

Attachment H
FSU Executive Summary 2022

Fitchburg State University
Executive Summary
Report on Audits of Financial Statements and Supplemental Information
Years Ended June 30, 2022 and 2021

- The University received an unqualified report from its auditors and there were no issues or findings that arose during the audit.
- The Management's Discussion and Analysis, beginning on page 5, provides a broad overview of the financial position and fiscal activities of the University and includes ratio analysis in key areas.

Statements of Net Position (pages 20-22):

- Total assets and deferred outflows decreased by \$3.8 million to \$330.9 million in fiscal year 22. This decrease was due to \$10.6 decrease in accounts receivable, \$7.5 million increase in cash and cash equivalents and investments, \$5.8 million decrease in deferred outflow of resources, \$5.1 increase in capital and right to use asset. Total liabilities and deferred inflows increased to \$188.2 million, which is a net decrease of \$15.5 million. This net decrease is a combination of a \$3.8 million decrease in net pension liability; a \$3.0 million decrease due to OPEB liability; and a \$7.5 million decrease in payables.
- At June 30, 2022, current unrestricted and restricted cash was \$49.1 million, an increase of \$10.4 million over FY21.
- Accounts receivable decreased by \$4.0 million; this was mainly due to HEERF Grant (COVID)
- Capital assets increased by \$9.0 million to \$194.0 million, net of current period depreciation of \$11.7 million.
- In FY22 and retroactive to FY21, right to use asset/lease liability of \$58.2/\$65.5 million in FY22 and \$61.6/\$66 million in FY21 was added to the financial statement per GASB 87. This relates to the housing leases we have with MSCBA.
- Total debt from bond issues was \$54.2 million. The bonds were issued for various construction projects. See Note 12, beginning on page 60.
- Investment in capital assets, net of related debt increased by \$11.9 million: this was mainly due to the Electric Infrastructure project funded by DCAMM.

Statement of Revenues, Expenses and Changes in Net Position (pages 23-24):

- Total revenue for the year was \$138.2 million.
- Tuition and fee revenue decreased by \$2 million to \$47.2 million over FY21 while scholarships and scholarship allowances increased by \$1.6 million.
- Grants and Contract increased by \$3.9 million – mostly related to COVID-related grants.
- Residential life revenue increased by \$2.0 million and dining hall revenue increased by \$0.8 million.
- State appropriations increased by about 11% to \$37.4 million over the prior period due mainly to an increase in retroactive payroll payments. Capital appropriations from the State increased by \$6 million to \$16.3 million - \$13 million for Electricity Infrastructure upgrade.
- Total expenditures, exclusive of depreciation, increased by 42% to \$109.8 million. This increase was mainly due to an increase relating to retroactive payroll payments.
- Instructional expenditures represent 35% of total operating expenditures, exclusive of depreciation and scholarships. 84% of Instructional expenditures relate to payroll costs.
- Institutional support consists of the day-to-day operational support of the institution, excluding plant operations decreased by \$3.1 million. In FY22, we had a net \$5.8 million adjustment to GASB benefits and slight increases in other expenditures, notably salary and software.
- Operations and maintenance of plant expenditures totaled \$6.4 million, a decrease of \$3.2 million. This was caused by an adjustment stemming from GASB87 lease liability, an increase in payments made against lease liability in FY22 vs FY21.
- There was an overall increase in net position of \$11.2 million for the fiscal year 22.

Statement of Cash Flows (pages 25-27):

- Total cash increased from \$38.9 million at June 30, 2021 to \$49.2 million at June 30, 2022, an increase of \$10.3 million.
- Cash received from operations (before appropriations) was \$78.9 million vs FY21 of \$65.6 million. Cash expended for operations was \$92.7 million vs FY21 of \$87.05 million, resulting in an operating loss of \$13.8 million vs \$21.9 million in FY21. This was offset by appropriations of \$36.9 million net of tuition amounts reverted to the state.
- Acquisitions of property and equipment relating to FSU funds totaled \$3.6 million in FY22.

Notes to the Financials Statements (pages 28 - 106):

Most of the notes are standard disclosures. Note 1, which outlines the University's significant accounting policies, spans pages 28 through 37.

- Note 5, beginning on page 51, details the property and equipment held by the University.
- Details relating to University debt (capital leases and bond issues) are in Note 12, beginning on page 60.