

FITCHBURG STATE UNIVERSITY

Board of Trustees

**NOTIFICATIONS**

<b>TO:</b> Board of Trustees	<b>DATE:</b> June 6, 2023
<b>FROM:</b> The President	<b>NOTIFICATION NUMBER:</b> N10-22/23
<b>SUBJECT:</b> Financial Report	

**FITCHBURG STATE UNIVERSITY**  
**FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED**  
**MARCH 31, 2023, 2022 AND 2021**

**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF NET ASSETS  
MARCH 31, 2023, 2022 AND 2021**

	<b>ASSETS</b>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Current Assets</u></b>			
Cash and cash equivalents	25,356,946	38,327,855	30,101,104
Cash and cash equivalents, restricted	7,692,889	11,483,627	9,390,647
Accounts receivable, net	2,637,074	2,751,583	4,793,868
Due from other funds	-	-	-
Loans receivable, net	3,018	380	1,277
Other Assets (prepaid expenses)	308,847	370,476	-
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<b>Total current assets</b>	<b>35,998,773</b>	<b>52,933,921</b>	<b>44,286,896</b>
<b><u>Noncurrent Assets</u></b>			
Restricted cash and cash equivalents	14,012,738	9,546,440	8,497,575
Endowment Investments	963,864	1,062,206	1,149,378
Other Investments	18,286,861	19,700,737	19,681,754
Loans receivable, net	104,736	912,186	1,092,501
Other non current assets	13,327	199,102	171,682
Capital assets, net	194,332,985	180,238,300	179,082,498
Right of use assets, net	52,885,750	-	-
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<b>Total noncurrent assets</b>	<b>280,600,261</b>	<b>211,658,971</b>	<b>209,675,388</b>
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<b>Total Assets</b>	<b>316,599,034</b>	<b>264,592,892</b>	<b>253,962,284</b>
Deferred outflow-OPEB	3,275,872	5,802,040	5,014,453
Deferred outflow-Pension	4,122,377	7,386,093	3,262,015
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Total assets and Deferred Outflows of Resources	<b>323,997,284</b>	<b>277,781,025</b>	<b>262,238,752</b>

(2)

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF NET ASSETS  
MARCH 31, 2023, 2022 AND 2021**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Bond payable - current portion	\$ 4,848,620	\$ 4,436,978	\$ 4,198,819
Lease Liability - current portion	3,914,664	-	-
Account payable and accrued liabilities	1,106,361	2,148,436	2,773,476
Salaries payable	1,246,218	2,962,337	2,918,012
Account payable - construction	159,778	-	-
Accrued workers compensation - current portio	137,942	131,181	104,231
Compensated absences - current portion	3,595,589	3,538,000	3,887,879
Faculty payroll accrual	4,914,367	4,637,291	4,603,129
Deferred revenue - current portion	3,423,677	6,355,638	3,309,682
Capital lease - current portion	-	-	132,483
Deposits - current portion	151,800	-	-
Other liabilities - current portion	935,101	821,106	372,620
<b>Total current liabilities</b>	<b>24,434,116</b>	<b>25,030,967</b>	<b>22,300,331</b>

**Noncurrent liabilities**

Bond payable	42,842,622	48,066,312	52,715,244
Lease liability -Right of use asset	57,644,508	-	-
Accrued workers compensation	1,006,311	957,244	373,893
Compensated absences	2,397,059	2,262,000	2,382,893
Capital lease	-	-	-
Due to federal loan programs-Perkins	33,280	796,098	965,635
Due to federal loan programs-Nursing	-	136,311	249,435
Unfunded pension liability	8,015,299	20,091,153	12,763,415
Unfunded opeb liability	14,073,004	25,852,605	24,061,207
<b>Total noncurrent liabilities</b>	<b>126,012,083</b>	<b>98,161,723</b>	<b>93,511,722</b>

**Total liabilities**

<b>150,446,199</b>	<b>123,192,690</b>	<b>115,812,053</b>
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Service concession agreement	252,918	505,836	758,754
Deferred inflow-debt refunding	2,192,025	2,014,723	-
Deferred inflows-opeb	14,142,424	6,269,569	6,233,735
Deferred inflows-pension	8,917,207	779,813	1,171,344
<b>Total Deferred Inflows of Resources</b>	<b>25,504,574</b>	<b>9,569,941</b>	<b>8,163,833</b>

**NET ASSETS**

Invested in capital assets, net of related debt	131,506,434	125,241,892	124,781,903
<b>Restricted for:</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-expendable	-	-	-
Scholarships and fellowships	522,598	567,362	558,059
Research	-	-	-
Expendable	-	-	-
Scholarships and fellowships	279,840	400,861	335,379
Research	-	-	-
Instructional department uses	-	-	-
Loans	219,264	145,027	181,720
Capital projects	2,571,980	84,072	39,450
Debt service	15,952,474	12,685,282	11,319,699
Other	215,664	202,341	148,515
-	-	-	-
Unrestricted	(3,221,743)	5,691,557	898,141
<b>Total net assets</b>	<b>148,046,511</b>	<b>145,018,394</b>	<b>138,262,866</b>

**LIABILITIES and NET ASSETS**

<b>323,997,284</b>	<b>277,781,025</b>	<b>262,238,752</b>
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(3)

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES & CHANGES IN NET ASSETS**  
**FOR PERIOD ENDED MARCH 31, 2023, 2022 and 2021.**

	2023	2022	2021
<b>Operating Revenues</b>			
Student tuition and fees	44,023,415	44,587,913	46,745,970
Waivers and exemptions	(820,611)	(919,340)	(880,733)
<b>Net student tuition and fees</b>	<b>43,202,805</b>	<b>43,668,573</b>	<b>45,865,237</b>
Federal grants and contracts	6,215,658	18,218,623	9,285,165
State and local grants and contracts	864,304	579,698	753,168
Nongovernmental grants and contracts	562,441	394,020	446,629
Sales and services of educational department:	1,202,046	901,263	569,612
Auxiliary enterprises			
Auxiliary enterprises - Res Life	7,996,298	8,799,132	6,608,890
Auxiliary enterprises - Dining Hall	2,941,024	2,975,941	2,155,597
Other operating revenues	455,630	511,056	1,905,857
<b>Total Operating Revenues</b>	<b>63,440,206</b>	<b>76,048,306</b>	<b>67,590,155</b>
<b>Operating Expenses</b>			
<b>Salaries:</b>			
Faculty	19,657,468	18,549,162	18,412,516
Exempt wages	3,524,134	3,101,981	3,332,166
Non-exempt wages	15,938,124	14,946,316	15,149,495
Benefits	12,759,652	11,305,471	11,728,677
<b>Other Operating Expenses</b>			
Employee related travel	223,623	105,510	80,325
Administrative expense	1,476,297	1,690,475	1,567,905
Facility operational supplies	1,102,133	1,175,803	1,089,473
Utilities	2,639,778	3,050,931	2,180,955
Consultant services	1,769,514	1,541,022	1,106,998
Operational expenses	4,162,617	5,445,663	4,917,651
Equipment purchases	328,506	277,815	464,979
Equipment maintenance and repairs	541,976	512,523	295,700
Purchased client services-program	270,298	168,831	13,421
Construction and building improvement	1,601,690	1,520,994	786,751
Grant and Subsidies	70,090	33,900	84,672
Scholarships	8,084,884	14,068,624	10,460,780
Loans & special payments	197,627	1,007,437	98,627
IT expenditures	4,283,464	4,102,271	2,695,281
Amortization Expense	3,617,082	-	-
Depreciation	8,882,905	8,959,951	8,419,805
Bad debt expense	(104,911)	(54,751)	-
<b>Auxiliary enterprises:</b>	-		
Residential life - Housing	9,059,706	8,423,042	5,233,327
Residential life - Dining	2,118,511	2,154,894	1,687,503
<b>Total Operating Expenses</b>	<b>102,205,166</b>	<b>102,087,865</b>	<b>89,807,007</b>
<b>Operating profit/(loss)</b>	<b>(38,764,961)</b>	<b>(26,039,559)</b>	<b>(22,216,852)</b>

(4)

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES & CHANGES IN NET ASSETS**  
**FOR PERIOD ENDED MARCH 31, 2023, 2022 and 2021.**

	2023	2022	2021
<b>Nonoperating Revenues (Expenses)</b>			
State appropriations	39,629,762	36,149,151	36,143,109
Investment income (net of investment expens	1,254,219	720,960	745,735
Unrealized gain/(loss)	202,433	(1,504,716)	1,657,758
Interest expense on capital asset	963,957	(824,553)	(330,616)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>42,050,372</b>	<b>34,540,842</b>	<b>38,215,986</b>
<b>Income (loss) before Capital and Endowment Additions</b>	<b>3,285,412</b>	<b>8,501,283</b>	<b>15,999,134</b>
Capital appropriations	1,910,871	1,089,214	246,666
Capital grants and gifts	189,689	189,688	189,688
<b>Total Capital and Endowment Addition:</b>	<b>2,100,560</b>	<b>1,278,902</b>	<b>436,354</b>
<b>Increase in net assets</b>	<b>5,385,971</b>	<b>9,780,185</b>	<b>16,435,488</b>
<b>Net Assets - beginning of year</b>	<b>142,660,540</b>	<b>135,238,209</b>	<b>121,827,378</b>
<b>Net Assets - end of period</b>	<b>148,046,511</b>	<b>145,018,394</b>	<b>138,262,866</b>

(5)

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**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF CASH FLOW  
MARCH 31, 2023, 2022 AND 2021**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Increase in net assets</b>	5,385,971	9,780,186	16,435,488
Adjustments to reconcile increase to cash Provided by (Used by) operating activities:	-		
(Gain)/loss on marketable securities	(202,433)	1,504,811	(1,657,758)
Depreciation	8,882,905	8,959,951	8,419,805
Amortization-Right of use asset	3,617,082	-	-
<b>(Increase) decrease in assets:</b>			
Accounts receivable	(475,804)	9,917,211	(1,830,412)
Loans receivable	778,830	128,469	180,766
Other Assets	30,272	(291,104)	93,958
<b>Increase (decrease) in liabilities</b>			
Accounts payable and accrued liabilities	(3,469,010)	(910,519)	108,151
Compensated absences	178,428	438,601	529,029
Accrued faculty payroll	738,811	760,963	371,818
Deferred revenue	(1,210,107)	(3,060,275)	(1,478,026)
Other liabilities	157,465	511,053	(69,784)
<b>Net Cash Provided by operating activities</b>	<u>14,412,410</u>	<u>27,739,347</u>	<u>21,103,035</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Realized gain on investments	(373,368)	(454,236)	(510,659)
Purchase of investments	(3,669,976)	(3,706,218)	(4,642,367)
Proceeds from the sale of investments	3,593,253	3,431,473	4,117,738
Acquisition of property, plant and equipment	<u>(9,174,038)</u>	<u>(3,668,225)</u>	<u>(6,032,237)</u>
<b>Net Cash (used by) investing activities</b>	<u>(9,624,130)</u>	<u>(4,397,206)</u>	<u>(7,067,525)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Federal loan program	(761,689)	(222,383)	(139,301)
Payments of capital leases	-	(131,295)	\$ (257,879)
Payments of capital debt	(4,020,584)	(2,519,169)	(1,109,972)
Amortization of bond premiums	<u>(2,191,816)</u>	<u>-</u>	<u>-</u>
<b>Net Cash (used by) financing activities</b>	<u>(6,974,089)</u>	<u>(2,872,847)</u>	<u>(1,507,152)</u>
<b>Net increase in cash</b>	(2,185,809)	20,469,294	12,528,358
<b>Cash and cash equivalents - beginning of period</b>	<u>49,248,381</u>	<u>38,888,628</u>	<u>35,460,968</u>
<b>Cash and cash equivalents - end of period</b>	<u>\$ 47,062,573</u>	<u>\$ 59,357,922</u>	<u>\$ 47,989,326</u>

(6)

For those charged with governance and internal management use only

**Fitchburg State University**  
**Executive Summary**  
**Financial Statements for the Nine Months Ended**  
**March 31, 2023, 2022 and 2021**

**Statements of Net Assets (pages 2-3):**

- Total assets increased by approximately \$52 million between fiscal year 2023 and 2022 and \$11 million between fiscal year 2022-2021. The changes between fiscal year 2022 and 2023 were mainly due to the adoption of GASB 87 – right of use asset of \$53 million. Cash on hand has decreased by \$12 million between 2022 and 2023 but had increased by \$11.4 million between 2021 and 2022. The increase in capital assets between 2022 and 2023 was mainly due to campus wide electrical infrastructure project undertaken by the state of Massachusetts. The FY22 cost incurred was \$13.7 million.
- The \$11 million increase in total assets between fiscal year 2021 and 2022 was mainly a result of reimbursement received through the federal HEERF grant for COVID related expenses.
- Current liabilities have remained consistent over the fiscal years 2021-2023. In 2022, we had an increase of \$3 million in deferred revenue because of the HEERF grant and in 2023 we had a \$4 million increase in the current portion of GASB 87- lease liability entry.
- Noncurrent liabilities have consistently decreased over the fiscal years 2021-2023. Bond payable liability amounts decreased by approximately \$5 million in 2022 and 2023 with the resumption of payments of principal. The other changes in the noncurrent liabilities between fiscal years 2021-2023 were mainly due to GASB related pronouncements. The increase of \$57.6 million in fiscal year 23 was a result of the latest GASB 87 – lease liability pronouncement.
- Total net assets to date increased by \$ 7 million in fiscal year 2022 and \$2 million in fiscal year 2023.

**Statements of Revenues, Expenses and Changes in Net Assets (pages 4-5):**

- Total operating revenues decreased in 2023 and this was mainly due to the HEERF grant income received in 2022 and 2021.
- The net tuition and fee revenue difference between fiscal years 2022 and 2023 is negligible.
- Operating expenses remained unchanged between fiscal year 2022 and 2023. In 2023, salary and benefits increased by \$4 million and a new expenditure for Mar 23 quarterly is the GASB 87 expenditure of \$2 million but these increases were offset by fiscal year 2022 HEERF related scholarship of \$6 million.
- State appropriation used for payroll expenses increased by a little over \$3 million in 2023 when compared to 2022.

**Statements of Cash Flows (page 6):**

- Cash on hand has decreased by \$12 million in 2023 compared to 2022.
- In 2023 net cash provided from operations was \$13.5 million compared to \$27.7 million in 2022 and \$21.1 million in 2021. Acquisitions of property and equipment totaled \$9.2 million in 2023 compared to \$4 million in 2022. \$2 million of the 2023 property acquisitions were funded through state capital appropriations.
- Perkins loans have been returned to the government as the program has ended.