

Attachment H
University Executive Summary 2019

Fitchburg State University
Executive Summary
Report on Audits of Financial Statements and Supplemental Information
Years Ended June 30, 2019 and 2018

- The University received an unqualified report from its auditors and there were no issues or findings that arose during the audit.
- The Management's Discussion and Analysis, beginning on page 5, provides a broad overview of the financial position and fiscal activities of the University and includes ratio analysis in key areas.

Statements of Net Position (pages 18-20):

- Total assets and deferred outflows increased by \$9.06 million to \$253.3 million in fiscal year 19. This increase was mainly due to \$3.5 million increase in cash and cash equivalents, \$3.2 million in deferred output-opeb, \$1.4 million and \$1 million increase in net capital asset and investments respectively. Total liabilities and deferred inflows increased to \$127.1 million, which is a net increase of \$6.2 million. \$3.7 million is due to deferred inflow-opeb, \$1.9 million due to increase in payables, and \$1 million to increase in pension liability.
- As at June 30, 2019, current unrestricted cash was \$24.7, current restricted cash \$7.5 million and noncurrent restricted cash \$7.5 million.
- Capital assets increased by \$11.8 million to \$182.8 million net of current period depreciation of \$10.4 million.
- Total debt from bond issues is \$62.6 million. The bonds were issued for various construction projects. See Note 12, beginning on page 56. A total of \$2.6 million new debt was issued in fiscal year 19.
- Invested in capital assets; net of related debt increased by \$3.4 million.

Statement of Revenues, Expenses and Changes in Net Position (pages 21-22):

- Total revenue for the year was \$119.7 million.
- Tuition and fee revenue increased by 5.8%. Scholarships and scholarship allowances was \$10.4 million.
- Auxiliary dorm revenue, which represents operation of the residence halls totaled \$10.5 and does not include fees charged for the student housing facility owned and operated by the FSU Supporting Organization, Inc.
- State appropriations increased a little more than 11%, over the prior period due mainly to retroactive payroll payments. Capital appropriations received totaled \$3.6 million – of which \$2.3 million was for the energy/water retrofit program.
- Total expenditures, exclusive of depreciation, increased by 9% to \$106.4 million due primarily to increased payroll and benefits retroactive payments, increases in resident hall debt payments to MSCBA and increase in commission paid for the accelerated online program.
- Instructional expenditures represent 38% of total operating expenditures, exclusive of depreciation and scholarships. 85.2% of Instructional expenditures relate to payroll and benefit costs.
- Institutional support consist of the day to day operational support of the institution, excluding plant operations and represents 12.5% of total operating expenses exclusive of depreciation and scholarships.
- Operations and maintenance of plant expenditures totaled \$11.8 million an increase of \$.7 million.
- There was an overall increase in net position of \$2.8 million for the fiscal year.

Statement of Cash Flows (pages 23-25):

- Total cash at June 30, 2019 was \$39.6 million.
- Cash received from operations (before appropriations) was \$71 million. Cash expended for operations was \$89.4 million, resulting in an operating loss of \$18.4 million, which was offset by appropriations of \$32.2 million net of tuition amounts reverted to the state.
- Acquisitions of property and equipment totaled \$11 million.

Notes to the Financials Statements (pages 26 - 108):

Most of the notes are standard disclosures. Note 1, which outlines the University's significant accounting policies, spans pages 26 through 34.

- Note 5, beginning on page 48, details the property and equipment held by the University.
- Details relating to University debt (capital leases and bond issues) are in Note 12, beginning on page 56.