

FITCHBURG STATE UNIVERSITY

Board of Trustees

**NOTIFICATIONS**

<b>TO:</b> Board of Trustees	<b>DATE:</b> February 6, 2024
<b>FROM:</b> The President	<b>NOTIFICATION NUMBER:</b> N05-23/24
<b>SUBJECT:</b> Financial Report	

**FITCHBURG STATE UNIVERSITY**

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**DECEMBER 31, 2023, 2022 AND 2021**

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

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

**Statements of Net Assets (pages 4-6):**

- Total assets decreased by approximately \$3 million between fiscal years 24-23 while total assets increased by \$53 million between fiscal years 22-23. The major changes between fiscal years 22-24 were mainly due to the adoption of GASB 87 – ROUA - Right Of Use Asset (Housing Dorms) and GASB 96- SBITA – Subscription Based IT Agreements. In fiscal years 24-23 ROUA and SBITA were responsible for a \$2.7 million decrease in total assets while in fiscal year 23-22 a ROUA amount of \$54 million was added to total assets. Investments increased by \$2.3 million in fiscal year 24 after a \$3.8 million loss in fiscal year 23.
- Current liabilities increased by \$8.7 million between fiscal years 23-24 and had a decrease by \$2.8 million between fiscal years 22-23. The increase in fiscal year 24 was due primarily to an increase of \$5 million in deferred revenue, most of which is related to state appropriations received. Other liabilities also increased in fiscal year 24 – and this increase relates to both right of use liability amount due but unpaid as at December 2023 and an increase in state financial aid amount on hand.
- The decrease in noncurrent liabilities between fiscal years 24-23 was mainly due to GASB related pronouncements and a decrease in bonds payable. The decrease of \$14 million in fiscal year 24 was due to a reduction of a \$8 million in Pension and OPEB liabilities and a \$ 6 million reduction in long term payables. The \$32 million change in fiscal year 2023 is from a net \$59 million increase caused by GASB 87 -right of use liability and a \$24 million reduction in OPEB/Pension liability.
- Although, total net assets remained unchanged between fiscal year 23-24, unrestricted net assets increased by \$4 million and debt service and capital projects amounts decreased by \$2 million each.

**Statements of Revenues, Expenses and Changes in Net Assets (pages 7-8):**

- Net Tuition and fee revenue have remained unchanged over the last 3 years while all other operating revenue increased slightly between fiscal year 23-24. Fiscal year 21 federal grant income is an outlier as that amount was because of COVID related HEERF funds.
- Total operating expenses increased by \$1.6 million between fiscal years 24-23. Payroll accounted for \$2.5 million in fiscal year 24-23 but \$ 1.4 million of this increase was due to increase in benefits expenses. Electricity cost increased by 24% in fiscal year 24 which caused Utilities expense increase of \$ .7 million. The decrease in loans and special payments and IT expenditure is related to ROUA and SBITA expenses which are credited to these accounts and debited to their respective liability accounts and interest expense. Residential housing expense decreased by \$2 million in fiscal year 24-23 and this was related to timing of MSCBA housing loan payment in fiscal year 23. \$2 million was paid early in fiscal year 23.
- The increase in interest expense on capital asset is due to ROUA and SBITA interest expenses.

**Fitchburg State University**  
**Executive Summary**  
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**Statements of Cash Flows (page 9)**

- Total cash at December 2023 decreased by \$1 million to \$51.4 million but had a net increase in cash for the period of \$15 million.
- Net cash provided from operations increased by \$9 million in fiscal year 24. This increase was mainly due to a \$6 million increase in deferred state appropriation revenue and an increase in other liabilities of \$3 million stemming from ROUA and SBITA payments outstanding.
- Net cash used by investing activities increase was mainly due to a reduction of approximately \$4 million in acquisition of property and plant expenditure.

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

**ASSETS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Current Assets</u></b>			
Cash and cash equivalents	35,749,099	30,700,255	38,435,396
Cash and cash equivalents, restricted	5,734,339	7,688,903	8,774,310
Accounts receivable, net	2,886,766	1,574,095	2,317,130
Loans receivable, net	500	3,018	451
Other Assets (prepaid expenses)	27,492	101,306	160,710
	44,398,194	40,067,576	49,687,997
<b><u>Noncurrent Assets</u></b>			
Restricted cash and cash equivalents	9,986,571	14,118,359	12,713,398
Endowment Investments	1,047,800	940,035	1,151,779
Other Investments	19,689,972	17,471,044	21,075,234
Loans receivable, net	84,885	113,076	958,580
Other non current assets	112,215	71,914	103,948
Capital assets, net	191,139,802	194,079,219	182,427,974
Right of use assets, net	49,483,697	54,091,444	-
SBITA assets, net	1,856,977	-	-
	273,401,918	280,885,091	218,430,913
<b>Total noncurrent assets</b>	<b>273,401,918</b>	<b>280,885,091</b>	<b>218,430,913</b>
<b>Total Assets</b>	<b>317,800,112</b>	<b>320,952,667</b>	<b>268,118,910</b>
Deferred outflow-OPEB	1,576,035	3,275,872	5,802,040
Deferred outflow-Pension	2,786,519	4,122,377	7,386,093
	322,162,666	328,350,917	281,307,043
<b>Total assets and Deferred Outflows of Resources</b>	<b>322,162,666</b>	<b>328,350,917</b>	<b>281,307,043</b>

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF NET ASSETS**  
**DECEMBER 30, 2023, 2022 AND 2021**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Bond payable - current portion	\$ 3,930,918	\$ 4,357,576	\$ 2,526,545
Lease Liability - current portion	3,055,458	3,914,664	-
SBITA Liability - current portion	1,029,041	-	-
Account payable and accrued liabilities	1,202,314	603,809	2,618,558
Salaries & benefits payable	2,307,027	1,902,621	1,855,474
Account payable - construction	11,075	253,222	392,197
Accrued workers compensation - current portion	175,952	137,942	131,181
Compensated absences - current portion	3,892,091	3,610,603	3,218,381
Faculty payroll accrual	2,880,119	2,801,264	2,535,460
Deferred revenue - current portion	14,163,779	9,146,944	17,328,975
Deposits - current portion	155,400	146,700	163,050
Other liabilities - current portion	4,172,963	1,408,222	303,979
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<b>Total current liabilities</b>	<b>36,976,138</b>	<b>28,283,566</b>	<b>31,073,800</b>

**Noncurrent liabilities**

Bond payable	42,847,051	46,738,193	51,995,463
Lease liability -Right of use asset	55,232,168	58,805,367	-
SBITA -Subs Based IT Agreement	1,300,490	-	-
Accrued workers compensation	944,571	1,006,311	957,244
Compensated absences	2,385,475	2,407,068	2,057,653
Deferred revenue	3,242,430	3,268,094	126,459
Due to federal loan programs-Perkins	43	47,985	995,004
Due to federal loan programs-Nursing	-	-	136,300
Unfunded pension liability	6,326,084	8,015,299	20,091,153
Unfunded opeb liability	7,961,317	14,073,004	25,852,605
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<b>Total noncurrent liabilities</b>	<b>120,239,629</b>	<b>134,361,321</b>	<b>102,211,881</b>
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<b>Total liabilities</b>	<b>157,215,767</b>	<b>162,644,887</b>	<b>133,285,681</b>

Service concession agreement	(0)	252,918	505,836
Deferred inflow-debt refunding	2,021,264	2,454,703	2,051,768
Deferred inflows-opeb	15,583,682	14,142,424	6,269,569
Deferred inflows-pension	7,628,785	8,917,207	779,813
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<b>Total Deferred Inflows of Resources</b>	<b>25,233,731</b>	<b>25,767,252</b>	<b>9,606,986</b>

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF NET ASSETS  
DECEMBER 30, 2023, 2022 AND 2021**

**NET ASSETS**

Invested in capital assets, net of related debt	132,628,424	132,405,754	127,831,749
<b>Restricted for:</b>	-	-	-
Non-expendable	-	-	-
Scholarships and fellowships	540,718	537,210	578,873
Research	-	-	-
Expendable	-	-	-
Scholarships and fellowships	354,233	282,559	448,311
Research	-	-	-
Instructional department uses	-	-	-
Loans	115,601	219,138	169,949
Capital projects	934,897	3,348,078	84,072
Debt service	12,543,935	14,872,898	14,692,445
Other	239,753	225,543	163,253
	-	-	-
Unrestricted	<u>(7,644,392)</u>	<u>(11,952,401)</u>	<u>(5,554,276)</u>
<b>Total net assets</b>	<b><u>139,713,168</u></b>	<b><u>139,938,778</u></b>	<b><u>138,414,376</u></b>
<b>LIABILITIES and NET ASSETS</b>	<b><u>322,162,666</u></b>	<b><u>328,350,917</u></b>	<b><u>281,307,043</u></b>

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

	2023	2022	2021
<b>Operating Revenues</b>			
Student tuition and fees	24,014,189	24,104,844	24,734,188
Waivers and exemptions	(322,004)	(302,477)	(336,464)
<b>Net student tuition and fees</b>	<u>23,692,185</u>	<u>23,802,367</u>	<u>24,397,724</u>
Federal grants and contracts	3,862,723	3,617,754	9,617,248
State and local grants and contracts	787,615	519,129	482,390
Nongovernmental grants and contracts	626,090	422,490	271,075
Sales and services of educational departments	692,257	240,544	781,942
Auxiliary enterprises			
Auxiliary enterprises - Res Life	4,326,758	4,136,306	4,563,797
Auxiliary enterprises - Dining Hall	1,828,112	1,532,426	1,544,131
Other operating revenues	180,885	257,779	294,249
<b>Total Operating Revenues</b>	<u>35,996,624</u>	<u>34,528,796</u>	<u>41,952,556</u>
<b>Operating Expenses</b>			
<b>Salaries:</b>			
Faculty	11,520,478	11,205,055	10,375,036
Exempt wages	2,525,404	2,343,259	2,043,069
Non-exempt wages	11,202,438	10,597,539	9,844,144
Benefits	10,044,211	8,631,686	7,569,594
<b>Other Operating Expenses</b>			
Employee related travel	112,870	116,161	53,929
Administrative expense	1,251,593	1,135,068	1,392,885
Facility operational supplies	871,824	807,375	768,720
Utilities	2,045,678	1,368,291	1,587,952
Consultant services	1,462,454	1,392,636	1,081,083
Operational expenses	2,917,426	3,081,196	2,976,973
Equipment purchases	388,962	300,611	362,353
Equipment maintenance and repairs	347,135	345,933	302,590
Purchased client services-program	132,709	138,627	75,814
Construction and building improvement	1,207,094	705,415	697,311
Grant and Subsidies	53,522	60,090	33,900
Scholarships	4,808,803	4,285,823	7,447,553
Loans & special payments	(1,017,163)	7,920	1,131,379
IT expenditures	2,681,444	3,384,899	3,314,424
Amortization Expense	3,230,789	2,411,388	-
Depreciation	6,090,113	5,921,937	5,972,067
Bad debt expense	(8,428)	(67,009)	(17,792)
<b>Auxiliary enterprises:</b>	-	-	-
Residential life - Housing	3,240,898	5,223,785	4,082,924
Residential life - Dining	1,464,589	1,549,017	1,546,519
<b>Total Operating Expenses</b>	<u>66,574,843</u>	<u>64,946,701</u>	<u>62,642,427</u>
<b>Operating profit/(loss)</b>	<u>(30,578,219)</u>	<u>(30,417,906)</u>	<u>(20,689,871)</u>

For those charged with governance and internal management use only



**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES & CHANGES IN NET ASSETS**  
**FOR PERIOD ENDED DECEMBER 30, 2023, 2022 and 2021.**

	2023	2022	2021
<b>Nonoperating Revenues (Expenses)</b>			
State appropriations	27,686,278	26,598,868	22,850,749
Investment income (net of investment expenses)	963,759	892,910	698,603
Unrealized gain/(loss)	480,678	(525,434)	(141,352)
Interest expense on capital asset	(2,470,872)	131,441	(406,070)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>26,659,843</u>	<u>27,097,785</u>	<u>23,001,930</u>
 <b>Income (loss) before Capital and Endowment Additions</b>	 <b>(3,918,376)</b>	 <b>(3,320,121)</b>	 <b>2,312,059</b>
 Capital appropriations	 (170,015)	 477,149	 737,650
Capital grants and gifts	126,459	121,209	126,459
<b>Total Capital and Endowment Additions</b>	<u>(43,556)</u>	<u>598,358</u>	<u>864,109</u>
 <b>Increase in net assets</b>	 (3,961,932)	 (2,721,762)	 3,176,168
 <b>Net Assets - beginning of year</b>	 143,675,100	 142,660,540	 135,238,210
<b>Net Assets - end of period</b>	<u>139,713,168</u>	<u>139,938,778</u>	<u>138,414,378</u>

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**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF CASH FLOW  
DECEMBER 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>	(3,961,932)	(2,721,762)	3,176,168
Adjustments to reconcile increase to cash Provided by (Used by) operating activities:	-	-	
(Gain)/loss on marketable securities	(232,491)	(348,175)	(500,882)
Depreciation	6,090,113	5,921,937	5,972,067
Amortization-Right of use asset /SBITA	3,230,789	2,411,388	-
<b>(Increase) decrease in assets:</b>			
Accounts receivable	572,114	587,175	10,351,664
Loans receivable	14,589	770,491	82,004
Other Assets	192,699	179,225	13,816
<b>Increase (decrease) in liabilities</b>			
Accounts payable and accrued liabilities	(2,025,793)	(3,221,715)	(1,155,064)
Compensated absences	472,455	203,451	(85,365)
Accrued faculty payroll	(1,358,027)	(1,374,292)	(1,340,868)
Deferred revenue	13,880,424	7,781,253	8,236,467
Other liabilities	3,780,573	888,164	(2,924)
<b>Net Cash Provided by operating activities</b>	<u>20,655,513</u>	<u>11,077,141</u>	<u>24,747,083</u>
<b>CASH FLOWS FROM INVESTING ACTIVITES</b>			
Unrealized gain on investments	(480,678)	525,434	141,352
Purchase of investments	(3,718,990)	(2,869,452)	(1,876,288)
Proceeds from the sale of investments	3,305,411	2,879,314	1,547,580
Acquisition of property, plant and equipment	(1,503,144)	(5,959,303)	(2,870,015)
<b>Net Cash (used by) investing activities</b>	<u>(2,397,401)</u>	<u>(5,424,008)</u>	<u>(3,057,371)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Federal loan program	(33,499)	(746,984)	(23,488)
Payments of capital leases	-	-	(131,295)
Payments of capital debt	(721,522)	(400,000)	(390,003)
Amortization of bond premiums/ROUA/SBITO	(2,274,967)	(1,247,014)	(110,450)
<b>Net Cash (used by) financing activities</b>	<u>(3,029,988)</u>	<u>(2,393,998)</u>	<u>(655,236)</u>
<b>Net increase in cash</b>	15,228,124	3,259,135	21,034,476
<b>Cash and cash equivalents - beginning of period</b>	<u>36,241,884</u>	<u>49,248,381</u>	<u>38,888,628</u>
<b>Cash and cash equivalents - end of period</b>	<u>\$ 51,470,008</u>	<u>\$ 52,507,516</u>	<u>\$ 59,923,104</u>

For those charged with governance and internal management use only