

Attachment J
Executive Summary
Supporting Org. June 2021

FSU Foundation Supporting Organization, Inc.
Executive Summary
Report on Audit of Financial Statements
Years Ended June 30, 2021 and 2020

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 \$7.1 million and total liabilities are \$4.7 million at June 30, 2021.
- Property and equipment, net of depreciation increase by \$0.5 million in FY21 to \$6.8 million. The net increase was due to the former Fidelity Bank building and adjacent land being donated to the Supporting Org and a donation from the Supporting Org of seven parcels of land and one building to the Commonwealth.
- Total debt outstanding at June 30, 2021 was \$4.0 million.
- Net asset without donor restrictions decreased by \$0.3million.
- Environmental remediation of \$0.5 million arises from a cleanup of a donated property located near the Theater Building.

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

- Rental income, license fees and residence hall fees totaled \$0.6 million which is a decrease of \$358,000. This stems from 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 \$178,000.
- The Increase in program fees is due to remediation expense recognized as an expense but not disbursed as cash.

Statements of Cash Flows (page 8):

- There was positive cash flows from operating activities of \$281,000. There was an overall net increase in cash of approximately \$41,000.
- Items to note on the cash flow are the amounts added back – Loss on the transfer of land and building of \$588,000 and in-kind donation of \$709,000 and Environmental liability of \$465,000.
- Net cash provided by financing - note the refinancing of a loan of \$1.5 million for the Supporting Org.

Notes to the Financials Statements (pages 9 – 32):

- 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 14.
- Mortgage and notes payable agreements are disclosed in Notes 6 and 7 beginning on page 16.
- Lease and license agreements between the Supporting Organization and the University are disclosed in Note 8 beginning on page 26
- Related party transactions are disclosed in Note 11 beginning on page 29.