

FITCHBURG STATE UNIVERSITY

Board of Trustees

**NOTIFICATIONS**

<b>TO:</b> Board of Trustees	<b>DATE:</b> January 26, 2021
<b>FROM:</b> The President	<b>NOTIFICATION NUMBER:</b> N04-20/21
<b>SUBJECT:</b> Financial Report	

**Fitchburg State University**  
**Executive Summary**  
**Financial Statements for the Six Months Ended**  
**December 31, 2020, 2019 and 2018**

**Statements of Net Assets (pages 3-4):**

- Total assets increased by approximately \$4.1 million between FY19 and FY20 and had a slight decrease in FY21. The changes between FY20 and FY21 were mainly due to a reduction in accounts receivable and a corresponding increase in restricted cash and Investments.
- Current liabilities decreased in FY21 when compared to FY20 and this was due primarily to a decrease in the current portion of bonds payable. The bonds outstanding to MSCBA were refinanced in July 2020 and this change culminated in the reduction in principal and interest payments that were originally scheduled to be paid in FY21.
- Total liabilities decreased by \$ 1.1 million between FY21 and FY20 even though there was an increase of \$2.42 million of OPEB and Pension Liability.
- Total net assets have basically remained unchanged between December 2020 when compared to December 2019

**Statements of Revenues, Expenses and Changes in Net Assets (pages 5-6):**

- Total revenue for the period was \$61.5 million versus \$62.4 million at Dec 2019
- Net Tuition and fee revenue have remained constant for the last 3 years and the institutional scholarship decreased slightly in FY21
- Auxiliary revenue, which represents the operation of both the residence halls and the dining facilities, totaled \$4.5 million. COVID 19 is still affecting the operation of these facilities.
- Currently no change in state appropriation received to date in FY21.
- Total expenditures decreased in FY21 compared to FY20 and this decrease was mostly due to decrease in auxiliary expenses and decrease in interest expenses due on bonds outstanding.
- The stock market rebounded in FY21 when compared to FY20.

**Statements of Cash Flows (page 7):**

- Total cash at December 31, 2020 was \$46.0 million, which represents an increase of approximately \$1.4 million when compared to FY20.
- Net cash provided from operations was \$16.4 million compared to \$9.95 million in FY20 and \$15.23 million in FY19.

**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF NET ASSETS  
December 31, 2020, 2019 and 2018**

**ASSETS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 28,294,478	\$ 30,122,730	\$ 31,859,333
Cash and cash equivalents-restricted	5,092,806	6,649,549	6,438,680
Bond proceeds	-	-	93,900
Accounts receivable, net	2,677,787	4,938,143	2,698,914
Loans receivable, net	1,237	1,305	1,107
Other assets	<u>106,409</u>	<u>132,789</u>	<u>112,582</u>
<b>Total Current Assets</b>	<u>36,172,717</u>	<u>41,844,516</u>	<u>41,204,516</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	12,630,294	7,911,938	8,109,059
Investments	19,474,599	17,663,455	15,021,131
Endowment investments	1,025,676	957,833	795,156
Loans receivable, net	1,173,535	1,390,104	1,609,359
Prepaid expenses	1,988	69,814	62,394
Due from other funds	271,169	-	170,000
Capital assets, net	<u>179,482,187</u>	<u>181,222,300</u>	<u>180,549,684</u>
<b>Total Noncurrent Assets</b>	<u>214,059,448</u>	<u>209,215,444</u>	<u>206,316,783</u>
<b>Total Assets</b>	250,232,165	251,059,960	247,521,299
<b>Deferred Outflows of Resources</b>			
Deferred outflows	<u>8,276,468</u>	<u>8,886,437</u>	<u>5,579,646</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 258,508,633</u>	<u>\$ 259,946,397</u>	<u>\$ 253,100,945</u>

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF NET ASSETS**  
**December 31, 2020, 2019 and 2018**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Current Liabilities</b>			
Bonds payable-current portion	\$ 830,592	\$ 3,935,543	\$ 3,523,606
Accounts payable and accrued liabilities	4,701,146	3,830,148	3,104,464
Accounts payable-construction	418,204	46,943	321,150
Salaries and benefits payable	1,669,561	1,557,041	1,234,559
Accrued workers compensation-current portio	104,231	128,796	141,432
Compensated absences-current portion	2,373,284	2,243,334	2,306,066
Accrued faculty payroll	2,625,826	2,807,932	2,839,553
Deferred revenue-current portion	10,583,158	11,506,226	9,956,427
Capital lease-current portion	261,412	256,744	252,159
Other liabilities	<u>890,950</u>	<u>518,417</u>	<u>1,231,562</u>
<b>Total Current Liabilities</b>	<u>24,458,364</u>	<u>26,831,124</u>	<u>24,910,978</u>
<b>Noncurrent Liabilities</b>			
Bonds payable	56,672,793	57,487,699	58,874,310
Accrued workers compensation	373,893	462,010	507,339
Compensated Balances	3,872,201	3,508,804	3,318,486
Capital lease	-	261,412	518,156
Due to federal loan programs-Perkins	1,121,155	1,495,463	1,472,948
Due to federal loan programs-Nursing	250,160	389,184	380,771
Deferred revenue	432,946	274,467	26,759
Net OPEB Liability	24,061,207	21,928,435	22,232,674
Unfunded pension liability	<u>12,763,415</u>	<u>12,484,412</u>	<u>11,430,648</u>
<b>Total Noncurrent Liabilities</b>	<u>99,547,770</u>	<u>98,291,886</u>	<u>98,762,091</u>
<b>Total Liabilities</b>	<u>124,006,134</u>	<u>125,123,010</u>	<u>123,673,069</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - concessions	885,213	1,011,672	1,264,590
Deferred inflow-OPEB	6,233,735	6,838,918	2,609,760
Deferred inflows - pensions	<u>1,171,344</u>	<u>855,293</u>	<u>679,709</u>
<b>Total Deferred Inflows of Resources</b>	<u>8,290,292</u>	<u>8,705,883</u>	<u>4,554,059</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	122,473,083	122,108,807	119,139,389
<b>Restricted for:</b>			
Non-expendable			
Scholarships & fellowships	528,193	545,692	507,322
Expendable			
Scholarships & fellowships	374,291	430,709	454,890
Loans	195,482	263,435	258,769
Other	153,483	103,667	403,463
Capital projects	39,450	456,922	853,928
Debt service	11,740,654	11,010,938	10,974,462
Unrestricted	<u>(9,292,429)</u>	<u>(8,802,666)</u>	<u>(7,718,406)</u>
<b>Total Net Assets</b>	<u>126,212,207</u>	<u>126,117,504</u>	<u>124,873,817</u>
<b>Total Liabilities, Deferred Inflows and Net Assets</b>	<u>\$ 258,508,633</u>	<u>\$ 259,946,397</u>	<u>\$ 253,100,945</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, 2020, 2019 and 2018**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Operating Revenues</b>			
Student tuition and fees	\$ 25,453,422	\$ 25,300,025	\$ 26,323,598
Waivers and exemptions	<u>(380,611)</u>	<u>(455,364)</u>	<u>(810,837)</u>
<b>Net student tuition and fees</b>	25,072,811	24,844,661	25,512,761
Federal grants and contracts	4,094,856	4,304,268	4,429,262
State and local grants and contracts	665,787	515,085	468,636
Nongovernmental grants and contracts	250,098	479,423	429,387
Sales and services of educational departments	266,824	672,940	670,278
Auxiliary enterprises:			
Residential life (net of scholarship allowances)	3,385,585	5,240,868	5,822,572
Residential life- dining hall revenue	1,190,995	2,298,352	1,956,133
Administrative overhead	38,687	56,031	49,530
Fundraising	6,188	85,804	78,772
Commissions	398,022	375,875	202,975
Miscellaneous	27,797	5,320	3,252
Nursing and Perkins	<u>2,689</u>	<u>15,948</u>	<u>15,111</u>
<b>Total Operating Revenues</b>	<u>35,400,339</u>	<u>38,894,575</u>	<u>39,638,669</u>
<b>Operating Expenses</b>			
<b>Salaries:</b>			
Faculty	10,503,303	11,231,727	11,358,212
Exempt wages	2,236,526	2,335,475	2,003,645
Non-exempt wages	10,168,233	10,771,739	9,680,508
Benefits	7,784,994	7,781,649	7,704,985
<b>Other Operating Expenses:</b>			
Employee related travel	62,011	185,380	198,015
Administrative expense	1,220,557	1,269,051	1,069,623
Facility operational supplies	737,564	826,967	828,256
Utilities	1,343,572	1,484,517	1,370,660
Consultant services	794,851	650,707	650,322
Operational services	3,219,570	2,373,921	1,465,723
Equipment purchases	304,494	251,145	371,920
Equipment maintenance and repairs	216,561	397,545	379,107
Purchased client services-program	2,688	85,538	78,498
Construction and building improvement	808,666	674,871	875,809
Grants & Subsidies	33,750	50,213	38,899
Scholarships	4,804,605	5,386,694	5,418,074
Loans & special payments	62,684	368,368	(160,497)
IT expenditures	2,513,798	2,701,058	3,016,138
Depreciation	5,613,203	5,444,147	5,071,844
Bad debt expense	(21,928)	(8,589)	(17,632)
Auxiliary enterprises:			
Dining Hall Expenditure	1,022,377	2,172,375	1,948,470
Residential life	<u>2,646,158</u>	<u>5,143,450</u>	<u>4,885,896</u>
<b>Total Operating Expenses</b>	<u>56,078,237</u>	<u>61,577,948</u>	<u>58,236,475</u>
<b>Operating profit/(loss)</b>	<u>(20,677,898)</u>	<u>(22,683,373)</u>	<u>(18,597,806)</u>

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**FITCHBURG STATE UNIVERSITY**  
**STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS**  
**For the Six Months Ended DECEMBER 31, 2020, 2019 and 2018**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Nonoperating Revenues(Expenses)</b>			
State appropriations	22,487,193	22,453,607	21,229,365
Investment income (net of investment expenses)	508,544	476,490	446,607
Interest on capital debt	(801,168)	(982,607)	(1,095,906)
Unrealized gain/(loss)	<u>1,694,162</u>	<u>518,028</u>	<u>(1,083,035)</u>
<b>Net Nonoperating Revenues (Expenses)</b>	<u>23,888,731</u>	<u>22,465,518</u>	<u>19,497,031</u>
<b>Income (loss) before Capital and Endowment Additions</b>	3,210,833	(217,855)	899,225
Capital appropriations	1,047,540	-	-
Capital grants and gifts	<u>126,459</u>	<u>126,459</u>	<u>586,458</u>
<b>Increase (decrease) in net assets</b>	4,384,832	(91,396)	1,485,683
<b>Net Assets - beginning of period</b>	<u>121,827,377</u>	<u>125,278,015</u>	<u>123,388,134</u>
<b>Net Assets - end of period</b>	<u>\$ 126,212,209</u>	<u>\$ 125,186,619</u>	<u>\$ 124,873,817</u>

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**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF CASH FLOWS**  
**For the Six Months Ended DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Increase in net assets	\$ 4,384,832	\$ (91,398)	\$ 1,485,302
Adjustments to reconcile increase in net assets to cash provided by (used by) operating activities:			
(Gain)/Loss on marketable securities	(778,042)	(518,028)	1,080,451
Depreciation	5,613,203	5,444,147	5,071,844
 (Increase) decrease in assets:			
Accounts receivable	61,533	(2,473,347)	(615,526)
Loans receivable	99,772	91,764	93,330
Other assets	110,211	147,953	268,859
 Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	1,205,574	(1,680,893)	(936,410)
Compensated absences	503,742	246,788	283,271
Accrued faculty payroll	(1,605,485)	(1,185,868)	(670,806)
Deferred revenue	6,354,855	9,793,204	8,312,715
Other liabilities	448,546	181,281	859,295
 <b>Net cash provided by operating activities</b>	<u>16,398,741</u>	<u>9,955,603</u>	<u>15,232,325</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments	2,702,576	2,118,542	25,679
Purchase of investments	(4,424,189)	(2,690,422)	(193,491)
Acquisition of property, plant and equipment	<u>(3,625,325)</u>	<u>(3,845,716)</u>	<u>(4,172,004)</u>
 <b>Net cash (used by) investing activities</b>	<u>(5,346,938)</u>	<u>(4,417,596)</u>	<u>(4,339,816)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Federal loan program	16,944	12,681	8,354
Amortization of bond premium	(132,141)	(132,141)	(132,141)
Payments of capital debt	(255,611)	(255,611)	(255,611)
Payments of capital leases	<u>(124,387)</u>	<u>(124,387)</u>	<u>(124,387)</u>
 <b>Net cash (used by) financing activities</b>	<u>(495,195)</u>	<u>(499,458)</u>	<u>(503,785)</u>
 <b>Net increase in cash</b>	10,556,608	5,038,549	10,388,724
 <b>Cash and cash equivalents - beginning of period</b>	<u>35,460,968</u>	<u>39,645,667</u>	<u>36,112,248</u>
 <b>Cash and cash equivalents - end of period</b>	<u>\$ 46,017,576</u>	<u>\$ 44,684,216</u>	<u>\$ 46,500,972</u>
 <b>Supplemental Disclosures:</b>			
Cash paid for interest	<u>\$ 6,892</u>	<u>\$ 1,137,794</u>	<u>\$ 1,129,579</u>

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