

Attachment J
Executive Summary SO June 2019

FSU Foundation Supporting Organization, Inc.
Executive Summary
Report on Audit of Financial Statements
Years Ended June 30, 2019 and 2018

The Supporting Organization received an *unqualified report* from its auditors and there were no issues or findings that arose during the audit. The information contained in these financial statements is consolidated into the financial statements of the Fitchburg State University Foundation, Inc.

Statements of Financial Position (page 4):

- Total assets are \$6.3 million and total liabilities are \$4 million at June 30, 2019.
- Property and equipment, net of depreciation totaled \$6.1 million.
- Total debt outstanding at June 30, 2019 was \$3.9 million.
- Net assets was changed to reflect change in accounting pronouncements – net asset without donor restrictions – see Notes 1-2, page 9 - Accounting Standard Update 2016-14.

Statements of Activities/Statement of Functional Expenses (pages 5 - 7):

- There was an overall increase in net assets of \$170,000.
- Rental income, license fees and residence hall fees totaled \$667,000 and are made up of rents and fees paid by the University for the use of various properties and fees paid by students for the North Street residence hall.
- Interest expense relative to financing property acquisitions totaled \$151,000.
- Program expenses totaled \$498,000, management and general expenses totaled \$24,000. In the prior year, \$724,000 program expense arose because of losses on transfer and sale of properties to the commonwealth.

Statements of Cash Flows (page 8):

- There was positive cash flows from operating activities of \$361,000. There was an overall net increase in cash of approximately \$93,000.
- Acquisition of property and equipment totaled \$690,000.
- Net cash provided by financing activities totaled \$422,000.

Notes to the Financials Statements (pages 9 - 31):

- Most of the notes are standard disclosures.
- Financial assets available for general expenditure within one year is disclosed in Note 3, page 12.
- Details on property and equipment is disclosed in Note 4 beginning on page 10.
- Mortgage and notes payable agreements are disclosed in Notes 6 and 7 beginning on page 15.
- Lease and license agreements between the Supporting Organization and the University are disclosed in Note 8 beginning on page 25.
- Related party transactions are disclosed in Note 10 beginning on page 28.