organization to maintain a Loan-to-Value Ratio of no more than 80% at any time during the term of the loan.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$267,362 and \$274,525, respectively.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)6 - FIRST MORTGAGE NOTES PAYABLE (Continued)BankHometown - 174 Highland Avenue

BankHometown provided additional financing to the Organization in the form of a note, dated June 18, 2019, in the amount of \$138,400. The note is secured by a first mortgage interest in the real estate property located at 174 Highland Avenue in Fitchburg, Massachusetts and an assignment of rents and leases on the property.

The commercial note has a term of 10 years, maturing on June 18, 2029, with a fixed rate of interest of 4.60% per annum and monthly installments of principal and interest of \$777 through June 18, 2024, at which point, the interest rate was adjusted to 6.2% per annum with a monthly principal and interest payment of \$887. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

The loan agreement requires the Organization to maintain a Debt Service Coverage Ratio, as defined, of no less than 1.10 to 1 to be measured annually at the end of the fiscal year. The loan agreement also requires the Organization to maintain a Loan-to-Value Ratio of no more than 80% at any time during the term of the loan.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$118,599 and \$121,776, respectively.

Enterprise Bank and Trust Company - 689 - 717 Main Street

Enterprise Bank and Trust Company provided financing to the Organization in the form of a note, dated November 4, 2016, in the amount of \$280,000. The note is secured by a first mortgage interest in the real estate property located at 689 - 717 Main Street in Fitchburg, Massachusetts and an assignment or rents on the property.

The promissory note has a term of 30 years, maturing on November 4, 2046, with a fixed rate of interest of 4.33% per annum with monthly installments of principal and interest of \$1,401 through the maturity date. At that point, a final principal payment for the remaining amount will be due.

If the note is prepaid in whole or in part during the first 117 months of each fixed rate period for the purpose of refinancing the note with another financial institution, the note provides for a prepayment penalty equal to 3% of any principal reduction. Except for the foregoing, the note may be prepaid in whole or in part without penalty. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$233,619 and \$240,020, respectively.

Webster First Federal Credit Union

Webster First Federal Credit Union provided financing to the Organization in the form of a note, dated September 22, 2017, in the amount of \$250,000. The note is secured by a first mortgage interest in the real estate properties located at 66 and 0 Day Street and 721-725 Main Street Fitchburg, Massachusetts and an assignment of leases and rents on the properties.

The commercial note has a term of 15 years, maturing on October 1, 2032, with a fixed rate of interest of 3.75% per annum and monthly installments of principal and interest of \$1,825 through October 1, 2027. At that point, the interest rate will be adjusted to the Federal Home Loan Bank Boston Classic Advance Five-Year Rate plus 1.5% per annum for the remaining 5 years of the loan term with a floor of 3.75% per annum. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$139,892 and \$156,147, respectively.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)6 - FIRST MORTGAGE NOTES PAYABLE (Continued)Aggregate Principal Maturities

Aggregate principal maturities for all first mortgage notes payable for each of the next five years and thereafter, using the interest rate in effect at June 30, 2025, are estimated to be as follows:

2026	\$ 197,275
2027	273,170
2028	209,270
2029	786,904
2030	171,730
Thereafter	<u>1,346,955</u>
	2,985,304
Less: Unamortized debt issuance costs	<u>14,850</u>
	<u>\$ 2,970,454</u>

7 - NOTE PAYABLE - BANK

Enterprise Bank and Trust Company provided financing to the Organization in the form of a note payable dated April 26, 2007 in the amount of \$680,000. The note is secured by investments owned by the Foundation with a fair value of approximately \$3,259,000 and \$2,959,000 at June 30, 2025 and 2024, respectively. In addition, payment and performance of the Organization obligations under the loan agreement have been guaranteed by the Foundation.

The note payable has a term of 30 years, expiring on May 5, 2037, with a fixed rate of interest of 6% per annum and monthly installments of principal and interest of \$3,280 through April 26, 2027. At this point, the interest rate will be adjusted to the Federal Home Loan Bank Boston Classic Advance Five Year Rate plus 1.15% per annum through maturity.

As of June 30, 2025 and 2024, the outstanding principal balance of the loan amounted to \$365,975 and \$389,026, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rate in effect at June 30, 2025, are estimated to be as follows:

2026	\$ 24,106
2027	25,162
2028	26,230
2029	27,416
2030	28,809
Thereafter	<u>234,252</u>
	<u>\$ 365,975</u>

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)8 - LEASES AS LESSEE

On July 1, 2019, the Organization entered into an operating lease agreement with an unrelated third party for the office space located in Fitchburg, Massachusetts. The space is being used by Fitchburg State University as office and classroom space for its Center for Professional Studies. The lease provides a base annual rent of \$30,632 per annum. The agreement includes an option to renew annually with an increase of 2% commencing July 1st of the following year. The Organization considers this agreement to fall under the short-term lease exemption under ASC 842.

On July 1, 2022, the Organization entered into an operating lease agreement with an unrelated third party for 2,350 square feet of office space and 20 parking spaces located in Fitchburg, Massachusetts. The lease has a base annual rent of \$31,870 per annum increasing 1% annually effective July 1st if the Organization extends the lease for another year. The Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2024 and 2023, rent expense amounted to \$31,870.

On July 1, 2017, the Organization entered into an operating lease agreement with the above-mentioned unrelated third party for an additional 1,424 square feet of office space located in Fitchburg, Massachusetts. The lease has a base annual rent of \$5,696 per annum, if the Organization extends the lease for another year. The Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2024, and 2023, rent expense amounted to \$5,696 in each year.

The Organization may extend the initial terms of each lease under the same terms and conditions, for successive periods of one year provided it is not then in default of the lease terms and it gives the proper notice. The Organization may cancel the lease at any time with the payment of two months base rent as a termination charge. The Organization considers both agreements to fall under the short-term lease exemption under ASC 842.

The following is a schedule of future minimum rental payments under these operating lease agreements at June 30, 2025:

2026	<u>\$ 40,732</u>
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9 - LEASES AS LESSOR AND LICENSE AGREEMENTS

On August 16, 2016, the Organization leased a building consisting of 4,179 square feet of office space and 53,429 square feet of warehouse space located in Fitchburg, Massachusetts near the University campus to the Massachusetts Division of Capital Asset Maintenance (DCAM) on behalf of the University. The lease has a base rent of \$165,000 per year payable in monthly installments of \$13,750 for the entire lease term of ten years. The University is also responsible for the payment of normal operating, maintenance, and repair costs associated with the use of the property. For the years ended June 30, 2025 and 2024, rental income amounted to \$165,000 in each year.

On June 1, 2019, the Organization leased property in Fitchburg, Massachusetts to an unrelated third party. The lease has base rent of \$22,968 payable in monthly installments of \$1,914 for the entire lease term of five years. The property was sold to the lessee in June 2024. For the year ended June 30, 2024 rental income amounted to \$21,538.

On June 30, 2022, the Organization leased property located in Fitchburg, Massachusetts to an unrelated third party. The lease has an annual base rent of \$6,000 payable in monthly installments of \$500 for the entire lease term of two years. The lease was terminated effective July 2024. For the years ended June 30, 2025, and 2024 rental income amounted to \$500 and \$6,000, respectively.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

9 - LEASES AS LESSOR AND LICENSE AGREEMENTS (Continued)

On August 6, 2020, the Organization entered into a lease agreement with Fitchburg Housing Authority ("FHA") to lease the land located at 66 Day Street to be used for parking by FHA employees. The Organization is leasing the property solely for convenience to FHA, and no revenue is being generated by this lease agreement.

On September 10, 2023, the Organization leased property located in Fitchburg, Massachusetts to an unrelated third party for an initial term of 5 years. The lease has a monthly rent of \$2,625 for the initial period of twelve months and the rent will increase by 3% for each successive twelve-month period. For the year ended June 30, 2025 and June 30, 2024, rental income amounted to \$31,500 and \$26,250 respectively.

The following is a schedule of future minimum rental income under the operating lease agreement at June 30, 2025:

2026	\$ 196,500
2027	52,125
2028	31,500
2029	5,250
	<u>\$ 285,375</u>

The Organization and the University are parties to License Agreements whereby the Organization granted to the University irrevocable and exclusive licenses to occupy, manage, maintain and operate certain property owned by the Organization. The License Agreements provide for initial terms of one year and automatic annual renewals thereafter. The License Agreements provide for annual license fees payable, in arrears, in 4 equal quarterly installments. All costs to operate and maintain the property, including any capital improvements made thereto, shall be borne by the University. The License Agreements may be terminated by either party upon the expiration of the initial term of the agreements and any subsequent renewal term with the giving of proper notice. In addition, the University may terminate the agreements at any time with the giving of proper notice. For the years ended June 30, 2025, and 2024, license fee income amounted to \$282,290 and \$430,324, respectively.

10 - LINE OF CREDIT

In November 2021, the Organization entered into a demand unsecured revolving line of credit agreement with Rollstone Bank and Trust which permits the Organization to borrow up to \$250,000. The line of credit provides for interest at The Wall Street Journal Prime Rate less 0.25% (effective rates of 7.25% at June 30, 2025 and 8.25% at June 30, 2024). The agreement renews annually.

The line of credit agreement contains, among other covenants, the maintenance of a debt service coverage ratio, as defined, of at least 1.00 to 1. In addition, the agreement provides that the line of credit be brought to a zero balance for 30 consecutive days annually during the term of the agreement. There were no balances outstanding on the line of credit at June 30, 2025 and June 30, 2024. The line of credit agreement expires on November 30, 2025.

11 - TRANSACTIONS WITH RELATED PARTIES

Fitchburg State University and the Foundation render certain administrative services to the Organization. These services with a value of \$14,991 and \$14,118, respectively, have been recognized as contribution in kind income in the accompanying statements of activities for the years ended June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the Organization has miscellaneous accounts receivable totaling \$9,361 and \$37,797 from the University, respectively, which are reflected as due from affiliates in the accompanying statements of financial position.

FSU FOUNDATION SUPPORTING ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - TRANSACTIONS WITH RELATED PARTIES (Continued)

From time to time, the Foundation makes advances to the Organization to assist with the financing of its acquisitions of real estate properties located in Fitchburg, Massachusetts. The advances do not have any specified repayment provisions and due dates and are noninterest-bearing except to the extent that they are funded from the proceeds of draws on the Foundation's working capital line of credit. In those instances, the Foundation charges interest to the Organization at a rate equivalent to the Foundation's borrowing rate on its working capital line of credit agreement. As of June 30, 2025, and 2024, respectively there were \$200,000 and \$300,000 outstanding advances payable to the Foundation. These amounts are included in due to affiliates in the accompanying statement of financial position.

As of June 30, 2025 and June 30, 2024, the Organization had no miscellaneous payable due to its affiliates.

12 - SUPPLEMENTAL CASH FLOW INFORMATION

	<u>2025</u>	<u>2024</u>
Cash paid for interest during the year	<u>\$ 157,845</u>	<u>\$ 169,327</u>

OTHER REPORT

DISCUSSION DRAFT 10.14.2025

BOLLUS LYNCH

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Board of Directors
FSU Foundation Supporting Organization, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of FSU Foundation Supporting Organization, Inc. (the Organization), which comprise the Organization's statement of financial position as of June 30, 2025, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated _____, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

(Continued)

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Worcester, Massachusetts
_____, 2025

FITCHBURG STATE UNIVERSITY
(AN AGENCY OF THE COMMONWEALTH OF
MASSACHUSETTS)
FINANCIAL STATEMENTS
AND MANAGEMENT'S DISCUSSION AND ANALYSIS
WITH SUPPLEMENTARY INFORMATION AND
OTHER REPORTS
YEARS ENDED JUNE 30, 2025 AND 2024
AND
INDEPENDENT AUDITOR'S REPORT

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

FINANCIAL STATEMENTS
AND MANAGEMENT'S DISCUSSION AND ANALYSIS
WITH SUPPLEMENTARY INFORMATION AND OTHER REPORTS

YEARS ENDED JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Fitchburg State University

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Fitchburg State University (an agency of the Commonwealth of Massachusetts) (the "University"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Fitchburg State University, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 18 and certain information pertaining to liabilities recorded in accordance with Government Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* on pages 88 through 97 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The supplementary information on pages 97 and 98 and accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Worcester, Massachusetts
_____, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following discussion and analysis are intended to provide an overview of the financial position and results of operations of Fitchburg State University (the "University") for the fiscal years ended June 30, 2025, 2024 and 2023. This discussion is provided by the management of the University and should be read in conjunction with the financial statements and notes thereto. The purpose of this document is to give some background to the financial statements and foster an understanding of how these statements relate to the mission and activities of the University.

The University, located in North Central Massachusetts, is one of the nine comprehensive public universities in the Commonwealth of Massachusetts (the "Commonwealth"). These institutions, along with the five-campus University of Massachusetts system and the fifteen community colleges comprise public higher education in Massachusetts. The University offers more than 39 undergraduate degree programs in fifteen academic departments, 24 graduate degree programs and several Graduate Certificates of Advanced Study. During fall 2024, there were approximately 2,752 full-time students and hundreds of part-time students enrolled. For fiscal 2025, there was a combined full-time equivalent annual enrollment of approximately 3,714. Thousands more non-matriculated students take advantage of professional development programs through the School of Graduate, Online and Continuing Education (SGOCE). The University awarded approximately 1,723 graduate and undergraduate degrees in fiscal 2025. The University is accredited by the New England Commission of Higher Education (NECHE), and many of the University's programs are accredited by program-specific accrediting bodies.

Financial Highlights

The University experienced negative results from its operations in fiscal 2025 resulting in an decrease in net position of approximately 0.17%. The following are key financial highlights for the current period:

- General appropriations from the Commonwealth are approved by the legislature to help fund the day-to-day operations of the University. The University received appropriations of \$44.2 million in fiscal 2025, compared to \$42.0 million in fiscal 2024 and \$37.4 million in fiscal 2023.
- The University undergraduate fees increased slightly in fiscal year 2025. The University Fee increased by \$150 per semester for a total of \$4,095 per semester. Total mandatory fees per semester were \$5,188, \$5,038 and \$4,976 in fiscal years 2025, 2024, and 2023, respectively. Tuition, which is controlled by the Commonwealth, has not increased since the fall of 2001 and remains at \$485 per semester for in-state students. The Graduate Tuition and fees were \$1,041 in fiscal years 2025, 2024, and 2023. The Accelerated Online Program now ranges from \$963 to \$1,308 per 3 credit class in fiscal years 2025, 2024 and, 2023.
- The University expended \$2.7 million from current funds for capital additions in fiscal 2025. Projects completed during the year included McKay Door Replacement, Holmes Dining Common Roof, McKay HVAC repair. The major projects that were still in process at June 30, 2025, are Conlon Window replacement, Rec center roof, Herlihy 2nd & 3rd floor renovations.
- Total assets and deferred outflows of resources at the end of fiscal 2025 were approximately \$291 million and exceeded liabilities and deferred inflows of resources of \$149 million by \$142 million (i.e., net position).
- Total operating, non-operating, and gift revenue for fiscal 2025 was \$129.7 million, while expenses totaled \$132.1 million, resulting in a decrease to net position of \$2.4 million. The decrease in net position resulted from several factors: an adjustment to capital appropriation, an increase in operating expenses, namely payroll, utility and debt payment expenses, a decrease in tuition income and a net loss in auxiliary operations.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Financial Highlights (Continued)

- Governmental Accounting Standards Board ("GASB") Statement No. 75 requires that an allocated portion of the Commonwealth's unfunded post-employment benefits other than pension be reported on the financial statements of the individual institutions of higher education. The allocation is based on the actual contributions paid by the institutions through the group insurance commission charges on the fringe benefit. The University's portion of the Commonwealth's unfunded post-employment benefits other than pension ("OPEB") liability is calculated at \$7.0 million, \$7.3 million, and \$7.9 million at June 30, 2025, 2024, and 2023, respectively.
- GASB Statement No. 68 requires that an allocated portion of the Commonwealth's net pension liability be reported on the financial statements of the individual institutions of higher education. The allocation is based on the actual contributions paid by the institutions through assessed fringe benefit charges. The University's portion of the Commonwealth's net pension liability is calculated at \$6.2 million, \$6.9 million, and \$6.3 million at June 30, 2025, 2024, and 2023, respectively.
- GASB Statement No. 87 requires that substantial lease contracts that are longer than twelve months and do not transfer ownership to the lessee during the period of contract should be treated as purchases of the assets on credit by the lessee. The lessee is required to recognize a right of use asset and the related lease liability measured at the present value of the fixed minimum lease payments. The related asset will be amortized over the lease term or the life of the asset and the lease liabilities will be treated as a financing lease and interest expense will be recognized. As of June 30, 2025, 2024 and 2023, all the residential hall dormitory leases, along with a university staff housing lease owned by MSCBA have been recognized as right of use assets. The balances of the right of use asset in fiscal year 2025, 2024 and 2023 are \$40.7 million, \$45.0 million and \$51.7 million, respectively.
- GASB Statement No. 96 requires that subscription-based information technology contracts that are longer than twelve months and do not transfer ownership to the lessee during the period of contract should be treated as purchases of the assets on credit by the lessee. The lessee is required to recognize a right of use asset and the related liability measured at the present value of the fixed minimum lease payments. The related asset will be amortized over the subscription term or the life of the asset and the subscription related liabilities will be treated as a financing lease and interest expense will be recognized. As of July 1, 2022 and retroactive to fiscal year 2022, a number of subscription-based IT contracts have been recognized as Fitchburg State University's assets. The balances of the subscription-based asset IT contracts in fiscal year 2025, 2024 and 2023 are \$2.4 million, \$1.9 million and \$1.9 million, respectively.
- Unrestricted net position (before benefits adjustment of \$34.8 million at June 30, 2025) available to support short-term operations was \$40 million.

Ratio analysis measures certain elements of an institution's overall financial health. The Massachusetts Department of Higher Education has instituted the use of certain core financial ratios as part of its performance measures for public universities and colleges in the Commonwealth. Analysis using these ratios, as well as other commonly accepted ratios, are incorporated throughout this document. These financial ratios are shown before unfunded benefits and right of use asset adjustments. Net assets benefit and right of use adjustment amount after the restatement are \$34.8 million in 2025, \$38.7 million in 2024, and \$41.2 million in 2023, respectively.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Financial Highlights (Continued)

- **Current Ratio:** An excess of current assets over current liabilities (the current ratio) is a measure of liquidity and provides a buffer against future uncertainties. The University's current assets of \$39 million are sufficient to cover current liabilities of \$34 million. The University's current ratio at June 30 is 1.2 to 1 for 2025, 1.1 to 1 for 2024, and 1.3 to 1 for 2023.
- **Return on Net Position Ratio:** Net position represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Comparing the current change in total net position to total net position at the beginning of the period (return on net position) is an economic measure that determines if the University is financially better off than in previous years. The University's return on net position (without GASBs 68,75 and 96) at June 30, 2025, 2024, and 2023 was -3.5%, -1.2%, and -1.5%, respectively. In fiscal year 2025, there was an increase in state appropriation of \$2.5 million without fringe, a prior period reduction of \$1.2 million in capital appropriation, an increase of \$1 million in utility expenses and a loss in auxiliary services of \$1.7 million. In fiscal year 2024, there was a net increase in operating revenue of \$1.6 million with the auxiliary services accounting for \$0.9 million of the increase in both 2024 and 2025. Fiscal year 2025 and fiscal year 2024 operating expense increases were mainly due to increases in payroll and utility costs. In fiscal year 2023, although student tuition and fees remained relatively unchanged from prior year, the decrease in 2023 return on net position was mainly due to income decreasing at a faster rate than decreases in the operating expenses.
- **Primary Reserve Ratio:** This ratio indicates how long the University could function using its expendable reserves without relying on additional net position generated by operations. The University's primary reserve ratio at June 30, 2025, 2024 and 2023 was 28.7%, 28.7% and 30.2%, respectively.
- **Secondary Reserve Ratio:** This ratio measures the significance of non-expendable net position in relation to an institution's operating size. An improving trend shows an improved capital base and the higher the ratio value, the better the long-term financial condition. The University's secondary reserve ratio at June 30, 2025, 2024 and 2023 was 100.7%, 110.9 %, and 110.9%, respectively.
- **Composite Financial Index:** In order to assess and evaluate the total financial health of an institution, core financial ratios are weighted and combined into a single factor called the Composite Financial Index ("CFI"). When calculated, a strength factor of three indicates a relatively healthy institution that can sustain moderate growth with expendable net position exceeding debt levels. The University's CFI at June 30, 2025, 2024 and 2023 was 0.97, 1.27, and 1.00, respectively.

Using the Financial Statements

Fitchburg State University reports its activity as a business type activity using the full accrual basis of accounting. The accrual basis of accounting ensures that all amounts owed to the University and all pending obligations of the University are accounted for in the appropriate period, thus giving a clear picture of the University's financial position. The University is a department of the Commonwealth of Massachusetts. A summary of the University's financial statements is incorporated in the Commonwealth's Comprehensive Annual Financial Report in its government-wide financial statements.

The University's financial statements include three major documents: The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Using the Financial Statements (Continued)

Statement of Net Position

The statement of net position presents the financial position of the University at the end of the year and includes all assets, liabilities and deferred inflows and outflows of resources of the University, with the difference reported as net position. Assets, liabilities and deferred inflows and outflows are generally measured using current values, with a notable exception in capital assets, which are stated at historical cost less an allowance for depreciation. Net position is one indicator of the financial condition of the University, while the change in net position from one period to the next is an indicator of whether the financial condition has improved or worsened. The statements of net position (condensed, in thousands) at June 30, 2025, 2024 and 2023, are as follows:

	2025	2024	2023
Assets			
Current assets	\$ 38,682	\$ 32,278	\$ 32,026
Capital assets, net	177,808	188,770	195,727
Right-of-use asset, net	43,085	46,823	54,571
Other	29,582	29,830	27,403
Total assets	289,157	297,701	309,727
Deferred outflows of resources	1,763	3,334	4,362
Liabilities			
Current liabilities	33,360	27,729	25,720
Long-term liabilities	101,767	109,258	118,903
Total liabilities	135,127	136,987	144,623
Deferred inflows of resources	14,309	20,129	25,791
Net position			
Net investment in capital assets	124,975	134,257	138,697
Restricted			
Nonexpendable	589	562	523
Expendable	10,631	12,767	11,741
Unrestricted			
Designated	17,451	17,490	18,630
Undesignated (deficit)	(12,162)	(21,157)	(25,916)
Total net position	\$ 141,484	\$ 143,919	\$ 143,675

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Overview of the Financial Statements (Continued)

Statement of Net Position (continued)

Current assets consist mainly of cash and cash equivalents (90%) and accounts receivable (9%). Other assets include non-current restricted cash and cash equivalents reserved for debt payments, investments in marketable securities and loans receivable. Capital assets are used to provide services to students, faculty and staff. These assets are not available for current or future spending.

Current liabilities primarily include revenue received in advance (20%), bond and lease liability, trade accounts and salaries payable, accounts payable - construction, the current portion of compensated absences and accrued faculty payroll. In the normal course of business and based on past history, it is anticipated that current obligations due to employees will be funded by state appropriations.

Deferred inflows and outflows of resources represent either the acquisition or use of resources applicable to future periods and are distinct from assets and liabilities.

Although the University has turned the corner on the pandemic, it is still feeling lingering effects in the undergraduate student population and on those students living in campus housing. The state's appropriation increased in both fiscal years 2025 and fiscal year 2024. In fiscal year 2023, there was a large decrease in long term liability which was mainly due to a \$8 million decrease in OPEB and pension liability and a \$4.3 million decrease in bonds payable. The individual elements of revenue and expenses and their corresponding effect on our net position are illustrated in the following schedule.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Overview of the Financial Statements (Continued)

Statement of Revenues, Expenses and Changes in Net Position (continued)

The following Statements of Revenues, Expenses and Changes in Net Position (condensed, in thousands) presents information showing the University's results of operations for the fiscal years ended June 30, 2025, 2024 and 2023. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g., the accrual for compensated absences).

	2025	2024	2023
Operating revenues			
Tuition and fees, net	\$ 36,843	\$ 40,051	\$ 41,446
Grants	11,725	11,557	9,714
Sales and service of educational department	1,624	1,465	1,397
Auxiliary	12,803	11,903	10,964
Right-of-use asset revenue	-	-	-
Other operating revenue	807	781	633
Total operating revenues	<u>63,802</u>	<u>65,757</u>	<u>64,154</u>
Operating expenses			
Instruction	37,633	38,895	35,185
Research and public service	1,170	1,539	1,384
Academic support	13,703	12,520	10,933
Student services	18,613	18,094	17,812
Scholarships	3,523	3,453	3,037
Institutional support	10,615	9,498	10,333
Operations and maintenance of plant	9,715	9,088	6,982
Depreciation	13,637	12,656	11,942
Amortization	5,170	5,788	5,857
Auxiliary	14,469	13,246	13,034
Total operating expenses	<u>128,248</u>	<u>124,777</u>	<u>116,499</u>
Net operating loss	<u>(64,446)</u>	<u>(59,020)</u>	<u>(52,345)</u>
Non-operating revenue and expenses			
State appropriations	62,480	58,876	52,189
Investment income	3,307	3,101	2,084
Interest expense and debt issue costs	(3,907)	(3,481)	(4,086)
State capital appropriations	131	516	2,894
Capital gifts and grants	-	252	252
Total non-operating revenue	<u>62,011</u>	<u>59,264</u>	<u>53,333</u>
Increase in net position	(2,435)	244	988
Net position, beginning of year	<u>143,919</u>	<u>143,675</u>	<u>142,687</u>
Net position, end of year	<u>\$ 141,484</u>	<u>\$ 143,919</u>	<u>\$ 143,675</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Overview of the Financial Statements (Continued)

Statement of Revenues, Expenses and Changes in Net Position (continued)

State appropriations are reported net of the amount of in-state day school tuition collected by the University on behalf of the Commonwealth. The tuition collected (for in-state supported courses taught by state employees) is then remitted to the Commonwealth as required by Massachusetts General Law. The following schedule details the Commonwealth appropriations received by the University. Included in appropriations are the fringe benefit costs for university employees, which are paid by the Commonwealth. The Commonwealth appropriates general funds to cover the cost of fringe benefits for state employees, but these funds are not appropriated directly to the University. Employees who are paid from local trust funds, grants or other sources receive the same fringe benefits. Generally, the University reimburses the Commonwealth for the benefit costs associated with these employees. In 2012, legislation was passed that allowed the state universities to retain out-of-state day tuition. The legislation further mandated that the Commonwealth would fund the fringe benefits for any employee paid from this funding source. The fringe benefit rate charged by the Commonwealth, exclusive of compensated absences, for fiscal years 2025, 2024 and 2023 was 43.44%, 43.2%, and 39.5%, respectively. The current fringe benefit rate includes group medical insurance (23.35%), retirement (18.63%) and terminal leave (1.46%).

The following schedule (condensed, in thousands) details the Commonwealth appropriations received by the University:

	2025	2024	2023
Commonwealth general appropriations	\$ 44,333	\$ 41,994	\$ 37,688
Commonwealth special appropriations	-	-	-
Appropriations to cover fringe benefits provided to employees of the Commonwealth	18,582	17,681	15,038
	62,915	59,675	52,726
Tuition remitted back to the Commonwealth	(435)	(799)	(537)
Net appropriations	62,480	58,876	52,189
Additional state capital appropriations	131	516	2,894
	<u>\$ 62,611</u>	<u>\$ 59,392</u>	<u>\$ 55,083</u>

State appropriations are a significant source of funding for the University. According to the Governmental Accounting Standards Board, appropriations are considered non-operating revenue. As such, the University appears to experience a loss from operations. However, it should be noted that state appropriations are used to fund the operating activities of the University.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

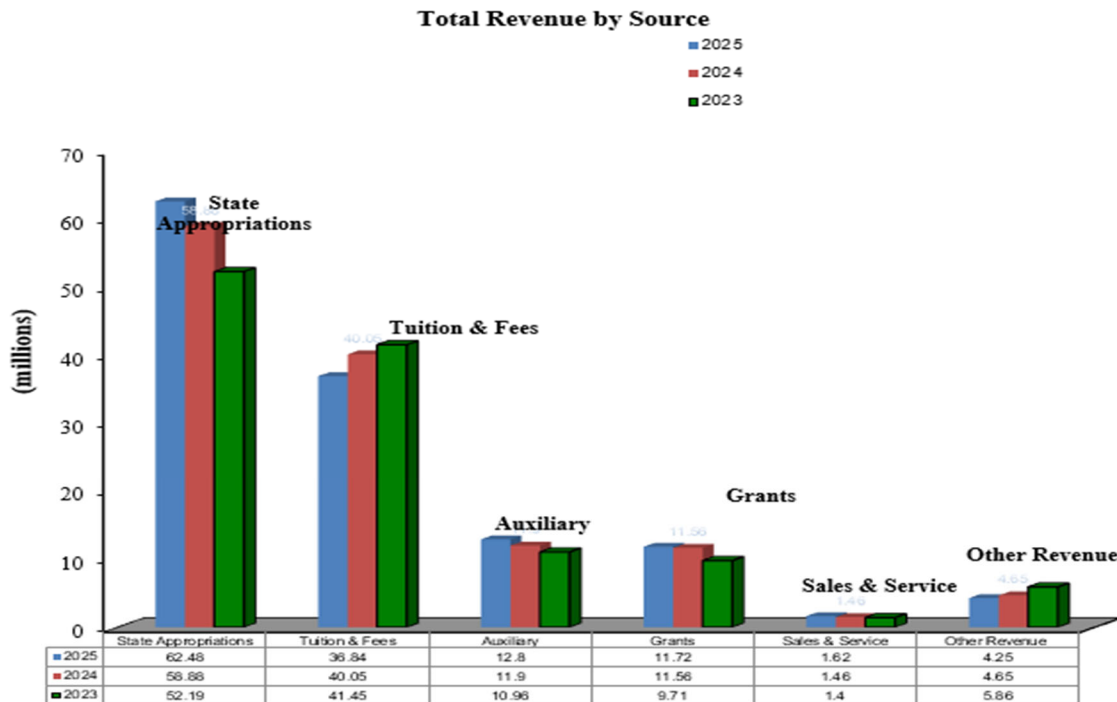
Loss from Operations

The following schedule (condensed, in thousands) illustrates the University's incurred losses from operations for the fiscal years ended June 30, 2025, 2024 and 2023.

	2025	2024	2022
Tuition and fees revenue, net	\$ 36,843	\$ 40,051	\$ 41,446
Other operating revenue	26,959	25,706	22,708
Total operating revenue	63,802	65,757	64,154
Operating expenses	(128,248)	(124,777)	(116,499)
Operating loss	(64,446)	(59,020)	(52,345)
Total state appropriations (appropriations)	62,480	58,876	52,189
Other revenue, net	(469)	388	1,144
Increase in net position	\$ (2,435)	\$ 244	\$ 988

Net Operating Revenues Ratio: This ratio indicates whether total operating activities resulted in a surplus or deficit. A positive ratio indicates that the institution experienced an operating surplus and is indicative of efficient and effective operations. For the fiscal years ended June 30, 2025, 2024 and 2023, the University's net operating revenues ratio was -5.0%, -2.4%, and -5.0%, respectively.

The following is a graphic illustration of total revenue (operating, non-operating and capital) by source. Total revenue for the fiscal years ended June 30, 2025, 2024 and 2023 was \$129.7 million, \$128.5 million, and \$121.6 million, respectively.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Loss from Operations (Continued)

State appropriations have been increasing yearly but not at the same rate as salary increases paid to employees. The discrepancy in the past was due to the state funding only a portion of the collective bargaining agreements and also because not all our employees are on the state payroll. Over the last few years, general appropriations (including fringe benefits) that support the operating costs of the University have increased significantly.

In addition to local payroll, all other operating costs incurred by the University are funded from other non-state revenue sources. Tuition and fees are reported net of tuition waivers, exemptions, and scholarship allowances. The \$485 per credit tuition charged per semester is controlled at the state level and remains unchanged since 2001. The board approved an increase this fiscal year for \$150.00 for the University fee bringing this total fee to \$4095 per semester. This followed the board approval of \$62.50 for the technology fees bringing this total to 312.50 per semester in 2024. In 2023, there was an increase of \$8 per credit graduate ED service fee, a \$5 increase for the graduate GCE program, a \$6 increase per credit for the UG GCE program, and a \$19 per credit increase for the accelerated online MBA program to \$436 per credit hour. During fiscal years 2025, 2024 and 2023, in-state tuition, fees and room and board for full-time resident students were \$11,747, \$11,358 and \$11,358 per semester, respectively. In-state tuition and fees for commuting students in fiscal years 2025, 2024 and 2023 were \$5,673, \$5,523 and \$5,460, respectively. After years of constant growth, it is significant to note that in fiscal year 2023, online tuition has started to level off and the on-ground tuition has continued its decline.

Auxiliary revenue represents revenue received from the operations of the University's residence and dining halls. The average residence hall occupancy rate for the fiscal year 2025, 2024, and 2023 was 56.85%, 54.4% and 52.2% of capacity, respectively. In fiscal year 2025, the auxiliary department had an 8% increase in revenue over 2024 fiscal year and a 9% increase in expenses.

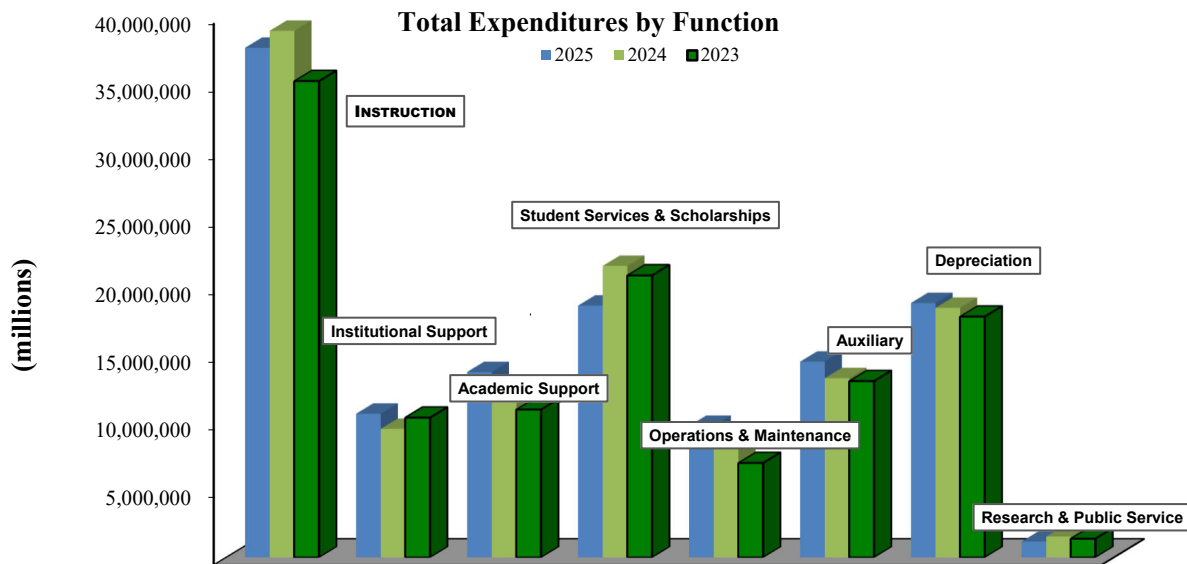
In fiscal year 2025, operating income decreased by \$2 million to \$63.8 million from \$65.8 million in fiscal year 2024. Grant revenue is a combination of federal, state and private grants. Grant revenue also includes grants for financial aid programs such as PELL, SEOG and Federal Work Study. In fiscal year 2025, grant income was basically neutral while in fiscal year 2024, grant income increased by \$1.9 million. Auxiliary income increased yearly by approximately \$0.9 million in fiscal years 2025 and 2024. Because of the HEERF funds received in fiscal year 2022, the decrease in operating income in 2023 over 2022 was unusually significant. Although there was a slight decrease in tuition and housing income and a slight increase in dining income, the overall change was not by much from fiscal year 2022 to fiscal year 2023. 2023 increase mainly came from a rebound in investment income and a decrease in OPEB and Pension expense of \$4.6 million in fiscal year 2023. This trend has continued in fiscal years 2024 and 2025 with a net credit of \$4.8 million posted in 2024 and \$5 million in 2025 for OPEB and Pension deferred inflows of resources. This net credit has been offset by a release of \$2.2 million in fiscal year 2024 and \$1.1 million in fiscal year 2025 of the right of use assets amortization and interest expense.

Other revenue includes investment and miscellaneous revenue of \$ 4.2 million in fiscal year 2025, \$4.7 million in 2024 and \$5.8 million in 2023.

FITCHBURG STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Loss from Operations (Continued)

The following is a graphic illustration of total expenditures (operating) by function. Total operating expenditures for the fiscal years ended June 30, 2025, 2024 and 2023 were \$128.4 million, \$124.8 million, and \$116.5 million, respectively.



Expenditures by source increased by 2.9% between fiscal year 2025 and fiscal year 2024, going from \$110.1 million in 2024 to \$113.3 million in 2025. The increases in 2025 were mainly due to an increase in payroll, utility expenses and loan repayment for a total of \$4.5 million. The most significant area of expense continues to be in the Instructional department, which represents 30.2% of total operating expenses in fiscal year 2025, 31.2% of total expenses in fiscal year 2024 and 30.2% of total expenses in fiscal year 2023. In fiscal year 2025, faculty payroll of (\$26.5 million) and related benefits of (\$11.0 million) represents approximately 99.9% of Instructional expenses, in 2024 faculty payroll of (\$26.2 million) and related benefits of (\$11.3 million) represents approximately 97.6% of Instructional expenses while in fiscal year 2023 faculty payroll of (\$25.8 million) and related benefits (\$10.2 million) represent approximately 97.2% of instructional expenditures. Institutional Support consists of the day-to-day operational support of the institution, excluding physical plant operations. Operations and Maintenance consists of expenditures related to physical plant. Expenditures in this functional area include general repair costs and deferred maintenance costs that are below the capitalization threshold of \$50,000. The financial statements include \$13.6 million, \$12.6 million and \$11.9 million in depreciation expense for 2025, 2024 and 2023, respectively, and \$5.2 million, \$5.8 and \$6.4 million of lease amortization expenses for fiscal year 2025, 2024, and 2023 respectively for GASB 87 and GASB 96.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Loss from Operations (Continued)

Demand Ratios: Demand ratios measure the extent to which each type of expense consumes operating and non-operating revenues. The following table displays the amount of operating and non-operating revenue, exclusive of capital grants and appropriations, consumed by the various functional expense categories:

Expense	2025	2024	2023
Instruction	29.00%	30.50%	29.7%
Institutional support	8.20%	7.40%	8.70%
Academic support	10.60%	9.80%	9.20%
Student services and scholarships	17.10%	16.90%	17.6%
Operations and maintenance	7.50%	7.10%	5.90%
Auxiliary	11.20%	10.40%	11.0%
Depreciation and amortization	14.50%	14.40%	15.0%

Note: The total sum of all Demand Ratios will be greater (less) than 100 percent, with the difference representing the surplus (deficit). Fiscal years 2025, 2024 and 2023 surpluses were 1.02%, 2.31% and 1.63% respectively.

Statement of Cash Flows

The statement of cash flows provides pertinent information about the cash receipts and cash payments during a certain period. The statement provides an additional tool to assess the financial health of the institution. As required by GASB, the statement is reported using the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of receipts (e.g., tuition and fees) and disbursements (e.g., cash paid to employees for services).

The following are the University's statements of cash flows (condensed, in thousands) for the fiscal years ended June 30, 2025, 2024 and 2023:

	2025	2024	2023
Cash received from operations	\$ 67,486	\$ 67,878	\$ 64,328
Cash expended for operations	(94,727)	(91,966)	(89,698)
Net cash used in operations	(27,241)	(24,088)	(25,370)
Net cash provided by noncapital financing activities	43,898	41,195	37,150
Net cash used in capital and related financing activities	(13,692)	(17,164)	(25,799)
Net cash provided by investing activities	1,705	656	1,012
Net increase (decrease) in cash and equivalents	4,670	599	(13,007)
Cash and equivalents, beginning of the year	36,840	36,241	49,248
Cash and equivalents, end of year	\$ 41,510	\$ 36,840	\$ 36,241

FITCHBURG STATE UNIVERSITY
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MANAGEMENT’S DISCUSSION AND ANALYSIS
(Continued)

Statement of Cash Flows (continued)

In fiscal year 2025, the University's cash and cash equivalents increased by \$4.6 million to \$41.5 million. Like 2024 the increase in cash and cash equivalents in fiscal year 2025 was due to an increase in state appropriations and an increase in investment income. The cash increase in fiscal year 2025 was also due to a decrease in capital expenditure and an increase in Pell Grant funding. The decrease in cash and cash equivalents in fiscal year 2023, was largely due to a stabilization of normal recurring income, which is a large decrease from HEERF income received in fiscal years 2020-2022.

Non-capital financing activities, as defined by GASB, include state appropriations. These appropriations fund the operating activities of the University. Investing activities include interest and dividends received from portfolio investments, as well as interest earned on university funds held in various short-term money management vehicles.

Capital Assets

Capital assets consist of land, land improvements, buildings and building improvements, leased assets, equipment, library materials, and construction in progress. As of June 30, 2025, net capital assets decreased by \$14.7 million to \$220 million, net of current depreciation of \$18.8 million. As of June 30, 2024, net capital assets decreased by \$14.7 million to \$236 million, net of current depreciation of \$18.4 million. At fiscal year ended June 30, 2023, net capital assets increased by \$2.1 million to \$250 million, net of current depreciation of \$17.8 million. During fiscal year 2025 there were \$3.2 million additions to capital assets, \$5.7 million in 2024 and \$13.6 million in 2023. Major capital initiatives either continuing or undertaken during 2025 include:

Recreation Center Roof	\$1.7 million (to date)
Conlon Windows and renovations	\$2.0 million (to date)
McKay renovations	\$854,000 (to date)
MLSC Cap Grant: Bio Lab	\$658,398 (to date)

Additional information on Fitchburg State University's capital assets can be found in footnote 5 to the accompanying financial statements.

Physical Asset Renewal Ratio: The extent to which capital renewal is occurring as compared to physical usage (depreciation) can be measured by the physical asset renewal ratio. A ratio above 1:1 indicates increasing investment in plant facilities. The University's physical asset renewal ratio for fiscal years ended June 30, 2025, 2024 and 2023 was 0.12, .06 and 1.21, respectively.

FITCHBURG STATE UNIVERSITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Long-Term Debt

The University has long-term debt obligations issued for various capital projects. The debt was issued through several financing agreements with the Massachusetts Development Finance Agency (MDFA) (formerly the Massachusetts Health and Educational Facilities Authority (MHEFA)), the Massachusetts State College Building Authority ("MSCBA"). MDFA 1997 debt used for the recreation center project was paid off in 2024. The interest rate on the majority of MSCBA debt is based on fixed coupon rates ranging from 3.00% to 6.54% over the term of the debt as set by MSCBA.

MSCBA issued the Series 2024A Bonds on February 1, 2024 in part to refund outstanding Series 2014A, 2014B and 2014C bonds, which had a call date of 5/01/2024. As a result of this refinancing, Fitchburg State University will save \$2.3 million and will release \$750,296 in deferred service revenue funds. In the prior fiscal year 2022 refunding, aggregate debt service assessment was reduced by \$52.8 million (approximately 50%), and the fiscal year 2023 aggregate debt service assessment was reduced by \$28.2 million (approximately 25%). In addition to the debt service assessment, operating and reserve assessments to the Universities were also reduced or deferred to more closely align expenses with the lower revenue. MSCBA released \$15.8 million from the debt service reserve to fund a portion of the fall 2021 interest payment, and \$400,000 to fund a portion of the spring 2022 interest payment, which further reduced the amount that needed to be assessed to the Universities. In the fall of 2021, MSCBA did not assess early principal at all.

The current MSCBA debt is being repaid by the University primarily through dedicated student fees (DSF). The following table summarizes the various debt vehicles, interest rates, debt service and debt outstanding at June 30, 2025 and is inclusive of any bond premiums or discounts.

Issuing Agency	Construction Project	Fiscal Year Originally Issued	Original Amount	Funding Source	Effective Interest Rate	Debt Service Payments	Debt Outstanding	Maturity
MSCBA	Holmes Dining Hall Renovations	2005	\$1,090,000	DSF	5.93%	\$28,421	\$278,604	2034
MSCBA	Elliot Athletic Field Improvements	2005	\$4,020,000	DSF	5.93%	\$104,345	\$947,564	2034
MSCBA	Holmes Dining Hall Renovations	2006	\$2,060,000	DSF	2.87%	\$54,779	\$518,867	2031
MSCBA	Hammond Campus Center Renovations	2011	\$11,078,908	DSF	3.98%	\$938,735	\$6,432,843	2030
MSCBA	Hammond Campus Center Renovations	2012	\$7,043,416	DSF	2.00%	\$1,439,047	\$2,461,451	2035
MSCBA	Hammond Campus Center Renovations	2013	\$11,300,906	DSF	0.97%	31,314	\$4,905,632	2034
MSCBA	Parking Expansion	2013	\$2,563,127	DSF	0.97%	\$120,620	\$1,305,926	2034
MSCBA	Hammond Campus Center Renovations	2014	\$12,235,614	DSF	1.74%	\$22,638	\$6,723,874	2038
MSCBA	Hammond Campus Center Renovations	2015	\$10,669,502	DSF & Operating Funds	-3.35%	\$324,305	\$5,091,619	2035
MSCBA	Landry Area Refurbishment	2017	\$4,166,418	DSF & Operating Funds	3.21%	\$195,119	\$3,268,324	2037
DCAMM	CEIP Funds	2017	\$5,420,360	DCAMM	3.15%	\$233,852	\$4,115,536	2039
MSCBA	Holmes Dining Hall Renovations	2019	\$1,516,022	DSF	3.68%	\$68,771	\$1,455,927	2039
MSCBA	Recreation Center	2019	\$1,107,123	DSF & Operating Funds	3.68%	\$46,662	\$1,131,857	2039
Total			\$74,271,396			\$4,108,608	\$38,638,024	

FITCHBURG STATE UNIVERSITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Long-Term Debt (Continued)

For the fiscal years ended June 30, 2025, 2024 and 2023, the total debt (current and long-term) attributable to interagency payments, bond premiums amounted to \$38.6 million, \$42.7 million and \$47.4 million, respectively.

For the fiscal years ended June 30, 2025, 2024 and 2023, the total debt (current and long-term) attributable to lease and SBITA liability amounted to \$54.5 million, \$57.1 million and \$62.7 million, respectively. Additional information on Fitchburg State University's long-term debt activity can be found in Notes 12 and 13 to the accompanying financial statements.

Viability Ratio: The availability of expendable net assets to cover debt (the viability ratio) is a basic determinant of financial health. Expendable net assets are those assets not required to be retained in perpetuity, i.e., those assets available for use for operations. A ratio of 1:1 or greater would indicate, as of the balance sheet date, an institution has sufficient expendable net assets to satisfy debt obligations. However public institutions can operate effectively on a reduced ratio because of the benefit of state support which is not captured in the institution's expendable net assets. The University's viability ratio, which has remained relatively consistent over time, is 1.12 for June 30, 2025, 0.97 for 2024 and 0.88 for 2023.

Debt Burden: The debt burden ratio measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures. In order to effectively manage resources, including debt, industry standards set the upper threshold for institutional debt burden at 7.0%. As of June 30, 2025, 2024 and 2023, the University's debt burden was 3.9%, 3.9% and 4.7%, respectively.

Looking Forward

In her second annual State of the University address in September, President Hodge announced that Fitchburg State “is moving from the Year of Service to the Year of Momentum.” The institution is strategically stabilizing its finances, trending toward a real break-even year in FY25 by aligning spending with its mission and using cash reserves transparently. This approach marks a shift from a scarcity mindset to a reality-rooted budget, establishing a clear understanding of the financial landscape. Key steps include the strategic restructuring of services, such as replacing the traditional bookstore with an e-campus retail model to improve student costs and modernize campus spaces. Furthermore, the university is building long-term organizational stability by adding critical talent, most notably welcoming a new Chief Financial Officer in December to provide essential clarity, rigor, and strategic financial guidance toward a multi-year model expected to launch in FY27.

Building on this stable foundation, the university is driving significant institutional transformation centered on student success and community engagement. This momentum is evident in securing over \$4.5 million in grants, expanding the Innovation Co-op Pilot, and launching a new admissions center within Fitchburg High School. Crucially, the university is making direct investments in its students, distributing over \$775,000 in Student Success funds to more than 1,200 undergraduates to address financial barriers and ensure persistence. Academically, the institution is exploring sub-120 credit degrees and continuing to support dual enrollment opportunities to remain relevant and solidify its identity as a leader committed to meeting real human needs. Finally, it is fostering a culture of collaboration, evident in the new Alpha Alpha Alpha First-Generation Honor Society chapter and the revitalization efforts both on campus and in the city of Fitchburg.

The University has again been listed in the U.S. News & World report's 2026 Best Colleges rankings. In the 2026 edition of Best Colleges, Fitchburg State University is ranked No. #72 in Regional Universities North. It's also ranked No. #24 in Top Public Schools.

FITCHBURG STATE UNIVERSITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Looking Forward (Continued)

A number of the projects undertaken in fiscal year 2026 are being done in collaboration with funding from the Commonwealth of Massachusetts Division of Capital Asset Management and Maintenance ("DCAMM").

Renovations have been completed in the following areas:

- McKay Door Replacement
- McKay HVAC repair
- Holmes dining common roof replacement.
- Herlihy 1st floor Renovations
- Sanders Basement Renovations
- Anthony/Quad Steam Line Repair
- MLSC Cap Grant; Bio Lab
- Power Plant tank repairs
- Edgerly Electrical Engineer Service

Underway:

- Weston Auditorium roof replacement
- Conlon IA/Kent recital
- Conlon Window Replacement
- Conlon 3rd FL Bathroom Renovations
- Recreation Center Flooring
- Herlihy 2ⁿ & 3rd FL Renovations
- Conlon IA/FA DCAMM study
- Rec Center Roof

Requests for Information

This financial report is designed to provide a general overview of the finances of Fitchburg State University for anyone interested in this information. Questions concerning any of the data provided in this report or requests for additional financial information should be addressed to Dr. Donna Hodge, President, Fitchburg State University, and 160 Pearl Street, Fitchburg, Massachusetts, 01420.

Complete financial statements for Fitchburg State University Foundation, Inc., the University's Component Unit, can be obtained from the office of the Vice President for Finance and Administration, Fitchburg State University, 160 Pearl Street, Fitchburg, Massachusetts, 01420.

FINANCIAL STATEMENTS

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

STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

		Component Unit Fitchburg State University Foundation, Inc. 2025		Component Unit Fitchburg State University Foundation, Inc. 2024
	2025	2025	2024	2024
ASSETS				
Current assets:				
Cash and equivalents	\$ 21,106,429	\$ 6,530,913	\$ 19,061,511	\$ 4,712,265
Restricted cash and cash equivalents	14,379,609	-	9,895,378	-
Investments	-	12,940,014	-	11,686,044
Accounts receivable, net	2,945,853	79,389	3,022,842	75,103
Contributions receivable, net	-	141,850	-	603,100
Due from affiliate	52,483	-	-	74,408
Other current assets	197,663	2,654	297,753	12,020
Total current assets	38,682,037	19,694,820	32,277,484	17,162,940
Non-current assets:				
Restricted cash and cash equivalents	6,024,474	-	7,883,014	-
Investments	22,203,221	-	20,743,300	-
Endowment investments	1,214,874	19,675,590	1,119,173	18,357,000
Contributions receivable, net	-	128,387	-	86,232
Loans receivable, net of current portion	55,066	-	72,074	-
Capital assets, net	177,807,534	6,672,819	188,769,680	6,889,055
Right-to-use asset - property, net	40,702,391	-	44,966,265	-
Right-to-use asset - SBITA, net	2,383,000	-	1,856,977	-
Other non-current assets	84,887	65,473	12,848	67,458
Total non-current assets	250,475,447	26,542,269	265,423,331	25,399,745
Total assets	289,157,484	46,237,089	297,700,815	42,562,685
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow for OPEB	546,718	-	957,030	-
Deferred outflow for pensions	1,216,238	-	2,376,408	-
Total deferred outflows of resources	1,762,956	-	3,333,438	-

See accompanying independent auditor's report and notes to financial statements.

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

STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024
(Continued)

		Component Unit Fitchburg State University Foundation, Inc.		Component Unit Fitchburg State University Foundation, Inc.
	2025	2025	2024	2024
LIABILITIES				
Current liabilities:				
Interagency payables, current portion	\$ 3,732,422	\$ -	\$ 4,098,577	\$ -
Long-term debt, current portion	-	239,793	-	229,086
Lease obligations - property, current portion	3,309,293	-	3,157,349	-
Lease obligations - SBITA, current portion	875,572	-	1,014,100	-
Accounts payable and accrued liabilities	5,406,439	71,396	4,238,320	97,198
Accounts payable - construction	1,658,320	100,780	516,440	120,430
Accrued workers' compensation, current portion	196,007	-	190,305	-
Compensated absences, current portion	3,912,427	-	3,900,919	-
Faculty payroll accrual	4,423,830	-	4,701,202	-
Revenue received in advance	9,642,305	192,568	5,621,711	80,000
Deposits	186,900	-	191,850	-
Due to affiliate	-	52,483	-	-
Other current liabilities	16,149	39,482	97,981	61,080
Total current liabilities	33,359,664	696,502	27,728,754	587,794
Non-current liabilities:				
Interagency payables, net of current portion	34,905,602	-	38,648,054	-
Lease obligations - property, net of current portion	48,808,082	-	52,117,374	-
Lease obligations - SBITA, net of current portion	1,514,176	-	800,910	-
Accrued workers' compensation, net of current portion	943,836	-	965,177	-
Compensated absences, net of current portion	2,419,400	-	2,473,132	-
Long-term debt, net of current portion	-	3,360,163	-	3,599,008
Loan payable - federal financial assistance program	-	-	-	-
Net OPEB liability	6,981,634	-	7,346,167	-
Net pension liability	6,194,205	-	6,907,003	-
Total non-current liabilities	101,766,935	3,360,163	109,257,817	3,599,008
Total liabilities	135,126,599	4,056,665	136,986,571	4,186,802
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow for OPEB	8,493,153	-	12,230,376	-
Deferred inflow for pensions	3,479,287	-	5,282,711	-
Deferred inflow for debt refunding	2,336,960	-	2,615,734	-
Total deferred inflows of resources	14,309,400	-	20,128,821	-

See accompanying independent auditor's report and notes to financial statements.

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

STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024
(Continued)

	2025	Component Unit Fitchburg State University Foundation, Inc. 2025	2024	Component Unit Fitchburg State University Foundation, Inc. 2024
NET POSITION				
Net investment in capital assets	\$ 124,974,803	\$ 3,072,863	\$ 134,256,652	\$ 3,060,961
Restricted for				
Non-expendable				
Scholarships and fellowships	589,366	11,651,617	562,458	10,404,440
Cultural programs	-	5,884,741	-	5,872,408
Centennial endowments	-	1,592,974	-	1,592,974
Other	-	546,258	-	487,178
Expendable				
Scholarships and fellowships	542,416	8,742,950	437,359	7,468,120
Cultural programs	-	5,571,624	-	4,903,696
Loans	104,973	-	117,356	-
Capital projects	241,678	-	2,146,397	-
Debt service	9,549,122	-	9,843,789	-
Other	193,043	2,180,537	222,468	2,025,049
Unrestricted (deficit)	<u>5,289,040</u>	<u>2,936,860</u>	<u>(3,667,618)</u>	<u>2,561,057</u>
Total net position	<u>\$ 141,484,441</u>	<u>\$ 42,180,424</u>	<u>\$ 143,918,861</u>	<u>\$ 38,375,883</u>

See accompanying independent auditor's report and notes to financial statements.

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	Component Unit Fitchburg State University Foundation, Inc. 2025	2024	Component Unit Fitchburg State University Foundation, Inc. 2024
REVENUES				
Operating revenues:				
Student tuition and fees	\$ 40,291,968	\$ -	\$ 41,277,093	\$ -
Student fees restricted for repayment of interagency payables	4,328,762	-	4,496,734	-
Less: Scholarship allowance	(7,777,548)	-	(5,722,395)	-
Net student tuition and fees	36,843,182	-	40,051,432	-
Federal grants and contracts	8,937,645	-	7,180,003	-
State and local grants and contracts	2,033,486	702,987	2,418,086	991,555
Non-governmental grants and contracts	754,329	-	1,959,401	-
Sales and services of educational departments	1,623,885	614,127	1,464,775	761,117
Gifts and contributions		1,302,858	-	1,355,404
Auxiliary enterprises				
Residential life	9,152,828	-	8,449,871	-
Dining hall	3,630,584	-	3,433,044	-
Alcohol awareness and other programs	19,400	-	19,850	-
Other operating revenues	806,775	-	780,591	-
Total operating revenues	63,802,114	2,619,972	65,757,053	3,108,076
EXPENSES				
Operating expenses:				
Educational and general				
Instruction	37,633,587	43,679	38,895,280	24,744
Research	83,936	84,911	157,702	-
Public service	1,086,006	79,621	1,381,130	101,750
Academic support	13,702,671	169,036	12,519,818	340,534
Student services	18,613,297	137,504	18,094,202	160,184
Institutional support	10,614,736	936,980	9,498,471	774,623
Operation and maintenance of plant	9,715,197	265,980	9,087,820	343,184
Depreciation	13,637,508	216,237	12,655,815	205,145
Amortization	5,169,882	-	5,787,855	-
Scholarship and awards	3,523,489	692,131	3,453,449	576,219
Auxiliary enterprises				
Residential life	10,886,299	-	9,869,278	-
Dining hall	3,555,208	-	3,338,912	-
Alcohol awareness and other programs	27,049	-	37,553	-
Total operating expenses	128,248,865	2,626,079	124,777,285	2,526,383
Operating income (loss)	(64,446,751)	(6,107)	(59,020,232)	581,693

See accompanying independent auditor's report and notes to financial statements.

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2025 AND 2024
(Continued)

	2025	Component Unit Fitchburg State University Foundation, Inc. 2025	2024	Component Unit Fitchburg State University Foundation, Inc. 2024
NON-OPERATING REVENUES (EXPENSES)				
State appropriations	\$ 62,480,324	\$ -	\$ 58,875,784	\$ -
Investment income, net of investment expense	2,459,638	556,492	2,257,520	653,190
Investment income on restricted assets, net of investment expense	847,317	2,696,059	843,127	3,075,110
Interest expense on interagency payables and capital asset related debt	<u>(3,906,607)</u>	<u>(170,752)</u>	<u>(3,481,170)</u>	<u>(199,818)</u>
Net non-operating revenues (expenses)	<u>61,880,672</u>	<u>3,081,799</u>	<u>58,495,261</u>	<u>3,528,482</u>
Income (loss) before capital and endowment additions	(2,566,079)	3,075,692	(524,971)	4,110,175
State capital appropriations	131,659	-	515,814	-
Capital grants	-	-	252,918	-
Private gifts for endowment purposes	<u>-</u>	<u>728,849</u>	<u>-</u>	<u>1,273,975</u>
Change in net position	(2,434,420)	3,804,541	243,761	5,384,150
NET POSITION				
Beginning of year	<u>143,918,861</u>	<u>38,375,883</u>	<u>143,675,100</u>	<u>32,991,733</u>
End of year	<u>\$ 141,484,441</u>	<u>\$ 42,180,424</u>	<u>\$ 143,918,861</u>	<u>\$ 38,375,883</u>

See accompanying independent auditor's report and notes to financial statements.

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

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Tuition and fees	\$ 36,654,071	\$ 39,775,787
Research grants and contracts	15,374,039	13,921,278
Payments to suppliers	(25,068,328)	(24,938,970)
Payments to utilities	(6,983,531)	(6,022,984)
Payments to employees	(56,549,264)	(54,156,872)
Payments for benefits	(2,561,421)	(3,350,495)
Payments for scholarships	(3,561,986)	(3,495,172)
Loans issued to students	(2,522)	(1,900)
Collection of loans to students	19,430	29,801
Auxiliary enterprise receipts		
Residential life	9,174,611	8,374,137
Dining hall	3,629,883	3,433,044
Alcohol awareness program	19,400	19,850
Receipts from sales and services of educational departments	1,869,679	1,437,579
Other receipts	745,529	887,012
Net cash used in operating activities	<u>(27,240,410)</u>	<u>(24,087,905)</u>
Cash flows from noncapital financing activities:		
State appropriations	44,333,068	41,993,969
Tuition remitted to state	(434,956)	(799,075)
Net cash provided by noncapital financing activities	<u>43,898,112</u>	<u>41,194,894</u>
Cash flows from capital and related financing activities:		
State capital appropriations	131,659	515,814
Loan programs net funds receivable	2,916	2,799
Capital grants and gifts activity (DCAM and other)	-	(703)
Federal loan funds received	15,299	138,392
Payments for capital assets	(1,533,482)	(6,339,473)
Principal paid on capital debt and leases	(8,402,023)	(8,000,414)
Interest paid on capital debt	(3,906,607)	(3,481,170)
Net cash used in capital and related financing activities	<u>(13,692,238)</u>	<u>(17,164,755)</u>
Cash flows from investing activities:		
Purchases of investments	(4,373,131)	(6,114,202)
Proceeds from sale of investments	4,477,680	5,324,586
Earnings on investments	1,600,596	1,445,401
Net cash provided by investing activities	<u>1,705,145</u>	<u>655,785</u>
Net change in cash, cash equivalents, and restricted cash	4,670,609	598,019
Cash, cash equivalents and restricted cash, beginning of year	36,839,903	36,241,884
Cash, cash equivalents and restricted cash, end of year	<u><u>\$ 41,510,512</u></u>	<u><u>\$ 36,839,903</u></u>

See accompanying independent auditor's report and notes to financial statements.

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

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024
(Continued)

	2025	2024
Reconciliation of operating loss to net cash		
used in operating activities:		
Operating loss	\$ (64,446,751)	\$ (59,020,232)
Adjustments to reconcile operating loss to net cash		
used in operating activities:		
Bad debt expense (recovery)	368,523	(37,058)
Depreciation and amortization	18,807,390	18,443,670
Right-of-use asset revenue applied to bonds	(67)	(94)
Fringe benefits paid by the Commonwealth of Massachusetts	18,582,212	17,700,364
Change in net pension liability	(1,356,052)	(3,349,451)
Change in net OPEB liability	(3,691,444)	(1,355,044)
Changes in assets and liabilities		
Receivables	(291,534)	157,299
Other current and noncurrent assets	28,051	21,804
Accounts payable and accrued liabilities	1,143,677	(161,727)
Accrued workers' compensation	(15,639)	34,959
Compensated absences	(42,224)	568,941
Accrued faculty payroll	(277,372)	463,055
Revenue received in advance	4,020,594	2,348,843
Other current liabilities	(81,832)	72,465
Deposits	(4,950)	(3,600)
Loans to students	17,008	27,901
Net cash used in operating activities	<u>\$ (27,240,410)</u>	<u>\$ (24,087,905)</u>

See accompanying independent auditor's report and notes to financial statements.

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

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024
(Continued)

	2025	2024
Schedule of noncash and financing activities:		
Acquisition of capital assets	\$ 2,675,362	\$ 5,698,720
Accounts payable thereon		
Beginning of year	516,440	1,157,193
End of year	<u>(1,658,320)</u>	<u>(516,440)</u>
Payments for capital assets	<u>\$ 1,533,482</u>	<u>\$ 6,339,473</u>
Unrealized gain on investments	<u>\$ 1,400,900</u>	<u>\$ 1,068,970</u>
Fringe benefits paid by the Commonwealth of Massachusetts	<u>\$ 18,582,212</u>	<u>\$ 17,680,890</u>
Capital grants - amortization of deferred inflows of resources - service concession arrangement	<u>\$ -</u>	<u>\$ 252,918</u>
Reconciliation of cash, cash equivalents and restricted cash balances:		
Current assets		
Cash and cash equivalents	\$ 21,106,429	\$ 19,061,511
Restricted cash and cash equivalents	14,379,609	9,895,378
Noncurrent assets		
Restricted cash and cash equivalents	<u>6,024,474</u>	<u>7,883,014</u>
	<u>\$ 41,510,512</u>	<u>\$ 36,839,903</u>

See accompanying independent auditor's report and notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Fitchburg State University (the "University") is a public, State-supported comprehensive four-year University which offers a quality education leading to baccalaureate and master's degrees in many disciplines. With its campus located in Fitchburg, Massachusetts, the University provides instruction in a variety of liberal arts, allied health, and business fields of study. The University also offers, through the Division of Graduate and Continuing Education, credit and non-credit courses. The University is accredited by the New England Commission of Higher Education ("NECHE") (formerly known as the New England Association of Schools and Colleges ("NEASC")).

The University is an agency of the Commonwealth of Massachusetts (the "State" or the "Commonwealth"). The accompanying financial statements reflect only the transactions of the University and its discretely presented component unit. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed if the University had been operated independently of the State.

Fitchburg State University Foundation, Inc. (the "Foundation") is a component unit of Fitchburg State University. The Foundation is a legally separate, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. It was organized on June 6, 1978, exclusively for the benefit of Fitchburg State University, to establish scholarships and make awards to educationally talented and needy students; to establish a Distinguished Professor award within the faculty of the University; to subsidize inter-collegiate athletic programs; to subsidize budgets of departments of the University as needed for particular purposes; to encourage public use and support of functions and activities which further the mission of the University; and to encourage other activities necessary for, or incidental to, any or all of the foregoing. The following programs are supported under the auspices of the Foundation: Center Stage, Alumni Association, Women in Today's Society, Amelia V. Gallucci - Cirio endowment and the University's Booster Clubs. The Board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

FSU Foundation Supporting Organization, Inc. (the "Foundation Supporting Organization") was organized on October 29, 1999 for the exclusive benefit of the Foundation and all of its educational and charitable activities. The Foundation Supporting Organization is a legally separate, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation Supporting Organization's sole program activity, as of June 30, 2025, has been to acquire, hold, operate and lease real estate and related improvements for the benefit of the Foundation and the University. The financial information of the Foundation Supporting Organization is consolidated into the financial statements of the Foundation. The Foundation and Foundation Supporting Organization are collectively referred to hereinafter as the FSU Foundation.

During fiscal 2025, the Foundation distributed scholarships and awards in the amount of \$692,131 directly to students and faculty of the University, and incurred an additional \$1,862,816 in support of its mission in other ways. Complete financial statements for FSU Foundation can be obtained from the Office of the Vice President for Finance and Administration, Fitchburg State University, 160 Pearl Street, Fitchburg, MA 01420.

During fiscal 2024, the Foundation distributed scholarships and awards in the amount of \$576,219 directly to students and faculty of the University and incurred an additional \$1,914,689 in support of its mission in other ways.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation

The University's financial statements have been prepared using the "economic resources measurement focus" and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board ("GASB"). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

FSU Foundation, as a nonprofit organization, reports under Financial Accounting Standards Board ("FASB") guidance on financial reporting for Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Other than the reclassification of certain items, no modifications have been made to FSU Foundation's consolidated financial information in the University's financial reporting entity for these differences.

The University's policy for defining operating activities in the statements of revenues, expenses and changes in net position are those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities in accordance with GASB Statement No. 35. These nonoperating activities include the University's operating and capital appropriations from the Commonwealth, net investment income, gifts, and interest expense.

When both restricted and unrestricted resources are available for use, it is the University's policy to use the restricted resources first, then unrestricted resources as they are needed.

Net position

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

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position.

Restricted

Nonexpendable - Component of net position whose net assets are subject to externally-imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds.

Expendable - Component of net position whose use of net assets by the University is subject to externally-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

Unrestricted - All other categories of net position. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees.

In accordance with the requirements of the Commonwealth, the University's operations are accounted for in several trust funds. All of these trust funds have been consolidated and are included in these financial statements.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Cash and cash equivalents and investments

The University's cash and cash equivalents are considered to be cash on hand, cash and cash equivalents held by the Commonwealth's Treasurer and Receiver-General, Massachusetts Development Finance Agency ("MDFA") and Massachusetts State College Building Authority ("MSCBA"), and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the University are reported at fair value. Any investments held with the Commonwealth's Treasurer and Receiver-General in the Massachusetts Municipal Depository Trust ("MMDT") are also at fair value. This external investment pool, run by the Treasurer and Receiver-General, operates in accordance with appropriate laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Investments include marketable debt and equity securities which are carried at their readily determinable fair values. Realized and unrealized gains and losses are included in nonoperating revenues. Gains and losses on the disposition of investments are determined based on specific identification of securities sold or the average cost method. Investment income is recognized when earned and is generally credited to the trust fund holding the related assets.

Dividends, interest and net gains or losses on investments are reported in the statements of revenues, expenses and changes in net position. Any net earnings not expended are included in net position categories as follows:

- i. as increases in restricted - nonexpendable net position if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- ii. as increases in restricted - expendable net position if the terms of the gift or the University's interpretation of relevant state law impose restrictions on the current use of the income or net gains. The University has relied upon the Attorney General's interpretation of state law that unappropriated endowment gains should be classified as restricted - expendable; and
- iii. as increases in unrestricted net position in all other cases.

At June 30, 2025 and 2024, the University had \$542,416 and \$437,359, respectively, in endowment income available for authorization for expenditure, which is included in restricted - expendable net position for scholarships and fellowships.

Massachusetts General Law, Chapter 15 grants authority to the University Board of Trustees to administer the general business of the University. Inherent in this authority is the authority to invest funds of the University. Chapter 15 further grants the Trustees the authority to delegate, to the President, any said powers or responsibilities. The Board of Trustees of Fitchburg State University has delegated the authority to make specific investment decisions to the President of the University and the Finance Committee of the Board of Trustees. The University's endowment investments consist of debt, marketable equity securities, mutual funds, and other investments which are carried at their fair values. The primary cash equivalent funds are within the MMDT, the external investment pool for political subdivisions of the Commonwealth.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents and investments (continued)

The University's authorized spending rule provides that all earnings on endowment investments may be expended pursuant to the stipulations placed on these endowments. If a donor has not provided specific instructions, Massachusetts General Law permits the University's Board of Trustees to authorize for expense the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

The Foundation's investments consist of debt, marketable equity securities, mutual funds and other investments which are carried at their fair values. Unrealized gains and losses are included in revenue. Restricted investment income and gains are reported as increases in unrestricted net position, unless a donor or law temporarily (expendable) or permanently (non-expendable) restricts their use. Gains and losses on the disposition of investments are principally determined based on the first-in, first-out method or specific identification of securities sold. Investment income is recognized when earned. Dividends are recorded on the ex-dividend date.

The Foundation maintains cash and equivalents and an investment pool that is available for use by all funds. Each fund's portion is reflected in the financial statements under cash and equivalents and investments. Earnings on cash and investments of the unrestricted net position and temporarily restricted (expendable) net position are reflected in the fund in which the assets are recorded.

The Foundation's endowments consist of approximately 120 individual funds at June 30, 2025 and 2024, that are restricted by donors to function as endowments primarily for the granting of scholarships and to fund other academic and cultural programs. During 2018, the Board of Directors voted to earmark a board-designated fund entitled "The Fund for Fitchburg State" to function as an endowment fund. The fund will be invested and generate earnings which will be used to fill the gap for students with financial need. During fiscal 2018, \$25,000 of net assets without donor restrictions were board-designated to function as an endowment. The Board approved an additional \$58,993 during fiscal 2024, bringing the total fund up to \$83,993. In accordance with accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The funds will remain in net assets with donor restriction until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate restricted endowment funds: (i) the duration and preservation of the fund, (ii) the purposes of the Foundation and the donor-restricted endowment fund, (iii) general economic conditions, (iv) the possible effect of inflation and deflation, (v) the expected total return from income and the appreciation of investments, (vi) other resources of the Organization, and (vii) the investment policies of the Foundation.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents and investments (continued)

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Foundation's Board of Directors, the endowment assets are invested in a variety of investments that aim to preserve principal, generate income and provide the opportunity for conservative growth.

The Foundation's performance goals are to provide an average annual total rate of return, net of fees that equals or exceeds its spending rate plus inflation ("CPI") over a rolling five-year period. Additionally, the endowment assets are invested in a manner that is intended to produce results that equal or exceed the average return of appropriate capital market indices weighted by the Foundation's asset allocation target percentages over a rolling five-year period. The Foundation's performance goals are also intended to produce results that equal or exceed the average return of a universe of similarly managed funds. The Foundation's performance goals are based upon a long-term investment horizon. Accordingly, actual returns in any given year may vary from these amounts.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a spending policy of appropriating for distribution each year a percentage of its endowment fund's average fair value over the preceding three years. The amount to be appropriated for distribution shall not exceed 5%. In establishing this policy, the Foundation considered the long-term expected return on its endowment fund assets. Accordingly, over the long-term, the Foundation expects the current spending policy to be consistent with the Foundation's objective of seeking to maintain the purchasing power of the endowment fund assets held in perpetuity or for a specified term as well as to provide additional real growth through investment return.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Massachusetts General Laws requires the Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2024, and 2023, there were no deficiencies of this nature.

The University's and the Foundation's investment income are presented net of investment expense in the statements of revenues, expenses and changes in net position. The University's investment expense amounted to \$113,067 and \$103,080 for the years ended June 30, 2025 and 2024, respectively. The Foundation's investment expense amounted to \$196,078 and \$172,203 for the years ended June 30, 2025 and 2024, respectively.

Accounts receivable

Accounts receivable are stated at the amount the University expects to collect from outstanding balances. The University provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the University has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable (continued)

Accounts receivable also include a receivable from the operator of the University's food services operation in connection with a service concession arrangement between the University and the operator. The receivable has been recorded at the net present value of the installments to be received from the operator using a discount rate determined by management of the University.

Loans receivable and payable

Loans receivable included of the Federal Perkins Loan Program ("Perkins"). The federal government provided the majority of the funds to support these programs. Loan payments received from students made under the Perkins programs could be re-loaned after collection. The portion of the Perkins Loan Program funds provided by the federal government was refundable to the federal government upon the ending (liquidation) of the University's participation in the program. The final refunds of such funds were remitted to the federal government during the year ended June 30, 2024. As a result, there were no amounts due to the federal government related to this liquidation by the University at June 30, 2025 and 2024.

Capital assets

Capital assets are controlled but not owned by the University. The University is not able to sell or otherwise pledge its assets, since the assets are all owned by the Commonwealth. Capital assets, which include land, land improvements, buildings, building improvements, equipment and other assets are reported in the statements of net position at cost or acquisition value, if donated. Capital assets are defined by the University as assets with an initial, individual cost of more than \$50,000 in accordance with the Commonwealth's capitalization policy. The University does not hold collections of historical treasures, works of art, or other items not requiring capitalization or depreciation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets, with the exception of land, are depreciated using the straight-line method over estimated useful lives of 40 years for buildings, 20 years for building and land improvements, 5 years for furniture and 3 to 10 years for equipment.

Library materials acquired for the most recent 5-year period are capitalized. The cost of library materials purchased in the current year is added and the cost of purchases made in the earliest year of the 5-year period is deducted from the net position balance.

The land on which the residence halls stand is leased by the MSCBA from the Commonwealth at a yearly cost of one dollar. The leases are long-term leases which can be extended at the end of their terms for additional 10-year periods.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets (continued)

The University, in accordance with a management and services agreement between the MSCBA and Commonwealth, is charged a semi-annual revenue assessment which is based on a certified occupancy report, the current rent schedule, and the design capacity for each of the residence halls. This revenue assessment is used by MSCBA to pay principal and interest due on its long-term debt obligations. These obligations may include the costs of periodic renovations and improvements to the residence halls. The revenue assessment amounts for the years ended June 30, 2025 and 2024 were \$11,375,327 and \$9,633,290, respectively, and are included in the Residential life auxiliary enterprises in the accompanying statements of revenues, expenses and changes in net position. All facilities and obligations of the MSCBA are included in the financial statements of the MSCBA.

The Foundation's capital assets are recorded at cost, if purchased or constructed and, if donated, at fair value at the date of donation. Capital assets, with the exception of land, are depreciated using the straight-line method over the estimated useful lives of the assets of 40 years for buildings, 20 years for building and land improvements, 7 and 10 years for furniture and fixtures, 5 years for equipment and 3 years for computer software and equipment. The Foundation generally capitalizes all additions and improvements with an individual cost or, if donated, fair value in excess of \$50,000.

Contributions and bequests

The Foundation recognizes contributions when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give are reported at net realizable value if at the time the promise is made, collection is expected to be received in one year or less. Unconditional promises to give that are expected to be collected in more than one year are reported at fair value using present value techniques and a discount rate determined by management of the Organization. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are recognized only when the conditions on which they depend are substantially met. An allowance for uncollectible contributions receivable is provided based on management's judgement, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Contributions in the form of property and equipment and other assets are recorded at fair value on the date the donation is received.

Compensated absences

Employees earn the right to be compensated during absences for vacation leave and sick leave. Accrued vacation is the amount earned by all eligible employees through June 30th each year. Pursuant to statewide experience on sick pay buy-back agreements applicable to state employees, the University accrues sick leave to a level representing 20% of amounts earned by those University employees with ten or more years of State service at the end of the fiscal year. Upon retirement, these employees are entitled to receive payment for this accrued balance (see also Note 8).

Student fees

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

Revenue received in advance

Deposits and advance payments received for tuition and fees related to the University's summer programs and tuition billed for the following fiscal year are recorded as revenues received in advance. Funds received in advance from various grants and contracts are also included in revenues received in advance.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency funds

Agency funds consist of resources held by the University or Foundation as custodian or fiscal agent of student organizations, the State Treasurer and others. Transactions are recorded to asset and liability accounts. There were no material balances at June 30, 2025 and 2024.

Bond premiums

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

Interest expense

During 2025 and 2024, total interest costs incurred were accounted for as follows:

	2025	2024
Total interest costs incurred	\$ 1,598,309	\$ 1,485,213
Add: Right to use asset interest costs incurred	2,824,264	2,756,684
Less:		
Bond premium amortization	(206,336)	(465,007)
Loss on refunding	(309,630)	(295,720)
Interest expense	<u>\$ 3,906,607</u>	<u>\$ 3,481,170</u>

Pension plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employees' Retirement System ("MSERS") and additions to/deductions from MSERS's fiduciary net position have been determined on the same basis as they are reported by MSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

OPEB plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to post-employment benefits other than pensions, and OPEB expense, information about the fiduciary net position of the OPEB Trust Fund and additions to/deductions from OPEB Trust Fund's fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust Fund.

Fringe benefits

The University participates in the Commonwealth's fringe benefit programs, including health insurance, unemployment, pension and workers' compensation benefits. Workers' compensation coverage is provided by the Commonwealth on a self-insured basis. Health insurance and pension costs are billed through a fringe benefit rate charged to the University. Workers' compensation and unemployment insurance costs are assessed separately based on the University's actual experience.

Tax status

The University is a department of the Commonwealth and is, therefore, exempt from federal and state income taxes.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 presentation.

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents - unrestricted and restricted - include the following at June 30, 2025 and 2024:

	2025		
	Current unrestricted	Current restricted	Noncurrent restricted
Cash, Money Market, Massachusetts			
Municipal depository trust accounts	\$ 14,341,089	\$ 14,379,609	\$ (32,082)
Cash equivalents held by MSCBA*	-	-	973,260
Massachusetts State Treasurer**	6,764,599	-	5,083,296
Petty cash	741	-	-
	<u>\$ 21,106,429</u>	<u>\$ 14,379,609</u>	<u>\$ 6,024,474</u>
	2024		
	Current unrestricted	Current restricted	Noncurrent restricted
Cash, Money Market, Massachusetts			
Municipal depository trust accounts	\$ 14,089,603	\$ 9,767,213	\$ 4,767,788
Cash equivalents held by MSCBA**	-	128,165	3,115,226
Massachusetts State Treasurer***	4,971,167	-	-
Petty cash	741	-	-
	<u>\$ 19,061,511</u>	<u>\$ 9,895,378</u>	<u>\$ 7,883,014</u>

* This amount consists of cash and cash equivalents which are restricted by the Massachusetts State College Building Authority ("MSCBA") for the funding of certain construction projects at the University and payments to retire bonds (see Note 12). The University does not have access to these funds except by authorization of MSCBA. Interest earned on debt service reserve funds is used on a current basis to offset annual debt service payments.

** The University has recorded cash held for the benefit of the University by the State Treasurer in the amount of \$11,847,895 and \$4,971,167 at June 30, 2025 and 2024, respectively, for University funds.

Money market funds include the Dreyfus Government Cash Fund in the aggregate amount of \$225,082 and \$53,780 at June 30, 2025 and 2024, respectively. Dreyfus Government Cash Fund invests in U.S. Government securities and repurchase agreements.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

The fund seeks to maximum current income consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value. At June 30, 2025 and 2024, the fund's investment securities had a weighted average maturity of 47 days. The fund had an average credit quality rating of AAAM at both June 30, 2025 and 2024.

Money market funds include the Northern Institutional U.S. Government Portfolio in the aggregate amount of \$619,724 and \$276,759 at June 30, 2025 and 2024, respectively. The Northern Institutional U.S. Government Portfolio invests primarily in marketable securities issued or guaranteed as to principal and interest by the U.S. Government, or any of its agencies or instrumentalities, and repurchase agreements backed by such securities. The fund seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. At June 30, 2025 and 2024, the fund's investment securities had a weighted average maturity of 50 days and 31 days, respectively. The fund had an average credit quality rating of AAAM at both June 30, 2025 and 2024.

Money market funds also include the RWM Cash Management money market account with a balance of \$241,800 and \$58,871 at June 30, 2025 and 2024, respectively.

The Massachusetts Municipal Depository Trust ("MMDT") is not subject to FDIC insurance. According to the MMDT, the Massachusetts Municipal Depository Trust is an investment pool for political subdivisions in the Commonwealth which was designed as a legal means to safely invest temporarily available cash. Its primary purpose is to provide a safe, liquid, high-yield investment vehicle offering participation in a diversified portfolio of high-quality debt instruments. The MMDT is not a bank, savings institution, or financial institution. The MMDT is an instrumentality of the State Treasurer.

The University maintains a cash and investment pool that is available for use by all trust funds. Each fund type's portion of this pool is reflected in the financial statements under the caption, cash and cash equivalents and investments. The method of allocating interest earned on pooled cash and investments is to record all interest to the appropriate fund based on that fund's average monthly balance. Interest earnings attributable to each trust fund are included under investment income.

Custodial credit risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University's deposit policy provides for bank balances to be held in interest-bearing checking accounts and, where account activity and balances warrant it, in money market accounts. All bank balances are to be held at financial institutions of high credit quality. At June 30, 2025 and 2024, the University had uninsured cash balances totaling \$1,058,659 and \$778,369, respectively.

The University does not have a formal policy with respect to the custodial credit risk for investments. Custodial credit risk is that, in the event of the failure of the counterparty, the University will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds. Certain cash balances are covered by the National Credit Union Administration's Share Insurance Fund up to \$250,000.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Custodial credit risk (continued)

The following University investments at June 30, 2025 and 2024 are held by the counterparty's trust department or agent but not in the University's name and, therefore, are subject to custodial credit risk as follows:

	2025	2024
U.S. Treasury notes and government securities	\$ 2,115,126	\$ 1,870,541
Corporate debt securities	1,904,598	2,086,830
Equity securities	11,134,497	9,514,662
Mutual funds	8,263,873	8,390,440
Total	23,418,094	21,862,473
Less: insured amounts	22,359,435	21,084,104
Amount subject to custodial credit risk	<u>\$ 1,058,659</u>	<u>\$ 778,369</u>

Credit risk

The University is required to comply with the Commonwealth's deposit and investment policies which are principally defined in the Massachusetts General Laws, Chapter 29. State Statutes permit investment in obligations of the U.S. Treasury, authorized bonds of all states, bankers' acceptances, certificates of deposit, commercial paper rated within the three highest classifications established by Standard & Poor's Corporation and Moody's Commercial Paper Record and repurchase agreements secured by any of these obligations. The University has also adopted its own formal investment policy, the objectives of which are: safety of principal; liquidity for operating needs; return on investment; and diversification of risk. The University's investment policy generally limits the maturities of investments to not more than one year. However, the University may invest in securities with maturities in excess of one year if it is determined to be in the best interest of the University as described in the University's investment policy. The University may also appoint a professional fund manager and invest in equity and bond funds. Eligible investments shall be consistent with those permitted by State Statutes.

As of June 30, 2025, and 2024, the fair values of the University's deposits held at the MMDT were \$9,303,972 and \$12,732,273, respectively. At June 30, 2025, the approximate percentage of the University's deposits held at the MMDT and the respective investment maturities in days were as follows: 60% at 30 days or less; 20% at 31-90 days; 14% at 91- 180 days; and 7% at 181 days or more. At June 30, 2025, 100% of the MMDT's cash portfolio had a First-Tier credit quality rating.

The University's funds held at MDFA are invested in the Short-Term Asset Reserve ("STAR") Fund at June 30, 2025 and 2024. The STAR Fund invests primarily in U.S. Treasury bills, notes, and other obligations guaranteed by the U.S. government or its agencies or instrumentalities. Additionally, the fund invests in repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper, notes, and both corporate floating rate and corporate fixed-rate securities. The STAR Fund maintains a net asset value of \$1 per share and had a fund credit quality rating of AAAM as of both June 30, 2025 and 2024. At June 30, 2025 and 2024, the fund's investment securities maintained a weighted average maturity of 25 days.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Credit risk (continued)

At June 30, 2025, certain funds of the University totaling \$804,004 is invested as listed below:

Investment type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1 to 5	6 to 10	Greater than 10	
Federal Home Bank Interest bearing accounts	\$ 804,004	\$ 804,004	\$ -	\$ -	\$ -	AA+

At June 30, 2024, certain funds of the University are held at MSCBA. Of the total, \$2,073,975 is deposited in various cash accounts which are fully collateralized by securities in accounts in the name of MSCBA, and \$1,169,416 is invested in various funds as listed below:

Investment type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1 to 5	6 to 10	Greater than 10	
Federal Home Bank Interest bearing accounts	\$ 169,586	\$ 169,586	\$ -	\$ -	\$ -	N/A
Federal farm credit	458,809	-	458,809	-	-	AA+
Massachusetts ST bonds	541,021	-	-	541,021	-	AAA
Total	\$ 1,169,416	\$ 169,586	\$ 458,809	\$ 541,021	\$ -	

Investment composition

The University's investments in marketable securities are represented by the following at June 30, 2025 and 2024:

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
U.S. Treasury notes and government securities	\$ 2,160,008	\$ 2,115,126	\$ 1,988,959	\$ 1,870,541
Corporate debt securities	1,953,899	1,904,598	2,236,173	2,086,830
Equity securities	7,604,633	11,134,497	6,766,657	9,514,662
Mutual funds	8,227,463	8,263,874	8,772,584	8,390,440
	<u>\$ 19,946,003</u>	<u>\$ 23,418,095</u>	<u>\$ 19,764,373</u>	<u>\$ 21,862,473</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investment composition (continued)

The University's investments at fair value are presented in the accompanying statements of net position as follows:

	2025	2024
Investments	\$ 22,203,221	\$ 20,743,300
Endowment investments	1,214,874	1,119,173
	<u>\$ 23,418,095</u>	<u>\$ 21,862,473</u>

At June 30, 2025, the University's U.S. Treasury Notes and Government Securities and corporate debt securities along with their investment maturities and credit quality ratings are as follows:

Investment type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1 to 5	6 to 10	Greater than 10	
U.S. Treasury notes and government securities 1.125 % to 4.875%	\$ 2,115,125	\$ 172,250	\$ 1,247,502	\$ 695,373	\$ -	AA+
Corporate debt securities 2.950% to 5.000%	690,547	124,644	362,456	203,447	-	A
Corporate debt securities 1.734% to 5.250%	298,924	-	222,122	76,802	-	A-
Corporate debt securities 2.150% to 4.625%	284,046	-	218,606	65,440	-	A+
Corporate debt securities 2.800% to 3.000%	142,955	-	73,883	69,072	-	AA
Corporate debt securities 1.995% to 4.950%	223,995	74,423	149,572	-	-	AA-
Corporate debt securities 3.125% to 3.125%	49,782	49,782	-	-	-	AAA
Corporate debt securities 2.000% to 2.000%	64,416	-	-	64,416	-	BBB
Corporate debt securities 3.000% to 3.750%	149,934	-	149,934	-	-	BBB+
Total	<u>\$ 4,019,724</u>	<u>\$ 421,099</u>	<u>\$ 2,424,075</u>	<u>\$ 1,174,550</u>	<u>\$ -</u>	

At June 30, 2024, the University's U.S. Treasury Notes and Government Securities and corporate debt securities along with their investment maturities and credit quality ratings are as follows:

Investment type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1 to 5	6 to 10	Greater than 10	
U.S. Treasury notes and government securities 1.125 % to 4.875%	\$ 1,870,541	\$ 359,697	\$ 1,077,480	\$ 433,364	\$ -	AA+
Corporate debt securities 2.950% to 4.875%	375,458	-	301,399	74,059	-	AA+
Corporate debt securities 1.734% to 5.250%	653,963	-	517,648	136,315	-	A-
Corporate debt securities 2.150% to 4.625%	404,360	58,924	240,958	104,478	-	A+
Corporate debt securities 2.800% to 2.875%	125,563	59,759	-	65,804	-	AA+
Corporate debt securities 1.995% to 4.950%	216,869	-	141,845	75,024	-	AA-
Corporate debt securities 3.200% to 3.200%	49,146	49,146	-	-	-	AA+
Corporate debt securities 3.125% to 3.125%	48,763	-	48,763	-	-	AAA
Corporate debt securities 3.000% to 3.875%	212,708	73,779	-	138,929	-	BBB+
Total	<u>\$ 3,957,371</u>	<u>\$ 601,305</u>	<u>\$ 2,328,093</u>	<u>\$ 1,027,973</u>	<u>\$ -</u>	

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investment composition (continued)

The Foundation's cash and cash equivalents consist of the following at June 30, 2025 and 2024:

	2025	2024
Cash and other demand deposits	\$ 4,800,611	\$ 3,645,630
Monday Market fund	1,730,302	1,066,635
	<u>\$ 6,530,913</u>	<u>\$ 4,712,265</u>

Money market funds include the Charles Schwab Sweep and Government Money Market, the Dreyfus Government Cash Management Fund, RWM Cash Management Money Market and the Fidelity Bank LifeDesign Business Cash Management Money Market accounts in amounts of \$887,498, \$84,266, \$285,633 and \$472,905, respectively, at June 30, 2025.

Money market funds include the Charles Schwab Premier Money Market, Schwab Government Money Market, the Dreyfus Government Cash Management Fund, RWM Cash Management Money Market and the Fidelity Bank LifeDesign Business Cash Management Money Market accounts in amounts of \$437,588, \$50,974, \$105,416 and \$472,657, respectively, at June 30, 2024.

The Foundation's investment policy consists of an asset allocation range of 50% to 70% equity securities, 30% to 50% fixed income securities and up to 10% in cash and cash equivalents. FSU Foundation's investments are represented by the following at June 30:

FSU Foundation's investments are represented by the following at June 30:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 10,397,127	\$ 18,465,650	\$ 7,918,785	\$ 16,159,647
Preferred stock	6,416	6,452	6,416	6,460
Mutual funds	5,391,629	6,230,952	5,462,855	5,841,851
Corporate bonds	4,514,752	4,492,093	4,905,137	4,713,590
U.S. government securities	3,453,033	3,420,457	3,443,779	3,321,496
	<u>\$ 23,762,957</u>	<u>\$ 32,615,604</u>	<u>\$ 21,736,972</u>	<u>\$ 30,043,044</u>

The Foundation's investments at fair value are presented in the accompanying statements of net position as follows:

	2025	2024
Current assets		
Investments	\$ 12,940,014	\$ 11,686,044
Noncurrent assets		
Endowment investments	19,675,590	18,357,000
	<u>\$ 32,615,604</u>	<u>\$ 30,043,044</u>

At June 30, 2025 and 2024, net unrealized gains in the Foundation's investment portfolio amounted to \$8,852,647 and \$8,306,072, respectively.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investment composition (continued)

At June 30, 2025, the Foundation's U.S. Treasury Notes and Government Securities and corporate debt securities along with their investment maturities and credit quality ratings are as follows:

Investment type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1 to 5	6 to 10	Greater than 10	
U.S. Treasury notes and government securities 0.375 % to 4.875%	\$ 3,420,458	\$ 595,941	\$ 2,226,738	\$ 597,779	\$ -	AA+
Corporate debt securities 1.375% to 5.000%	1,356,999	49,614	1,163,306	144,079	-	A
Corporate debt securities 1.200% to 5.250%	725,954	169,914	378,451	177,589	-	A-
Corporate debt securities 3.100% to 5.550%	536,955	49,558	387,979	99,418	-	A+
Corporate debt securities 1.650% to 4.000%	290,102	-	221,030	69,072	-	AA
Corporate debt securities 2.709% to 4.950%	296,321	-	296,321	-	-	AA-
Corporate debt securities 4.150%	60,533	-	60,533	-	-	AA+
Corporate debt securities 3.125%	24,891	-	24,891	-	-	AAA
Corporate debt securities 2.000% to 5.850%	345,925	-	281,509	64,416	-	BBB
Corporate debt securities 0.800% to 4.750%	854,412	114,942	688,435	51,035	-	BBB+
Total	<u>\$ 7,912,550</u>	<u>\$ 979,969</u>	<u>\$ 5,729,193</u>	<u>\$ 1,203,388</u>	<u>\$ -</u>	

At June 30, 2024, the Foundation's U.S. Treasury Notes and Government Securities and corporate debt securities along with their investment maturities and credit quality ratings are as follows:

Investment type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1 to 5	6 to 10	Greater than 10	
U.S. Treasury notes and government securities 0.375 % to 4.875%	\$ 3,321,496	\$ 930,439	\$ 2,095,254	\$ 295,803	\$ -	AA+
Corporate debt securities 1.375% to 5.000%	1,129,114	247,445	604,647	277,022	-	A
Corporate debt securities 1.200% to 5.250%	1,136,288	236,417	697,468	202,403	-	A-
Corporate debt securities 2.375% to 5.550%	458,908	157,667	224,137	77,104	-	A+
Corporate debt securities 1.650% to 4.000%	181,103	-	115,299	65,804	-	AA
Corporate debt securities 2.709% to 4.950%	235,573	122,793	37,755	75,025	-	AA-
Corporate debt securities 3.125%	24,381	24,381	-	-	-	AAA
Corporate debt securities 2.625% to 5.850%	541,277	235,457	305,820	-	-	BBB
Corporate debt securities 0.80% to 4.750%	1,006,946	364,481	592,623	49,842	-	BBB+
Total	<u>\$ 8,035,086</u>	<u>\$ 2,319,080</u>	<u>\$ 4,673,003</u>	<u>\$ 1,043,003</u>	<u>\$ -</u>	

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investment fair value

The University's investments are measured at fair value on a recurring basis and have been categorized based upon the fair value hierarchy in accordance with GASB 72 below. The FSU Foundation follows similar guidance in accordance with Financial Accounting Standards Board Accounting Standards Codification 820-10, which also prioritizes the inputs to valuation techniques used to measure fair value of investment assets into three levels also.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the University can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability.

The University's investments' fair value measurements are as follows at June 30, 2025:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
U.S. Treasury notes and government securities	\$ 2,115,126	\$ -	\$ 2,115,126	\$ -
Corporate debt securities	1,904,598	-	1,904,598	-
Equity securities	11,134,497	11,134,497	-	-
Mutual funds	8,263,873	8,263,873	-	-
	<u>\$ 23,418,094</u>	<u>\$ 19,398,370</u>	<u>\$ 4,019,724</u>	<u>\$ -</u>

The University's investments' fair value measurements are as follows at June 30, 2024:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
U.S. Treasury notes and government securities	\$ 1,870,541	\$ -	\$ 1,870,541	\$ -
Corporate debt securities	2,086,830	-	2,086,830	-
Equity securities	9,514,662	9,514,662	-	-
Mutual funds	8,390,440	8,390,440	-	-
	<u>\$ 21,862,473</u>	<u>\$ 17,905,102</u>	<u>\$ 3,957,371</u>	<u>\$ -</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investment fair value (continued)

The Foundation's investments' fair value measurements are as follows at June 30, 2025:

<u>Investments</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 18,465,650	\$ 18,465,650	\$ -	\$ -
Preferred stock	6,452	-	6,452	-
Mutual funds	6,230,952	6,230,952	-	-
Corporate bonds	4,492,093	-	4,492,093	-
U.S. government securities	3,420,457	-	3,420,457	-
	<u>\$ 32,615,604</u>	<u>\$ 24,696,602</u>	<u>\$ 7,919,002</u>	<u>\$ -</u>

The Foundation's investments' fair value measurements are as follows at June 30, 2024:

<u>Investments</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 16,159,647	\$ 16,159,647	\$ -	\$ -
Preferred stock	6,460	-	6,460	-
Mutual funds	5,841,851	5,841,851	-	-
Corporate bonds	4,713,590	-	4,713,590	-
U.S. government securities	3,321,496	-	3,321,496	-
	<u>\$ 30,043,044</u>	<u>\$ 22,001,498</u>	<u>\$ 8,041,546</u>	<u>\$ -</u>

Mutual funds and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investment fair value (continued)

The Foundation's endowment net asset composition by type of fund at June 30, 2025 is as follows:

Fund Type	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 13,766,759	\$ 13,766,759
Donor restricted amounts required to be held in perpetuity	-	19,675,590	19,675,590
Board-designated for endowment fund	83,993	-	83,993
Total funds	<u>\$ 83,993</u>	<u>\$ 33,442,349</u>	<u>\$ 33,526,342</u>

Endowment

Changes in the Foundation's board-designated and donor-restricted endowment net position by type of fund for the year ended June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 83,993	\$ 30,239,646	\$ 30,323,639
Investment return			
Investment income	-	509,482	509,482
Depreciation, realized and unrealized	-	2,348,708	2,348,708
Total investment return	-	2,858,190	2,858,190
Contributions		1,296,925	1,296,925
Other income	-	1,955	1,955
Appropriation of endowment assets for expenditure	-	(465,412)	(465,412)
Investment management fees	-	(164,079)	(164,079)
Reclassification of net assets	-	(324,876)	(324,876)
Endowment net assets, end of year	<u>\$ 83,993</u>	<u>\$ 33,442,349</u>	<u>\$ 33,526,342</u>

The FSU Foundation's endowment net asset composition by type of fund at June 30, 2024 is as follows:

Fund Type	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 11,882,646	\$ 11,882,646
Donor restricted amounts required to be held in perpetuity	-	18,357,000	18,357,000
Board-designated for endowment fund	83,993	-	83,993
Total funds	<u>\$ 83,993</u>	<u>\$ 30,239,646</u>	<u>\$ 30,323,639</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Endowment (continued)

Changes in FSU Foundation's board-designated and donor-restricted endowment net position by type of fund for the year ended June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 25,000	\$ 25,478,543	\$ 25,503,543
Investment return			
Investment income	-	509,410	509,410
Depreciation, realized and unrealized	-	2,706,662	2,706,662
Total investment return	-	3,216,072	3,216,072
Contributions	-	1,835,005	1,835,005
Other income	-	12,796	12,796
Appropriation of endowment assets for expenditure	-	(451,289)	(451,289)
Investment management fees	-	(142,053)	(142,053)
Reclassification of net assets	-	290,572	290,572
Transfer of board designated funds	58,993	-	58,993
Endowment net assets, end of year	<u>\$ 83,993</u>	<u>\$ 30,239,646</u>	<u>\$ 30,323,639</u>

3 - ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

The University's accounts receivable include the following at June 30, 2025 and 2024:

	2025	2024
Student accounts receivable	\$ 2,940,016	\$ 3,038,314
Parking and other fines receivable	106,098	139,342
Commissions receivable	-	-
Grants receivable	318,270	287,677
	3,364,384	3,465,333
Less allowance for doubtful accounts	(418,531)	(442,491)
	<u>\$ 2,945,853</u>	<u>\$ 3,022,842</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - ACCOUNTS RECEIVABLE AND CONTRIBUTION RECEIVABLE (Continued)

FSU Foundation's contributions receivable consist of the following at June 30, 2025 and 2024:

	2025	2024
Receivable in less than one year	\$ 141,850	\$ 603,100
Receivable in one to five years	140,000	100,000
	281,850	703,100
Discount on pledges	(11,613)	(13,768)
	<u>\$ 270,237</u>	<u>\$ 689,332</u>

Contributions which are to be received in more than one year are reflected net of a discount of 3.79% determined at the time of contribution.

4 - LOANS RECEIVABLE

Loans receivable include the following at June 30, 2025 and 2024:

	2025	2024
Nursing loans receivable	\$ 54,896	\$ 71,924
Emergency student loans receivable	170	150
	<u>\$ 55,066</u>	<u>\$ 72,074</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - CAPITAL ASSETS

Capital assets activity of the University for the year ended June 30, 2025 is as follows:

	Totals June 30, 2024	Additions	Reclassifications* and Reductions	Totals June 30, 2025
Capital Assets				
<u>Non-depreciable capital assets</u>				
Land	\$ 5,478,125	\$ -	\$ -	\$ 5,478,125
Construction in progress	9,374,804	2,291,723	(7,194,855)	4,471,672
Total non-depreciable assets	14,852,929	2,291,723	(7,194,855)	9,949,797
<u>Depreciable capital assets</u>				
Land improvements	19,942,365	-	-	19,942,365
Buildings	80,591,909	-	-	80,591,909
Building improvements	219,271,206	6,456,286	-	225,727,492
Leased buildings and assets	64,264,118	-	-	64,264,118
Subscription based IT	4,489,805	1,701,867	(269,835)	5,921,837
Equipment	32,494,957	1,072,277	-	33,567,234
Furniture	597,676	-	-	597,676
Library materials	193,201	49,931	(51,010)	192,122
Total depreciable assets	421,845,237	9,280,361	(320,845)	430,804,753
Total capital assets	436,698,166	11,572,084	(7,515,700)	440,754,550
<u>Less accumulated depreciation</u>				
Land improvements	12,562,081	1,067,524	-	13,629,605
Buildings	50,342,884	1,153,760	-	51,496,644
Building improvements	94,705,955	10,493,457	-	105,199,412
Leased buildings and assets	19,297,853	4,263,874	-	23,561,727
Subscription based IT	2,632,828	906,008	-	3,538,836
Equipment	20,965,967	871,758	-	21,837,725
Furniture	597,676	-	-	597,676
Library materials	-	51,010	(51,010)	-
Total accumulated depreciation	201,105,244	18,807,391	(51,010)	219,861,625
	<u>\$235,592,922</u>	<u>\$ (7,235,307)</u>	<u>\$ (7,464,690)</u>	<u>\$220,892,925</u>

At June 30, 2025, capital assets of the University with a cost of \$59,947,378 were fully depreciated and still in service.

* Construction costs incurred for various capital projects were included in construction in progress and subsequently transferred to capital asset additions upon completion during the fiscal year ended June 30, 2025.

The University enters into various contract commitments with contractors, from time to time, for improvements to its facilities. Remaining contract commitments totaled \$1,550,164 and \$985,113 at June 30, 2025 and 2024, respectively.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - CAPITAL ASSETS (Continued)

Capital assets activity of the University for the year ended June 30, 2024 is as follows:

	Totals June 30, 2023	Additions	Reclassifications* and Reductions	Totals June 30, 2024
Capital Assets				
<u>Non-depreciable capital assets</u>				
Land	\$ 5,478,125	\$ -	\$ -	\$ 5,478,125
Construction in progress	40,077,169	3,729,261	(34,431,626)	9,374,804
Total non-depreciable assets	45,555,294	3,729,261	(34,431,626)	14,852,929
<u>Depreciable capital assets</u>				
Land improvements	19,942,365	-	-	19,942,365
Buildings	80,591,909	-	-	80,591,909
Building improvements	183,988,033	35,283,173	-	219,271,206
Leased buildings and assets	66,224,484	-	(1,960,366)	64,264,118
Subscription based IT	4,489,805	-	-	4,489,805
Equipment	31,421,056	1,073,901	-	32,494,957
Furniture	597,676	-	-	597,676
Library materials	228,259	44,014	(79,072)	193,201
Total depreciable assets	387,483,587	36,401,088	(2,039,438)	421,845,237
Total capital assets	433,038,881	40,130,349	(36,471,064)	436,698,166
<u>Less accumulated depreciation</u>				
Land improvements	11,486,140	1,075,941	-	12,562,081
Buildings	49,189,125	1,153,759	-	50,342,884
Building improvements	85,231,781	9,474,174	-	94,705,955
Leased buildings and assets	14,544,428	4,753,425	-	19,297,853
Subscription based IT	1,598,398	1,034,430	-	2,632,828
Equipment	20,093,099	872,868	-	20,965,967
Furniture	597,676	-	-	597,676
Library materials	-	79,072	(79,072)	-
Total accumulated depreciation	182,740,647	18,443,669	(79,072)	201,105,244
	<u>\$250,298,234</u>	<u>\$ 21,686,680</u>	<u>\$ (36,391,992)</u>	<u>\$235,592,922</u>

At June 30, 2024, capital assets of the University with a cost of \$59,814,035 were fully depreciated and still in service.

* Construction costs incurred for various capital projects were included in construction in progress and subsequently transferred to capital asset additions upon completion during the fiscal year ended June 30, 2024.

The University has considered the requirements of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and has noted no implications of this standard to the University's financial statements for the year ended June 30, 2025 and 2024.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - CAPITAL ASSETS (Continued)

Capital assets activity of the FSU Foundation for the year ended June 30, 2025 is as follows:

	Totals June 30, 2024	Additions	Reclassifications* and Reductions	Totals June 30, 2025
Capital Assets				
Real estate under lease to the University				
Land	\$ 402,664	\$ -	\$ -	\$ 402,664
Building	1,557,724	-	-	1,557,724
Building improvements	342,079	-	-	342,079
	<u>2,302,467</u>	<u>-</u>	<u>-</u>	<u>2,302,467</u>
Real estate used for student housing				
Land	236,524	-	-	236,524
Building	434,225	-	-	434,225
Building improvements	28,600	-	-	28,600
	<u>699,349</u>	<u>-</u>	<u>-</u>	<u>699,349</u>
Other				
Land	2,160,447	-	-	2,160,447
Land improvements	106,222	-	-	106,222
Buildings	2,558,438	-	-	2,558,438
Building improvements	1,109,005	-	-	1,109,005
Equipment	814,190	-	-	814,190
Furniture and fixtures	60,773	-	-	60,773
Library materials	6,570	-	-	6,570
	<u>6,815,645</u>	<u>-</u>	<u>-</u>	<u>6,815,645</u>
Total capital assets	<u>9,817,461</u>	<u>-</u>	<u>-</u>	<u>9,817,461</u>
Less accumulated depreciation				
Real estate under lease to the University				
Buildings	694,486	38,942	-	733,428
Building improvements	125,485	17,104	-	142,589
	<u>819,971</u>	<u>56,046</u>	<u>-</u>	<u>876,017</u>
Real estate used for student housing				
Buildings	185,450	10,856	-	196,306
Building improvements	21,212	1,430	-	22,642
	<u>206,662</u>	<u>12,286</u>	<u>-</u>	<u>218,948</u>
Other				
Land improvements	46,105	5,312	-	51,417
Buildings	475,440	72,815	-	548,255
Building improvements	544,009	57,428	-	601,437
Equipment	770,284	10,976	-	781,260
Furniture and fixtures	59,365	1,373	-	60,738
Library materials	6,570	-	-	6,570
	<u>1,901,773</u>	<u>147,904</u>	<u>-</u>	<u>2,049,677</u>
Total accumulated depreciation	<u>2,928,406</u>	<u>216,236</u>	<u>-</u>	<u>3,144,642</u>
	<u>\$ 6,889,055</u>	<u>\$ (216,236)</u>	<u>\$ -</u>	<u>\$ 6,672,819</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - CAPITAL ASSETS (Continued)

At June 30, 2025 and 2024, property and equipment with a cost of \$824,204 were fully depreciated and still in service.

On November 13, 2019, the Foundation Supporting Organization acquired a property in close proximity to the Fitchburg State University campus to support the downtown Theater project. The property, which consists of land and a building, was purchased for \$1 after the Foundation Supporting Organization was notified by the Massachusetts Department of Environmental Protection ("DEP") about an environmental issue with the property that requires remediation before the property is usable. The Foundation Supporting Organization razed the building on the property and is actively working on converting the land to a parking lot. During the year ended June 30, 2022, the Foundation Supporting Organization determined that additional costs of the remediation are expected above insured policy limits in the amount of \$465,696, which was accrued as a liability for environmental remediation accordingly. As of June 30, 2025, and 2024, the remaining environmental liability of \$100,780 and \$120,430, respectively, is shown on the accompanying statements of net position.

In fiscal 2017, the Foundation Supporting Organization acquired a property in close proximity to the Fitchburg State University campus consistent with the Foundation Supporting Organization's mission and the University's strategic plan which includes campus expansion. The property, which includes land and a building, was purchased for an aggregate cost of \$360,305. The acquisition was financed, in part, with a mortgage note on the property in the amount of \$280,000 (see Note 14). The Foundation Supporting Organization is planning a major renovation and expansion of the property which, when completed, is expected to cost approximately \$25,000,000 and consist of a multi-phased project providing academic space, student support services space, retail and community space and theatre renovation. The space is expected to be used by the University, the City of Fitchburg and surrounding communities. Fitchburg State University will be responsible for the costs of the project's development and construction pursuant to the terms of the license agreement between the University and the Foundation Supporting Organization. Funding for the project is expected to come from a variety of sources including, but not limited to, New Markets Tax Credits, Historic Tax Credits, bonds, grants and philanthropy. The project is in the very early stages of development and is estimated to require four years for completion. At some point during that period, the property will be transferred to a new entity. The Foundation Supporting Organization will pay for certain legal services incurred in connection with the project, which the Foundation Supporting Organization currently estimates to be approximately \$148,000 for the entire project. The Foundation Supporting Organization expects to fund these costs through operating cash. The Foundation Supporting Organization incurred \$26,448 of legal costs related to the project which have been recorded in other non-current assets on the statement of net position as of June 30, 2025 and 2024.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - CAPITAL ASSETS (Continued)

Capital assets activity of the FSU Foundation for the year ended June 30, 2024 is as follows:

	Totals June 30, 2023	Additions	Reclassifications* and Reductions	Totals June 30, 2024
Capital Assets				
Real estate under lease to the University				
Land	\$ 402,664	\$ -	\$ -	\$ 402,664
Building	1,557,724	-	-	1,557,724
Building improvements	342,079	-	-	342,079
	<u>2,302,467</u>	<u>-</u>	<u>-</u>	<u>2,302,467</u>
Real estate used for student housing				
Land	236,524	-	-	236,524
Building	434,225	-	-	434,225
Building improvements	28,600	-	-	28,600
	<u>699,349</u>	<u>-</u>	<u>-</u>	<u>699,349</u>
Other				
Land	2,246,989	-	(86,542)	2,160,447
Land improvements	106,222	-	-	106,222
Buildings	2,647,786	-	(89,348)	2,558,438
Building improvements	1,109,005	-	-	1,109,005
Equipment	814,190	-	-	814,190
Furniture and fixtures	60,773	-	-	60,773
Library materials	6,570	-	-	6,570
	<u>6,991,535</u>	<u>-</u>	<u>(175,890)</u>	<u>6,815,645</u>
Total capital assets	<u>9,993,351</u>	<u>-</u>	<u>(175,890)</u>	<u>9,817,461</u>
Less accumulated depreciation				
Real estate under lease to the University				
Buildings	655,543	38,943	-	694,486
Building improvements	108,381	17,104	-	125,485
	<u>763,924</u>	<u>56,047</u>	<u>-</u>	<u>819,971</u>
Real estate used for student housing				
Buildings	174,596	10,854	-	185,450
Building improvements	19,780	1,432	-	21,212
	<u>194,376</u>	<u>12,286</u>	<u>-</u>	<u>206,662</u>
Other				
Land improvements	40,794	5,311	-	46,105
Buildings	426,613	62,229	(13,402)	475,440
Building improvements	488,559	55,450	-	544,009
Equipment	759,308	10,976	-	770,284
Furniture and fixtures	56,519	2,846	-	59,365
Library materials	6,570	-	-	6,570
	<u>1,778,363</u>	<u>136,812</u>	<u>(13,402)</u>	<u>1,901,773</u>
Total accumulated depreciation	<u>2,736,663</u>	<u>205,145</u>	<u>(13,402)</u>	<u>2,928,406</u>
	<u>\$ 7,256,688</u>	<u>\$ (205,145)</u>	<u>\$ (162,488)</u>	<u>\$ 6,889,055</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Accounts payable - trade	\$ 2,615,851	\$ 1,234,504
Salaries and fringe benefit payable	2,257,143	2,499,458
Accrued interest payable	279,022	309,879
Tuition due state	38,957	38,626
Other	215,466	155,853
	<u>\$ 5,406,439</u>	<u>\$ 4,238,320</u>

7 - ACCRUED WORKERS' COMPENSATION

Independent actuarial reviews of the outstanding loss reserve requirements for the Commonwealth's self-insured workers' compensation program were conducted as of June 30, 2025 and 2024. Based upon the Commonwealth's analyses, \$1,139,843 and \$1,155,482 of accrued workers' compensation has been recorded as a liability at June 30, 2025 and 2024, respectively.

8 - ACCRUED COMPENSATED ABSENCES

Accrued compensated absences are comprised of the following at June 30, 2025 and 2024:

	2025	2024
Vacation time payable	\$ 3,155,042	\$ 3,126,136
Sick time payable	3,176,785	3,247,915
Total	<u>\$ 6,331,827</u>	<u>\$ 6,374,051</u>
	2025	2024
Amount representing obligations due to employees funded through sources other than state appropriations	\$ 420,976	\$ 402,985
Amount representing obligations due to employees compensated through state appropriations	5,910,851	5,971,066
Total	<u>\$ 6,331,827</u>	<u>\$ 6,374,051</u>

9 - FACULTY PAYROLL ACCRUAL

The contract for full-time faculty begins on September 1 and ends on May 31, of any given academic year. The Commonwealth and Fitchburg State University pay all faculty over the 12-month period from September through August. Consequently, on June 30 of each year there is a balance due on each faculty contract which is to be paid from the subsequent year's State appropriation. The total amount due at June 30, 2025 and 2024 of \$4,423,830 and \$4,701,202, respectively, is paid from the University's fiscal 2026 and 2025 State appropriations.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

10 - REVENUE RECEIVED IN ADVANCE

Revenue received in advance includes tuition received in advance from students for summer courses commencing after June 30 and grant funds received in advance. Revenue received in advance includes the following at June 30, 2025 and 2024:

	2025	2024
Tuition, fees and professional development	\$ 2,034,700	\$ 1,902,569
Capital projects	4,416,183	1,701,489
Grants	2,888,561	1,924,083
Other	302,861	93,570
	<u>\$ 9,642,305</u>	<u>\$ 5,621,711</u>

11 - DEFERRED INFLOWS OF RESOURCES FROM SERVICE CONCESSION ARRANGEMENT

The University received deferred inflows of resources from service concession arrangements via a service concession arrangement with Compass Group USA, Inc. ("Compass") to manage and operate the University's food services operation at the University's dining services locations as more fully described in the arrangement. The service concession arrangement commenced on July 1, 1999 and had been amended several times thereafter to modify its terms, provide for additional payments to the University for investment in improvements in or at the University as mutually agreed upon by the parties.

The last such amendment to the service concession arrangement was effective May 1, 2014 and provided for payments to the University totaling \$2,500,000. These payments shall be made to the University by Compass in seven installments over the course of 2011 through 2022. To date, the University has received all seven installments from Compass. In addition, Compass has agreed to pay the University specified percentages of 4%, 4.5% or 12% of specified sales receipts from the food services operation as more fully described in the arrangement. All improvements and equipment purchased with the payments received from Compass shall remain the property of the University. The arrangement contains provisions, whereby, in the event of termination of the arrangement, the University shall be required to repay a portion of any payments made to the University by Compass. The portion required to be repaid shall be determined in accordance with amortization schedules prepared by Compass. The amortization schedules assume that all funds will be received from Compass.

The University has recorded the service concession arrangement as a deferred inflow of resources at its present value using a 5% discount rate determined by management of the University. Amortization in the amount of \$252,918 has been recognized in capital grants revenue in the accompanying statements of revenues, expenses and changes in net position through June 30, 2024. There is no amortization recognized in capital grants revenue in 2025.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES

The University, in association with the Massachusetts State College Building Authority ("MSCBA"), the Massachusetts Development Finance Agency ("MDFA"), and the Commonwealth of Massachusetts Division of Capital Asset Management and Maintenance ("DCAMM"), has entered into financing and construction agreements for various campus projects.

The following table summarizes the University's Interagency payables as of June 30, 2025:

	Issue Date	Original Amount	Interest Rates (%)	Due Date	Effective Interest Rates (%)*	Interagency Payable Balance	Unamortized Bond Premiums	Total Interagency Payable
MSCBA Series 2005A	3/1/2005	\$ 5,110,000	3.50-5.00	5/1/2034	5.93	\$ 1,172,385	\$ 53,783	\$ 1,226,168
MSCBA Series 2006A	3/8/2006	2,060,000	3.50-5.00	5/1/2031	2.87	469,737	49,130	518,867
MSCBA Series 2010B	12/17/2010	11,078,908	4.89-6.54	5/1/2030	3.98	6,418,709	14,134	6,432,843
MSCBA Series 2012A	1/4/2012	7,043,416	3.00-5.00	5/1/2035	2.00	2,397,127	64,324	2,461,451
MSCBA Series 2012C	12/20/2012	13,864,033	2.00-5.00	5/1/2034	0.97	5,626,738	584,820	6,211,558
MSCBA Series 2014A	1/7/2014	12,235,614	5.00	5/1/2038	1.74	6,636,624	87,250	6,723,874
MSCBA Series 2014C	12/17/2014	10,669,502	3.00-5.00	5/1/2035	3.35	4,843,967	247,652	5,091,619
DCAMM CEIP Funds	11/7/2016	5,420,360	3.00	1/1/2039	3.15	4,115,536	-	4,115,536
MSCBA Series 2017A	1/25/2017	4,166,418	3.00-5.00	6/30/2037	3.21	3,167,748	100,576	3,268,324
MSCBA Series 2019A	1/23/2019	2,623,145	3.00-5.00	6/30/2039	3.68	2,477,221	110,563	2,587,784
		<u>\$ 74,271,396</u>				<u>\$ 37,325,792</u>	<u>\$ 1,312,232</u>	<u>\$ 38,638,024</u>

* Effective interest rates are calculated by dividing total interest paid during the yr by the average outstanding balance of the interagency payable.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES (Continued)

The following table summarizes the University's Interagency payables as of June 30, 2024:

	Issue Date	Original Amount	Interest Rates (%)	Due Date	Effective Interest Rates (%)*	Interagency Payable Balance	Unamortized Bond Premiums	Total Interagency Payable
MSCBA Series 2005A	3/1/2005	\$ 5,110,000	3.50-5.00	5/1/2034	5.93	\$ 1,291,104	\$ 67,831	\$ 1,358,935
MSCBA Series 2006A	3/8/2006	2,060,000	3.50-5.00	5/1/2031	2.87	518,736	54,910	573,646
MSCBA Series 2010B	12/17/2010	11,078,908	4.89-6.54	5/1/2030	3.98	7,348,021	23,557	7,371,578
MSCBA Series 2012A	1/4/2012	7,043,416	3.00-5.00	5/1/2035	2.00	3,830,407	70,090	3,900,497
MSCBA Series 2012C	12/20/2012	13,864,033	2.00-5.00	5/1/2034	0.97	6,194,858	668,635	6,863,493
MSCBA Series 2014A	1/7/2014	12,235,614	5.00	5/1/2038	1.74	6,636,623	109,889	6,746,512
MSCBA Series 2014C	12/17/2014	10,669,502	3.00-5.00	5/1/2035	3.35	5,136,957	278,966	5,415,923
DCAMM CEIP Funds	11/7/2016	5,420,360	3.00	1/1/2039	3.15	4,349,388	-	4,349,388
MSCBA Series 2017A	1/25/2017	4,166,418	3.00-5.00	6/30/2037	3.21	3,344,748	118,695	3,463,443
MSCBA Series 2019A	1/23/2019	2,623,145	3.00-5.00	6/30/2039	3.68	2,577,220	125,996	2,703,216
		<u>\$ 74,271,396</u>				<u>\$ 41,228,062</u>	<u>\$ 1,518,569</u>	<u>\$ 42,746,631</u>

* Effective interest rates are calculated by dividing total interest paid during the yr by the average outstanding balance of the interagency payable.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES (Continued)

MSCBA Series 2005A bond issuance

During March 2005, the University signed a financing agreement to receive \$5,110,000 from a MSCBA bond issuance. These funds were used for renovations of the athletic fields and dining hall (the "Projects") at the University. This obligation will be repaid solely by the University through dedicated student fees.

The University is required to make annual principal payments on this debt each May 1. The final principal payment was originally due on May 1, 2025. During fiscal 2022, the series 2005A bond was refunded/restructured with the MSCBA series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023 and the bonds are now due on May 1, 2034. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA using an increasing coupon rate of interest ranging from 3.50% to 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

MSCBA Series 2006A bond issuance

During March 2006, the University signed a financing agreement to receive \$2,060,000 from an MSCBA bond issuance. These funds were used for renovations of the dining hall (the "Project") at the University. This obligation will be repaid solely by the University through dedicated student fees.

The University is required to make annual principal payments on this debt each May 1. The final principal payment was originally due on May 1, 2026. During fiscal 2022, the series 2006A bond was refunded/restructured with the MSCBA series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023 and the bonds are now due on May 1, 2031. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA using an increasing coupon rate of interest ranging from 3.50% to 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$33,617 and \$33,972, respectively, which are included in the accompanying statements of net position as noncurrent restricted cash and cash equivalents.

MSCBA Series 2010A bond issuance

During December 2010, the University signed a financing agreement to receive \$4,856,749 from an MSCBA bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, were used for renovations to the Hammond Campus Center. This obligation was repaid solely by the University through dedicated student fees and operating funds. During May 2018, the University made the final payment on the 2010A bonds.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES (Continued)

MSCBA Series 2010B bond issuance

During December 2010, the University signed a financing agreement to receive \$11,078,908 from an MSCBA bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, were used for renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds.

The University is required to make annual principal payments on this debt each May 1. The final principal payment is due on May 1, 2030. During fiscal 2022, the Series 2010B bond was refunded/restructured with the MSCBA series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 4.89% to 6.54% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$213,711 and \$507,900, respectively, which are included in the accompanying statements of net position as noncurrent restricted cash and cash equivalents. During 2025 and 2024, respectively, \$294,189 and \$33,122 of the debt service reserve funds was used to defray expense.

MSCBA Series 2012A bond issuance

During January 2012, the University signed a financing agreement to receive \$7,043,416 from an MSCBA bond issuance. These funds, net of bond issuance costs, were used for renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds.

The University is required to make annual principal payments on this debt each May 1. The final principal payment was originally due on May 1, 2031. During fiscal 2022, the series 2012A bond was refunded/restructured with the MSCBA series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023 and the bonds are now due on May 1, 2035. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 3.00% to 5.00% over the term of the debt to maturity.

MSCBA Series 2012C bond issuance

During December 2012, the University signed a financing agreement to receive \$13,864,033 from an MSCBA bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, were used for Phase III of renovations to the Hammond Campus Center and parking expansion. This obligation will be repaid solely by the University through dedicated student fees and operating funds.

The University is required to make annual principal payments on this debt each May 1. The final principal payment was originally due on May 1, 2032. During fiscal 2022, the Series 2012C bond was refunded/restructured with the MSCBA Series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023 and the bonds are now due on May 1, 2034. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 2.00% to 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES (Continued)

MSCBA Series 2014A bond issuance

During January 2014, the University signed a financing agreement to receive \$12,235,614 from an MSCBA bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, were used for Phase IV of renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds.

The University is required to make annual principal payments on this debt each May 1. The final principal payment was originally due on May 1, 2033. During fiscal 2022, the Series 2014A bond was refunded/restructured with the MSCBA Series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023 and the bonds are now due on May 1, 2038. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 2.00% to 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

During fiscal 2024, the Series 2014A bond was refunded/restructured with the MSCBA Series 2024A bonds. In accordance with the terms of the bond restructuring, principal payments were required until May 2023 and the bonds are now due on May 1, 2038. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest of 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$311,370 and \$338,773, respectively, which are included in the accompanying statements of net position as noncurrent restricted cash and cash equivalents. During 2025 and 2024, respectively, \$27,403 and \$174,473 of the debt service reserve funds was used to defray expense.

MSCBA Series 2014C bond issuance

During December 2014, the University signed a financing agreement to receive \$10,669,502 from an MSCBA bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, are being used for Phase V of renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds.

The University is required to make annual principal payments on this debt each May 1. The final principal payment was originally due on May 1, 2034. During fiscal 2022, the Series 2014C bond was refunded/restructured with the MSCBA Series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023 and the bonds are now due on May 1, 2035. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 3.00% to 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$168,550 and \$212,015, respectively, which are included in the accompanying statements of net position as noncurrent restricted cash and cash equivalents. During 2025, \$43,465 of the debt service reserve funds was used to defray expense.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES (Continued)

DCAMM Clean Energy Investment Program

In November 2016, the University entered into a Memorandum of Understanding with DCAMM to undertake a Comprehensive Energy Performance Contracting Project (the "Project"). The Project's goal is to upgrade boilers, replace the chiller, lighting, EMS expansion and improvements, HVAC upgrades, and various energy conservation measures.

The total cost for the Project was \$9,451,868. The cost of the Project was funded from Clean Energy Investment Program Funds ("CEIP Funds") in the amount of \$5,420,360, capital grants of \$3,781,536, and energy incentives from the contractor in the amount of \$249,972. CEIP Funds for the Project are to be repaid over 20 years at 3.00% interest. Annual payments of principal and interest for the Project in the amount of \$364,333 commenced on January 1, 2021. Additionally, the agreement provides for the University to fund annual maintenance costs to be paid over the first five years of the Project totaling approximately \$244,500. These maintenance costs are expected to be offset by energy savings as a result of the Project. The Project was completed and placed into service in August 2019.

MSCBA Series 2017A bond issuance

During January 2017, the University signed a financing agreement to receive \$4,166,418 from an MSCBA bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, are being used for renovations to the Landry Arena. This obligation will be repaid solely by the University through dedicated student fees and operating funds. The University also executed a management agreement with MSCBA whereby MSCBA is providing management services to the University for the renovations.

The University is required to make annual principal payments on this debt each June 30 commencing in fiscal 2018. The final principal payment is due June 30, 2037. During fiscal 2022, the series 2017A bond was refunded/restructured with the MSCBA series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023. Interest on the debt is payable June 30 and December 30 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 3.00% to 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs.

As of June 30, 2025 and 2024, MSCBA held debt service reserve funds in the amount of \$76,756, which are included in the accompanying statements of net position as noncurrent restricted cash and cash equivalents.

MSCBA Series 2019A bond issuance

During January 2019, the University signed a financing agreement to receive \$2,623,145 from an MSCBA bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, are being used for renovations to the Holmes Dining Commons and the Recreation Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds. The University also executed a management agreement with MSCBA whereby MSCBA is providing management services to the University for the renovations.

The University is required to make annual principal payments on this debt each June 30 commencing in fiscal 2021. The final principal payment is due June 30, 2039. During fiscal 2022, the Series 2019A bond was refunded/restructured with the MSCBA Series 2021A bonds. In accordance with the terms of the bond restructuring, no principal payments were required until May 2023. Interest on the debt is payable June 30 and December 30 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 3.00% to 5.00% over the term of the debt to maturity.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES (Continued)

MSCBA Series 2021A bond refunding

On July 1, 2021, MSCBA closed on Refunding Revenue Bonds Series 2021A for the purpose of providing budgetary relief in fiscal year 2022 and fiscal year 2023 to the nine State Universities including Fitchburg State University. These bonds were issued to refund/restructure debt outstanding from multiple series of bonds, as noted above. The reduction of the University's fiscal year 2022 debt service assessment was approximately \$10,580,000. The reduction of the University's fiscal year 2023 debt service assessment was \$3,289,664. During August 2021, MSCBA's board approved the release of a portion of the funds held in the Debt Service Reserve Fund to pay the November 1, 2021 interest payment on behalf of the State Universities. Fitchburg State University received approximately \$2,590,000 in funds held in reserve to be applied to the November interest payment to MSCBA. The bond restructuring resulted in a net deferred gain of \$3,482,170, which will be amortized and recognized over the original term of the bonds. As of June 30, 2025 and 2024, there were net deferred gains of \$1,919,788 and \$2,122,140, respectively, related to this refunding which is included in deferred inflows of resources on the accompanying statements of net position.

MSCBA Series 2024A bond refunding

On February 1, 2024, MSCBA closed on Refunding Revenue Bonds Series 2024A for the purpose of refinancing outstanding series 2014A, 2014B and 2014C bonds, which were callable, or had a call date of May 1, 2024. These bonds were issued to refund/restructure debt outstanding from multiple series of bonds, as noted above. The reduction of the University's debt service assessment was approximately \$2,320,000. The reduction of the University's fiscal year 2024 debt service assessment was \$1,621,000. The bond restructuring resulted in a net deferred gain of \$568,813 which will be amortized and recognized over the original term of the bonds. As of June 30, 2025 and 2024, respectively, there were net deferred gains of \$417,172 and \$493,594 related to this refunding which is included in deferred inflows of resources on the accompanying statements of net position.

Aggregate principal and interest payments due to maturity consist of the following:

Year ending June 30:	Principal	Amortization of Bond Premium	Total Principal	Estimated Interest	Total
2026	\$ 3,528,323	\$ 204,100	\$ 3,732,423	\$ 1,427,198	\$ 5,159,621
2027	3,705,669	190,986	3,896,655	1,259,219	5,155,874
2028	3,413,376	173,004	3,586,380	1,095,575	4,681,955
2029	3,927,344	158,367	4,085,711	936,100	5,021,811
2030	4,092,505	143,523	4,236,028	765,063	5,001,091
2031-2035	11,807,761	404,256	12,212,017	2,057,656	14,269,673
2036-2040	6,850,814	37,996	6,888,810	459,848	7,348,658
	<u>\$ 37,325,792</u>	<u>\$ 1,312,232</u>	<u>\$ 38,638,024</u>	<u>\$ 8,000,659</u>	<u>\$ 46,638,683</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

12 - INTERAGENCY PAYABLES (Continued)

Other interagency activity

The oversight of various capital projects on campus is provided by MSCBA. To fund these projects, the University provides equity contributions, by advancing funds to MSCBA, which are then held by MSCBA until used for the payment of the capital project costs. During fiscal 2024, the University received a \$1,500,000 of a \$3,000,000 earmark to be used to renovate the Theater Block. The final \$1,500,000 will be paid on completion of the project. Internal transfers were made in fiscal year 2024 to fund the following projects: \$992,143 towards the Theater Black Box project, and \$864,000 towards the Theater roof project. \$350,389 was transferred from projects in fiscal year 2024, such as the Southside Chiller project and the Theater Renovation project and transferred into the Theater Roof Replacement and Holding account.

As of June 30, 2025, additional amounts held by MSCBA representing the unexpended portion of the University's contributions are as follows:

	<u>Restricted cash and cash equivalents</u>	
	<u>Current</u>	<u>Noncurrent</u>
University Projects		
Recreation center	\$ -	\$ 21,279
Theater	-	-
Theater black box phase 2	-	-
Theater storefront	-	-
Theater roof	-	1,317
Miscellaneous funds	-	146,660
	<u>\$ -</u>	<u>\$ 169,256</u>

As of June 30, 2024, additional amounts held by MSCBA representing the unexpended portion of the University's contributions are as follows:

	<u>Restricted cash and cash equivalents</u>	
	<u>Current</u>	<u>Noncurrent</u>
University Projects		
Recreation center	\$ 1,636	\$ 74,682
Theater	-	78,143
Theater black box phase 2	71,542	690,501
Theater storefront	-	30,783
Theater roof	54,987	841,942
Miscellaneous funds	-	229,759
	<u>\$ 128,165</u>	<u>\$ 1,945,810</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

13 - LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS

University's leases as lessee

The University's lease agreements are summarized as follows:

Leesee	Issued	Payment Terms	Expiration Date	Renewal Options	Monthly Payment at June 30, 2025	Balance at June 30, 2025
09C-FIT_Renewal	12/22/2009	5.28% - 5.83%	6/30/2030	N/A	\$ 9,735	\$ 629,646
10b-FIT_Renewal	12/17/2010	5.79% - 6.39%	5/1/2030	N/A	16,817	1,096,985
15A-FIT_Renewal	12/17/2015	5.00%	5/1/2036	N/A	12,083	2,025,000
16A-FIT_Cedar [REF 08A]	2/25/2016	4.00%	6/30/2030	N/A	5,939	382,786
16A-FIT_Mara Expansion [REF 08A]	2/25/2016	4.00%	6/30/2030	N/A	55,831	4,057,275
16A-FIT_Mara Renovation [REF 08A]	2/25/2016	4.00%	6/30/2030	N/A	10,691	687,310
16A-FIT_Renewal [REF 09A]	2/25/2016	4.00%	5/1/2029	N/A	21,226	1,080,468
17A-FIT_Simonds	1/25/2017	3.00% - 5.00%	6/30/2037	N/A	35,000	6,206,000
17A-FIT_Townhouses	1/25/2017	3.00% - 5.00%	5/1/2037	N/A	11,667	2,068,000
17B-FIT_Highland	12/21/2017	4.00% - 5.00%	5/1/2038	N/A	5,417	1,185,000
17B-FIT_Russell	12/21/2017	4.00% - 5.00%	5/1/2038	N/A	15,833	3,290,000
19A-FIT_Mara Accessibility	1/23/2019	3.00% - 5.00%	5/1/2039	N/A	1,667	370,000
19A-FIT_Russell Bathrooms	1/23/2019	3.00% - 5.00%	5/1/2039	N/A	11,667	2,615,000
19C-FIT_Renewal [REF 05A] [REF 12E]	11/19/2019	1.90% - 2.60%	5/1/2026	N/A	5,794	969,228
19C-FIT_Renewal [REF 12A]	11/19/2019	1.90% - 2.60%	5/1/2026	N/A	3,824	45,886
03B-FIT_system debt [REF 99A]	7/1/2020	Pooled debt	5/1/2028	N/A	29,515	1,144,086
20A-FIT	7/1/2020	1.41% - 2.57%	5/1/2039	N/A	2,451	18,265,257
22A-FIT_Renewal [REF 12C]	2/15/2022	5.00%	5/1/2032	N/A	11,620	1,139,374
24A-FIT	2/1/2024	5.00%	11/1/2037	N/A	8,998	4,860,074
						<u>\$ 52,117,375</u>

The lease agreements noted above include leases with MSCBA for the use of student dormitories, parking, lecture halls and student center.

At June 30, 2025, the total costs of the University's right to use assets were \$64,264,118 less accumulated amortization of \$23,561,728. At June 30, 2024, the total costs of the University's right to use assets were \$64,264,118, less accumulated amortization of \$19,297,853.

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest
Year ending June 30:		
2026	\$ 3,309,293	\$ 2,635,793
2027	3,341,941	2,521,201
2028	3,752,200	2,780,459
2029	4,527,008	1,387,298
2030	4,718,638	1,203,991
2031 - 2035	22,427,129	3,583,700
2036 - 2040	10,041,167	643,353
	<u>\$ 52,117,376</u>	<u>\$ 14,755,795</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

13 - LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (Continued)

Foundation Supporting Organization leases as lessee

On July 1, 2019, the Foundation Supporting Organization entered into an operating lease agreement with an unrelated third party for the office space located in Fitchburg, Massachusetts. The space is being used by Fitchburg State University as office and classroom space for its Center for Professional Studies. The new lease provides a base annual rent of \$30,632 per annum. The agreement includes an option to renew annually with an increase of 2% commencing July 1st of the following year. The Foundation Supporting Organization considers this agreement to fall under the short-term lease exemption under ASC 842.

On July 1, 2022, the Foundation Supporting Organization entered into an operating lease agreement with an unrelated third party for 2,350 square feet of office space and 20 parking spaces located in Fitchburg, Massachusetts. The lease has a base annual rent of \$31,870 per annum increasing 1% annually effective July 1st if the Foundation Supporting Organization extends the lease for another year. The Foundation Supporting Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2024 and 2023, rent expense amounted to \$31,870.

On July 1, 2017, the Foundation Supporting Organization entered into an operating lease agreement with the above-mentioned unrelated third party for an additional 1,424 square feet of office space located in Fitchburg, Massachusetts. The lease has a base annual rent of \$5,696 per annum, if the Foundation Supporting Organization extends the lease for another year. The Foundation Supporting Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2024, and 2023, rent expense amounted to \$5,696 each year.

The Foundation Supporting Organization may extend the initial terms of each lease under the same terms and conditions, for successive periods of one year provided it is not then in default of the lease terms and it gives the proper notice. The Foundation Supporting Organization may cancel the lease at any time with the payment of two months base rent as a termination charge. The Foundation Supporting Organization considers both agreements to fall under the short-term lease exemption under ASC 842.

The following is a schedule of future minimum rental payments under the lease agreements at June 30, 2025:

2026	\$ <u>40,732</u>
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NOTES TO FINANCIAL STATEMENTS
(Continued)

13 - LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (Continued)

Foundation Supporting Organization leases as lessor

On August 16, 2016, the Foundation Supporting Organization leased a building consisting of 4,179 square feet of office space and 53,429 square feet of warehouse space located in Fitchburg, Massachusetts near the University campus to the Massachusetts Division of Capital Asset Maintenance (DCAM) on behalf of the University. The lease has a base rent of \$165,000 per year payable in monthly installments of \$13,750 for the entire lease term of ten years. The University is also responsible for the payment of normal operating, maintenance, and repair costs associated with the use of the property. For the years ended June 30, 2025 and 2024, rental income amounted to \$165,000 in each year.

On June 1, 2019, the Foundation Supporting Organization leased property in Fitchburg, Massachusetts to an unrelated third party. The lease has base rent of \$22,968 payable in monthly installments of \$1,914 for the entire lease term of five years. The property was sold to the lessee in June 2024. For the year ended June 30, 2024 rental income amounted to \$21,538.

On June 30, 2022, the Foundation Supporting Organization leased property located in Fitchburg, Massachusetts to an unrelated third party. The lease has an annual base rent of \$6,000 payable in monthly installments of \$500 for the entire lease term of two years. The lease was terminated effective July 2024. For the years ended June 30, 2025, and 2024 rental income amounted to \$500 and \$6,000, respectively.

On August 6, 2020, the Foundation Supporting Organization entered into a lease agreement with Fitchburg Housing Authority ("FHA") to lease the land located at 66 Day Street to be used for parking by FHA employees. The Supporting Organization is leasing the property solely for convenience to FHA, and no revenue is being generated by this lease agreement.

On September 10, 2023, the Foundation Supporting Organization leased property located in Fitchburg, Massachusetts to an unrelated third party for an initial term of 5 years. The lease has a monthly rent of \$2,625 for the initial period of twelve months and the rent will increase by 3% for each successive twelve-month period. For the year ended June 30, 2025 and June 30, 2024, rental income amounted to \$31,500 and \$26,250 respectively.

The following is a schedule of future minimum rental income under the lease agreements at June 30, 2025:

2026	\$ 196,500
2027	52,125
2028	31,500
2029	<u>5,250</u>
	<u>\$ 285,375</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

13 - LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (Continued)

University Subscription Based IT Arrangements

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2026	\$ 875,572	\$ 72,985
2027	726,824	81,518
2028	470,797	54,419
2029	179,764	28,644
2030	136,792	27,963
	<u>\$ 2,389,749</u>	<u>\$ 265,529</u>

14 - FOUNDATION'S LONG-TERM DEBT

Fidelity Bank

Fidelity Cooperative Bank provided financing to the Foundation in the form of a mortgage note payable dated April 16, 2008 in the original amount of \$550,000. The note is secured by a first mortgage interest in certain real estate properties on the Fitchburg State University campus and related personal property located thereon, and an assignment of leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The note has a term of 20 years, maturing on April 16, 2028, with a fixed interest rate of 4.27% per annum and a monthly installment of principal and interest of \$2,454 through the maturity date. At that point, a final principal payment for the remaining amount outstanding will be due. The note may be prepaid at any time, in whole or in part, without premium or penalty.

At June 30, 2025 and 2024, the outstanding principal balance of this mortgage note payable amounted to \$263,527 and \$281,175, respectively.

Avidia Bank

Avidia Bank provided financing to the Foundation Supporting Organization in the form of a note, dated September 28, 2022, in the amount of \$281,200. The note is secured by a first mortgage interest in certain real estate owned by the Supporting Organization and an assignment of certain related leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The mortgage note has a term of 25 years maturing on September 28, 2047, with a fixed rate of interest of 4.25% per annum and a monthly installment of principal and interest of \$1,533 through September 27, 2027. At that point, the interest rate will be adjusted every 60 months with a floor of 4.25% per annum.

The note has a fixed rate prepayment charge in the event of the prepayment of the note before September 27, 2027. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary.

As of June 30, 2025 and 2024, the outstanding principal balance of the mortgage loan amounted to \$262,908 and \$269,814, respectively.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

14 - FOUNDATION'S LONG-TERM DEBT (Continued)

Massachusetts Development Finance Agency (MDFA) - General Fund Loan

Massachusetts Development Financing Agency (MDFA) provided financing to the Foundation Supporting Organization in the form of a General Fund loan dated June 28, 2021 in an amount of \$500,000. The note is secured by a first mortgage in real estate located at 675 Main Street, Fitchburg, Massachusetts and an assignment of leases and rents on the property. The loan will be disbursed by a series of construction advances, per the terms and conditions of the agreement.

The note has a term of 5 years, maturing on June 28, 2026 with a fixed rate of interest of 4% per annum and monthly installments of interest only. The entire outstanding principal balance shall be due and paid at the earlier of

(i) a triggering event or (ii) at maturity, June 28, 2026. A triggering event occurs when the property is transferred to another, abandoned, or financing of \$20 million or more is secured.

This loan was paid in full ahead of schedule during the year ended June 30, 2024.

Massachusetts Development Finance Agency (MDFA) - Brownfields Loan

MDFA provided additional financing to the Foundation Supporting Organization in the form of a Brownfields loan dated June 28, 2021 in an amount of \$500,000. The note is secured by mortgages and security arrangements in real estate located at 675 Main Street, 689-717 Main Street, and 15 Central Street, Fitchburg, Massachusetts and remediation work performance by the contractor. The loan will be disbursed by a series of advances, per the terms and conditions of the agreement.

The loan has a term of 10 years, with a fixed rate of interest of 3% per annum and monthly installments of interest for the first twelve months. Thereafter, monthly payments of principal and interest of \$1,677 through June 2026. If the Foundation Supporting Organization has a Debt Service Coverage Ratio in any given fiscal year of less than 1.2:1, then the Foundation Supporting Organization may choose to defer payments due by due by notifying the lender within thirty days of commencement.

This loan was paid in full ahead of schedule during the year ended June 30, 2024.

Workers' Credit Union

Workers' Credit Union ("WCU") provided financing to the Supporting Organization in the form of a note, dated February 27, 2009, in the amount of \$750,000. The note is secured by a first mortgage interest in certain real estate owned by the Supporting Organization and an assignment of certain related leases and rents on the property. Furthermore, any deposits held by the lender serve as additional collateral for the loan.

The mortgage note has a term of 20 years maturing on February 27, 2029, with a fixed rate of interest of 5.25% and monthly installments of principal and interest of \$4,517 through February 27, 2024, at which point the interest rate was adjusted to a fixed rate of 6.79% per annum until February 27, 2029 with a monthly installment of principal of interest of \$4,812.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$377,329 and \$408,332, respectively.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

14 - FOUNDATION'S LONG-TERM DEBT (Continued)

Rollstone Bank & Trust - 131 Highland Avenue

Rollstone Bank & Trust provided financing to the Supporting Organization in the form of a note, dated December 22, 2014 in the amount of \$240,000. The note is secured by a first mortgage interest in the real estate property located at 131 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 20 years, maturing on December 22, 2034, and provides for a fixed rate of interest of 3.25% per annum with monthly installments of principal and interest of \$1,367.

The loan agreement requires the Supporting Organization to maintain a ratio of Cash Flow (after distributions), as defined, to the Current Maturity of Long-Term Debt plus interest, as defined, of not less than 1.0 to 1 for any fiscal year. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$133,681 and \$145,465, respectively.

Rollstone Bank & Trust - 167 Klondike Avenue

Rollstone Bank & Trust provided additional financing to the Supporting Organization in the form of a note, dated December 9, 2020 in the amount of \$1,538,000. This note is secured by a first mortgage interest in the real estate property located at 167 Klondike Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 15 years maturing on December 9, 2035 with a fixed rate of interest of 3.5% per annum and monthly installments of principal and interest of \$11,032 through December 9, 2030. At that point, the interest rate shall be adjusted to the Federal Home Loan Bank of Boston Five Year Classic Advance Rate plus 2.25% and monthly payments adjusted accordingly.

The loan agreement requires the Supporting Organization to maintain a debt service ratio equal to or greater than 1:1. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

As of June 30, 2025 and 2024, the outstanding principal balance of the mortgage loan amounted to \$1,158,880 and \$1,248,402, respectively.

Fidelity Co-Operative Bank - 340 Highland Avenue

Fidelity Co-Operative Bank provided financing to the Supporting Organization in the form of a note, dated June 26, 2013, in the amount of \$83,200. The note is secured by a first mortgage interest in the real estate property located at 340 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The note has a term of 20 years, maturing on June 26, 2033 with a fixed rate of interest of 5.20% per annum through June 26, 2023, at which point, the interest rate was adjusted to a fixed rate of 6.98% per annum until June 26, 2028 with a monthly installment of principal and interest of \$521.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

14 - FOUNDATION'S LONG-TERM DEBT (Continued)

Fidelity Co-Operative Bank - 340 Highland Avenue (continued)

The note includes a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Supporting Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the mortgage loan amounted to \$63,384 and \$65,087, respectively.

Fidelity Co-Operative Bank - 198 Pearl Street

Fidelity Co-Operative Bank provided additional financing to the Supporting Organization in the form of a note, dated October 19, 2016, in the amount of \$118,000. The note is secured by a Negative Pledge Agreement on the real estate located at 198 Pearl Street in Fitchburg, Massachusetts.

The promissory note has a term of 10 years, maturing on October 21, 2026 with a fixed rate of interest of 4.11% per annum and monthly installments of principal and interest of \$726 through the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due.

The business loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the business loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Supporting Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$78,300 and \$83,626, respectively.

Fidelity Co-Operative Bank - 9 Clinton Street and 85-7 Pearl Street

Fidelity Co-Operative Bank provided additional financing to the Supporting Organization in the form of a note dated January 13, 2017, in the amount of \$220,000. The note is secured by a Negative Pledge Agreement on the real estate located at 9 Clinton Street and 85-7 Pearl Street in Fitchburg, Massachusetts.

The promissory note has a term of 10 years, maturing on January 13, 2037 with a fixed rate of interest of 4.76% per annum and monthly installments of principal and interest of \$1,431 based on a 20-year principal amortization until the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

14 - FOUNDATION'S LONG-TERM DEBT (Continued)

Fidelity Co-Operative Bank - 9 Clinton Street and 85-7 Pearl Street (continued)

The note provides for the payment of a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement. The loan is cross-defaulted and cross collateralized with any and all other loans made by the lender to the Foundation Supporting Organization.

As of June 30, 2025 and 2024, the outstanding principal balance of the loan amounted to \$151,350 and \$160,963, respectively.

BankHometown - 164 Highland Avenue

BankHometown provided financing to the Supporting Organization in the form of a note, dated June 18, 2019, in the amount of \$312,000. The note is secured by a first mortgage interest in the real estate property located at 164 Highland Avenue in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The commercial note has a term of 10 years, maturing on June 18, 2029, with a fixed rate of interest of 4.60% per annum and monthly installments of principal and interest of \$1,752 through June 18, 2024, at which point, the interest rate was adjusted to 6.20% per annum with a monthly principal and interest payment of \$1,999. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

The loan agreement requires the Supporting Organization to maintain a Debt Service Coverage Ratio, as defined, of no less than 1.10 to 1 to be measured annually at the end of the fiscal year. The loan agreement also requires the Supporting Organization to maintain a Loan-to-Value Ratio of no more than 80% at any time during the term of the loan.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$267,362 and \$274,525, respectively.

BankHometown - 174 Highland Avenue

BankHometown provided additional financing to the Foundation Supporting Organization in the form of a note, dated June 18, 2019, in the amount of \$138,400. The note is secured by a first mortgage interest in the real estate property located at 174 Highland Avenue in Fitchburg, Massachusetts and an assignment of rents and leases on the property.

The commercial note has a term of 10 years, maturing on June 18, 2029, with a fixed rate of interest of 4.60% per annum and monthly installments of principal and interest of \$777 through June 18, 2024, at which point, the interest rate was adjusted to 6.2% per annum with a monthly principal and interest payment of \$887. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

14 - FOUNDATION'S LONG-TERM DEBT (Continued)

BankHometown - 174 Highland Avenue (continued)

The loan agreement requires the Foundation Supporting Organization to maintain a Debt Service Coverage Ratio, as defined, of no less than 1.10 to 1 to be measured annually at the end of the fiscal year. The loan agreement also requires the Foundation Supporting Organization to maintain a Loan-to-Value Ratio of no more than 80% at any time during the term of the loan.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$118,599 and \$121,776, respectively.

Fitchburg Historical Society

Fitchburg Historical Society provided financing to the Foundation Supporting Organization in the form of a note, dated April 4, 2019, in the amount of \$90,000. The note is secured by a first mortgage interest in the real estate property located at 0 Main Street in Fitchburg, Massachusetts and a collateral assignment of rents and leases on the property.

The commercial note has a term of 5 years, maturing on April 1, 2024, and provides for a fixed rate of interest of 5.00% per annum and monthly installments of principal and interest of \$1,694.

This loan was paid in full as scheduled during the year ended June 30, 2024

Enterprise Bank and Trust Company - 689 - 717 Main Street

Enterprise Bank and Trust Company provided financing to the Supporting Organization in the form of a note, dated November 4, 2016, in the amount of \$280,000. The note is secured by a first mortgage interest in the real estate property located at 689 - 717 Main Street in Fitchburg, Massachusetts and an assignment or rents on the property.

The promissory note has a term of 30 years, maturing on November 4, 2046, with a fixed rate of interest of 4.33% per annum with monthly installments of principal and interest of \$1,401 through the maturity date. At that point, a final principal payment for the remaining amount will be due.

If the note is prepaid in whole or in part during the first 117 months of each fixed rate period for the purpose of refinancing the note with another financial institution, the note provides for a prepayment penalty equal to 3% of any principal reduction. Except for the foregoing, the note may be prepaid in whole or in part without penalty. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Foundation Supporting Organization.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$233,619 and \$240,020, respectively

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

14 - FOUNDATION'S LONG-TERM DEBT (Continued)

Enterprise Bank and Trust Company - 70 - 78 North Street

Enterprise Bank and Trust Company provided additional financing to the Foundation Supporting Organization in the form of a note, dated November 5, 2018, in the amount of \$148,000. The note is secured by a first mortgage interest in the real estate property located at 70 - 78 North Street in Fitchburg, Massachusetts and an assignment of leases and rents on the property.

The promissory note has a term of 20 years, maturing on November 5, 2038 with a fixed rate of interest of 5% per annum and monthly installments of principal and interest of \$983 through November 5, 2028. At that point, the interest rate will be adjusted at five-year intervals to the Daily High Federal Home Loan Bank Boston Classic Advance Five Year Regular Rate plus 1.95% per annum with a minimum floor rate of 5% per annum.

If the note is prepaid in whole or in part during the term of the loan for the purpose of refinancing the loan with another financial institution, the loan provides for a prepayment penalty equal to 3% of any principal reduction. Except for the foregoing, the note may be prepaid in whole or in part without penalty. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Foundation Supporting Organization.

This loan was paid in full ahead of schedule during the year ended June 30, 2024.

Enterprise Bank and Trust Company

Enterprise Bank and Trust Company provided financing to the Foundation Supporting Organization in the form of a note payable dated April 26, 2007 in the amount of \$680,000. The note is secured by investments owned by the Foundation with a fair value of approximately \$3,259,000 and \$2,959,000 at June 30, 2024 and 2023, respectively. In addition, payment and performance of the Foundation Supporting Organization obligations under the loan agreement have been guaranteed by the Foundation.

The note payable has a term of 30 years, expiring on May 5, 2037, with a fixed rate of interest of 6% per annum and monthly installments of principal and interest of \$3,280 through April 26, 2027. At this point, the interest rate will be adjusted to the Federal Home Loan Bank Boston Classic Advance Five Year Rate plus 1.15% per annum through maturity.

As of June 30, 2025 and 2024, the outstanding principal balance of the loan amounted to \$365,974 and \$389,026, respectively.

Webster First Federal Credit Union

Webster First Federal Credit Union provided financing to the Foundation Supporting Organization in the form of a note, dated September 22, 2017, in the amount of \$250,000. The note is secured by a first mortgage interest in the real estate properties located at 66 and 0 Day Street and 721-725 Main Street Fitchburg, Massachusetts and an assignment of leases and rents on the properties.

The commercial note has a term of 15 years, maturing on October 1, 2032, with a fixed rate of interest of 3.75% per annum and monthly installments of principal and interest of \$1,825 through October 1, 2027. At that point, the interest rate will be adjusted to the Federal Home Loan Bank Boston Classic Advance Five-Year Rate plus 1.5% per annum for the remaining 5 years of the loan term with a floor of 3.75% per annum. A final payment of all unpaid principal and accrued interest thereon is due at maturity.

As of June 30, 2025, and 2024, the outstanding principal balance of the loan amounted to \$139,892 and \$156,147, respectively.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

14 - FOUNDATION'S LONG-TERM DEBT (Continued)

Aggregate Principal Maturities

Principal funding payments and estimated interest due to maturity consist of the following:

Year ending June 30:	Principal	Interest	Total
2026	\$ 239,793	\$ 159,624	\$ 399,417
2027	317,555	146,699	464,254
2028	461,392	133,451	594,843
2029	814,320	109,207	923,527
2030	200,539	68,489	269,028
Thereafter	1,581,207	336,056	1,917,263
	3,614,806	953,526	4,568,332
Less: Unamortized issuance costs	14,850	-	14,850
Total	<u>\$ 3,599,956</u>	<u>\$ 953,526</u>	<u>\$ 4,553,482</u>

15 - FOUNDATION'S LINES OF CREDIT

Foundation

In October 2022, the Foundation renewed its existing demand revolving working capital line of credit agreement with Workers' Credit Union which permits the Foundation to borrow up to \$250,000 for a period of five years. Pursuant to the provisions of the line of credit agreement, maximum advances under the line are limited to 70% of the pledged investment collateral unless otherwise approved by the lender. Interest rate as at June 30, 2025 was 8.5%. As of June 30, 2025 and 2024, there was no outstanding liability under the line of credit.

Borrowings under the line are secured by investments with an equivalent fair value of \$15,737,367 at June 30, 2025. The line was also collateralized by all funds held by the lender. At June 30, 2025, the Foundation has total cash balances of approximately \$58,185 held by the lender. The Foundation may prepay outstanding revolving loans under the agreement in whole or in part without premium or penalty. The line of credit agreement expires on October 24, 2027.

Foundation Supporting Organization

In November 2021, the Supporting Organization entered into a demand unsecured revolving line of credit agreement with Rollstone Bank and Trust which permits the Supporting Organization to borrow up to \$250,000. The line of credit provides for interest at The Wall Street Journal Prime Rate less 0.25% (effective rates of 7.25% at June 30, 2025 and 8.25% at June 30, 2024). The agreement renews annually.

The line of credit agreement contains, among other covenants, the maintenance of a debt service coverage ratio, as defined, of at least 1.00 to 1. In addition, the agreement provides that the line of credit be brought to a zero balance for 30 consecutive days annually during the term of the agreement. There was no balance outstanding on the line of credit at June 30, 2025 and 2024. The line of credit agreement expires on November 30, 2024.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

16 - LONG-TERM LIABILITIES

Long-term liability activity of the University included the following:

	Totals June 30, 2024	Additions	Reductions	Totals June 30, 2025	
				Ending Balance	Current Balance
Interagency payables	\$ 42,746,631		\$ 4,108,607	\$ 38,638,024	\$ 3,732,422
Total	42,746,631	-	4,108,607	38,638,024	3,732,422
Other liabilities					
Leases	55,274,723	-	3,157,348	52,117,375	3,309,293
SBITA	1,815,010	1,432,031	857,293	2,389,748	875,572
Worker's compensation	1,155,482	174,666	190,305	1,139,843	196,007
Compensated balances	6,374,051	3,858,695	3,900,919	6,331,827	3,912,427
Net OPEB liability	7,346,167	-	364,533	6,981,634	-
Net pension liability	6,907,003	-	712,798	6,194,205	-
Total other liabilities	78,872,436	5,465,392	9,183,196	75,154,632	8,293,299
Long-Term Obligations	\$ 121,619,067	\$ 5,465,392	\$ 13,291,803	\$ 113,792,656	\$ 12,025,721

	Totals June 30, 2023	Additions	Reductions	Totals June 30, 2024	
				Ending Balance	Current Balance
Interagency payables	\$ 47,427,779	\$ -	\$ 4,681,148	\$ 42,746,631	\$ 4,098,577
Total	47,427,779	-	4,681,148	42,746,631	4,098,577
Other liabilities					
Leases	59,815,355	-	4,540,632	55,274,723	3,157,349
SBITA	2,844,052	-	1,029,042	1,815,010	1,014,100
Worker's compensation	1,120,523	210,911	175,952	1,155,482	190,305
Compensated balances	5,805,110	4,152,171	3,583,230	6,374,051	3,900,919
Loan payable - federal financial assistance	33,542	-	33,542	-	-
Net OPEB liability	7,961,317	-	615,150	7,346,167	-
Net pension liability	6,326,084	580,919	-	6,907,003	-
Total other liabilities	83,905,983	4,944,001	9,977,548	78,872,436	8,262,673
Long-Term Obligations	\$ 131,333,762	\$ 4,944,001	\$ 14,658,696	\$ 121,619,067	\$ 12,361,250

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

16 - LONG-TERM LIABILITIES (Continued)

Long-term liability activity of the Foundation included the following:

	Totals June 30, 2024	Additions	Reductions	Totals June 30, 2025	
				Ending Balance	Current Balance
First mortgage notes payable	\$ 3,439,068		\$ 205,087	\$ 3,233,981	\$ 215,687
Notes payable - bank	389,026		23,051	365,975	24,106
	<u>\$ 3,828,094</u>	<u>\$ -</u>	<u>\$ 228,138</u>	<u>\$ 3,599,956</u>	<u>\$ 239,793</u>

	Totals June 30, 2023	Additions	Reductions	Totals June 30, 2024	
				Ending Balance	Current Balance
First mortgage notes payable	\$ 3,874,366	\$ -	\$ 435,298	\$ 3,439,068	\$ 205,960
Line of credit	125,000	-	125,000	-	-
Notes payable - bank	411,113	-	22,087	389,026	23,126
	<u>\$ 4,410,479</u>	<u>\$ -</u>	<u>\$ 582,385</u>	<u>\$ 3,828,094</u>	<u>\$ 229,086</u>

17 - NET POSITION

Unrestricted net position is comprised of net position that is not subject to externally imposed stipulations; however, they may be subject to internal restrictions. For example, unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Certain unrestricted net position is internally designated for academic and research programs and initiatives, and graduate and continuing education programs. Designated unrestricted net position was \$17,451,293 and \$17,489,717 at June 30, 2025 and 2024, respectively. Undesignated unrestricted net position was \$(12,162,253) and \$(21,157,335) at June 30, 2025 and 2024, respectively.

18 - NET POSITION RESTRICTED BY ENABLING LEGISLATION

Fitchburg State University Foundation, Inc.'s statements of net position as of June 30, 2025 and 2024 reflect a restricted net position of \$36,170,701 and \$32,753,865, respectively. Of these amounts, \$4,656,593 and \$4,101,038 are restricted by enabling legislation for the State Matching Funds Program.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

19 - OPERATING EXPENSES

The University's operating expenses for the years ended June 30, 2025 and 2024, on a natural classification basis, are comprised of the following:

	2025	2024
Salaries		
Faculty	\$ 26,548,597	\$ 26,249,793
Exempt wages	5,443,718	5,263,164
Non-exempt wages	24,224,016	23,905,239
Benefits	15,851,517	16,125,548
Scholarships	3,561,985	3,453,449
Utilities	7,059,417	6,069,283
Supplies and other services	26,383,702	25,304,197
Depreciation	13,637,508	12,655,814
Amortization	5,169,882	5,787,856
Bad debt expense (recovery)	368,523	(37,058)
	<u>\$128,248,865</u>	<u>\$124,777,285</u>

20 - STATE CONTROLLED ACCOUNTS

Certain significant costs and benefits associated with the operations of the University are appropriated, expended, controlled, and reported by the Commonwealth through non-University line items in the Commonwealth's budget. Under generally accepted accounting principles, such transactions must be recorded in the financial statements of the University. These transactions include payments by the Commonwealth for the employer's share of funding the Massachusetts State Employees' Retirement System and for the employer's share of health care premiums.

The estimated amounts of funding attributable for the Commonwealth's retirement system contribution and the employer's share of health care premiums for the years ended June 30, 2025, 2024, and 2023 were as follows (see State appropriations under Note 23):

	2025	2024	2023
Commonwealth's retirement system contributions	\$ 8,593,845	\$ 7,477,543	\$ 6,837,546
Employers share of health care	\$ 9,988,367	\$ 10,203,347	\$ 8,200,487

21 - RETIREMENT PLAN

Substantially all of the University's full-time employees are covered by the Massachusetts State Employees' Retirement System ("MSERS"). MSERS, a public employee retirement system ("PERS"), is a cost-sharing multi-employer defined benefit plan that is administered by the Massachusetts State Retirement Board and covers substantially all non-student employees. The Commonwealth does not issue separately audited financial statements for the plan. The financial position and results of operations of the plan are incorporated into the Commonwealth's financial statements, a copy of which may be obtained from the Office of the State Comptroller, Commonwealth of Massachusetts, One Ashburton Place, Room 901, Boston, MA 02108.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

21 - RETIREMENT PLAN (Continued)

MSERS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws ("MGL") establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MSERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MSERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for MSERS vary depending on the most recent date of membership:

Hire Date	% of compensation
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to June 30, 1996	8% of regular compensation
July 1, 1996 to present	9% of regular compensation
1979 to present	An additional 12% of regular compensation in excess of \$30,000

In addition, members of Group 1 who join the system on or after April 2, 2012 will have their withholding rate reduced to 6% after achieving 30 years of creditable service.

The University is not required to contribute from its appropriation allocation or other University funds to MSERS for employees compensated from State appropriations. For University employees covered by MSERS but compensated from a trust fund or other source, the University is required to contribute an amount determined as a percentage of compensation in accordance with a fringe benefit rate established by the State. The total amount of current funding by the State related to the University's employees during 2025, 2024, and 2023 was \$8,593,845, \$7,477,543, and \$6,837,546, respectively. The total amount of funding by the University related to the University's employees compensated from a trust fund or other source during 2025, 2024, and 2023 was \$538,524, \$662,605, and \$695,279, respectively. Annual covered payroll was approximately 87%, 82%, and 81% of annual total payroll for the University in 2025, 2024, and 2023, respectively.

At June 30, 2025 and 2024, the University reported a liability of \$6,194,205 and \$6,907,003, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and 2023, respectively, and the State's total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 and 2023. The University's proportion of the net pension liability was based on an effective contribution methodology, which allocates total contributions amongst the employers in a consistent manner based on an employer's share of total covered payroll. At June 30, 2025 and 2024, the University's proportion was 0.0483% and 0.0519%, respectively.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

21 - RETIREMENT PLAN (Continued)

For the years ended June 30, 2025 and 2024, the University recognized pension expense of \$9,325,357 and \$8,185,924, respectively.

At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 44,452	\$ -
Net difference between projected and actual earnings on pension plan investments	-	80,540
Difference between expected and actual experience	310,450	79,359
Changes in proportion due to internal allocation	322,812	3,279,579
Changes in proportion from Commonwealth	-	39,809
University contributions subsequent to the measurement date	538,524	-
	<u>\$ 1,216,238</u>	<u>\$ 3,479,287</u>

The \$538,524 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,

2025	\$ (2,585,734)
2026	(176,975)
2027	66,496
2028	(105,359)
	<u>\$ (2,801,572)</u>

At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 116,084	\$ -
Net difference between projected and actual earnings on pension plan investments	185,888	-
Difference between expected and actual experience	245,357	170,671
Changes in proportion due to internal allocation	1,166,417	5,059,274
Changes in proportion from Commonwealth	57	52,766
University contributions subsequent to the measurement date	662,605	-
	<u>\$ 2,376,408</u>	<u>\$ 5,282,711</u>

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NOTES TO FINANCIAL STATEMENTS
(Continued)

21 - RETIREMENT PLAN (Continued)

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of January 1, 2024 rolled forward to June 30, 2024. This valuation used the following assumptions:

1. (a) 2.50% inflation rate (b) 7.00% investment rate of return, (c) 3.50% interest rate credited to the annuity savings fund and (d) 3.00% cost of living increase per year on the first \$13,000 of allowance each year.
2. Salary increases are based on analyses of past experience but range from 4.00% to 9.00% depending on group and length of service.
3. Mortality rates were as follows:
 - (i) Pre-retirement - reflects RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2021, set forward one year for females.
 - (ii) Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2021, set forward one year for females.
 - (iii) Disability - the mortality rate reflects the post-retirement mortality described above, set forward one year.
4. Experience studies were performed as follows:
 - (i) Dated February 27, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect actual experience from 2012 through 2021 for post-retirement mortality.

Investment assets of MSERS are with the Pension Reserves Investment Trust ("PRIT") Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2024 and 2023 are summarized in the following table:

Asset Class	Target Allocation		Long-term Expected Real Rate of Return	
	2024	2023	2024	2023
Global equity	36.00%	37.00%	4.60%	4.90%
Core fixed income	15.00%	15.00%	2.10%	1.90%
Private equity	16.00%	16.00%	7.40%	7.40%
Portfolio completion strategies	10.00%	10.00%	3.70%	3.80%
Real estate	10.00%	10.00%	3.90%	3.00%
Value added fixed income	9.00%	8.00%	5.10%	5.10%
Timberland/natural resources	4.00%	4.00%	4.40%	4.30%
Total	<u>100.00%</u>	<u>100.00%</u>		

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

21 - RETIREMENT PLAN (Continued)

The discount rate used to measure the total pension liability for the measurement years ended June 30, 2024 and 2023 was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the University's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the University's proportionate share of the net pension liability calculated using the discount rates of 7.00% for the measurement years ended June 30, 2024 and 2023, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% for 2024 and 2023) or 1-percentage-point higher (8.00% for 2024 and 2023) than the current rates:

Measurement year ended	1% Decrease	Discount Rate	1% Increase
June 30, 2024	\$ 8,702,058	\$ 6,194,206	\$ 4,072,567
June 30, 2023	\$ 9,492,745	\$ 6,907,004	\$ 4,718,787

Detailed information about the pension plan's fiduciary net position is available in the Commonwealth's financial statements.

22 - FRINGE BENEFITS FOR CURRENT EMPLOYEES AND POST-EMPLOYMENT OBLIGATIONS - PENSION AND NON-PENSION

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

On-behalf payments of fringe benefits for benefited employees on the Commonwealth's payroll are recognized as revenues and expenses in the University's financial statements in each of the fiscal years presented.

Post-employment other than pensions

In addition to providing pension benefits, under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care/benefit costs, which are comparable to contributions required from employees.

The Commonwealth administers a single employer defined benefit Postemployment Benefits Other Than Pensions ("OPEB") Plan. Benefits are managed by the Group Insurance Commission ("GIC") and investments are managed by the Pension Reserves Investment Management ("PRIM") Board. The State Retirement Benefits Trust Fund ("SRBT") is set up solely to pay for OPEB benefits and the cost to administer those benefits. Management of the SRBT is vested with a board of trustees, which consists of seven members. GIC administers benefit payments, while the Trustees are responsible for investment decisions. The SRBT is reported as an OPEB Trust Fund and does not issue a stand-alone audited financial report. The financial position and results of operations of the plan are incorporated in the Commonwealth's financial statements, a copy of which may be obtained from the Office of the State Comptroller, Commonwealth of Massachusetts, One Ashburton Place, Room 901, Boston, MA 02108.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

22 - FRINGE BENEFITS FOR CURRENT EMPLOYEES AND POST-EMPLOYMENT OBLIGATIONS - PENSION AND NON-PENSION (Continued)

During the fiscal years ended on June 30, 2025 and 2024, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans. The GIC also administered carve-outs for the pharmacy benefit and mental health and substance abuse benefits for certain of its health plans. In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage for employees not covered by collective bargaining, a retiree discount vision plan and retiree dental plan, and finally, a pre-tax health care spending account and dependent care assistance program (for active employees only).

Employer and employee contribution rates are set in Massachusetts General Law. The Commonwealth recognizes its share of the costs on an actuarial basis. As of June 30, 2024 and 2023 and as of the valuation date (January 1, 2024), Commonwealth participants contributed 10% to 20% of premium costs, depending on the date of hire and whether the participant is active, retiree, or survivor status.

At June 30, 2025 and 2024, the University reported a liability of \$6,981,634 and \$7,346,167, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024 and 2023, and the Commonwealth's total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 and 2023. The University's proportion of the net OPEB liability was based on an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner based on an employer's share of total covered payroll. At June 30, 2025, the University's proportion was 0.0541%. As of June 30, 2024, the University's proportion was 0.0548%.

The amount of funding by the University related to benefits other than OPEB for the years ended June 30, 2025, 2024 and 2023 were \$15,851,517, \$16,090,589, and \$13,306,190, respectively, which equaled the required contributions each year charged to it through the Commonwealth's fringe benefit recovery program. The total amount of current funding by the State related to the OPEB portion of fringe benefits for the University's employees during 2025, 2024 and 2023 was \$3,204,268, \$3,204,451, and \$2,770,945, respectively. The total amount of funding by the University related to the OPEB portion of fringe benefits for the University's employees compensated from a trust fund or other source during 2025, 2024 and 2023 was \$216,545, \$310,836, and \$302,995, respectively.

For the years ended June 30, 2025 and 2024, the University recognized OPEB expense of \$6,895,712 and \$6,553,902, respectively.

At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 136,113	\$ 1,557,697
Net difference between projected and actual investment earnings on OPEB plan investments	-	2,776
Difference between expected and actual experience	194,060	539,318
Changes in proportion due to internal allocation	-	6,326,121
Changes in proportion from Commonwealth	-	67,241
University contributions subsequent to the measurement date	216,545	-
	<u>\$ 546,718</u>	<u>\$ 8,493,153</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

22 - FRINGE BENEFITS FOR CURRENT EMPLOYEES AND POST-EMPLOYMENT OBLIGATIONS - PENSION AND NON-PENSION (Continued)

The \$216,545 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources as a result of the University's requirement to contribute to the Plan will be recognized in expense as follows:

Year ended June 30,

2025	\$ (3,594,950)
2026	(3,074,840)
2027	(1,197,770)
2028	(233,452)
2029	(61,968)
	<u>\$ (8,162,980)</u>

At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 322,721	\$ 1,894,841
Net difference between projected and actual investment earnings on OPEB plan investments	24,011	-
Difference between expected and actual experience	298,789	825,157
Changes in proportion due to internal allocation	-	9,440,083
Changes in proportion from Commonwealth	673	70,295
University contributions subsequent to the measurement date	310,836	
	<u>\$ 957,030</u>	<u>\$ 12,230,376</u>

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

22 - FRINGE BENEFITS FOR CURRENT EMPLOYEES AND POST-EMPLOYMENT OBLIGATIONS - PENSION AND NON-PENSION (Continued)

The total OPEB liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2025. This valuation used the following assumptions:

1. The annual healthcare cost trend rates were developed based on the most recent published SOA Getzen trend rate model, version 2024_1b. The short-term trend assumptions were based on a review of the Commonwealth's emerging experience and enrollment by plan type (including migration assumptions for discontinued plans), along with industry surveys, separately for non-Medicare and Medicare benefits. The industry surveys were used to predict short-term future per capita cost increases. The most recently published SOA-Getzen model was then used to determine the trend rates beginning in 2028 and thereafter, based on the plan's long-term inflation assumption and reasonable macro-economic assumptions for the growth of health care expenditures during this period relative to the general economy.

Year	Medicare Benefits	Non-Medicare Benefits
2024	5.35%	7.42%
2025	6.53%	8.03%
2026	5.24%	6.85%
2027	5.19%	6.57%
2028	5.14%	6.29%
2033		4.87%
2043		4.48%
2053		4.42%
2063		4.37%
2073		4.01%
2075+		3.94%

2. The mortality rate was in accordance with RP 2014 Blue Collar Mortality Table projected with scale MP-2021 with females set forward one year.
3. Participation rates:
 - (i) 100% of employees currently electing healthcare coverage are assumed to elect coverage at retirement.
 - (ii) 35% of employees currently opting out of active employee health coverage are assumed to elect to enroll in retiree coverage.
 - (iii) 85% of current and future vested terminated participants will elect health care benefits at age 55, or if later, the participant's current age.
 - (iv) Retirees who currently elect to waive their coverage are assumed to remain uncovered in the future.
 - (v) 100% of spouses are assumed to elect to continue coverage after the retiree's death.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

22 - FRINGE BENEFITS FOR CURRENT EMPLOYEES AND POST-EMPLOYMENT OBLIGATIONS - PENSION AND NON-PENSION (Continued)

- (i) Current non-Medicare eligible retirees and spouses (if covered) under age 65 who are in a POS/PPO plan are assumed to move to an Indemnity plan if they are Medicare eligible at 65. All others are assumed to remain in their currently elected product type (Indemnity/POS/PPO/HMO).

Future retirees are assumed to enroll in the existing plans in the same proportion as the current retiree mix, as shown in the table below. These proportions are established separately for non-Medicare and Medicare coverage for each product type.

	Retirement Age	
	Under 65	Age 65 +
Indemnity	18.0.0%	96.0%
POS/PPO	72.0%	0.0%
HMO	10.0%	4.0%

The long-term expected rate of return as of June 30, 2024 was 7.00%. Investment assets of the Plan are held by the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation		Long-term Expected Real Rate of Return	
	2024	2023	2024	2023
Global equity	36.00%	37.00%	4.60%	4.90%
Core fixed income	15.00%	15.00%	2.10%	1.90%
Private equity	16.00%	16.00%	7.40%	7.40%
Portfolio completion strategies	10.00%	10.00%	3.90%	3.80%
Real estate	10.00%	10.00%	3.70%	3.00%
Value added fixed income	9.00%	8.00%	5.10%	5.10%
Timberland/natural resources	4.00%	4.00%	4.40%	4.30%
Total	100.00%	100.00%		

The discount rates used to measure the OPEB liability as of June 30, 2024 and 2023 were 4.61% and 4.34%, respectively. These rates were based on a blend of the Bond Buyer Index rates of 3.93% and 3.65%, respectively, as of the measurement dates June 30, 2024 and 2023, respectively, and the expected rate of return on plan investments of 7.00%. The plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2041 (2028 for the year ended June 30, 2022). Therefore, the long-term expected rate of return on plan investments was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2024 and 2023.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

22 - FRINGE BENEFITS FOR CURRENT EMPLOYEES AND POST-EMPLOYMENT OBLIGATIONS - PENSION AND NON-PENSION (Continued)

The following presents the University's proportionate share of the net OPEB liability calculated using the discount rate as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement year ended	1% Decrease	Discount Rate	1% Increase
June 30, 2024 (a)	\$ 8,131,333	\$ 6,981,634	\$ 6,032,751
June 30, 2023 (b)	\$ 8,583,275	\$ 7,346,167	\$ 6,331,049

(a) The discount rates as of June 30, 2024 are as follows: 4.61% (current); 3.61% (1% decrease) and 5.61% (1% increase).

(b) The discount rates as of June 30, 2023 are as follows: 4.34% (current); 3.34% (1% decrease) and 5.34% (1% increase).

The following presents the University's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rate as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement year ended	1% Decrease	Healthcare Cost Trend Rates	1% Increase
June 30, 2024	\$ 5,860,961	\$ 6,981,634	\$ 8,391,305
June 30, 2023	\$ 6,155,530	\$ 7,346,167	\$ 8,852,249

Detailed information about the OPEB plan's changes in net OPEB liability, fiduciary net position, and employees covered by benefit terms separately identified by: a) Inactive employees currently receiving benefit payments, b) Inactive employees entitled to but not yet receiving benefit payments, and c) Active employees is available in the Commonwealth's financial statements.

23 - MANAGEMENT ACCOUNTING AND REPORTING

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

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

23 - MANAGEMENT ACCOUNTING AND REPORTING SYSTEM (Continued)

State appropriations

The University's State appropriations are comprised of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Gross state appropriations	\$ 44,464,727	\$ 42,509,783
Add: Fringe benefits for benefited employees on the Commonwealth payroll	18,582,212	17,680,890
Less: Day school tuition remitted to the Commonwealth and included in tuition and fee revenue	<u>(434,956)</u>	<u>(799,075)</u>
	<u>\$ 62,611,983</u>	<u>\$ 59,391,598</u>

\$62,480,324 and \$58,875,784 represent appropriations for maintenance and payroll and other noncapital appropriations during 2025 and 2024, respectively, and \$131,659 and \$515,814 represent appropriations for capital improvements for 2025 and 2024, respectively. These amounts are presented separately in the accompanying statements of revenues, expenses and changes in net position.

Day school tuition receipts and transfers have been recorded in an agency fund during the year and had no material balance outstanding at June 30, 2025 and 2024.

24 - RISK MANAGEMENT

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Commonwealth is self-insured. In addition, the University maintains commercial insurance coverage for certain of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The separate insurance policies maintained by the University consist of Director and Officer's liability, automobile liability, and a foreign package policy. There were no significant reductions in insurance coverage from coverage in the prior year. The costs of settled claims have not exceeded policy coverage in any of the past three years.

The University also participates in the Commonwealth's self-insured programs for employee workers' compensation, health care and other insurance. The Commonwealth assesses the costs of workers' compensation and unemployment insurance to the University based on the University's actual experience (see Note 7). The Commonwealth manages workers' compensation as part of its general operations. No separate fund for workers' compensation is provided for in Massachusetts General Laws. The Commonwealth assesses the costs of health care insurance to the University through a fringe benefit rate and the liability for such coverage is borne by the Commonwealth. The Commonwealth's Group Insurance Commission manages health insurance and other benefits for the Commonwealth's active and retired employees (see Note 22).

Massachusetts General Laws limit the risk assumed by the Commonwealth for claims of personal injury or property damages to \$100,000 per occurrence, in most circumstances.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

25 - COMMITMENT AND CONTINGENCIES

Pending or threatened lawsuits against governmental agencies arise in the ordinary course of operations. In the opinion of the University's administration, the ultimate resolution of any legal actions at this date will not result in a material loss to the University since most of any obligation is expected to be paid from state appropriated funds.

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

The University participates in the Massachusetts College Savings Prepaid Tuition Program. This program allows participants to pay in advance (against a bond) for future tuition at the cost of tuition at the time of the bond purchase, increased by changes in the Consumer Price Index plus 2%. The University is obligated to accept as payment of tuition the amount determined by this program without regard to the standard tuition rate in effect at the time of the individual's enrollment at the University. The effect of this program cannot be determined as it is contingent on future tuition increases and the bond purchasers who attend the University.

The University can perform capital projects that are funded and controlled by another State agency. These projects would be paid from funds appropriated and under the control of DCAMM. The Projects generally consist of renovations and improvements and have been recorded in the respective accounts.

26 - MCKAY AGREEMENT

The University has an agreement with the City of Fitchburg, whereby the City can use the McKay building to provide elementary education to local residents on a year to year basis. The University receives quarterly payments from the City to reimburse the University for its share of payroll and related operating expenses (the "McKay School expenditures"). Reimbursements received for years ended June 30, 2025 and 2024 were \$1,120,527 and \$950,421, respectively. These reimbursements are included in the Sales and Services of Educational Departments revenue amount and the McKay School expenditures are included in the appropriate categories under Operating Expenses in the accompanying statements of revenues, expenses and changes in net position.

27 - CIVIC CENTER

In August 2006, the University and the City of Fitchburg entered into a Memorandum of Understanding in which the University would assume responsibility for the operations, management and maintenance of the George R. Wallace, Jr. Civic Center and the Alice G. Wallace Planetarium (collectively, the "Civic Center"). The Civic Center includes two skating rinks and the adjoining planetarium. The Commonwealth of Massachusetts acting by and through DCAMM on behalf of the University entered into a lease agreement for the Civic Center with the City of Fitchburg and the Board of Trustees of the Civic Center. The lease commenced on October 1, 2007 and is for a term of 99 years. The lease provided for an initial nominal rent payment and is otherwise a net lease. Pursuant to the terms of the lease, the University has complete authority, at its sole discretion, to do all such acts and deeds as it deems reasonably necessary to manage, maintain and operate the Civic Center for the permitted uses specified in the lease agreement. The University is responsible for payment, from net revenues generated by its operation of the Civic Center, of all costs associated with the maintenance and operation of the Civic Center, and certain other payments as specified in the lease agreement. DCAMM, at the instruction of the University and with 60 days prior written notice, may terminate the lease in the event that the University, in its sole discretion, determines that continuation of the lease is not in the interest of the University.

FITCHBURG STATE UNIVERSITY
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NOTES TO FINANCIAL STATEMENTS
(Continued)

27 - CIVIC CENTER (Continued)

During fiscal 2007, the University commenced initial management, maintenance and operations activities at the Civic Center in anticipation of the lease agreement being executed. The Commonwealth of Massachusetts Legislature appropriated an aggregate amount of \$2,500,000 for repairs and upgrades to the Civic Center. During fiscal 2008, the University made repairs and upgrades to the Civic Center for an aggregate cost of \$2,477,381. The University engaged the services of a professional management company, Facilities Management Corporation ("FMC"), to assist with management, maintenance and operations activities of the ice-skating rink program at the Civic Center. The initial management contract expired on December 31, 2008.

On February 1, 2009, the Commonwealth acting by and through DCAMM on behalf of the University entered into a sublease agreement with FMC for a term of 25 years commencing on the date of the agreement. The sublease agreement is a net lease and, accordingly, FMC is responsible for all costs associated with the operations, management, and maintenance of the sublease premises as well as repairs and required capital improvements. The sublease premises consist of the facilities and related equipment associated with the operation of a public ice-skating rink program. The planetarium is not part of the sublease premises and it is not currently operational. FMC is also responsible for certain other payments for and on behalf of the University related to obligations in existence at the date the University initially assumed management of the Civic Center. During the term of the sublease agreement, FMC is required to pay the University monthly percentage rent based upon the actual gross revenues from its operations, as defined. During each of the first 10 years of the sublease term, no percentage rent is required.

Thereafter, for each of the years 11 through 25, percentage rent at the rate of 1% of actual gross revenues shall be due and payable on a monthly basis. However, in no event shall the aggregate amount of percentage rent paid by FMC during the sublease term be less than \$107,155. For fiscal year 2025 and 2024, the percentage rent incurred by FMC was not material to the financial statements.

The University, officials of the City of Fitchburg, and the Board of Trustees of the Civic Center believe that their collective efforts will return the Civic Center to a vibrant place where the citizenries of the City of Fitchburg and its surrounding cities and towns can enjoy athletic, educational and cultural activities.

SUPPLEMENTARY INFORMATION

Schedule 1

FITCHBURG STATE UNIVERSITY
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SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Massachusetts State Employees' Retirement Plan

YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2016 through 2024)

	2025	2024	2023	2022	2021
University's proportion of the collective net pension liability	0.0439%	0.0519%	0.0496%	0.0768%	0.1171%
University's proportionate share of the collective net pension liability	\$ 6,194,205	\$ 6,907,003	\$ 6,326,084	\$ 8,015,299	\$ 20,091,153
University's covered payroll	\$ 45,667,360	\$ 44,898,054	\$ 42,234,316	\$ 41,834,201	\$ 40,651,993
University's proportionate share of the collective net pension liability as a percentage of its covered payroll	13.56%	15.38%	14.98%	19.16%	49.42%
Plan fiduciary net position as a percentage of the total pension liability	72.90%	70.71%	77.54%	77.54%	62.48%
	2020	2019	2018	2017	2016
University's proportion of the collective net pension liability	0.0872%	0.0944%	0.0891%	0.0912%	0.0878%
University's proportionate share of the collective net pension liability	\$ 12,763,415	\$ 12,484,412	\$ 11,430,648	\$ 12,580,841	\$ 9,995,092
University's covered payroll	\$ 41,831,191	\$ 40,564,017	\$ 37,747,018	\$ 37,408,274	\$ 37,167,634
University's proportionate share of the collective net pension liability as a percentage of its covered payroll	30.51%	30.78%	30.28%	33.63%	26.89%
Plan fiduciary net position as a percentage of the total pension liability	66.28%	67.91%	67.21%	63.48%	67.87%

See accompanying independent auditor's report and notes to schedule.

Schedule 2

FITCHBURG STATE UNIVERSITY
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SCHEDULE OF UNIVERSITY PENSION CONTRIBUTIONS
Massachusetts State Employees' Retirement Plan

YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2016 through 2024)

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 662,605	\$ 695,279	\$ 640,112	\$ 913,619	\$ 1,265,411
Contributions in relation to the contractually required contribution	(662,605)	(695,279)	(640,112)	(913,619)	(1,265,411)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 45,667,360	\$ 44,898,054	\$ 42,234,316	\$ 41,834,201	\$ 40,651,993
Contributions as a percentage of covered payroll	1.45%	1.55%	1.52%	2.18%	3.11%
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 868,517	\$ 862,928	\$ 696,825	\$ 655,160	\$ 549,728
Contributions in relation to the contractually required contribution	(868,517)	(862,928)	(696,825)	(655,160)	(549,728)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 41,831,191	\$ 40,564,017	\$ 37,747,018	\$ 37,408,274	\$ 37,167,634
Contributions as a percentage of covered payroll	2.08%	2.13%	1.85%	1.75%	1.48%

See accompanying independent auditor's report and notes to schedule.

FITCHBURG STATE UNIVERSITY
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NOTES TO SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND SCHEDULE OF UNIVERSITY CONTRIBUTIONS

JUNE 30, 2016 THROUGH 2025

1 - CHANGES IN ACTUARIAL ASSUMPTIONS

The actuarial assumptions used as of the June 30, 2024 measurement date included a change in the interest rate credit to the annuity savings fund from 3.50% in 2023 to 4.76% for 2024.

The actuarial assumptions used as of the June 30, 2023 measurement date included a change in mortality rates. As of this date, pre-retirement mortality rates reflect the RP-2014 Blue Collar Employees Table, projected generationally with Scale MP-2021 and set forward one year for females. Post-retirement mortality rates reflect the RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2021 and set forward one year for females. Mortality rates for disability reflect the RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2021 and set forward one year.

The actuarial assumptions used as of the June 30, 2022 measurement date included a change in the inflation rate from 0.00% in 2021 to 2.50% for 2022.

The actuarial assumptions used as of the June 30, 2021 measurement date included a change in mortality rates. As of this date, pre-retirement mortality rates reflect the RP-2014 Blue Collar Employees Table, projected generationally with Scale MP-2020 and set forward one year for females. Post-retirement mortality rates reflect the RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2020 and set forward one year for females. Mortality rates for disability reflect the RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2020 and set forward one year.

The actuarial assumptions used as of the June 30, 2021 measurement date included a change in the investment rate of return from 7.15% in 2020 to 7.00% for 2021.

The actuarial assumptions used as of the June 30, 2020 measurement date included a change in the investment rate of return from 7.25% in 2019 to 7.15% for 2020.

The actuarial assumptions used as of the June 30, 2019 measurement date included a change in the investment rate of return from 7.35% in 2018 to 7.25% for 2019.

The actuarial assumptions used as of the June 30, 2018 measurement date included a change in mortality rates for disability. As of this date, mortality rates for disability reflect the RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2016 and set forward one year.

The actuarial assumptions used as of the June 30, 2017 measurement date included a change cost of living increases whereby such increases are on only the first \$13,000 per year.

The actuarial assumptions used as of the June 30, 2017 measurement date included a change in mortality rates. As of this date, pre-retirement mortality rates reflect the RP-2014 Blue Collar Employees Table, projected generationally with Scale MP-2016 and set forward one year for females. Post-retirement mortality rates reflect the RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2016 and set forward one year for females. Mortality rates for disability were assumed to be in accordance with the RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year of 2015 (gender distinct).

The actuarial assumptions used as of the June 30, 2016 measurement date included a change in the range of assumed salary increases from 3.5% to 9.0% in 2015 to 4.0% to 9.0%.

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

NOTES TO SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND SCHEDULE OF UNIVERSITY CONTRIBUTIONS

JUNE 30, 2016 THROUGH 2025
(Continued)

1. CHANGES IN ACTUARIAL ASSUMPTIONS (Continued)

Chapter 176 of the Acts of 2011 created a one-time election for eligible members of the Optional Retirement Plan (ORP) to transfer to the State Employees' Retirement System (SERB) and purchase service for the period while members of the ORP. As a result, the total pension liability of SERB has increased by approximately \$400 million as of June 30, 2016.

The actuarial assumptions used as of the June 30, 2015 measurement date included a change in the investment rate of return and discount rate from 8.0% to 7.5%. The projection of cash flows used to determine the investment rate of return and discount rate assumed that plan member contributions will be made at the current contributions rates and the members rates.

In May 2015, an early retirement incentive (ERI) was created for certain members MSERS who upon election of the ERI retired effective June 30, 2015. As a result, the total pension liability of MSERS has increased by approximately \$230 million as of the June 30, 2015 measurement date.

The Actuarial assumptions used as of the June 30, 2015 measurement date included a change in mortality rates. As of this date, pre-retirement mortality rates reflect the RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct). Post-retirement mortality rates reflect the RP-2000 Healthy Annuitant table projected generationally with Scale BB (gender distinct). Disability rates were assumed to be in accordance with the RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2015 (gender distinct).

Schedule 3

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

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Commonwealth of Massachusetts Postemployment Benefits Other Than Pensions (OPEB) Plan

YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2018 through 2024)

	2025	2024	2023	2022
University's proportion of the collective net OPEB liability (asset)	0.0509%	0.0548%	0.0596%	0.0880%
University's proportionate share of the total OPEB liability (asset)	\$ 8,267,209	\$ 8,518,620	\$ 9,146,898	\$ 15,753,852
Less: University's proportionate share of Plan fiduciary net position	1,285,575	1,172,453	1,185,581	1,680,848
University's proportionate share of the collective net OPEB liability (asset)	<u>\$ 6,981,634</u>	<u>\$ 7,346,167</u>	<u>\$ 7,961,317</u>	<u>\$ 14,073,004</u>
University's covered payroll	\$ 45,667,360	\$ 44,898,054	\$ 42,234,316	\$ 41,834,201
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	15.29%	16.36%	18.85%	33.64%
Plan fiduciary net position as a percentage of the total OPEB liability	15.60%	13.76%	12.97%	10.70%
	2021	2020	2019	2018
University's proportion of the collective net OPEB liability (asset)	0.1249%	0.1315%	0.1471%	0.1272%
University's proportionate share of the total OPEB liability (asset)	\$ 27,609,783	\$ 25,861,235	\$ 29,068,920	\$ 23,499,661
Less: University's proportionate share of Plan fiduciary net position	1,757,179	1,800,028	1,750,656	1,266,987
University's proportionate share of the collective net OPEB liability (asset)	<u>\$ 25,852,604</u>	<u>\$ 24,061,207</u>	<u>\$ 27,318,264</u>	<u>\$ 22,232,674</u>
University's covered payroll	\$ 40,651,993	\$ 41,831,191	\$ 40,564,017	\$ 37,747,018
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	63.59%	57.52%	67.35%	58.90%
Plan fiduciary net position as a percentage of the total OPEB liability	6.96%	0.00%	6.01%	5.39%

See accompanying independent auditor's report and notes to schedule.

Schedule 4

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

SCHEDULE OF UNIVERSITY OPEB CONTRIBUTIONS
Commonwealth of Massachusetts Postemployment Benefits Other Than Pensions (OPEB) Plan

YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2018 through 2024)

	2025	2024	2023	2022
Contractually required contributions	\$ 310,836	\$ 302,995	\$ 303,997	\$ 479,752
Contributions in relation to contractually required contribution	(310,836)	(302,995)	(303,997)	(479,752)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 45,667,360	\$ 44,898,054	\$ 42,234,316	\$ 41,834,201
Contributions as a percentage of covered payroll	0.68%	0.67%	0.72%	1.15%
	2021	2020	2019	2018
Contractually required contributions	\$ 655,514	\$ 633,318	\$ 653,339	\$ 559,676
Contributions in relation to contractually required contribution	(655,514)	(633,318)	(653,339)	(559,676)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 40,651,993	\$ 41,831,191	\$ 40,564,017	\$ 37,747,018
Contributions as a percentage of covered payroll	1.61%	1.51%	1.61%	1.48%

See accompanying independent auditor's report and notes to schedule.

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

NOTES TO SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY AND SCHEDULE OF UNIVERSITY OPEB CONTRIBUTIONS

JUNE 30, 2018 THROUGH 2025

1 - CHANGES IN ACTUARIAL ASSUMPTIONS

The actuarial assumptions used as of the June 30, 2024 measurement date included a change in the annual healthcare cost trend rates used to measure the OPEB liability, developing such rates based on the SOA-Getzen trend rate model, version 2024_1b. The healthcare cost trend rate changed from 5.79% in 2023 to 5.35% for Medicare benefits and from 7.50% to 7.42% for non-Medicare benefits, then increasing in 2025 before decreasing in 2026, 2027 and 2028 to a blended rate of 4.87% in 2033 and additional decrease in 2043, 2053, 2063, 2073, and 2075.

The actuarial assumptions used as of the June 30, 2024 measurement date included a change in participant rates whereby in 2023 actives under age 65 taking coverage were assumed to have indemnity (27%), POS/PPO (63%) or HMO (10%) have been adjusted in 2024 to indemnity (18%), POS/PPO (72%) or HMO (10%).

The actuarial assumptions used as of the June 30, 2023 measurement date included a change in the annual healthcare cost trend rates used to measure the OPEB liability, developing such rates based on the Getzen trend rate model, version 2023_1f. The healthcare cost trend rate changed from 5.00% in 2022 to 5.79% in 2023 for Medicare benefits and from 7.60% in 2022 to 7.50% in 2023 for non-Medicare benefits, then increasing in 2024 before decreasing in 2025, 2026 and 2027 to a blended rate of 4.77% in 2032 and additional decrease in 2042, 2052, 2062, 2072, and 2075.

The actuarial assumptions used as of the June 30, 2023 measurement date included a change in mortality rates. As of this date, mortality rates reflect the RP-2014 Blue Collar Employees Table, projected generationally with Scale MP-2021 and set forward one year for females.

The actuarial assumptions used as of the June 30, 2023 measurement date included a change in participant rates whereby in 2022 actives under age 65 taking coverage were assumed to have indemnity (28%), POS/PPO (62%) or HMO (10%) have been adjusted in 2023 to indemnity (27%), POS/PPO (63%) or HMO (10%).

The actuarial assumptions used as of the June 30, 2023 measurement date included a change in participant rates whereby in 2022 actives over age 65 taking coverage were assumed to have indemnity (96%) or HMO (4%) have been adjusted in 2023 to Medicare Supplement (96%) or Medicare Advantage (4%).

The actuarial assumptions used as of the June 30, 2022 measurement date included a change in the annual healthcare cost trend rates used to measure the OPEB liability, developing such rates based on the Getzen trend rate model, version 2022_f4. The healthcare cost trend rate changed from 4.40% in 2021 to 5.00% in 2022 for Medicare benefits and from 7.3% in 2021 to 7.60% in 2022 for non-Medicare benefits, then increasing in 2023 and 2024 before decreasing in 2025 and 2026 to a blended rate of 4.97% in 2031 and additional decrease in 2041, 2051, 2061, 2071, and 2075. The Getzen trend rate model also assumes inflation of 2.5%, real GDP growth of 1.4% and excess medical growth of 1.1%.

The actuarial assumptions used as of the June 30, 2022 measurement date included a change in participant rates whereby in 2021 actives under age 65 taking coverage were assumed to have indemnity (28%), POS/PPO (60%) or HMO (12%) have been adjusted in 2022 to indemnity (28%), POS/PPO (62%) or HMO (10%).

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

NOTES TO SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY AND SCHEDULE OF UNIVERSITY OPEB CONTRIBUTIONS

JUNE 30, 2018 THROUGH 2025
(Continued)

1 - CHANGES IN ACTUARIAL ASSUMPTIONS (Continued)

The actuarial assumptions used as of the June 30, 2021 measurement date included a change in the annual healthcare cost trend rates used to measure the OPEB liability, developing such rates based on the Getzen trend rate model, version 2021_b. The healthcare cost trend rate changed from 4.9% in 2020 to 4.4% for Medicare benefits and from 6.7% in 2020 to 7.3% in 2021 for non-Medicare benefits, then decreasing 0.24% each year to a blended rate of 5.18% in 2030 and additional decrease in 2060, 2070, and 2075. The Getzen trend rate model also assumes inflation of 2.5%, real GDP growth of 1.5% and excess medical growth of 1.1%.

The actuarial assumptions used as of the June 30, 2021 measurement date included a change in discount rate used to measure the OPEB liability. The discount rates used to measure the OPEB liability as of June 30, 2021 and 2020 was 2.77% and 2.28%, respectively. This rate was based on a blend of the Bond Buyer Index rates of 2.16% and 2.21% as of the measurement date of June 30, 2021 and 2020, respectively and the expected rates of return.

The actuarial assumptions used as of the June 30, 2021 measurement date included a change in the long-term expected rate of return on plan investments from 7.15% to 7.00%.

The actuarial assumptions used as of the June 30, 2020 measurement date included a change in the annual healthcare cost trend rates used to measure the OPEB liability, developing such rates based on the Getzen trend rate model, version 2021_b. The healthcare cost trend rate changed from 7.5% in 2019 to 4.9% for Medicare benefits and 6.7% for non-Medicare benefits, then decreasing 0.1% each year to a blended rate of 5.18% in 2030 and additional decrease in 2060, 2070, and 2075. The Getzen trend rate model also assumes inflation of 2.5%, real GDP growth of 1.5% and excess medical growth of 1.1%.

The actuarial assumptions used as of the June 30, 2020 measurement date included a change in participant rates whereby 35% of employees currently opting out of active employee health coverage are assumed to enroll in retiree coverage. Also, 100% of spouses are assumed to elect to continue coverage after the retiree's death.

The actuarial assumptions used as of the June 30, 2020 measurement date included a change in participant rates whereby in 2019 actives under age 65 taking coverage were assumed to have indemnity (25%), POS/PPO (60%) or HMO (15%) have been adjusted in 2020 to indemnity (28%), POS/PPO (60%) or HMO (12%).

The actuarial assumptions used as of the June 30, 2020 measurement date included a change in participant rates whereby in 2019 actives over age 65 taking coverage were assumed to have indemnity (85%), POS/PPO (0%) or HMO (15%) have been adjusted in 2020 to indemnity (96%), POS/PPO (0%) or HMO (4%).

The actuarial assumptions used as of the June 30, 2020 measurement date included a change in the long-term expected rate of return on plan investments from 7.35% to 7.15%.

The actuarial assumptions used as of the June 30, 2019 measurement date included a change in the annual healthcare cost trend rates used to measure the OPEB liability decreasing from 8.0% in 2018 to 7.5% in 2019, then decreasing 0.5% each year to an ultimate rate of 4.5% in 2026 for medical and (2) 4.5% for administration costs. Healthcare costs are offset by reimbursements for Employer Group Waiver Plans (EGWP), which are assumed to increase 5.0% per year until 2025, then decrease to 4.5% in 2026.

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

NOTES TO SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY AND SCHEDULE OF UNIVERSITY OPEB CONTRIBUTIONS

JUNE 30, 2018 THROUGH 2025
(Continued)

1 - CHANGES IN ACTUARIAL ASSUMPTIONS (Continued)

The actuarial assumptions used as of the June 30, 2019 measurement date included a change in participant rates whereby 80% of current and future contingent eligible participants will elect health care benefits at age 65, or current age if later was increased to 85% in 2019.

The actuarial assumptions used as of the June 30, 2019 measurement date included a change in participant rates whereby in 2018 actives under age 65 taking coverage were assumed to have indemnity (40%), POS/PPO (50%) or HMO (10%) have been adjusted in 2019 to indemnity (25%), POS/PPO (60%) or HMO (15%).

The actuarial assumptions used as of the June 30, 2019 measurement date included a change in the long-term expected rate of return on plan investments from 7.35% to 7.25%.

The actuarial assumptions used as of the June 30, 2019 measurement date included a change in the discount rates used to measure the OPEB liability from 3.92% to 3.63%. This rate was based on a blend of the Bond Buyer Index rates of 3.51% and 3.87% as of the measurement date of June 30, 2019 and 2018, respectively and the expected rates of return.

The actuarial assumptions used as of the June 30, 2018 measurement date included a change in the discount rates used to measure the OPEB liability from 3.65% to 3.92%. This rate was based on a blend of the Bond Buyer Index rates of 3.87% and 3.58% as of the measurement date of June 30, 2019 and 2018, respectively and the expected rates of return.

The actuarial assumptions used as of the June 30, 2018 measurement date included a change in the long-term expected rate of return on plan investments from 7.50% to 7.35%.

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

RESIDENCE HALL FUND AND RESIDENCE HALL DAMAGE FUND ACTIVITY

STATEMENT OF NET POSITION

JUNE 30, 2025

	<u>Residence Hall Fund</u>	<u>Residence Hall Damage Fund</u>
ASSETS		
Cash	\$ 26,673	\$ 50,038
Cash held by State Treasurer	160,000	336,072
Accounts receivable, net	203,754	-
Salaries receivable	<u>30,382</u>	<u>19,752</u>
Total assets	<u>420,809</u>	<u>405,862</u>
LIABILITIES		
Accounts payable	105,478	
Deposits	186,900	
Salaries payable	<u>111,316</u>	
Total liabilities	<u>403,694</u>	<u>-</u>
NET POSITION	<u><u>\$ 17,115</u></u>	<u><u>\$ 405,862</u></u>

See accompanying independent auditor's report.

Schedule 6

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

RESIDENCE HALL FUND AND RESIDENCE HALL DAMAGE FUND ACTIVITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

	Residence Hall Fund	Residence Hall Damage Fund
REVENUES		
Student fees	\$ 8,637,174	\$ -
Interest	37,828	12,012
Investment income	41,627	11,367
Commissions	58,309	-
Rentals	230,688	-
Room damage assessments	-	23,102
Total revenues	<u>9,005,626</u>	<u>46,481</u>
EXPENSES		
Regular employee compensation	1,041,246	-
Regular employee related expenses	5,923	-
Special employees/contracted services	136,573	-
Pension and insurance	463,365	-
Facility operations supplies and related expenses	54,216	-
Administrative expenses	8,901	-
Energy and space rental	1,630,871	-
Performers	500	-
Operational expenses	1,288	-
Equipment purchases	14,569	-
Equipment lease - purchase, lease, rent and repair	40,227	-
Purchased client services and programs	216	-
Construction and improvements	667,884	-
Benefits programs	38,602	-
Loans and special payments	6,680,820	-
Bad debt expense	55,790	953
Information technology expenses	44,464	-
Micellaneous expenses	-	5
Total expenses	<u>10,885,455</u>	<u>958</u>
TRANSFERS (IN)/OUT		
Miscellaneous income	(1,612,997)	-
Total transfers	<u>(1,612,997)</u>	<u>-</u>
Total expenses and transfers	<u>9,272,458</u>	<u>958</u>
Change in net position	(266,832)	45,523
NET POSITION		
Beginning of year	<u>283,947</u>	<u>360,339</u>
End of year	<u>\$ 17,115</u>	<u>\$ 405,862</u>

See accompanying independent auditor's report.

SUPPLEMENTAL SCHEDULE
PURSUANT TO THE UNIFORM GUIDANCE

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U. S. Department of Education:				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ -	\$ 245,710
Federal Work-Study Program	84.033	N/A	-	204,348
Federal Pell Grant Program	84.063	N/A	-	7,209,925
Federal Direct Student Loans	84.268	N/A	-	18,055,146
Total Student Financial Assistance Cluster			-	25,715,129
TRIO Cluster				
TRIO - Student Support Services	84.042	N/A	-	329,516
TRIO - Upward Bound	84.047A	N/A	-	520,394
TRIO - Upward Bound Math and Science	84.047M	N/A	-	356,792
Total TRIO Cluster			-	1,206,702
Total U. S. Department of Education			-	26,921,831
National Science Foundation				
Social, Behavioral and Economic Science	47.075	N/A	-	10,242
STEM Education (formerly Education and Human Resources)	47.076	N/A	-	36,305
Total National Science Foundation			-	46,547
U. S. Environmental Protection Agency:				
EJCPS Cooperative Agreement Program	66.306	N/A	-	11,450
U. S. Department of Treasury:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	63,587
National Aeronautics and Space Administration				
Science	43.001	N/A	-	12,963
Total Expenditures of Federal Awards			\$ -	\$ 27,046,136

See accompanying independent auditor's report and notes to schedule.

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Fitchburg State University (the "University") under programs of the Federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and departments of the federal government.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect cost rate

The University has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3 - MATCHING COSTS

Matching costs, i.e., the nonfederal share of certain program costs, are not included in the accompanying Schedule.

4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule.

5 - FEDERAL STUDENT LOAN PROGRAMS

Federally-guaranteed loans issued to students of the University during the year ended June 30, 2025 are summarized as follows:

	<u>Disbursements for the year ended June 30, 2025</u>
CFDA Number 84.268	
Federal Direct Student Loans	\$ 18,055,046

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

5 - FEDERAL STUDENT LOAN PROGRAMS (Continued)

The University is only responsible for the performance of certain administrative duties with respect to federally-guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the University's general purpose financial statements. It is not practical to determine the balance of loans outstanding to students and former students of the University as of June 30, 2025.

6 - ADMINISTRATIVE COST ALLOWANCES

The Student Financial Aid Administrative Cost Allowances for the year ended June 30, 2025 are as follows:

Federal Work Study	\$
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OTHER REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Fitchburg State University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and discretely presented component unit of Fitchburg State University (an agency of the Commonwealth of Massachusetts) (the "University"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated _____, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Worcester, Massachusetts
_____, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Fitchburg State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fitchburg State University's (an agency of the Commonwealth of Massachusetts) (the "University") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of University's major federal programs for the year ended June 30, 2025. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Worcester, Massachusetts
_____, 2025

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes

☒ No

Significant deficiency(ies) identified?

☐ Yes

☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes

☒ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

☒ Yes

☒ No

Significant deficiency(ies) identified?

☐ Yes

☒ None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

☐ Yes

☒ No

Identification of major programs:

Federal Assistance Listing Number(s)

Name of Federal Program or Cluster

Student Financial Assistance Cluster:

84.007

Federal Supplemental Educational Opportunity Grants

84.033

Federal Work Study Program

84.063

Federal Pell Grant Program

84.268

Federal Direct Student Loans

Dollar threshold used to distinguish between type A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes

☐ No

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025
(Continued)

II. FINANCIAL STATEMENT FINDINGS

A. Internal Control Findings

As disclosed in Section I, the audit of the basic financial statements of Fitchburg State University as of and for the year ended June 30, 2025, disclosed no matters involving the internal control over financial reporting and its operations that are considered to be significant deficiencies or material weaknesses.

B. Compliance Findings

As disclosed in Section I, the audit disclosed no instances of noncompliance which are material to the financial statements of Fitchburg State University as of and for the year ended June 30, 2025.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Internal Control Over Compliance

No matters were reported as of and for the year ended June 30, 2025.

B. Compliance Findings

No matters were reported as of and for the year ended June 30, 2025.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs, and no uncorrected or unresolved findings exist from the prior audit's Summary of Prior Audit Findings.

DISCUSSION DRAFT 10.15.2025



October 15, 2025

Finance Committee
Fitchburg State University

You will be receiving a draft of the audited financial statements of Fitchburg State University (the University) as of and for the years ended June 30, 2025 and 2024. This document will be presented to the Committee at the next Finance Committee meeting scheduled for Friday, October 17, 2025.

While the document is large (100+ pages), it does include many pages of information required by accounting standards which does not necessarily need to be the focus of the Committee in this initial review of the document (i.e. roughly 20 pages of information related to Pension and OPEB obligations.).

In anticipation of this meeting and recognizing the length of the document, my recommendation would be to focus an initial review of the report on the following areas:

- Management's Discussion and Analysis
- Basic financial statements
 - Statements of Net Position
 - Statements of Revenues, Expenses and Changes in Net Position
 - Statements of Cash Flows
- Certain Notes to the Financial Statements
 - Note 2 – Cash and Cash Equivalents and Investments (University information only)
 - Note 5 – Capital Assets (University information only)
 - Note 12 – Interagency Payables (Charts & schedule of aggregate principal and interest payment)
 - Note 13 – Leases and Subscription based IT Arrangements (Charts & schedule of aggregate principal and interest payment)
 - Note 19 – Operating Expenses

Please do not hesitate to reach out with any questions or comments. We look forward to seeing the group on Friday, October 17.

Regards,

James M. Johnston, Jr., CPA
Partner

Coversheet

Audit Context, FY25 Final Budget & Working FY26 Budget

Section:	II. Finance Committee Update
Item:	C. Audit Context, FY25 Final Budget & Working FY26 Budget
Purpose:	FYI
Submitted by:	
Related Material:	Budget Review Doc BOT Meeting 10.2025.pdf Budget PPT_RL.pdf



BUDGET REVIEW

	FY25 FINAL	FY26 BUDGET
REVENUES		
State Appropriation	44,243,285	47,216,223
Tuition & Fees	24,646,867	24,721,857
Housing	9,281,270	9,310,765
GCE	9,284,798	9,308,530
Accelerated Programs	9,111,250	8,914,935
Food Service	3,630,584	3,540,000
Sales & Service & Other	2,389,778	2,231,100
Investment Income	3,218,690	3,302,500
CPS	596,227	528,037
Foundation Support	338,000	338,000
Reserves		2,000,000
TOTAL REVENUE	106,740,749	111,411,947
EXPENSES		
Regular Employee Compensation	46,353,986	49,053,298
Regular Employee Related Expenses	411,549	448,257
Special Employee/Contracted Services	8,522,735	8,423,474
Pension & Insurance Related Expenditures	2,015,951	2,287,034
Administrative Expenses	2,030,850	2,118,612
Facility Operational Supplies	1,430,448	1,440,569
Energy Costs and Space Rental Expenses	6,981,125	7,121,272
Consultant Services	1,498,845	1,426,682
Operational Services	5,827,411	5,845,480
Equipment Purchase	1,004,942	1,025,123
Equipment Lease Rental Maint & Repair	979,746	1,007,361
Student Related Travel Reimbursements	262,316	255,387
Construction and Improvements Building	4,187,292	4,147,406
Benefit Programs	3,570,822	3,873,742
Loans and Special Payments	15,901,522	16,739,164
Information Technology Expenses	5,215,399	5,621,826
TOTAL EXPENSES	106,194,939	110,834,687
NET SURPLUS/(DEFICIT)	545,810	577,260

Board of Trustees

October 30, 2025

**FITCHBURG STATE UNIVERSITY
INCOME STATEMENT
6/30/2025**

REVENUES

State Appropriation	61,230,142
Tuition & Fees	24,976,336
Housing	9,281,270
GCE	9,284,798
Accelerated Programs	9,111,250
Food Service	3,630,584
Sales & Service & Other	2,419,143
Investment Income	3,218,690
CPS	596,227
Grants	23,365,632
Foundation Support	338,000
Investment in Plant	6,765,904
TOTAL REVENUE	154,217,976

EXPENSES

Regular Employee Compensation	47,030,133
Regular Employee Related Expenses	441,442
Special Employee/Contracted Services	9,165,409
Pension & Insurance Related Expenditure:	15,866,148
Administrative Expenses	2,222,728
Facility Operational Supplies	1,521,937
Energy Costs and Space Rental Expenses	6,982,812
Consultant Services	1,576,868
Operational Services	5,919,504
Equipment Purchase	1,319,666
Equipment Lease Rental Maint & Repair	1,003,421
Student Related Travel Reimbursements	289,772
Construction and Improvements Building	4,814,543
Benefit Programs	23,225,026
Loans and Special Payments	16,235,093
Information Technology Expenses	5,399,986
Depreciation	13,637,508
TOTAL EXPENSES	156,651,996
NET SURPLUS/(DEFICIT)	(2,434,020)

FUND TYPES

- UNRESTRICTED – Trust funds and State appropriations expended under the guise of the Board of Trustees through the annual budgeting process
- RESTRICTED – Grants (Federal, State & Private) and appropriations expended in accordance with the funders' restrictions
- LOAN – Mostly inactive holdover funds from Perkins and Nursing loan programs
- PHYSICAL PLANT – All buildings, fixed assets and infrastructure of the University
- ACCRUALS – Pension & Benefit Accruals which will be paid by the State

FITCHBURG STATE UNIVERSITY INCOME STATEMENT 6/30/2025		UNRESTRICTED (BUDGETED)	RESTRICTED (GRANTS & APPROPS)	LOAN & MISC	PHYSICAL PLANT	ACCRUAL
REVENUES						
State Appropriation	61,230,142	44,243,285	18,147,256		(1,160,399)	
Tuition & Fees	24,976,336	24,646,867		329,469		
Housing	9,281,270	9,281,270				
GCE	9,284,798	9,284,798				
Accelerated Programs	9,111,250	9,111,250				
Food Service	3,630,584	3,630,584				
Sales & Service & Other	2,419,143	2,389,778		29,365		
Investment Income	3,218,690	3,218,690				
CPS	596,227	596,227				
Grants	23,365,632		23,365,632			
Foundation Support	338,000	338,000				
Investment in Plant	6,765,904				6,765,904	
TOTAL REVENUE	154,217,976	106,740,749	41,512,888	358,834	5,605,505	-
EXPENSES						
Regular Employee Compensation	47,030,133	46,353,986	676,147			
Regular Employee Related Expenses	441,442	411,549	26,553	3,340		
Special Employee/Contracted Services	9,165,409	8,522,735	642,674			
Pension & Insurance Related Expenditure:	15,866,148	2,015,951	18,897,693			(5,047,496)
Administrative Expenses	2,222,728	2,030,850	186,878	5,000		
Facility Operational Supplies	1,521,937	1,430,448	88,091	3,398		
Energy Costs and Space Rental Expenses	6,982,812	6,981,125	1,687			
Consultant Services	1,576,868	1,498,845	61,075	16,948		
Operational Services	5,919,504	5,827,411	88,121	3,972		
Equipment Purchase	1,319,666	1,004,942	314,724			
Equipment Lease Rental Maint & Repair	1,003,421	979,746	23,675			
Student Related Travel Reimbursements	289,772	262,316	26,624	832		
Construction and Improvements Building	4,814,543	4,187,292	627,251			
Benefit Programs	23,225,026	3,570,822	19,654,204			
Loans and Special Payments	16,235,093	15,901,522	12,904	320,667		
Information Technology Expenses	5,399,986	5,215,399	184,587			
Depreciation	13,637,508				13,637,508	
TOTAL EXPENSES	156,651,996	106,194,939	41,512,888	354,157	13,637,508	(5,047,496)
NET SURPLUS/(DEFICIT)	(2,434,020)	545,810	-	4,677	(8,032,003)	5,047,496

**FITCHBURG STATE UNIVERSITY
FY 2026 FINAL BUDGET**

	FY 25 ACTUAL	FY 26 FINAL BUDGET
REVENUES		
State Appropriation	44,243,285	47,216,223
Tuition & Fees	24,646,867	24,721,857
Housing	9,281,270	9,310,765
GCE	9,284,798	9,308,530
Accelerated Programs	9,111,250	8,914,935
Food Service	3,630,584	3,540,000
Sales & Service & Other	2,389,778	2,231,100
Investment Income	3,218,690	3,302,500
CPS	596,227	528,037
Foundation Support	338,000	338,000
Reserves		2,000,000
TOTAL REVENUE	106,740,749	111,411,947
EXPENSES		
Regular Employee Compensation	46,353,986	49,053,298
Regular Employee Related Expenses	411,549	448,257
Special Employee/Contracted Services	8,522,735	8,423,474
Pension & Insurance Related Expenditui	2,015,951	2,287,034
Administrative Expenses	2,030,850	2,118,612
Facility Operational Supplies	1,430,448	1,440,569
Energy Costs and Space Rental Expens	6,981,125	7,121,272
Consultant Services	1,498,845	1,426,682
Operational Services	5,827,411	5,845,480
Equipment Purchase	1,004,942	1,025,123
Equipment Lease Rental Maint & Repair	979,746	1,007,361
Student Related Travel Reimbursements	262,316	255,387
Construction and Improvements Buildin	4,187,292	4,147,406
Benefit Programs	3,570,822	3,873,742
Loans and Special Payments	15,901,522	16,739,164
Information Technology Expenses	5,215,399	5,621,826
TOTAL EXPENSES	106,194,939	110,834,687
NET SURPLUS/(DEFICIT)	545,810	577,260

Year to Year Changes

	FY 25 ACTUAL	FY 26 FINAL BUDGET	CHANGE	
State Appropriation	44,243,285	47,216,223	2,972,938	
Tuition, Fees & Housing	55,954,769	55,796,087	(158,682)	
Other Revenues	6,542,695	6,399,637	(143,058)	
Reserves		2,000,000	2,000,000	
	106,740,749	111,411,947	4,671,198	
Payroll & Related	56,892,672	59,763,806	2,871,134	
All Other Expeness	49,302,267	51,070,881	1,768,614	4%
	106,194,939	110,834,687	4,639,748	

Questions?

Coversheet

VOTE: Approve FY25 Audit (Foundation Board)

Section:	II. Finance Committee Update
Item:	D. VOTE: Approve FY25 Audit (Foundation Board)
Purpose:	Vote
Submitted by:	
Related Material:	VOTE Foundation Vote_Audit.pdf

Fitchburg State University
REQUEST FOR BOARD ACTION

TO: Fitchburg State University Foundation Board	DATE: October 30, 2025
FROM: The President	REQUEST NUMBER: 04.2025-2026
SUBJECT: FY25 Audit	

It is requested that the Fitchburg State University Foundation Board vote to advance approve the FY25 audit as presented by Bollus Lynch.

Coversheet

VOTE: Approve FY25 Audit (Board of Trustees)

Section:	II. Finance Committee Update
Item:	E. VOTE: Approve FY25 Audit (Board of Trustees)
Purpose:	Vote
Submitted by:	
Related Material:	VOTE Board Vote_FY25 Audit.pdf

Fitchburg State University
REQUEST FOR BOARD ACTION

TO: Board of Trustees	DATE: October 30, 2025
FROM: The President	REQUEST NUMBER: 05.2025-2026
SUBJECT: FY25 Audit	

It is requested that the Fitchburg State University Board of Trustees vote to approve the FY25 audit as presented by Bollus Lynch.

Coversheet

Presented by Dr. Donna Hodge, President

Section:	IV. President's Report
Item:	A. Presented by Dr. Donna Hodge, President
Purpose:	FYI
Submitted by:	
Related Material:	President's Report BOT October 2025.pdf

President's Report to the Board of Trustees

August 12 - October 28, 2025 | Dr. Donna Hodge, President

Introduction: Momentum, Belonging, and the Year Ahead

This fall marked the beginning of my second full academic year as president and the continuation of our shared work to stabilize, heal, and transform Fitchburg State. We are building momentum—momentum that is visible in the energy of our students, the determination of our faculty and staff, and the renewed confidence of our partners and community. These past months have been defined by resilience and pride, but also by clarity of purpose: to ensure that Fitchburg State stands strong as the Commonwealth's premier public university in North Central Massachusetts.

Board of Trustees Retreat

On August 12, the Board convened at the Fitchburg Art Museum for our annual retreat. The setting was both symbolic and strategic—reminding us of the central role our university plays in the region's cultural life while also providing a backdrop for thoughtful dialogue about governance, institutional priorities, and the path ahead. The conversation reinforced the Board's critical role as stewards of Fitchburg State's mission and vision.

Cabinet Retreat at Massachusetts Maritime Academy

One week later, from August 19-21, the Cabinet held its annual retreat at Massachusetts Maritime Academy, with gratitude to President Rear Admiral Fran McDonald and his team for their generous hospitality. Over three days, senior leaders engaged in disciplined conversations about alignment, accountability, and shared responsibility for advancing the six presidential priorities: enrollment, financial sustainability, campus culture, partnerships, housing, and strategic vision.

The retreat also offered our team an opportunity to learn from a sister institution. President McDonald provided a tour of Mass Maritime's campus, including its new training ship, *The Patriot State*. The experience underscored the value of cross-campus partnerships within the state university system and reminded us of the importance of infrastructure and investment in shaping student success.

Leadership Transitions and Personnel Updates

This fall has also brought significant transitions in university leadership.

- **Chief Financial Officer:** Following a successful national search, we have appointed Dr. Travis Chambers as our new CFO. Dr. Chambers will officially begin on December 1,

bringing with him deep expertise in higher education finance and a track record of strengthening institutional sustainability. His leadership will be critical as we continue to refine our financial strategy.

- **Vice President for Institutional Advancement:** On October 7, Vice President Jeffrey Wolfman announced his retirement after years of dedicated service, with his last day on October 22. We extend our best wishes to Jeff and his family as they enter this new chapter. In the interim, Chief of Staff Matt Bruun is providing oversight for Advancement and Alumni Affairs. Together, he and I are engaging an external team to conduct a comprehensive 360-degree assessment of our fundraising operations this year. This review will allow us to determine future staffing and strategies with greater clarity and accountability.

These leadership transitions remind us that institutional momentum depends not only on vision and strategy, but also on the people who carry that work forward every day.

Civic Engagement | Presidential Ambassadors And Presidential Fellows

That momentum has also been visible in our civic role. In September, I joined Representative Michael Kushmerek, Chairwoman Carole Fiola, Vice Chairwoman Jessica Giannino, Mayor Sam Squailia, and a delegation of city and regional leaders for a walking tour of downtown Fitchburg. We visited the Theater Block, Main Street developments, the Public Library, Old Courthouse, and the Fitchburg Art Museum and Arts Community Housing. At the center of it all was the Theater Block—once a question mark in downtown, now a place of renewed energy where outside investment and public-private opportunities are beginning to take shape. The message was clear: Fitchburg’s future is about more than new buildings. It’s about creating a walkable, vibrant downtown alive with arts, culture, and student life—and as the city’s university, Fitchburg State is committed to helping build that future.

In October, I traveled to Boston to testify at the State House in support of Representative Kushmerek and Senator Cronin’s bill to establish a Hispanic-Serving Institution (HSI) designation for Massachusetts. This testimony closed out Hispanic Heritage Month and underscored the urgency of ensuring that our public institutions reflect, recognize, and resource the students we serve. As an emerging HSI, Fitchburg State has the opportunity to lead in equity, access, and education justice, and my remarks centered on our responsibility to deliver on that promise.

We also welcomed MassDevelopment Executive Director Navjeet Bal to campus. Hosting her and her team gave us an opportunity to showcase our role as a state university deeply connected to regional economic development, while also advancing discussions about how targeted state investment can accelerate both campus renewal and downtown revitalization.

At the same time, we invested in new structures of leadership. Dr. Josh Spero, who retired last spring, returned on September 1 as a Special Assistant to the President to advance a

strategic plan for international student recruitment with Vice President Pam McCafferty, Becky Copper Glenz, and Nelly Wadsworth.

I also elevated Dr. Christine Dee to lead the Presidential Ambassadors Program, which welcomed its 2025-26 cohort in September. Returning ambassadors are Julia Arena and Matt Gill. Newly selected ambassadors are:

- Veronica Barton (Game Design & Comm Media - Film/Video), Leominster, MA
- Kole Broderick (Criminal Justice), Gill, MA
- Lexi Desimone (Criminal Justice), Ashburnham, MA
- Priscilla Fordjour (Psych Science & Neuro), Fitchburg, MA
- Geybrell Liriano (Psych Science), Lawrence, MA
- Sophia Moore (Comm Media - PR & Social), Danielson, CT
- Sydney Nortelus (Public Health Science), North Billerica, MA
- Peter J (PJ) Norton (Business - Accounting), Marblehead, MA
- Alexis Sandmann (Interdisciplinary Studies - Pre-Law), Ashburnham, MA
- Reshawn Stewart (Digital Media Innovation), San Antonio, TX.
- Aidan Thompson (Mathematics - Stats), Mirror Lake, NH

These student leaders represent the breadth of Fitchburg State and serve as visible ambassadors of our mission, carrying forward the symbolism of the green coats they received at our fall showcase.

In parallel, Dr. David Weiss is leading the Presidential Fellows Program, which this year convened a dynamic group of faculty and librarian fellows advancing institutionally significant projects. Returning Fellows include Dr. Laura Garofoli, Dr. Dustin Halterman, Dr. Lindsay Parisi, and Dr. Katy Covino. The 2025-26 cohort includes:

- Professor DeMisty Bellinger-Delfeld (English Studies Department)
- Associate Professor Jonathan Harvey (Humanities Department)
- Professor Denise Sargent (Education Department)

- Associate Professor Deborah Stone (Nursing Department)
- Connie Strittmatter (Amelia V. Gallucci-Cirio Library)

Together, the Ambassadors and Fellows embody Fitchburg State's commitment to cultivating leadership at every level of the institution—students, faculty, and staff—ensuring that the momentum we are building today will continue to transform the university in years to come.

Through these touchpoints—whether testifying at the State House, hosting state leaders on campus, or empowering our own students and faculty to step into leadership—we have reinforced what I said in my State of the University Address: Fitchburg State still stands. And not only do we stand—we move forward, together, with momentum.

Highlights: Events, Engagements, And Sponsorships

- **Sept. 4** - First Day of Classes, Donut Day with Cabinet, Trustees, and Alumni Board
- **Sept. 5** - Fitchburg Mayors Meeting with local business leaders organized by North Central Massachusetts Chamber of Commerce; First home football game vs. Dean
- **Sept. 6** - Bruins Fan Fest event at Wallace Civic Center drew thousands of visitors and current students.
- **Sept. 9** - Rock the Block party featuring campus clubs and organizations; first tabling for the FSU Board of Trustees
- **Sept. 10** - Welcome, Center for Italian Culture (CIC) Board Meeting
- **Sept. 11** - Fitchburg Fire Dept. 9/11 Memorial Ceremony with FSU Police Academy Cadets
- **Sept. 12** - Police Academy Graduation, 8th Recruit Officer Course (ROC)
- **Sept. 15** - Constitution Day/Week Events; Trustee Shane Rodriguez's event "Rights, Wrongs, and the Rule of Law: Understanding Due Process" opened week of programming; Start of Hispanic Heritage Month (flag raising)
- **Sept. 17** - Alumni Board Meeting; renewed Charge to Board members
- **Sept. 18** - Joined North Central Chamber of Commerce Board of Directors; Joint Mayors Meeting/Breakfast

- **Sept. 19** - Latino Festival at Riverfront Park
 - **Sept. 20** - Memorial football game for student Robert Williams (d. 2025)
 - **Sept. 22** - Walking tour of downtown projects with State Rep. Carole Fiola and State Rep. Jessica Giannino of the Legislature's Economic Development and Emerging Technologies Committee, as well as city officials, civic leaders, and local developers.
 - **Sept. 24-25** - COP Meeting, Worcester State University
 - **Sept. 25** - Richard Kerris Art Exhibit Opening; Presidential Ambassadors Program Project Review/Celebration of the 2025-26 cohort
 - **Sept. 27** - Gold Key Breakfast; Class of 1975 50th Reunion
-
- **Oct. 1** - "Coffee with a Cop" at Hammond Hall; delivered keynote address at State of Public Regional Universities Virtual Forum sponsored by Chronicle of Higher Education, with an audience of 1,025 registrants; "You FIT Here" Cultural Event with Dr. Kisha Tracy
 - **Oct. 2** - Presented at Foundations of Professional Writing Class with Heather Urbanski
 - **Oct. 2-4** - Homecoming Week
 - **Oct. 5** - Alumni Awards Ceremony, celebrating four accomplished graduates
 - **Oct. 6-7** - ABET Accreditation Team Campus Visit (Gratitude to Dr. Pat Marshall, Dr. Jannette McMenamy, and Dr. Mahmoud Al-Odeh); Appearance on "Inside Fitchburg" with Beth Walsh (FATV)
 - **Oct. 6-9** - Hosted guests at home Field Hockey, Men's/Women's Soccer, and Volleyball games
 - **Oct. 7** - Toured Nursing Simulation Lab, with Dr. Benes and students, Russell Towers
 - **Oct. 10** - Hosted North Central Mass P-20 Education Forum (all regional superintendents; legislators, and faculty and staff from our School of Education - thanks to Dr. Mojdeh Bayat)
 - **Oct. 15-16** - Go Falcons Challenge; raised over \$21,000 for FSU Athletics and Recreation; start of LGBTQ+ history month (flag raising)

- **Oct. 16** - Traveled to State House to offer testimony in support of HSI bill, put forward by state Representative Michael Kushmerek and Senator John Cronin; joined international students for annual Diwali Celebration
- **Oct. 17** - FSU hosted “Civic Discourse in Action: Advancing Debate, Dialogue, and Deliberation in Massachusetts Higher Education,” bringing faculty and administrators from across the state.
- **Oct. 20** - FSU hosted COVID/Flu Clinic; NCAA MASCAC Presidents & AD call with Charlie Baker; Presidential Fellows Luncheon with Dr. Weiss
- **Oct. 21** - Hosted MassDevelopment leader on campus; CCNE (Nursing) Accreditation Visit (gratitude to Dr. Pat Marshall, Dr. Jannette McMenamy, Drs. Benes and Stone and the faculty and staff of Nursing); Moot Court Fundraising Reception at House
- **Oct. 23** - Hosted Lunch at McKay for Teachers (Cabinet); Celebrated opening of McKay wellness center; tour of McKay by Cabinet
- **Oct. 24** - Delegation to Framingham State for HSI/MSI Consortium Meeting (thanks to Provost Pat Marshall for representing Fitchburg State)
- **Oct. 28** - Visited Jeanne Moore’s Dual Enrollment Class (Sizer School) at McKay School; CIC Trivia Night (president and Dustin sponsored 3 tables).

Cabinet Highlights

Academic Affairs

- ABET reaffirmed the rigor of our engineering technology and computer science programs, while CCNE reviewed our Nursing programs, highlighting the strength of our faculty and partnerships.
- Embedded tutoring was expanded in STEM gateway courses, and articulation agreements were signed with three colleges across 12 programs.
- Our Early College program welcomed its largest class, with 236 students from seven high schools, including our first bilingual course at Fitchburg High.
- Faculty secured external funding, including a \$125,000 anonymous gift for paid internships (third year in a row), a \$225,000 MAIPSE grant, and scholarships from regional partners.

- A donor-funded Reading Clinic is being planned in McKay, serving the community while providing possible hands-on experience for our students. A full business plan is forthcoming.

Enrollment Management and Student Success

- We launched our Direct Admissions Program and opened the Fitchburg High School Admissions Center, both designed to simplify pathways for local students.
- The Falcon Profile (formerly RNL's College Student Inventory) was reintroduced to identify and support incoming students with challenges such as food or housing insecurity.
- Academic Coaching and Tutoring held over 250 student meetings and hosted more than 100 study hall attendees in the first month of classes.
- Career Services launched bilingual career guides and hosted a Fall Career Fair with 29 employers and nearly 200 student attendees.
- We strengthened integration with SGOCE for international outreach, online programs, and graduate recruitment.

Institutional Advancement

- Alumni giving increased to 12.81%, with Foundation assets now totaling nearly \$34 million.
- Fifteen new bequests valued at \$1 million were pledged through estate planning initiatives.
- We celebrated Homecoming 2025 with a well-attended Alumni Awards Ceremony and the Gold Key Reunion for the Class of 1975.
- Advancement is also building support for Moot Court's 25th anniversary and other scholarship funds.

Personnel Services and General Counsel

- Negotiations concluded successfully with all bargaining units, resulting in salary adjustments and improved conditions for faculty, librarians, staff, and adjuncts.
- Personnel Services onboarded more than 1,100 employees this academic year, including student workers, adjuncts, coaches, and tutors.

- Title IX and Equal Opportunity training reached more than 1,200 students and nearly 300 employees this fall.
- The Office of General Counsel reviewed nearly 70 contracts and helped secure the transfer of the liquor license for the Falcon Hub to Chartwells, ensuring compliance and continuity.

Student Affairs

- Campus housing occupancy stands at 76.35% of actual use, with premium singles in Herlihy Hall reaching over 90%. Our housing partnership with Mount Wachusett Community College welcomed its first 10 students this semester.
- CARE referrals are up 46% from last year, with elevated cases more than tripling. Our CARE and Case Management Office is quickly becoming a national model.
- Graduate and adult student engagement is expanding with two new student organizations (Indian Students Association and Veteran Students Association).
- Orientation achieved a 95% participation rate across three sessions, and the Dean of Students Office has moved to Hammond Hall for greater accessibility.

Operations (Capital Planning & Maintenance, and UPD)

- Over \$850,000 in summer 2025 MSCBA projects modernized campus facilities, including residence halls and classrooms.
- Sustainability efforts include new EV charging stations at Mazzaferro and Conlon and a campus-wide decarbonization study.
- Conlon Hall renovations and McKay Theater dressing room upgrades are underway, while Herlihy Hall received premium single updates.
- The transition to E-Campus and the University Gear Shop has been a success, with 98% faculty adoption for course materials.
- UPD implemented upgraded security camera systems and new communications infrastructure, strengthening safety across campus.

Athletics and Recreation

- The Athletics Department launched a required Student-Athlete Study Hall Program, with 176 participants this fall. All first-year athletes and those with GPAs under 2.5 must complete two hours weekly, with strong early engagement (95% completion in

the first two weeks). Coaches and staff, many of them alumni, serve as mentors.

- Academic support for student-athletes has been strengthened through cross-campus collaboration with the Academic Coaching and Tutoring Center, faculty partners, and technology resources.

Community outreach is growing, with youth nights, partnerships with Upward Bound, and the upcoming junior college women's basketball tournament bringing high school and college athletes to campus. These events elevate Fitchburg State's visibility while supporting recruitment and community pride.

Chief of Staff and Communications

- We welcomed Chad Garner '99 as Associate Director of Communications and Shane Franzen as Director of Presidential Events, both enhancing our institutional capacity.
- Our storytelling has reached wider audiences through alumni profiles, student features, and expanded media coverage, including the appointment of our new CFO and Homecoming events.
- The Presidential Ambassadors Program launched its 2025-26 cohort, while the Presidential Fellows Program continues to support projects of institutional significance.

Conclusion: Building On Our Momentum

This fall has demonstrated the strength of Fitchburg State at every level. From the alignment of leadership at our Cabinet retreat to the reaffirmation of academic excellence through accreditation; from the joy of opening convocation and our first new student matriculation ceremony to the pride of alumni returning home at Homecoming—each moment has underscored both who we are and the future we are building.

The months ahead will demand continued focus on enrollment, fiscal sustainability, and strategic partnerships, along with new opportunities to shape Fitchburg's civic and cultural future. With the engagement of our students, the dedication of our faculty and staff, and the steady support of this Board, we are positioned not only to navigate challenges, but to move forward with purpose and confidence.

Detailed Cabinet Reports

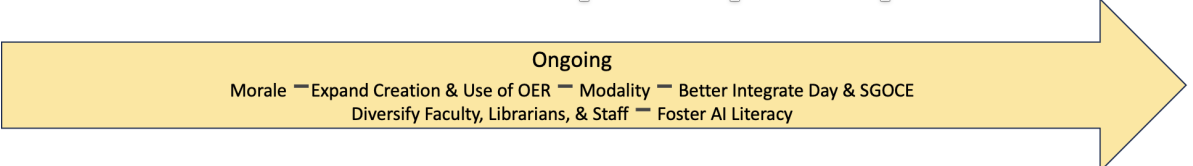
Academic Affairs

At our annual summer retreat, AA established our divisional priorities:

Completed in AYs23-25	Now FALL 2025	This Year SPRING 2026	Medium Term AY26-27
✓ Committees & Charges ✓ Faculty/Librarian Hiring Plan ✓ Internship Manual ✓ Departmental Policies and Procedures ✓ ILPs through governance ✓ Launch MAIPSE Program ✓ Launch New Student Evaluation Instrument (<u>Explorance Blue</u>) ✓ NECHE Projection: - Course numbering ✓ Foundational Work for Campus Reading Clinic ✓ Orientation Updates Related to Academic Affairs	☐ See Academic Integrity Policy through governance ☐ Launch Reading Clinic ☐ Begin Review / Update Grade Appeal Policy ☐ Spearhead Campus Conversations about DHE Innovation Regulations and Co-op Initiative	☐ Curriculum - NECHE Projections: - BA/BS Discussion - Size of majors - Reduce Size/Complexity of General Education Program - Create Cross-Divisional Structure to Discuss FYE - Review/Make Action Plan Related to Academic Program Array (<u>Eduventures</u>) ☐ Complete Transition to Blackboard Ultra (Dec. 2026)	☐ Internationalization Plan ☐ Classroom Inventory and Scheduling ☐ Evaluate and Continue to Refine Registration at Orientation

Ongoing

Morale — Expand Creation & Use of OER — Modality — Better Integrate Day & SGOCE
Diversify Faculty, Librarians, & Staff — Foster AI Literacy



These priorities were shared at the chairs' August workshop and with faculty and librarians at Development Day (**Goal #5**). To advance these priorities, we also engaged the academic community in conversations about 3-year degrees and co-ops. These efforts relate directly to improving enrollment and student success, expanding community outreach, and enhancing financial sustainability (**Goals #1, #3, #4, #5**).

Other initiatives to enhance student achievement and belonging are related to our NECHE projections, General Education, and the integration of student success components in FYE. Our STEM faculty expanded the Embedded Tutoring Program in critical gateway courses. Additionally, SGOCE's new student billing process reduced the number of students dropped for non-payment by nearly 70% over Fall 2024 (**Goal #1**).

SU-SUCCESS funds supported faculty and librarians' participation in PD focused on creating more inclusive learning environments for diverse learners. These funds were also leveraged to redesign Library study spaces, to obtain required textbooks and anatomical models for course

reserves, and to support Nursing's *Start Strong* Program, empowering faculty innovation and supporting student success (Goal #5).

Although we are still awaiting the final report from Eduventures, AA is focusing on how this external assessment will be used to "shape decisions about program sustainability" (*Academic Plan 2022-2025*), to improve enrollment and student success and increase institutional visibility and reputation through distinctive programs. Other efforts to differentiate our academic portfolio include new interdisciplinary programs being developed in Finance and Cybersecurity (Goals #1, #2).

AA has finalized articulation agreements with 3 colleges in 12 different academic programs, with the groundwork for other agreements underway. Early College welcomed its largest-ever class (236 students in 13 courses at 7 high schools), including our first bilingual course at Fitchburg High. We also offered our first *Future Falcon Academy* over summer, opening new pathways for K-12 students to engage with our programs. To foster student belonging, our School of Education (SoE) created monthly Community Days and held a ribbon-cutting ceremony for a new space dedicated to mindfulness, meditation, and quiet study. SGOCE has begun promoting our online programs globally through targeted social media campaigns and by developing partnerships with international employers. A delegation from Jiangxi Science and Technology Normal University (JXSTNU) in China will visit our campus in December to advance opportunities for student and faculty exchange (Goals #1, #4).

The SoE sponsored our second-annual *Breakfast with Legislators* in October. This event with DESE and DHE leaders, regional superintendents and university administrators demonstrates our regional impact. Our podcast network, *Perseverantia*, is elevating our profile through storytelling, with 709 downloads in the last 90 days (up from 341 in the previous 90). The Library is building a digital archive to promote the scholarship and creative activity of faculty, librarians, and staff for enhanced discovery and research impact. Finally, AA continues to affirm the quality and reputational stature of our academic programs through accreditation (ABET and CCNE site visits occurred in early October) (Goals #2, #4).

To enhance financial sustainability and student success, AA secured an anonymous gift of \$125,000 for the third year in a row to support paid internships. Other successful efforts to diversify revenue and grant support include a \$225,000 grant for MAIPSE, \$30,000 in scholarships from the North Central Chamber to support paraprofessionals entering our licensure programs, and a \$45,000 Registered Teacher Apprenticeship Program grant. These funds reduced financial barriers and advanced our mission of preparing students for the workforce (Goals #1, #3).

In order to promote transparency, issues related to cost containment and enrollment declines have been shared openly within the Division. As faculty and staff positions open due to attrition, AA has communicated plainly with its constituents that all vacated lines return to the Provost's office to determine whether a recommendation will be made to the President to fill, reallocate, or eliminate each position (Goals #3, #5).

Community outreach is expanding through an increase in the number of industry partnerships for student internships, with (among others) Phosphorex, UMass Medical School, Ultragenyx, Biomere, Nashua River Watershed Association, and MassBioEd. Similarly, the Fitchburg Digital Literacy grant was extended, enabling students to participate in community-based internships (Goals #1, #2, #4).

AA worked closely with Athletics on initiatives to foster cross-divisional collaboration, including formalizing the position of the Faculty Athletic Representative. Additionally, a collaboration with the Library, Athletics, and Academic Coaching and Tutoring Center transitioned the Athletics Study Hall from its pilot phase to a fully expanded program now required for all first-year student athletes with a GPA below 2.5 (Goal #5).

Enrollment Management and Student Success

Beginning in June, the initial efforts of EMSS were focused on influencing both new and returning fall undergraduate day enrollments. Marketing campaigns were launched to encourage new applications, deposits and registrations. Individualized outreach was conducted to both non-registered current students as well as stop-out students who previously left the university in good academic standing.

Efforts were also placed on launching the Direct Admissions Program and establishing our Fitchburg High School Admissions Center. Both initiatives serve as a means to not only bolster new student enrollments but to also emphasize our commitment to serving our local community and becoming the university of choice in the region.

In an effort to leverage existing data in order to impact retention, the Ruffalo Noel Levitz (RNL) College Student Inventory (CSI), a nationally recognized retention instrument administered to our incoming freshmen, was rebranded as the Falcon Profile (FP) in order to better resonate with our incoming students and was reintroduced to staff and faculty during a well-attended training session in July. Using FP data, individualized outreach was conducted by the Financial Aid Office to assist students who self-identified as food and/or housing insecure. (This connection continues into the academic year, as do conversations with Student Affairs regarding providing holistic 12-month services to this population.) IR continues to meet with various campus stakeholders to provide guidance on how to leverage the FP data to impact student success. The RNL Second Year Assessment Survey (SYSA) was administered to our incoming transfers for the first time, allowing us to acquire equally rich data.

A similar reintroduction and leveraging of SSC Navigate, our communication and student success platform, began over the summer and continues into the fall. Various offices, including the ACT, Athletics and SGOCE, are teaming up with IR to take advantage of the data analytics component of the system.

IR continues to host the *Research Roundtable*, a casual, welcoming space where faculty, staff, and administrators come together to read and discuss higher education research. The fall topic is placement testing practices and their impact on student success.

CollegeRecon, an online platform and resource dedicated to helping military personnel, veterans, and their families find military-friendly colleges, was launched in August in collaboration with the Director of Military and Veterans Services. We also purchased TES, a transfer equivalency system, to assist in the recruitment of transfer students. TES is being implemented by the Registrar's Office.

In collaboration with our colleagues in the Anthony Student Service Center, we introduced *Falcon Assist Week*, intended to encourage students to address outstanding issues during the week prior to the start of the semester while also increasing engagement with the key enrollment service offices of Admissions, Financial Aid, OneCard, Registrar, SGOCE and Student Accounts. *Welcome Week* was also introduced and included new welcome signs, campus navigational signage and emphasis on the offices of Anthony. The Falcon Support Ice Cream Social was launched during the third week of classes thanks to the efforts of our colleagues in Student Affairs. The intent is that all three initiatives become a regular part of our campus calendar.

Additional recruitment efforts include an update to the Virtual Tour and an assessment of EABs *Enroll 360*, a prospect and inquiry communication service. Now in our final year of our second three-year contract, we are receiving two additional services, *Appily*, an online college search tool, and *Yield IQ*, a yield focused analytics tool, at no charge, in addition to revised creative content and segmentation, in response to our evaluation. Internally, we are focusing efforts on improving marketing and communication related to our New England Regional Tuition Discount Program (launched in Fall 2024) in order to better leverage this potential recruitment tool.

EMSS has worked to strengthen connections with SGOCE by collaborating in areas such as marketing, international recruitment and operations, enrollment service support, and Risepoint operations. EMSS also continues to support Academic Affairs in the Eduventures' Program Strength Analysis project and to meet with the Academic Affairs leadership team twice per month to leverage collaborative opportunities.

The Career Services and Advising Center (CSAC) continues to support students in the attainment of their educational and career goals. Four Spanish-language Career Guides were launched: *Resume*, *Cover Letter*, *Job Search* and *CSA Services*. Additionally, uConnect, a digital platform that turns the CSAC website into a virtual career center is being launched. The Fall Internship and Career Fair was held on Sept. 30 and included 29 employers and 200 student attendees. The results of our 2023-2024 First Destination Survey, which is administered to our undergraduates upon completion of their degree, was published.

The Academic Coaching and Tutoring Center (ACT) continued to provide intentional, holistic academic support to our students. 2025-2026 Fitchburg State academic planners were created and mailed to 650 incoming freshmen and transfer students. Pre-semester, the peer mentors reached out to all incoming first-year students, connecting them not only with their mentors but also with classmates in their FYE section, fostering relationships and belonging. Just in the first month of classes, the ACT held over 250 student meetings, hosted more than 100

study hall attendees and provided tutor availability for over 500 students in the Library and residence halls.

Marketing and Integrated Communications continues to develop and implement marketing strategies and promotional campaigns to promote Fitchburg State's brand across all communication channels, including the university website, social media platforms, blogs, print and digital collateral, media relations, video, digital assets database, and advertising. Recent activities include fall registration, apply and Open House campaigns, an update to the undergraduate viewbook and virtual tour, targeted SGOCE and veteran marketing and outreach activities, promotion of on-campus events and the production of additional One-Minute Major videos.

Print Services should be recognized and commended for the high-quality and high-volume work that they design and produce on behalf of the entire campus. They provide professional-grade, branded materials that play a key role in the marketing and overall positive image of our campus.

Institutional Advancement

At the close of Fiscal Year 2025, the percentage of alumni giving increased to 12.81% from the previous year of 9.58%. Total dollars raised from all sources was \$1,774,279. Last year, we received several bequests that pushed the total received up to \$2,558,631.

We have raised to date \$157,430 compared to this period last year of \$242,200. Our goal for this year is to raise \$2.5 million and reach \$5 million by 2027.

The Commonwealth Endowment Incentive Match program was renewed by the Massachusetts Legislature and last year the Fitchburg State University Foundation leveraged \$555,555 before the end of the fiscal year. The program incentivizes private donation to public universities and colleges by matching \$1 for every \$2 raised through private fundraising. Last year, we added 21 new endowed funds totaling \$1,111,111 to secure the match. Alumni are allowed to pledge over five years to reach the endowment threshold of \$25,000. The largest new endowment last year was \$168,000 to support incoming or matriculated undergraduates with a minimum 2.0 GPA.

The Fitchburg State University Foundation now has \$33,873,000 in assets under management.

We are in the first year of working with a vendor to facilitate estate planning. The website enables individuals to write their own will or trust. We have 15 new bequests that have specific provisions for Fitchburg State totaling \$1 million when realized. There have been 52 estate plans completed through the site though not all had provision for FSU. The 15 new bequests brings the known members of the Saxifrage Society, our planned giving society, to 47 members.

We have 51,000 alumni and are conducting a wealth screening to identify potential affluent donors that will enable us to concentrate our efforts on higher potential alumni. We are anticipating a strong fundraising year as we work to increase endowed scholarships to take advantage of the state match incentive. Now that we have all the deans in place, we will be

working to establish academic priorities as targets for alumni engagement. In addition, we are continuing to raise funds to honor retiring faculty and to celebrate the 25th anniversary of our campus Moot Court competition and their historic successes at the national competitions. We are also working to increase support to establish a Student Media Literacy Center incorporating student podcasts, the student newspaper and the student run radio station WXPL. We are also working with a group of alumni veterans to establish a scholarship for students in the ROTC program. They plan to launch an appeal to all our alumni veterans to participate in the scholarship. We have also received a grant to help offset the cost of our Police Academy cadets' protective vests.

Alumni Events

We held the Gold Key Reunion on Sept. 27 for the Class of 1975, with 80 alumni in attendance. We are following up with the class to establish a class gift/scholarship fund.

Homecoming Weekend in early October culminated with the Alumni Awards Ceremony, where we presented the Young Alumni, Service, Leadership and Achievement Awards.

We celebrated the opening of a photographic exhibit with the work by Richard Kerris from the Class of 1983 on Sept. 25. The show will be on view throughout this academic year.

Donor Stewardship

We are in the final stages of completing the financial audit and we will be reporting to our endowment donors on the impact and performance of their endowment funds and sharing acknowledgement letters from the student scholarship recipients. There are over 100 donors who have established scholarship funds who will be receiving reports and student thank you letters.

Personnel Services & General Counsel

Personnel Services, which includes Human Resources, Payroll, Equal Opportunity and Title IX, works diligently to ensure that faculty, staff, student workers and applicants are provided high quality personalized service, enhanced by innovative practices and technology. For academic year 2025-2026, Personnel Services managed the search process, onboarding of benefits, and payroll for 576 students, 499 adjuncts, 56 part-time tutors and support staff, as well as 51 coaches and athletic staff. As an equal opportunity employer, the university requires that all members of search committees participate in training to ensure a fair and consistent selection process. Since July, over 30 employees have received search committee training. The Executive Director of Personnel Services is working to ensure that standard operating procedures are available to ensure accurate and consistent procedures are being followed. This work is complemented by the Director of Human Resources, who is cross training HR staff to ensure that each member of the team has trained a backup person for each function, in order to ensure effective continuous operations. The Director of Human Resources is also being trained as a Deputy Title IX Director. The terms and conditions for University employees are governed by three collective bargaining agreements: American

Federation of State and County and Municipal Employees (AFSCME) for classified employees, Association of Professional Administrators (APA) for administrators, Massachusetts State College Association (MSCA) for faculty and librarians and the Division of Graduate Continuing Education (DGCE) for adjunct faculty. Each collective bargaining agreement was successfully negotiated, by a team representing each of the State Universities, Fitchburg was represented by Dr. Becky Copper Glenz for DGCE, Jessica Murdoch for APA, Kimberly Page for AFSCME and Dr. Patricia Marshall and Stacey Luster for MSCA. Successor contract negotiations resulted in multiple salary increases for all employees, including adjustments for retroactive cost of living, faculty minimum salary, out of title work, and rank adjustments for adjunct faculty. Despite this substantial increase in workload, our payroll team consistently maintains high standards for accuracy, timeliness and professional customer service, ensuring compliance with all campus and Commonwealth of Massachusetts policies and guidelines, collective bargaining agreements, as well as state and federal laws.

The Office of Title IX and Equal Opportunity provide a comprehensive program of education, intake, investigations, while providing supportive measures for students, faculty and staff.

This Fall, the Director of Title IX/EO provided training to over 1200 students, including athletes, residential advisors, and orientation leaders, the vast majority of which were conducted on campus. Training was also provided to almost 300 employees, including departmental in-service for University Police and Career Service Advisors. Title IX/EO has also implemented a process to monitor trends in the types of complaints, based upon allegations, complainants, and respondents. This information will inform future training and provide data to adjust practices and procedures.

The Vice President of Personnel Services and General Counsel (VPGC) have a well-established network of attorneys representing the State Universities, Community Colleges, Department of Higher Education as well as the Office of the Attorney General. These Commonwealth attorneys meet on a weekly basis to discuss shared areas of concern relating to changes of legal interpretation, legal rulings, as well as new and ongoing litigation.

The VPGC reviews a myriad of contracts, MOUs, and letters of agreement, totaling almost seventy (70) contracts this fall. Contracts reviewed include Extended Campus Agreements, clinical agreements, student events, information technology, and insurance policies. The VPGC managed the process to transfer the liquor license from the Falcon Hub to the Compass Group USA (Chartwells), representing the University at the Fitchburg License Commission as well as with the State Alcohol Beverage Control Commission.

To further support the campus community, the Office of the General Counsel maintains a webpage, which was developed in collaboration with the University Chief of Staff, to provide updates regarding the most frequently asked legal questions on topics relating to immigration, and diversity, equity and inclusion.

Student Affairs

The Division of Student Affairs plays a significant role in attracting, supporting, engaging, and retaining students at the university. Ensuring students' safety and welfare and providing a robust student experience are integral parts of these efforts. Below, please find a discussion of the emerging and evolving challenges in Student Affairs' work, as well as examples of how the division has addressed these challenges with intention and innovation.

Fall 2025 Housing Occupancy Data:

The chart below shows current occupancy rates per building and a total for campus. The Massachusetts State College Building Authority (MSCBA) occupancy of 55.6% reflects the percentage of beds occupied for our buildings' original designed usage. Efforts over the past several years have resulted in originally designed double occupancy rooms being transitioned into premium singles to reflect student interest. The Actual occupancy of 76.35% reflects this change and more accurately captures how many of our available beds, as designed today, are occupied. Please also note that the graduate housing (North Street Apartments) is not a part of our MSCBA housing stock.

Building	Active Beds		Occupied Beds		Percent Occupied			
	FA24	FA25	FA24	FA25	FA24 - Actual	FA25 - Actual	FA24 - MSCBA	FA25 - MSCBA
Aubuchon	201	177	147	157	73.13%	88.70%	45.20%	48.30%
Cedar	32	32	31	16	96.88%	50.00%	110.70%	57.10%
Herlihy	0	82	0	74	0.00%	90.24%	0.00%	47.40%
Mara Village 1	25	24	25	23	100.00%	95.83%		
Mara Village 2	25	25	25	21	100.00%	84.00%		
Mara Village 3	23	25	21	24	91.30%	96.00%		
Mara Village 4	23	23	19	22	82.61%	95.65%		
Mara Village 5	24	23	23	21	95.83%	91.30%		
Mara Village 6	24	24	23	23	95.83%	95.83%		
Mara Village 7	24	24	23	24	95.83%	100.00%		
Maras 1-7	168	168	159	157	94.64%	93.45%	48.80%	47.90%

total									
Mara Village 8		89	83	71	57	79.78%	68.67%	67.30%	54.80%
Russell Towers		394	377	324	256	82.23%	67.90%	73.00%	57.50%
Simonds		135	135	121	96	89.63%	71.11%	91.70%	72.70%
Townhouses		189	189	168	136	88.89%	71.96%	88.90%	72.00%
Campus Total		1208	1243	1021	949	84.52%	76.35%	59.90%	55.60%
Grad Housing FA25		Occup ied Beds	Active Beds						
North Street Apt		9	25	36%					

The data above implies a need to be creative and less reliant upon traditional first year residential numbers. As such, we note the following:

- 78% of students living on campus in 2024-25 have returned to campus housing for 2025-26. While we are pleased with this retention number, the team in Housing and Residential Services is strategizing approaches to increase that percentage for next year. These include a change in a programming/engagement model focused primarily on community building.
- Herlihy Hall currently is 90% occupied (Actual), which indicates a proof of concept for the type of housing our students are interested in.
- We formally launched our housing partnership with Mount Wachusett Community College this summer through a collaborative process with the team at the Mount. To date, we have 10 MWCC students living at Fitchburg State, with new students showing interest each week. We believe this program will continue to grow and we are identifying ways to enable such.
- A concerted effort was made to reach out to students identified as commuters and to invite them to learn more about and explore campus housing options. This included inviting them to the First Look Friday event for the first time - resulting in a few commuter registrations.
- Conversations are ongoing about the type of Housing needed for graduate students as well as adult learners and exploring options accordingly.

Many recent, strategic decisions were made to address increased volume and complexity of student needs in addition to a refocusing of a Division-wide approach to engaging all students. Examples of this include:

- The Office of Military and Veterans Services has been moved into the Division. While this allows us to cast a wider net of support for veteran students using existing structures, it also strengthens our understanding of how to best serve adult learners, student-parents, and graduate students - identities that many of our Veterans hold.
- The Office of CARE and Case Management, created in February 2025, has positioned us to address an increase in both volume and acuity of CARE Team referrals. The CARE team is a multi-disciplinary team responsible for identifying, assessing, and responding to the needs and concerning behaviors of students. At the time of this writing, CARE referrals (123) have surpassed the total for September 2024 (84) - a 46% increase. Most notable is an increase in *elevated* cases (11 to date, compared to 2 in September 2024). Elevated cases are those in which the team's objective assessment of a student's risk is high - resulting in multi-departmental, high-touch outreach. This increase in acuity is something we continue to monitor both at Fitchburg State and more broadly as this is a national trend. Fitchburg State is leading in this area with the creation of the office. Director (and Fitchburg State alum) Joe Flanagan was tapped to present on our model and its quick implementation at the National Association of Behavioral Intervention and Threat Assessment conference.
- Efforts are underway to more intentionally engage our online and graduate student populations. Examples include an event in partnership with SGOCE and Chartwells to invite on-campus graduate students to a meal in the dining hall and the addition of two new undergraduate/graduate student organizations in AY 24-25 (Indian Students Association and Veteran Students Association). We are also engaging in collaborative assessment initiatives, which will help inform future strategies for online and graduate student engagement.
- While many changes were made, a central focus of Orientation this summer included pre-session communication with students to encourage attendance and to impact engagement with the university. We saw an impressive average 95% show rate through all three sessions.
- The Dean of Students Office was moved to Hammond Hall, placing this key resource at a more centrally located space and fostering increased access for students.

Operations

Capital Planning and Maintenance

This summer, Capital Planning and Maintenance underwent leadership and staffing structure changes. A significant amount of time was dedicated to reviewing campus operations and ensuring that our teams possessed the equipment and resources necessary to perform their jobs efficiently and effectively.

In August, we welcomed a new Executive Director, Bruno Fraga, who will assist with the day-to-day operations.

To demonstrate our appreciation for the dedicated staff, we hosted an appreciation BBQ for all CPM personnel in August. This event highlighted the value of their daily work, which helps to ensure campus looks and functions safely and properly.

Recruitment and retention of personnel has been especially challenging in the trades area, leaving some roles unfilled. This transitions to increased expenses by needing to hire vendors. As we move through the year, the CPM team will continue to look at ways to ensure we are caring for the people that do the work, so the university can serve its mission.

During the summer and into the start of the fall semester, we managed several large projects in collaboration with DCAMM and MSCBA, using local funding sources and state funding. During this time we also had our trades and maintainer crews throughout campus, making improvements and preparing for the fall semester to support both Academic and Campus Life initiatives.

While many projects are currently underway at various stages of study, design, procurement, and production, I wanted to highlight a few updates.

EV chargers are being installed in front of Mazzaferro, which will add four new stations. An additional two will be installed at Conlon Hall, bringing our total charger count from two to eight in the coming months.

We are also completing a small project in McKay Theater, to improve the dressing room for the theater program. These updates will enhance the student experience during productions and ensure that the space continues to meet the evolving needs of our students.

In May 2025, we began the Conlon Hall and Fine Arts window replacement project, which extended into the fall semester due to material delays and other outside factors. Continuing work in Conlon has required close communication with academic departments and careful vendor management to balance the building's immediate needs with long-term planning for future projects.

This project was made possible through DCAMM deferred maintenance funding, which has been critical to moving the work forward and stabilizing facilities for future initiatives. In August we did halt the demolition of the windows in Conlon Fine Arts, so as not to disrupt the academic session. This critical work will begin after our May 2026 Commencement.

The following is a list of some of the projects that were completed, or are currently in progress:

MSCBA Projects Completed(over \$850,000 completed in Summer 2025):

- Aubuchon Hall: LED common area lighting upgrades
- Town House 5: Lounge and exterior window upgrade
- Town House 1: Boiler replacement with smart integration
- Cedar Street: Water heater upgrade

In October 2025, we received an update on the Summer 2026 projects that will take place on campus, representing an overall MSCBA investment of approximately **\$1.2 million**.

- Town House 3 & 7: Replacement of heating boilers, managed by MSCBA, with an estimated Total Project Cost (TPC) of \$472,000 each.
- Reimbursable Flooring Projects: Installation of new flooring in Herlihy Hall and the Town Houses, estimated at \$60,000 each. These projects will be managed locally and reimbursed by MSCBA (Total TPC = \$120,000).
- Aubuchon Hall: Phase 2 LED Lighting Upgrade (Student Rooms) - Estimated TPC of \$143,000.

DCAMM Projects:

- North Street steam line repair
- Conlon Hall Window/ Door Replacement: part of a larger capital effort
- Conlon Hall: 3rd floor bathroom upgrade and redesign
- Antonucci Science: Mechanical, electrical, and plumbing repairs
- 33 classrooms received whiteboard painting through Student Success funding.

Locally Funded Projects:

- Anthony Quad steam line repair
- Conlon Hall: IT suite reconfiguration
- Conlon Hall: Faculty/staff break room
- Wallace Civic Center: Exterior work
- Campus quad enhancements, including new recycling bins
- EV charging stations
- Weston roof replacement
- Rec Center: Gym floor refinishing
- Herlihy Hall: Premium single updates
- Fire compliance and safety upgrades
- McKay A/B: Dressing room improvements

DCAMM Projects In Progress:

- Conlon Communications Media renovations (design phase)
- Conlon Fine Arts Window Replacement
- Holmes Dining upgrade
- Metal railing upgrades in Weston Parking Lot, behind Herlihy & Russel Towers.
- Elevator repairs and upgrades
- Conlon: Network AC replacement
- Sanders: DX unit replacement
- Holmes: Rooftop air handler replacements
- Weston: Fire line repair
- McKay A/B: Elevator Study

- Access control upgrades (campus-wide)

The Capital Planning and Maintenance team plays a vital role in supporting the campus community and continues to strengthen partnerships with campus, state, and vendor partners.

Many upcoming projects will be funded through DCAMM deferred maintenance funds and a university-wide allocation strategy. In collaboration with DCAMM, we are also conducting a decarbonization study to guide replacement decisions and major project planning, helping us prioritize sustainability, make informed investments, and position the university for long-term efficiency.

Auxiliary Services

This summer, we transitioned our bookstore partnership from Follett to E-Campus (textbook partner) and the University Gear Shop (apparel partner). Together, these form the newly branded Falcon Bookstore & Gear Shop. This new model has created expanded opportunities, including extended store hours and pop-up shops at athletic and special events.

Faculty adoption of E-Campus for course materials reached 98%—a rate the E-Campus noted as one of the highest in the region, and particularly impressive for a first-year transition. We have continued to hold bi-weekly meetings with partners to ensure a smooth transition.

At the Wallace Civic Center, managed by FMC, we have secured a marketing agreement granting Fitchburg State exclusive advertising rights to the Zamboni. This partnership ensures our branding will be featured on the Zamboni for all ice uses. With the exterior improvements made to the Civic Center over the summer, we have also worked with our partners to set expectations and place increased focus on enhancing the interior functionality and aesthetics of the building.

We have continued to work with Chartwells to elevate the dining experience and enhance retail offerings, based on market trends and campus feedback. Recent updates include a new smoothie station, expanded breakfast menu at the Bistro, and increased programming as part of the Holmes Dining Center Supper Club.

This summer, we also launched a year-round dining experience through a summer meal plan and expanded dining options for early arrivals and preseason groups. Looking ahead, Chartwells will also manage the rollout of the Falcon Pub.

Parking Services officially moved operations under Capital Planning & Maintenance in September, centralizing the service to improve efficiency and better support the campus community's parking needs.

University Police

Overview

This report offers a concise overview of the University Police Department's performance and initiatives, with select data encompassing Aug. 1, 2025, through Sept. 30, 2025, marking the onset of the 2025-26 Academic Year.

Our core mission centers on maintaining a safe, secure, and welcoming campus. We actively partner across the institution and broader community to promote student success, enhance institutional reputation and participate in community engagement events.

We are pleased to report level crime statistics, supported by continuing efforts to strengthen community policing, enhancing emergency preparedness, and maintaining compliance with the Clery Act requirements.

Event Safety & Security

The department's professional conduct and visible presence at high-profile university events directly enhance the institution's public image. We successfully managed security for multiple events, including fall move-in, Convocation, the State of the University address, and the Boston Bruins Fan Fest. Positive interactions with event attendees, parents, and alumni help to reinforce a positive perception of the university's commitment to safety.

Recruitment and Retention

The University Police Department continues to navigate staffing challenges created by difficulty in recruitment of new officers and retention of experienced personnel. The department has seen several officers leave for municipal departments, for example, resulting in a strain on remaining team members. These trends echo municipal and academic departments across the country.

We are partnering with Human Resources to meet both our short and long-term needs.

Select Data

The following metrics reflect the department's performance and efficiency for the onset of the 2025-26 Academic Year (*Aug. 1 through Sept. 30, 2025*):

Metric	2025 AY 8/1 - 9/30	2024 AY 8/1 - 9/30	Change (%)
Total Calls for Service	5,840	6,551	-11%
Criminal Incidents Reported	20	25	-20%
Clery Act Crimes Reported	1	1	0%
Community Engagement Events	70	71	-1%

Orientation & Campus Safety Programming Events	5	3	+67%
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Emergency Preparedness

The University's Emergency Management team is making progress in bolstering campus preparedness and resilience, with the primary focus on life safety issues and business continuity.

Recent achievements include the successful full-scale test of our mass notification system (RAVE Alert) and the completion of reunification training.

At the August Cabinet Retreat, Chief Cloutier presented with members of the City Police and Fire Departments, emphasizing our collaborative efforts to strengthen reunification procedures, which also benefit the Fitchburg Public School System.

To enhance our campus resilience, we hosted two specialized courses from Texas A&M Engineering Extension Service (TEEX):

- In March, we hosted a three-day training, "Crisis Management Affecting Institutions of Higher Education: A Collaborative Approach." This course trains higher education and community crisis management personnel to effectively manage a crisis using a whole community approach. It emphasizes risk management and effective crisis communication.
- Building on this, on Oct. 22, we hosted a one-day class, "Enterprise Risk Management." This course provided a comprehensive approach to holistically manage risks, identify interdependencies, and implement effective, university-tailored risk management strategies.

These efforts combined, reflect our proactive commitment to ensuring a coordinated and effective response to any future incidents impacting our campus.

The Jeanne Clery Disclosure of Campus Security and Campus Crime Statistics Act

The Annual Security and Fire Safety Report, commonly referred to as a Clery Report, which colleges and universities are required to publish under the Jeanne Clery Disclosure of Campus Security and Campus Crime Statistics Act (the Clery Act) was published before the annual deadline of Oct. 1.

The Clery Act itself is a federal consumer protection law that aims to provide transparency and accountability regarding crime and safety on and around college campuses. Its goal is to ensure students, prospective students, parents, and employees have accurate information to make informed decisions.

Therapy Dog "Zara"

Our newest team members are “Zara,” a 1-year-old therapy dog in training, and her handler, Officer Patrick Spooner. You can find them on the evening shift, attending events and touring campus offices.

Therapy dogs are essential in law enforcement because they address two critical needs: providing officers and staff with immediate emotional support for job-related stress, and acting as a bridge to the public to build trust and offer comfort during crises.

Conclusion

The start of the 2025-26 academic year shows the University Police Department's commitment to both safeguarding the campus and actively supporting the university's broader strategic goals.

Athletics & Recreation

To assist in improving first-year retention and academic success, a core component of Institutional Goal 1, the Athletic Department has launched a required Student-Athlete Study Hall Program and additional support initiatives.

Student-athletes face unique challenges during their first year, balancing demanding athletic and academic schedules while adapting to university life. Staying on the roster and integrated into the structure of their sport is crucial for retention. An athlete that loses good academic standing after the fall semester would miss out on essential team participation (practice, lifts, competition), which decreases the likelihood of that student-athlete retaining at Fitchburg State.

To mitigate this risk, the study hall program has been launched with 176 student-athletes participating, consisting of all first-year athletes and returning athletes with a GPA below 2.5. Head coaches are also able to recommend other students of concern, or have their entire team participate, if they feel it would be beneficial to their program.

The program requires two hours of weekly study hall and has shown exceptional early engagement. The necessary academic support is made highly accessible through multiple campus locations, including the Library, the Academic Coaching and Tutoring Center, the Rec Center, and Residence Halls, with technology provided on site for those athletes that do not have their own access to a computer. If student-athletes are unable to attend our open study hall hours or find that approach challenging, they can also attend faculty office hours, select academic support programs such as career fairs, or attend a tutoring session on their own to fulfill the expectation.

The program's effectiveness is boosted by its strategic staffing: nine current coaches, nearly all of whom are FSU alumni, serve as monitors, providing essential, relatable mentorship as part of the program. Additionally, cross-campus collaboration is strengthening, with Laura

Pierce, the Athletics Academic Success Advisor, holding key meetings with the English Studies and Behavioral Sciences department chairs to educate faculty on the program and maximize the utilization of the early alert system for timely student intervention.

With the program in its early stages, the department will continue to assess and make the changes necessary to ensure success. After our first two weeks, over 95% of the student-athletes in the program have completed their hours with some times and locations reaching capacity and forcing the expansion into multiple locations to accommodate the needs of students.

A second initiative taking place during the academic year is a focus on increasing connections to our community and raising the visibility of Fitchburg State through our athletic programs. As we support Institutional Goal 2, the athletic department has, and will continue, to plan a series of events connected to home athletic contests that bring high school, youth and other community organizations to our campus.

The first event held this year was a youth football and cheerleading night at our first home football game on Sept. 5. Invitations were sent out to area youth football teams to attend the game, receive a free Fitchburg State hat, and enjoy a football game. Among the towns and organizations represented in attendance were; Fitchburg Red Raiders, Oakmont Chargers, Wachusett, North Middlesex, Chair City Lions, Maynard/Nashoba Renegades and Lunenburg/Ayer/Shirley Bengals. Following the game, the youth football teams were able to meet a few of our coaches and players and celebrate the football team's victory over Dean College 49-14.

We are beginning a partnership with the university's Upward Bound program, extending an invitation and admission to the families of students in that program to attend any of our football, basketball or hockey home games. This initiative aims to create an additional bond between the students, their families and Fitchburg State while providing something safe and fun for the families to do together in the community.

We will continue to add more events as the season progresses, the final event on the schedule is a junior college women's basketball tournament that brings eight programs to Fitchburg State for a scrimmage day where the teams compete against each other but also get exposed to Fitchburg State with information sessions and a tour of campus. This program serves the benefit of not only providing a court to play on but exposing potential basketball players and students to our campus.

Chief of Staff | Communications Report

The Chief of Staff's position was formally established on campus this April, serving as a key advisor to the president, working as a liaison between the campus and the Board of Trustees, and supporting institutional governmental relations and communications efforts. The Chief of Staff also works in constant communication with other senior university leadership as a sounding board and thought partner.

A key effort this spring and summer was the recruitment and hiring of a new Associate Director of Communications. After a comprehensive search that yielded a very strong pool of applicants, in late June we welcomed Chad Garner to serve in this role. He is a 1999 alumnus of Fitchburg State who brought years of daily journalism experience and several years working as communications specialist for the Fitchburg Public Schools. His duties in the school district included public relations as well as crisis communications, both of which will be valuable additions to our “depth of bench” in these important roles within the university.

Chad has already made an impact in the depth and breadth of our institutional storytelling, with a robust collection of student and alumni profiles in our [digital magazine](#), as well as traditional [press releases](#) and contributing to the campus [blog](#). This content is also shared on our social media channels, furthering its reach and our ability to tell Fitchburg State’s story. Story subjects and topics are reviewed regularly to ensure these communications channels support our efforts to elevate the student experience with a goal of promoting recruitment and retention. Stories highlighting the achievements of faculty, librarians and staff members also provide a mechanism to celebrate our colleagues, which can be a powerful tool for fostering campus morale. Features about alumni achievements also elevate the role Fitchburg State has played in their journeys, boosting pride.

While reporting to the Chief of Staff, Chad shares office space in the Office of Marketing and Integrated Communications and has quickly become a valued team member. Chad is also supporting the university’s emergency management efforts.

Divisional reorganization also included the creation of a new Director of Presidential Events position, who also reports to the Chief of Staff. Shane Franzen, a longtime valued member of the Fitchburg State community, was appointed to the role this fall. Working in close collaboration with other members of the President’s Office, this position will make sure signature events are planned and executed to the highest standards in support of institutional objectives.

The Chief of Staff continues to represent the institution with external partners including local, regional and national governmental agencies.

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Coversheet

VP of Enrollment Management & Student Success

Section:	IV. President's Report
Item:	C. VP of Enrollment Management & Student Success
Purpose:	FYI
Submitted by:	
Related Material:	EMSS Presenation.pdf



FITCHBURG STATE UNIVERSITY

ENROLLMENT MANAGEMENT AND STUDENT SUCCESS

BOARD OF TRUSTEES REPORT
OCTOBER 30, 2025

FRAMING TODAY'S DISCUSSION

- Focus on overall student populations, not demographics
- Understand where we've been and where we're headed
- Establish a baseline for data sharing moving forward

The Goal: See the big picture before digging into specifics

FIVE-YEAR ENROLLMENT OVERVIEW

Overall Trends – AY20 to AY25

- Total unduplicated headcount: 9,300 (↓ 8%)
- Total registered credit hours: 125,110 (↓ 14%)

GRADUATE ENROLLMENT

Graduate Enrollment – Stable and Strong

- Unduplicated HC: 5,700 (flat)
- Registered credits: 47,000 (↓ 8%)
- Represents 61% of HC and 38% of credits
- 39% of all grad students among State Universities

UNDERGRADUATE ENROLLMENT

Undergraduate Enrollment

- HC: 3,660 (↓ 18%)
- Registered credits: 78,150 (↓ 18%)

Overall decline is driven primarily by the undergraduate population

UNDERGRADUATE BREAKDOWN

Day vs SGOCE Populations

- Day Students: 73% of UG HC | 80% of UG credits
 - – ↓ 20% over 5 years (HC + credits)
- SGOCE: 27% of UG HC | 20% of credits
 - – ↓ 12% HC, ↓ 3% credits



ADMISSIONS DATA OVERVIEW

UNDERSTANDING THE ENROLLMENT FUNNEL

FIRST YEAR STUDENTS

- **Applications: +53%**
- **Acceptances: +50%**
- **Enrollments: ↓ 20%**
- **Accept Rate: 87% | Yield Rate: 13.6%**

+2.4% increase in yield = +96 students → down only 5%

TRANSFER STUDENTS

- Represent $\sim\frac{1}{3}$ of new enrollment
- Applications: +26% | Acceptances: +25% | Enrollments: +13%
- Accept Rate: 93% | Yield Rate: 55%

Strong performance | ↑ yield = more opportunity

CURRENT YEAR SNAPSHOT

FA25: Where We Stand

- Marketing push for fall registration + outreach to stop-outs
- Added Falcon Assist Week, Welcome Week events, banners & signage
- Falcon Support Ice Cream Social → student support

UG Day:

- Returning students = steady , as expected
- New students = ↓ 20% (FR & TR funnel)

Focus: room to rebound

NEW & ONGOING INITIATIVES

- **Direct Admissions: Strong attention + marketing rollout**
- **Fitchburg High School Admissions Center: New local pipeline hub**
- **NERP Tuition Discount: Improved marketing + EAB support**
- **Homecoming Weekend Open House**
- **Guidance Counselor Breakfast: Nearly 100 registrants**
- **Military Recruitment: College Recon launch**
- **Transfer Recruitment: TES implementation**
- **Strengthening SGOCE partnership**
- **Return to in-person staffing**

SGOCE SNAPSHOT

Summer:

- GR = level | UG Online = ↑ 8%

Fall (early data):

- GR = slightly down
- UG Online ↑ = strong growth

International:

- ↑ post-pandemic > pre-pandemic, now ↓ due to visa issues
- Diversifying markets to offset F1 numbers



STUDENT SUCCESS HIGHLIGHTS

RETENTION & SUCCESS EFFORTS

SS HIGHLIGHTS

- **Retention Rate:** ↑ to 73.8% (from 69.5%)
 - = +23 students | +\$230K in revenue
- **FY26 State University Success Funds:** Caseload-based coaching model
- **Rebranded CSI Survey:** Falcon Profile, + transfer students
- **SSC Navigate Relaunch (Jan):** Improved functionality & analytics



LOOKING AHEAD

STRATEGIC PRIORITIES FOR FY26+

- **Leverage existing data & technology**
- **Review financial aid & tuition discounting strategies**
- **Partner with Academic Affairs to strengthen market position**
- **Refine Direct Admissions & local high school partnerships**
- **Expand NERP marketing reach**
- **Grow student-athlete rosters**
- **Audit EAB contract → potential CRM internalization**
- **Advance framework for Student Success Center**

OVERALL GOALS

- **Implement changes now that have long and short-term impact**
- **Work to stabilize enrollments**
- **Establish a holistic approach to the entire student experience - from recruitment to post-graduation outcomes**
- **Differentiate ourselves and become the college of choice for the region**



MOMENTUM IS ON OUR SIDE

THANK YOU

QUESTIONS?

Coversheet

Presented by M. Gill

Section:	VI. Student Trustee Report
Item:	A. Presented by M. Gill
Purpose:	FYI
Submitted by:	
Related Material:	Student Trustee Report - October Board of Trustees Meeting.pdf

Matthew Gill
Board of Trustees
Student Trustee Report
October 30th, 2025

Introduction to the Academic Year

Good afternoon everyone,

The start of the academic year is upon us and we are already two months in! With our two largest events on campus so far, Rock the Block, and all of our Homecoming festivities, our campus is buzzing with excitement.

Our Rock the Block brought together all of our clubs and organizations on the quad to promote their groups and recruit students to join.

Our Homecoming festivities included a pep rally that highlighted our sports teams, a casino night and semi-formal dance, multiple sporting events, a tailgate, and our carnival.

Even with these two large events, we've had many other activities that students have had the opportunity to attend.

Since the start of the year, I've met with a couple of different departments and offices on campus to help summarize the start of the year, as well as promote the amazing things that our faculty and staff have been up to.

International Education

I met with Nelly Wadsworth from the Office of International Education to discuss the International Education programs, focusing on our students studying abroad, as well as students studying abroad here at Fitchburg State University.

We talked about the purpose of an international education, and the importance of studying abroad. These programs positively impact our students and add an extra perspective to view the world when entering the workforce post-graduation. These experiences make you more competitive in the work force as well.

The Office of International Education has been looking at certain opportunities that run programs that serve as peer pals, allowing students here in the United States to communicate with students who are from other countries. These programs are important because even though not all of our students are able to engage in a study abroad program, these programs still give them the experience of interacting with people from other countries and backgrounds, forming a diverse world perspective.

It is always the goal for the Office of International Education to increase the number of students at Fitchburg State University to study abroad in one of their offered programs. Just as well, the office is also trying to increase the number of students coming from other countries to study here at Fitchburg State.

With the understanding of the goal to increase the amount of students studying abroad, we discussed certain strategies to accomplish this goal. One idea was the concept of recruiting agents, or just people who can simply spread the word about Fitchburg State study abroad programs.

Matthew Gill
Board of Trustees
Student Trustee Report
October 30th, 2025

With immigration issues on the rise, there has been a lot of misinformation regarding study abroad programs that have caused some fear among students. Some students are too scared to go abroad, thinking there is a prominent danger that would impact their experience. This same fear can go for students who are looking to study abroad in the United States. As Fitchburg State, we want to combat this information, marketing our state and our specific institution as a safe place to study abroad in the United States.

The last idea we discussed to increase the amount of students to study abroad, is to encourage faculty to design more courses that have a study abroad aspect. There are some majors that do not have many study abroad programs related to their field, and therefore see no purpose in attempting to be a part of the study abroad programs already offered.

School of Graduate, Online, and Continuing Education

I've had some conversations with Peter August, the Assistant Dean of Enrollment within the School of Graduate, Online, and Continuing Education regarding the collaboration between graduate students and the Student Government Association.

As SGA is still undergoing a constitutional review, we have been discussing the significance and importance of creating representative roles for graduate students within our senate, attempting to diversify the areas around campus that have a voice at the table.

University Police Department

The University Police Department has offered C.R.A.S.E training (Civilian Response to Active Shooter Events) to the Student Government Association, so we can then promote it to other clubs, organizations, and groups on campus that can also benefit from this training. The University Police Department offers multiple educational opportunities and programs promoting the safety on our campus, and it is our goal to participate in these programs so we can further promote them to others.

Student Government Association

The Student Government Association is sticking with President Hodge's declaration for a "Year of Momentum" and is continuing to take our efforts from last year and further expand our mission.

At the end of our election cycle last year, we only had four senators to represent our student body. With our first efforts of the year focusing on the growth of our senate, we have now increased our numbers to include twenty-six senators on the Student Government Association. Just as well, we have added another Executive Board position, the Public Relations Officer. We created this position in order to combat our challenge of being present on campus as an organization. We have elected our previous senator, Lily Hallahan, into this position, and she will be tasked with promoting the purpose, ideas, goals, and mission of our SGA, and to further connect us with the students we represent.

Matthew Gill

Board of Trustees

Student Trustee Report

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With the creation of this new role, we have created a more efficient process with how our clubs are using our Print Services department. This new process streamlines requests between Print Services, clubs, SGA, and the Office of Student Engagement staff, making it much more convenient for everyone involved while ensuring that information gets to students efficiently.

Office of Student Engagement/Campus Events Update

I met with our new Assistant Dean, Ben Kadamus, to discuss the initiatives and event planning from the Office of Student Engagement. Recently known as the Office of Student Development, the office changed names to better reflect the purpose of what they do.

Included below is a complete list of all the active clubs and organizations on campus that have hosted events and meetings this academic year, building our mission of making Fitchburg State University a place that values community engagement and sense of belonging.

Board of Trustees Involvement on Campus

I want to commend the recent Board of Trustees involvement on campus. So many students have been coming up to me to ask about this board and what we do. I believe that even asking questions about what we do is an important first step into being engaged with our community. Having a better connection with our community allows for better transparency with the groups of people that are impacted by the decisions we make.

Lastly, I want to bring up an event that you've all done together in the past, and the Student Government and I have decided that it would be a great opportunity to bring it back to increase the Board of Trustee involvement on our campus.

Bagels With the Board, an event created by a past Student Trustee, Stephany Infante, was designed to generate an open space for conversation between the Board of Trustees and the Fitchburg State University community. If available, I ask you to be open to participating in this event, and to take a step further into engaging with the people that give us a reason to be on this board in the first place.

Thank you,

Matthew Gill, Student Trustee

Matthew Gill
Board of Trustees
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CURRENT EVENT CALENDAR

October 2025				
<i>Date</i>	<i>Time</i>	<i>Event</i>	<i>Organization(s)</i>	<i>Location</i>
Wednesday, 10/1	12:30-3:00pm	Crafter's Social: Homecoming Mums	Crafter's Club, GSA, & FAB	Hammond G-Lobby
Wednesday, 10/1	3:30-4:30pm	Writing Club Weekly Meetings	Writing Club	Miller Hall Oval Room
Wednesday, 10/1	4:00-5:00pm	EMS Club Meeting	EMS	Percival 107
Wednesday, 10/1	5:00-6:00pm	Card Game Club Meeting	Card Game Club	Thompson 310
Wednesday, 10/1	5:00-6:00pm	CACF Open Group Discussion	CACF	Hammond G01/G01B
Wednesday, 10/1	5:00-7:00pm	Musical Theatre Club Rehearsals	Musical Theatre Club	Kent Recital Hall
Wednesday, 10/1	6:00-8:00pm	Sigma Pi Study Hours	Sigma Pi	Percival Hall
Wednesday, 10/1	6:00-8:00pm	Scrapbook with Sigma	Tri Sigma	Hammond S08
Wednesday, 10/1	6:30-8:30pm	Bomba Night with LASO	LASO	Main Lounge
Thursday, 10/2	8:30-9:30am	Fitchburg State Choirs E-Board Meetings	Fitchburg State Choirs	CNFA 157
Thursday, 10/2	9:00am-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Thursday, 10/2	3:30-4:15pm	Homecoming Pep Rally	Athletics	Main Quad
Thursday, 10/2	3:30-5:00pm	CACF E-Board Meeting	CACF	Hammond S06
Thursday, 10/2	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Thursday, 10/2	3:30-5:00pm	Pokemon Society Meeting	Pokemon Society	Percival 108
Thursday, 10/2	5:00-6:00pm	K-Pop Photocard Decorating	K-Pop Club	Hammond G01
Thursday, 10/2	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Thursday, 10/2	7:00-8:00pm	First Love Bible Study	First Love	Ellis White Lecture Hall
Thursday, 10/2	7:00-9:00pm	Skate the FAB Way!	FAB	Hammond Plaza
Friday, 10/3	9:00am-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Friday, 10/3	10:45am-12:15pm	Falcon Friends Intramural Sports	Falcon Friends	Game Room

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Friday, 10/3	3:00-9:00pm	Theology Christian Conference	CACF	Antonucci 311
Friday, 10/3	7:00-11:00pm	Homecoming Casino Night	All Departments	Recreation Center
Saturday, 10/4	9:00am-3:30pm	Theology Christian Conference	CACF	Antonucci 311
Saturday, 10/4	4:00-10:00pm	Homecoming 2025 Carnival	All Departments	Ross Parking Lot
Sunday, 10/5	6:00-8:00pm	Improv Club Rehearsal	Improv Club	Ellis White Lecture Hall
Monday, 10/6	9:00am-2:00pm	Tabling for Run In Her Shoes	AST	Hammond S-Lobby
Monday, 10/6	2:00-3:00pm	Photography Club Weekly Meeting	Photography Club	Conlon 222
Monday, 10/6	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Monday, 10/6	4:00-5:30pm	FAB Weekly Meetings	FAB	Hammond 314
Monday, 10/6	3:00-6:00pm	Greek Council Study Hours	Greek Council	Percival 107
Monday, 10/6	6:00-8:30pm	Phi Sigma Sigma Chapter Meeting	Phi Sigma Sigma	Percival 103
Monday, 10/6	6:00-7:00pm	Salvation Youth Meeting	Salvation International Prayer Youth Ministry	Hammond S06 Conference Room
Monday, 10/6	6:00-7:00pm	Sigma Pi Weekly Meeting	Sigma Pi	Percival Hall
Monday, 10/6	6:00-8:00pm	AST Weekly Meeting	AST	Hammond 314
Tuesday, 10/7	9:00am-2:00pm	Tabling for Run In Her Shoes	AST	Hammond S-Lobby
Tuesday, 10/7	3:30-5:00pm	Queer Arts Showcase	GSA	Ellis White Lecture Hall
Tuesday, 10/7	4:00-5:00pm	Entrepreneurship Club Weekly Meeting	Entrepreneurship Club	Percival 108
Tuesday, 10/7	4:30-6:30pm	Improv Club Rehearsal	Improv Club	Antonucci 211
Tuesday, 10/7	5:30-7:30pm	Crafter's Club Meeting - Collage Making	Crafter's Club	Hammond 314
Tuesday, 10/7	6:30-7:30pm	SGA Weekly Meeting	SGA	Hammond G19
Tuesday, 10/7	6:00-8:00pm	Spooky Jeopardy Night	ASA	Ellis White Lecture Hall
Tuesday, 10/7	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Tuesday, 10/7	6:30-8:30pm	Pumpkin Paint N' Sip	FAB	Falcon Hub
Tuesday, 10/7	7:00-9:00pm	Worship Night	CACF	Main Lounge
Wednesday, 10/8	12:00am-11:59pm	Mill City Pub Fundraising Event	Cheer	Off-Campus

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Wednesday, 10/8	9:00am-2:00pm	Tabling for Run In Her Shoes	AST	Hammond S-Lobby
Wednesday, 10/8	3:30-4:30pm	World Languages: Bridging Communities with Dr. Karina Bautisa	Humanities Department	Hammond 314
Wednesday, 10/8	3:30-4:30pm	Writing Club Weekly Meetings	Writing Club	Miller Hall Oval Room
Wednesday, 10/8	4:00-5:00pm	EMS Club Meeting	EMS	Percival 107
Wednesday, 10/8	5:00-6:00pm	Card Game Club Meeting	Card Game Club	Thompson 310
Wednesday, 10/8	5:00-6:00pm	Panhellenic Council Meeting	Panhellenic	Hammond S08
Wednesday, 10/8	5:00-6:00pm	CACF Open Group Discussion	CACF	Hammond G01/G01B
Wednesday, 10/8	6:00-8:00pm	Sigma Pi Study Hours	Sigma Pi	Percival Hall
Wednesday, 10/8	7:00-8:00pm	Tri Sigma Sisterhood Event	Tri Sigma	Thompson Hall
Thursday, 10/9	9:00am-2:00pm	Tabling for Run In Her Shoes	AST	Hammond S-Lobby
Thursday, 10/9	9:00am-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Thursday, 10/9	3:30-5:00pm	CACF E-Board Meeting	CACF	Hammond S06
Thursday, 10/9	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Thursday, 10/9	3:30-5:00pm	Pokemon Society Meeting	Pokemon Society	Percival 108
Thursday, 10/9	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Thursday, 10/9	7:00-8:00pm	First Love Bible Study	First Love	Ellis White Lecture Hall
Thursday, 10/9	7:00-9:00pm	Nightmare on Pearl Street	FAB & CASA	Falcon Hub
Friday, 10/10	9:00am-2:00pm	Tabling for Run In Her Shoes	AST	Hammond S-Lobby
Friday, 10/10	9:00am-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Tuesday, 10/14	9:00am-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Tuesday, 10/14	4:00-5:00pm	Entrepreneurship Club Weekly Meeting	Entrepreneurship Club	Percival 108
Tuesday, 10/14	4:00-5:00pm	Dance Club Meeting	Dance Club	Thompson 111
Tuesday, 10/14	4:30-6:30pm	Improv Club Rehearsal	Improv Club	Antonucci 211
Tuesday, 10/14	5:30-6:30pm	RPGuild Weekly Meeting	Role Players Guild	Percival 103/106
Tuesday, 10/14	6:00-8:00pm	Carve N' Sip	BSU	Falcon Hub
Tuesday, 10/14	6:30-7:30pm	SGA Weekly Meeting	SGA	Hammond G19

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Tuesday, 10/14	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Wednesday, 10/15	3:30-4:30pm	Writing Club Weekly Meetings	Writing Club	Miller Hall Oval Room
Wednesday, 10/15	11:00am-5:00pm	Frights & Delights From the Islands Bake Sale	CASA	Hammond G-Lobby
Wednesday, 10/15	4:00-5:00pm	Run In Her Shoes	AST	Main Quad
Wednesday, 10/15	4:00-5:00pm	EMS Club Meeting	EMS	Percival 107
Wednesday, 10/15	5:00-6:00pm	CACF Open Group Discussion	CACF	Hammond G01/G01B
Wednesday, 10/15	5:00-6:00pm	Card Game Club Meeting	Card Game Club	Thompson 310
Wednesday, 10/15	6:00-8:00pm	Sigma Pi Study Hours	Sigma Pi	Percival Hall
Wednesday, 10/15	6:30-8:30pm	Noche Latina with Jesis Algarin y his Conjunto Criollo	CDI, International Education Office, LASO, & CASA	Main Lounge
Thursday, 10/16	8:30-9:30am	E-Board Meeting	Fitchburg State Choir	CNFA 157
Thursday, 10/16	9:00-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Thursday, 10/16	3:30-5:00pm	CACF E-Board Meeting	CACF	Hammond S06
Thursday, 10/16	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Thursday, 10/16	3:30-5:00pm	Pokemon Society Weekly Meeting	Pokemon Society	Percival 108
Thursday, 10/16	5:00-6:00pm	K-POP Club Game Night	K-POP	Ellis White
Thursday, 10/16	7:00-8:00pm	First Love Bible Study	First Love	Ellis White Lecture Hall
Thursday, 10/16	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Thursday, 10/16	5:00-10:00pm	WXPL Fall Concert 2025	WXPL	Falcon Hub
Thursday, 10/16	All Day	NACA Trip	FAB	Hartford,CT

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Friday, 10/17	9:00-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Sunday, 10/19	9:00am-5:00pm	Hollis Hills Bake Sale Fundraiser	Cheer	Hollis Hills Farm
Sunday, 10/19	6:00-8:00pm	Improv Club Rehearsal	Improv Club	Ellis White Lecture Hall
Monday, 10/20	2:00-3:00pm	Photography Club Weekly Meeting	Photography Club	Conlon 222
Monday, 10/20	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Monday, 10/20	4:00-5:30pm	FAB Weekly Meetings	FAB	Main Lounge
Monday, 10/20	6:00-7:00pm	Sigma Pi Weekly Meeting	Sigma Pi	Percival Hall
Monday, 10/20	6:00-7:00pm	Salvation Youth Meeting	Salvation International Prayer Youth Ministry	Hammond S06 Conference Room
Monday, 10/20	6:00-8:00pm	AST Weekly Meeting	AST	Hammond 314
Monday, 10/20	6:00-8:30pm	Phi Sigma Sigma Chapter Meeting	Phi Sigma Sigma	Percival 103
Monday, 10/20	6:30-9:00pm	Tri Sigma Chapter Meeting	Tri Sigma	Thompson Hall
Tuesday, 10/21	9:00am-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Tuesday, 10/21	4:00-5:00pm	Entrepreneurship Club Weekly Meeting	Entrepreneurship Club	Percival 108
Tuesday, 10/21	4:30-6:30pm	Improv Club Rehearsal	Improv Club	Antonucci 211
Tuesday, 10/21	5:30-7:30pm	Crafter's Club Meeting	Crafter's Club	Hammond 314
Tuesday, 10/21	5:30-6:30pm	RPGuild Weekly Meeting	RPG	Percival 103/106

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Tuesday, 10/21	6:30-7:30pm	SGA Weekly Meeting	SGA	Hammond G19
Tuesday, 10/21	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Tuesday, 10/21	7:00-9:00pm	MegaMix Concert	Choir and Falcon Bands	Weston
Wednesday, 10/22	3:30-4:30pm	Writing Club Weekly Meetings	Writing Club	Miller Hall Oval Room
Wednesday, 10/22	4:00-5:00pm	EMS Club Meeting	EMS	Percival 107
Wednesday, 10/22	5:00-6:00pm	Card Game Club Meeting	Card Game Club	Thompson 310
Wednesday, 10/22	5:00-6:00pm	Panhellenic Council Meeting	Panhellenic	Hammond S08
Wednesday, 10/22	5:00-6:00pm	CACF Open Group Discussion	CACF	Hammond G01/G01B
Wednesday, 10/22	6:00-8:00pm	Sigma Pi Study Hours	Sigma Pi	Percival Hall
Wednesday, 10/22	7:00-10:00pm	GSA Drag Bingo	GSA	Falcon Hub
Thursday, 10/23	9:00-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Thursday, 10/23	3:30-5:00pm	CACF E-Board Meeting	CACF	Hammond S06
Thursday, 10/23	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Thursday, 10/23	3:30-5:00pm	Trick or Teamwork:Club Training	OSE	Main Lounge
Thursday, 10/23	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Friday, 10/24	9:00-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Sunday, 10/26	6:00-8:00pm	Improv Club Rehearsal	Improv Club	Ellis White Lecture Hall

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Monday, 10/27	2:00-3:00pm	Photography Club Weekly Meeting	Photography Club	Conlon 222
Monday, 10/27	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Monday, 10/27	4:00-5:30pm	FAB Weekly Meetings	FAB	Main Lounge
Monday, 10/27	4:00-6:00pm	Greek Council Meeting	Greek Council	Hammond G01
Monday, 10/27	6:00-7:00pm	Sigma Pi Weekly Meeting	Sigma Pi	Percival Hall
Monday, 10/27	6:00-7:00pm	Salvation Youth Meeting	Salvation International Prayer Youth Ministry	Hammond S06 Conference Room
Monday, 10/27	6:00-8:00pm	AST Weekly Meeting	AST	Hammond 314
Monday, 10/27	6:00-8:30pm	Phi Sigma Sigma Chapter Meeting	Phi Sigma Sigma	Percival 103
Monday, 10/27	6:00-10:00pm	All Hallows' Geek	Pokemon Society, Improv Club, WXPL, RPGuild, Minecraft Club, & K-Pop Club	Main Lounge & Falcon Hub
Monday, 10/27	6:30-9:00pm	Tri Sigma Chapter Meeting	Tri Sigma	Thompson Hall
Tuesday, 10/28	4:00-5:00pm	K-Pop Club Halloween Dance Workshop	K-Pop Club	Hammond 314
Tuesday, 10/28	4:00-5:00pm	Entrepreneurship Club Weekly Meeting	Entrepreneurship Club	Percival 108
Tuesday, 10/28	4:00-5:00pm	Dance Club Meeting	Dance Club	Thompson 111
Tuesday, 10/28	4:30-6:30pm	Improv Club Rehearsal	Improv Club	Antonucci 211
Tuesday, 10/28	5:30-6:30pm	RPGuild Weekly Meeting	RPG	Percival 103/106
Tuesday, 10/28	6:30-7:30pm	SGA Weekly Meeting	SGA	Hammond G19
Tuesday, 10/28	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Wednesday, 10/29	3:30-4:30pm	Writing Club Weekly Meetings	Writing Club	Miller Hall Oval Room
Wednesday, 10/29	4:00-5:00pm	EMS Club Meeting	EMS	Percival 107
Wednesday, 10/29	5:00-6:00pm	Card Game Club Meeting	Card Game Club	Thompson 310
Wednesday, 10/29	5:00-6:00pm	CACF Open Group Discussion	CACF	Hammond G01/G01B
Wednesday, 10/29	6:00-8:00pm	Sigma Pi Study Hours	Sigma Pi	Percival Hall

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Wednesday, 10/29	8:00-10:00pm	Improv Halloween Show	Improv Club	Falcon Hub
Thursday, 10/30	8:30-9:30am	E-Board Meetings	Fitchburg State Choir	CNFA 157
Thursday, 10/30	3:30-5:00pm	CACF E-Board Meeting	CACF	Hammond S06
Thursday, 10/30	3:30-5:00pm	GSA Weekly Meeting	GSA	Hammond S08
Thursday, 10/30	3:30-5:00pm	Pokemon Society Weekly Meeting	Pokemon Society	Percival 108
Thursday, 10/30	7:00-8:00pm	First Love Bible Study	First Love	Ellis White Lecture Hall
Thursday, 10/30	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym
Friday, 10/31				
Friday, 10/31				
Friday, 10/31				

PAST EVENT CALENDAR

September 2025				
Date	Time	Event	Organization(s)	Location
Tuesday, 9/16	6:00-9:00pm	Formal Recruitment: Round #1	Sigma Tau	Hammond
Tuesday, 9/16	6:30-8:30pm	Tropical Fusion: Salsa, Kompa, & Bachata	LASO & CASA	Hammond G01B
Wednesday, 9/17	10:00am-4:30pm	InflataFAB	FAB	Main Quad
Wednesday, 9/17	1:00-3:00pm	Get a Taste of Career Services	Career Services & Advising Center	Hammond
Wednesday, 9/17	6:00-8:00pm	RC Night	Panhellenic	Hammond
Wednesday, 9/17	1:00-3:00pm	Get a Taste of Career Services	Career Services & Advising Center	Hammond
Thursday, 9/18	6:00-9:00pm	Formal Recruitment: Round #2	Panhellenic	Hammond
Friday, 9/19	12:00-5:30pm	Pie a Pie	Sigma Pi	Main Quad

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Friday, 9/19	6:00-9:00pm	War Stories	Sigma Pi	Off-Campus
Saturday, 9/20	2:30-6:30pm	Culture Clash: Meet the E-Board Edition	CDI, ASA, BSU, CASA, & LASO	Main Quad
Monday, 9/22	6:00-9:00pm	Preference Night	Panhellenic	Hammond
Monday, 9/22	8:00-10:00pm	Sigma Pi Movie Night	Sigma Pi	Falcon Hub
Tuesday, 9/23	4:00-5:00pm	Entrepreneurship Club Weekly Meeting	Entrepreneurship Club	Percival 108
Tuesday, 9/23	4:30-6:30pm	Improv Club Rehearsal	Improv Club	Antonucci Science 211
Tuesday, 9/23	5:00-7:00pm	Crafter's Club Meeting - Pennant Flags	Crafter's Club	Hammond 314
Tuesday, 9/23	5:00-7:30pm	Musical Theatre Club Table Read Understudy Cast	Musical Theatre Club	Conlon Band Room
Tuesday, 9/23	5:00-10:30pm	Gardner Movie Trip	FAB	Off-Campus
Tuesday, 9/23	5:30-9:30pm	RP Guild Weekly Meeting	Role Playing Guild	Percival 103/106
Tuesday, 9/23	6:30-7:30pm	SGA Weekly Meeting	SGA	Hammond G19
Tuesday, 9/23	6:30-8:30pm	Cheerleading Practice	Cheerleading	Mckay Gym
Wednesday, 9/24	ALL DAY	Wear Purple Wednesday	All Clubs & Organizations	Hammond
Wednesday, 9/24	11:00am-3:00pm	Stick N' Sip	FAB	S Lobby Tables
Wednesday, 9/24	3:30-4:30pm	Writing Club Weekly Meeting	Writing Club	Miller Hal Oval Room
Wednesday, 9/24	4:00-5:00pm	EMS Club Meeting	EMS	Percival 107
Wednesday, 9/24	4:00-8:00pm	Buen Provecho: A Taste of Latin Flavors	CDI & Chartwells	Holmes Dining Hall
Wednesday, 9/24	4:30-5:30pm	SNA First Meeting	Student Nurses Association	Thompson 214
Wednesday, 9/24	5:00-6:00pm	CACF Open Group Discussion	CACF	Hammond G01/G01B
Thursday, 9/25	11:00am-1:00pm	NHPW Tabling	Greek Council	S Lobby Table 2
Friday, 9/26	9:00-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Friday, 9/26	4:00-5:00pm	NHPW Myth or Fact Trivia	Greek Council	Falcon Hub

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Friday, 9/26	5:00-7:00pm	Musical Theatre Club Rehearsals	Musical Theatre Club	Kent Recital Hall
Friday, 9/26	6:00-9:00pm	Legends	Sigma Tau Gamma	Percival 108
Friday, 9/26	6:00-9:00pm	Steak Night	Sigma Pi	Off-Campus
Saturday, 9/27	9:00am-12:00pm	Car Wash for CASA Fundraiser	CASA	Off-Campus
Saturday, 9/27	12:00-3:00pm	Sigma Tau Alumni Cornhole Tournament	Sigma Tau Gamma	Off-Campus
Saturday, 9/27	1:00-3:00pm	Musical Theatre Club Rehearsals	Musical Theatre Club	Kent Recital Hall
Sunday, 9/28	6:00-8:00pm	Improv Club Rehearsal	Improv Club	Ellis White Lecture Hall
Monday, 9/29	3:30-4:30pm	GSA E-Board Meeting	GSA	Hammond G11
Monday, 9/29	4:00-5:30pm	FAB Weekly Meetings	FAB	Hammond 314
Monday, 9/29	4:00-6:00pm	Greek Council Meeting	Greek Council	Hammond G01
Monday, 9/29	4:00-6:00pm	Summer Photo Gallery Exhibition	Photography Club	Conlon 222
Monday, 9/29	5:30-8:30pm	Phi Sigma Sigma Chapter Meeting	Phi Sigma Sigma	Percival 103
Monday, 9/29	6:00-7:00pm	Salvation Youth Meeting	Salvation International Prayer Youth Ministry	Hammond S06 Conference Room
Monday, 9/29	6:00-7:00pm	Sigma Pi Weekly Meeting	Sigma Pi	Percival Hall
Monday, 9/29	6:00-8:00pm	AST Weekly Meeting	AST	Hammond 314
Monday, 9/29	6:30-9:00pm	Tri Sigma Chapter Meeting	Sigma Sigma Sigma	Thompson Hall
Tuesday, 9/30	9:00am-10:00am	CACF Morning Prayer	CACF	Antonucci Science Complex 311
Tuesday, 9/30	3:30-4:00pm	LGBTQ+ Flag Raising Ceremony with LatinX Keynote Speaker	GSA & CDI	Hammond/Thompson Plaza
Tuesday, 9/30	4:00-5:00pm	Entrepreneurship Club Weekly Meeting	Entrepreneurship Club	Percival 108
Tuesday, 9/30	4:00-5:00pm	Dance Club Meeting	Dance Club	Thompson 111
Tuesday, 9/30	4:30-6:30pm	Improv Club Rehearsal	Improv Club	Antonucci 211
Tuesday, 9/30	5:30-6:30pm	RPGuild Weekly Meeting	Role Players Guild	Percival 103/106
Tuesday, 9/30	6:00-9:00pm	Pokemon Society September Tournament	Pokemon Society	Game Room
Tuesday, 9/30	6:30-7:30pm	SGA Weekly Meeting	SGA	Hammond G19
Tuesday, 9/30	6:30-8:30pm	Cheerleading Practice	Cheer	Mckay Gym

Coversheet

Presented by Matt Burke, Pam McCafferty and Tim St. John

Section:	X. Special Presentation: Women's Ice Hockey
Item:	A. Presented by Matt Burke, Pam McCafferty and Tim St. John
Purpose:	FYI
Submitted by:	
Related Material:	WIH - BOT PRESENTATION 2025.pdf

READY TO BREAK THE **ICE.**

WOMEN'S ICE HOCKEY



THE ASK

Seeking Board of Trustees support to **elevate Women's Ice Hockey** as our **18th varsity sport**.

Anticipated start date: Fall 2027

WHY WOMEN'S ICE HOCKEY?

Participation in women's ice hockey at the collegiate level has seen **significant** growth over the past 10 years, up 39%, with participation growing from 2,121 to 2,947.

39%

from (NCAA.org)

WHY WOMEN'S ICE HOCKEY?

The number of girls ice hockey teams in **Massachusetts** at the high school level increased from 125 to 211 over a 10 year period from 2013-2023.

125 ➤ 211

from (New England Hockey Journal)

WHY WOMEN'S ICE HOCKEY?

The number of girls playing hockey in Massachusetts in 2023 is up **21%** compared to 2013, up 15% in New England, and up 39% nationally.

21%

from (New England Hockey Journal)



THE OPPORTUNITY

Building on the success of our men's program, Fitchburg State is well positioned to launch women's ice hockey. The MASCAC is seeking new teams, with NCAA automatic bid status coming in 2027–28, making now the ideal time to act. With the Wallace Civic Center and existing training facilities, Fitchburg State has the infrastructure to build a **championship-caliber women's program.**



SOPHIA YATES

Forward, Club Ice Hockey



THE IMPACT



THE IMPACT

Elevating & Supporting Women's Sports

- Demonstrates a commitment to expanding opportunities for women student-athletes
- Provides additional balance to the number of women student-athletes we have compared to men student-athletes
- Increases our financial support of women's athletic programs

| **Positive impact on compliance with Title IX**



ASHLEY WILLEY

Forward, Club Ice Hockey

THE IMPACT

Positive Impact on Campus

- **Enrollment**

- Increases our full-time undergraduate student population;
- NCAA Division III average squad size 25.4
- MASCAC average squad size 22.3

- **Retention**

- Women athletes retain at a higher percentage than their peers
- 81.8% vs 70.5% (FA24 cohort)

- **Academic**

- Women student-athletes average GPA 3.14 vs. 3.04 for non-women athletes (FY24)

THE IMPACT

Positive Impact on Campus (CONT.)

- **Student Engagement & Belonging**
 - MIH has the **highest** and most **consistent** fan engagement
 - Enhancement of the student experience through additional events
 - Pride in campus
- **Participation in varsity athletics teaches valuable life and professional skills including;**
 - Leadership
 - Time Management
 - Communication
 - Teamwork
 - Accountability

THE IMPACT

External Impact

- Demonstrates growth of our university and our athletic programs
- Community connection and growth of women's ice hockey
- High visibility

TIMELINE

- Adding a varsity sport is at least an **18-month process**
- Hire coach as soon as logistically possible to begin recruitment of student-athletes
- Continue the growth of our existing women's ice hockey club and increase the number of games at the club level in 2026-2027
- **Compete as a varsity program beginning 2027-2028 season**

BUDGET PROJECTIONS - FY27

ITEM	COST
Equipment	\$9,000
Ice Time	\$25,000
Uniforms	\$13,000
Officials	\$1,000
Recruiting	\$4,000
Team Physician/Medical Supplies	\$2,000
Coaching Staff	\$77,000
TOTAL	\$131,000

BUDGET PROJECTIONS - FY28

ITEM	COST
Equipment	\$28,500
Ice Time	\$50,000
Transportation/Meals	\$29,000
Officials	\$8,400
Recruiting	\$2,000
Team Physician/Medical Supplies	\$6,200
Coaching Staff	\$77,000
TOTAL	\$201,100

25 = \$250,000

BUDGET IMPACT

A full roster of 25 would equate to \$250,000 (approximately \$10K for each full-time day student) **in new revenue plus additional on-campus housing occupants.** 70% of freshmen women athletes lived in residence halls (FA24 cohort).

Demonstrates an investment at a time when colleges/universities are cutting back.



THANK YOU



Coversheet

VOTE: Women's Ice Hockey

Section:	X. Special Presentation: Women's Ice Hockey
Item:	C. VOTE: Women's Ice Hockey
Purpose:	Vote
Submitted by:	
Related Material:	VOTE Womens Hockey.pdf

Fitchburg State University
REQUEST FOR BOARD ACTION

TO: Board of Trustees	DATE: October 30, 2025
FROM: The President	REQUEST NUMBER: 06.2025-2026
SUBJECT: Women’s Ice Hockey	

It is requested that the Fitchburg State University Board of Trustees vote to approve adding women’s ice hockey team as the 18th varsity sport at Fitchburg State University.