

Attachment J
FSU Executive Summary 2023

Fitchburg State University
Executive Summary
Report on Audits of Financial Statements and Supplemental Information
Years Ended June 30, 2023 and 2022

- 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 \$16.7 million from to \$331.1 million to \$314.4 in fiscal year 23. This decrease was due to \$1 million increase in investments, \$13.0 million decrease in cash and cash equivalents, \$3.0 million decrease in deferred outflow of resources, \$2.1 million decrease in capital and right to use asset. Total liabilities and deferred inflows decreased to \$170.4 million from \$188.4 million, which is a net decrease of \$18 million. This net decrease is a combination of a \$7.6 million decrease in net pension and OPEB liabilities, a \$4.5 million decrease in bonds payable, a \$2.9 million decrease in right of use liabilities (new GASB standards) and a \$2.9 million decrease in all other payables.
- At June 30, 2023, current unrestricted and restricted cash was \$36.2 million, a decrease of \$13 million over FY22.
- Accounts receivable remained virtually unchanged – with a slight increase of \$0.17 million;
- Capital assets increased by \$1.7 million to \$195.7 million, net of current period depreciation of \$11.8 million.
- In FY23 and retroactive to FY22, Subscription based Information Technology Asset/liability (SBITA) of \$4.5/\$2.8 million in FY22 and \$2.4/\$1.9 million was added to the financial statement per GASB 96.
- Total debt from bond issues was \$49.8 million down from \$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 \$6 million; this was mainly due to fixed asset renovations.

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

- Total revenue for the year was \$121.6 million down from \$138.3 million in FY22.
- Tuition and fee revenue remained unchanged at \$47 million while scholarships and scholarship allowances decreased by \$2.5 million. The scholarship decrease in FY23 was mainly due to HEERF/COVID scholarship expenditure in FY22.
- Grants and Contract decreased by \$10.7 million in FY23 – mostly related to HEERF/COVID-related grants in FY22.
- Residential life revenue increased by \$0.4 million and dining hall revenue increased slightly in FY23.
- State appropriations increased by only \$0.3 million to \$37.7 million over the prior period. Capital appropriations from the State decreased by \$13.4 million to \$2.9 million - \$0.7 million for Electricity Infrastructure upgrade.
- Total expenditures, exclusive of depreciation and amortization, decreased by 6% to \$98.7 million. This decrease was mainly due to decreases in instructional and institutional support expenditures.
- Instructional expenditures represent 37% of total operating expenditures, exclusive of depreciation, amortization and scholarships. 99% of Instructional expenditures relate to payroll costs.
- Institutional support consists of the day-to-day operational support of the institution decreased by \$3 million. This decrease was caused by a net \$5.2 million adjustment to GASB benefits and ROUA and slight increases in other expenditures, notably salary and software.
- Operations and maintenance of plant expenditures net of GASB, was \$14.2 million in FY23 and \$13.0 million in FY22. This increase was due to increases in payment to the building authorities and increases in lease rental for a facility equipment.
- There was an overall increase in net position of \$1.0 million for the fiscal year 23.

Statement of Cash Flows (pages 25-27):

- Total cash decreased from \$49.2 million at June 30, 2022, to \$36.2 million at June 30, 2023, a decrease of \$13 million.
- Cash received from operations (before appropriations) was \$63.2 million vs FY22 of \$78.9 million. Cash expended for operations was \$88.3 million vs FY22 of \$92.7 million, resulting in an operating loss of \$25.1 million vs \$13.8 million in FY22. This was offset by appropriations of \$37.1 million. This is net of tuition amounts reverted to the state.
- Acquisitions of property and equipment relating to FSU funds totaled \$13.1 million in FY23.

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.