

Attachment I

Executive Summary FDN Audit June 2019

Fitchburg State University Foundation, Inc.
Executive Summary
Report on Audit of Consolidated Financial Statements
Years Ended June 30, 2019 and 2018

The Foundation received an *unqualified report* from its auditors and there were no issues or findings that arose during the audit.

Consolidated Statement of Financial Position (page 4):

- Total assets were \$28.3 million at June 30, 2019.
- Property & equipment totaled \$6.6 million.
- Total debt outstanding at June 30, 2019 was \$4 million.
- Net assets are now classified as with or without donor restrictions based on a new accounting pronouncement Accounting Standard Update 2016-14 (see notes 1 and 2)

Consolidated Statement of Activities/Functional Expenses (page 5 - 6):

- There was an overall increase in net assets of \$1,350,000. Total gifts and donations were \$899,302 of which approximately \$164,720 was unrestricted and \$255,475 of the balance is endowed.
- 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 and dividends totaled \$348,000. Investment gains totaled \$1,272,000 million.
- Total income decreased by \$338,433 over the prior year. While rental income increased slightly in 2019, the decrease mainly stemmed from a decrease in investment gain of \$284,000 and a decrease in grant income of \$98,000.
- Program expenses were \$1.7 million in 2019. Management and general expenses were \$263,000 and Fundraising expenses were \$100,000. Total expenses were \$2.1 million, a decrease of approximately \$715,000 over the prior year. The decrease was mainly because of the losses we had in prior year when we transferred property to the commonwealth.

Consolidated Statement of Cash Flows (pages 7 - 8):

- There was an overall net decrease in cash of approximately \$68,000 primarily due to operating activities. Total cash at June 30, 2019 was \$1.24 million.
- Proceeds from the sale of investments totaled \$3.1 million. Acquisition of investments totaled \$3 million.
- Cash paid for interest was \$164,000 (see note 17, page 43).

Notes to the Financials Statements (pages 9 - 46):

- Most of the notes are standard disclosures.
- Financial assets available for general expenditure within one year is disclosed in Note 3, page 17.
- Detail on investments is disclosed in Note 4 beginning on page 17, as well as, Note 6 beginning on page 22.
- Detail on property and equipment and its related debt is disclosed in Note 7 beginning on page 24 and Notes 11 and 12 beginning on page 28. Detail on lease and license agreements is disclosed in Note 13 beginning on page 40.
- Related party transactions are disclosed in Note 14 on page 42.