

FITCHBURG STATE UNIVERSITY

Board of Trustees

NOTIFICATIONS

TO: Board of Trustees	DATE: January 28, 2020
FROM: The President	NOTIFICATION NUMBER: N04-19/20
SUBJECT: Financial Report	

FITCHBURG STATE UNIVERSITY
FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2019, 2018 AND 2017

FITCHBURG STATE UNIVERSITY
STATEMENTS OF NET ASSETS
December 31, 2019, 2018 and 2017

ASSETS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current Assets			
Cash and cash equivalents	\$ 30,122,730	\$ 31,859,333	\$ 30,265,947
Cash and cash equivalents-restricted	6,649,549	6,438,680	7,243,646
Bond proceeds	-	93,900	1,734,115
Accounts receivable, net	4,938,143	2,698,914	1,985,335
Loans receivable, net	1,305	1,107	707
Other assets	132,789	112,582	144,733
Total Current Assets	41,844,516	41,204,516	41,374,483
Noncurrent Assets			
Restricted cash and cash equivalents	7,911,938	8,109,059	8,122,443
Investments	17,663,455	15,021,131	15,751,636
Endowment investments	957,833	795,156	847,433
Loans receivable, net	1,390,104	1,609,359	1,886,797
Prepaid expenses	69,814	62,394	196,175
Due from other funds	-	170,000	-
Capital assets, net	181,222,300	180,549,684	174,459,644
Total Noncurrent Assets	209,215,444	206,316,783	201,264,128
Total Assets	251,059,960	247,521,299	242,638,611
Deferred Outflows of Resources			
Deferred outflows	8,886,437	5,579,646	4,901,385
Total Assets and Deferred Outflows of Resources	\$ 259,946,397	\$ 253,100,945	\$ 247,539,996

FITCHBURG STATE UNIVERSITY
STATEMENTS OF NET ASSETS
December 31, 2019, 2018 and 2017

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current Liabilities			
Bonds payable-current portion	\$ 3,935,543	\$ 3,523,606	\$ 3,327,030
Accounts payable and accrued liabilities	3,830,148	3,104,464	3,681,344
Accounts payable-construction	46,943	321,150	148,743
Salaries and benefits payable	1,557,041	1,234,559	1,059,111
Accrued workers compensation-current portio	128,796	141,432	126,662
Compensated absences-current portion	2,243,334	2,306,066	3,210,879
Accrued faculty payroll	2,807,932	2,839,553	2,701,279
Deferred revenue-current portion	11,506,226	9,956,427	9,770,272
Capital lease-current portion	256,744	252,159	247,656
Other liabilities	518,417	1,231,562	872,752
	<u>26,831,124</u>	<u>24,910,978</u>	<u>25,145,728</u>
Total Current Liabilities			
Noncurrent Liabilities			
Bonds payable	57,487,699	58,874,310	56,952,043
Accrued workers compensation	462,010	507,339	454,356
Compensated absences	3,508,804	3,318,486	1,967,958
Capital lease	261,412	518,156	770,316
Due to federal loan programs-Perkins	1,495,463	1,472,948	1,565,622
Due to federal loan programs-Nursing	389,184	380,771	421,133
Deferred revenue	274,467	26,759	777,691
Net OPEB Liability	21,928,435	22,232,674	-
Unfunded pension liability	12,484,412	11,430,648	12,580,841
	<u>98,291,886</u>	<u>98,762,091</u>	<u>75,489,960</u>
Total Noncurrent Liabilities			
Total Liabilities	<u>125,123,010</u>	<u>123,673,069</u>	<u>100,635,688</u>
Deferred Inflows of Resources			
Deferred inflows - concessions	1,011,672	1,264,590	1,517,507
Deferred inflow-OPEB	6,838,918	2,609,760	-
Deferred inflows - pensions	855,293	679,709	51,499
	<u>8,705,883</u>	<u>4,554,059</u>	<u>1,569,006</u>
Total Deferred Inflows of Resources			
Net Assets			
Invested in capital assets, net of related debt	122,108,807	119,139,389	117,023,718
Restricted for:			
Non-expendable			
Scholarships & fellowships	545,692	507,322	506,331
Research	-	-	41,568
Expendable			
Scholarships & fellowships	430,709	454,890	446,120
Loans	263,435	258,769	276,911
Other	103,667	403,463	930
Capital projects	456,922	853,928	1,280,306
Debt service	11,010,938	10,974,462	9,631,213
Unrestricted	(8,802,666)	(7,718,406)	16,128,205
	<u>126,117,504</u>	<u>124,873,817</u>	<u>145,335,302</u>
Total Net Assets			
Total Liabilities, Deferred Inflows and Net Assets	<u>\$ 259,946,397</u>	<u>\$ 253,100,945</u>	<u>\$ 247,539,996</u>

For those charged with governance and internal management use only

FITCHBURG STATE UNIVERSITY
STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS
For the Six Months Ended **DECEMBER 31, 2019, 2018 and 2017**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating Revenues			
Student tuition and fees	\$ 25,300,025	\$ 26,323,598	\$ 25,006,197
Waivers and exemptions	(455,364)	(810,837)	(896,413)
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Net student tuition and fees	24,844,661	25,512,761	24,109,784
Federal grants and contracts	4,304,268	4,429,262	4,369,972
State and local grants and contracts	515,085	468,636	50,590
Nongovernmental grants and contracts	479,423	429,387	295,984
Sales and services of educational departments	672,940	670,278	725,389
Auxiliary enterprises:			
Residential life (net of scholarship allowances)	5,240,868	5,822,572	5,527,501
Residential life- dining hall revenue	2,298,352	1,956,133	-
Administrative overhead	56,031	49,530	25,850
Fundraising	85,804	78,772	79,604
Commissions	375,875	202,975	247,340
Miscellaneous	5,320	3,252	5,412
Nursing and Perkins	15,948	15,111	10,263
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Total Operating Revenues	38,894,575	39,638,669	35,447,689
Operating Expenses			
Salaries:			
Faculty	11,231,727	11,358,212	10,805,117
Exempt wages	2,335,475	2,003,645	1,611,912
Non-exempt wages	10,771,739	9,680,508	9,490,813
Benefits	7,781,649	7,704,985	6,546,747
Other Operating Expenses:			
Employee related travel	185,380	198,015	151,594
Administrative expense	1,269,051	1,069,623	913,456
Facility operational supplies	826,967	828,256	825,868
Utilities	1,484,517	1,370,660	1,158,912
Consultant services	650,707	650,322	494,445
Operational services	2,373,921	1,465,723	859,513
Equipment purchases	251,145	371,920	198,657
Equipment maintenance and repairs	397,545	379,107	378,342
Purchased client services-program	85,538	78,498	107,103
Construction and building improvement	674,871	875,809	643,813
Grants & Subsidies	50,213	38,899	-
Scholarships	5,386,694	5,418,074	5,144,116
Loans & special payments	368,368	(160,497)	8,636
IT expenditures	2,701,058	3,016,138	2,437,153
Depreciation	5,444,147	5,071,844	4,923,512
Bad debt expense	(8,589)	(17,632)	-
Auxiliary enterprises:			
Dining Hall Expenditure	2,172,375	1,948,470	-
Residential life	5,143,450	4,885,896	5,807,374
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Total Operating Expenses	61,577,948	58,236,475	52,507,083
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Operating profit/(loss)	(22,683,373)	(18,597,806)	(17,059,394)

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FITCHBURG STATE UNIVERSITY
STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS
For the Six Months Ended **DECEMBER 31, 2019, 2018 and 2017**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Nonoperating Revenues(Expenses)			
State appropriations	22,453,607	21,229,365	19,092,808
Investment income (net of investment expenses)	476,490	446,607	364,804
Interest on capital debt	(982,607)	(1,095,906)	(903,720)
Unrealized gain/(loss)	<u>518,028</u>	<u>(1,083,035)</u>	<u>595,676</u>
Net Nonoperating Revenues (Expenses)	<u>22,465,518</u>	<u>19,497,031</u>	<u>19,149,568</u>
Income (loss) before Capital and Endowment Additions	(217,855)	899,225	2,090,174
Capital appropriations	-	-	7,128
Capital grants and gifts	<u>126,459</u>	<u>586,458</u>	<u>210,881</u>
Increase (decrease) in net assets	(91,396)	1,485,683	2,308,183
Net Assets - beginning of period	<u>126,208,900</u>	<u>123,388,134</u>	<u>143,027,116</u>
Net Assets - end of period	<u>\$ 126,117,504</u>	<u>\$ 124,873,817</u>	<u>\$ 145,335,299</u>

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FITCHBURG STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
For the Six Months Ended DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase in net assets	\$ (91,398)	\$ 1,485,302	\$ 2,308,185
Adjustments to reconcile increase in net assets to cash provided by (used by) operating activities:			
(Gain)/Loss on marketable securities	(518,028)	1,080,451	(690,058)
Depreciation	5,444,147	5,071,844	4,923,512
(Increase) decrease in assets:			
Accounts receivable	(2,473,347)	(615,526)	56,339
Loans receivable	91,764	93,330	39,994
Other assets	147,953	268,859	152,028
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(1,680,893)	(936,410)	746,227
Compensated absences	246,788	283,271	17,591
Accrued faculty payroll	(1,185,868)	(670,806)	(641,467)
Deferred revenue	9,793,204	8,312,715	8,440,751
Other liabilities	181,281	859,295	505,256
Net cash provided by operating activities	<u>9,955,603</u>	<u>15,232,325</u>	<u>15,858,358</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	2,118,542	25,679	14,473
Purchase of investments	(2,690,422)	(193,491)	(205,627)
Acquisition of property, plant and equipment	(3,845,716)	(4,172,004)	(5,979,828)
Net cash (used by) investing activities	<u>(4,417,596)</u>	<u>(4,339,816)</u>	<u>(6,170,982)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Federal loan program	12,681	8,354	(51,156)
Amortization of bond premium	(132,141)	(132,141)	(143,865)
Payments of capital debt	(255,611)	(255,611)	(309,839)
Payments of capital leases	(124,387)	(124,387)	(122,165)
Net cash (used by) financing activities	<u>(499,458)</u>	<u>(503,785)</u>	<u>(627,025)</u>
Net increase in cash	5,038,549	10,388,724	9,060,351
Cash and cash equivalents - beginning of period	<u>39,645,667</u>	<u>36,112,248</u>	<u>38,305,801</u>
Cash and cash equivalents - end of period	<u>\$ 44,684,216</u>	<u>\$ 46,500,972</u>	<u>\$ 47,366,152</u>
Supplemental Disclosures:			
Cash paid for interest	<u>\$ 1,137,794</u>	<u>\$ 1,129,579</u>	<u>\$ 1,181,207</u>

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