

FITCHBURG STATE UNIVERSITY

Board of Trustees

NOTIFICATIONS

TO: Budget, Finance & Facilities Committee	DATE: April 25, 2024
FROM: The President	NOTIFICATION NUMBER: N10-23/24
SUBJECT: Financials	

FITCHBURG STATE UNIVERSITY
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2024, 2023 AND 2022

Fitchburg State University
Executive Summary
Financial Statements for the Nine Months Ended
March 31, 2024, 2023 and 2022

Statements of Net Assets (pages 4-6):

- Total assets decreased by approximately \$6.6 million between fiscal years 24-23 while total assets increased by \$52 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 \$2.4 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 \$2.4 million in fiscal year 24 after a \$1.5 million loss in fiscal year 23.
- Current liabilities increased by \$4.8 million between fiscal years 23-24 and increased by \$1.5 million between fiscal years 22-23. The increase in fiscal year 24 was due primarily to an increase of \$3.7 million in deferred revenue, most of which is related to state appropriations received and not yet expended. Other liabilities also increased in fiscal year 24. Accounts payable and accrued liabilities increased by \$1.1 million and this increase was mainly due to \$800K tuition and fee payment due to the state for non-state supported day classes.
- 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 \$11 million in fiscal year 24 was due to a reduction of \$8 million in Pension and OPEB liabilities and a \$5 million reduction in long-term payables. The \$25.7 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 and Pension liabilities.
- Total net assets decreased by \$3 million between fiscal year 23-24, unrestricted net assets increased by \$1 million and debt service decreased by \$0.8 million and capital projects decreased by \$2.1 million.

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

- Net Tuition and fee revenue have decreased insignificantly over the last 3 years while most of the other operating revenue increased slightly between fiscal year 23-24. Fiscal year 22 federal grant income is an outlier as that amount was because of COVID-related HEERF funds.
- Total operating expenses increased by \$2.5 million between fiscal years 24-23. Payroll accounted for \$4.1 million increase in fiscal year 24-23 and \$2.3 million of this increase was due to increase in benefits expenses. Electricity cost increased by 21.4% in fiscal year 24, which caused a utilities expense increase of \$0.7 million. The decrease in loans and special payments and IT expenditure of \$4.2 million is related to ROUA and SBITA expenses, which are credited to these accounts and debited to their respective liability accounts and interest expense.
- The increase in interest expense on capital assets is due to ROUA and SBITA interest expenses.

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Executive Summary
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Statements of Cash Flows (page 9)

- Total cash at March 2024 decreased by \$1.9 million to \$45.2 million but had a net increase in cash for the period of \$9 million.
- Net cash provided from operations increased by \$4.5 million in fiscal year 24. This increase was mainly due to a \$6 million increase in deferred state appropriation revenue and an increase in accounts payable and other liabilities of \$1.7 million.
- Net cash used by investing activities, increase was mainly due to a reduction of approximately \$7 million in acquisition of property and plant expenditure.

**FITCHBURG STATE UNIVERSITY
STATEMENTS OF NET ASSETS
MARCH 31, 2024, 2023 AND 2022**

ASSETS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Current Assets</u>			
Cash and cash equivalents	30,521,476	30,242,691	38,327,855
Cash and cash equivalents, restricted	5,623,362	7,500,231	11,483,627
Accounts receivable, net	3,509,014	2,637,074	2,751,583
Loans receivable, net	680	3,018	380
Other Assets (prepaid expenses)	128,358	308,847	370,476
Total current assets	39,782,891	40,691,860	52,933,921
<u>Noncurrent Assets</u>			
Restricted cash and cash equivalents	9,043,742	9,319,652	9,546,440
Endowment Investments	1,102,591	963,864	1,062,206
Other Investments	20,531,312	18,286,861	19,700,737
Loans receivable, net	80,157	104,736	912,186
Other non current assets	277,300	13,327	199,102
Capital assets, net	188,683,867	194,332,985	180,238,300
Right of use assets, net	48,385,517	52,885,750	-
SBITA assets, net	2,115,585	-	-
Total noncurrent assets	270,220,071	275,907,174	211,658,971
Total Assets	310,002,962	316,599,034	264,592,892
Deferred outflow-OPEB	1,576,035	3,275,872	5,802,040
Deferred outflow-Pension	2,786,519	4,122,377	7,386,093
Total assets and Deferred Outflows of Resources	314,365,515	323,997,284	277,781,025

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY
STATEMENTS OF NET ASSETS
MARCH 31, 2024, 2023 AND 2022**

LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Current Liabilities</u>			
Bond payable - current portion	\$ 3,871,372	\$ 4,848,620	\$ 4,436,978
Lease Liability - current portion	3,092,349	3,914,664	-
SBITA Liability - current portion	1,029,041	-	-
Account payable and accrued liabilities	2,266,942	1,106,361	2,148,436
Salaries & benefits payable	1,513,322	1,246,218	2,962,337
Account payable - construction	249	159,778	-
Accrued workers compensation - current portion	175,952	137,942	131,181
Compensated absences - current portion	3,919,052	3,595,589	3,538,000
Faculty payroll accrual	5,068,489	4,914,367	4,637,291
Deferred revenue - current portion	5,125,248	1,456,814	2,252,285
Deposits - current portion	158,550	151,800	-
Other liabilities - current portion	1,043,721	935,101	821,106
Total current liabilities	27,264,287	22,467,253	20,927,614
<u>Noncurrent liabilities</u>			
Bond payable	40,318,696	42,842,622	48,066,312
Lease liability -Right of use asset	54,832,807	57,644,508	-
SBITA -Subs Based IT Agreement	1,043,229	-	-
Accrued workers compensation	944,571	1,006,311	957,244
Compensated absences	2,402,000	2,397,059	2,262,000
Deferred revenue	3,143,059	1,966,863	4,103,353
Due to federal loan programs-Perkins	-	33,280	796,098
Due to federal loan programs-Nursing	-	-	136,311
Unfunded pension liability	6,326,084	8,015,299	20,091,153
Unfunded opeb liability	7,961,317	14,073,004	25,852,605
Total noncurrent liabilities	116,971,763	127,978,946	102,265,076
Total liabilities	144,236,050	150,446,199	123,192,690
Service concession agreement	-	252,918	505,836
Deferred inflow-debt refunding	1,970,526	2,192,025	2,014,723
Deferred inflows-opeb	15,583,682	14,142,424	6,269,569
Deferred inflows-pension	7,628,785	8,917,207	779,813
Total Deferred Inflows of Resources	25,182,993	25,504,574	9,569,941

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**FITCHBURG STATE UNIVERSITY
STATEMENTS OF NET ASSETS
MARCH 31, 2024, 2023 AND 2022**

NET ASSETS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Invested in capital assets, net of related debt	129,406,973	131,506,434	125,241,892
Restricted for:	-	-	-
Non-expendable	-	-	-
Scholarships and fellowships	555,865	522,598	567,362
Research	-	-	-
Expendable	-	-	-
Scholarships and fellowships	352,228	279,840	400,861
Research	-	-	-
Instructional department uses	-	-	-
Loans	116,330	219,264	145,027
Capital projects	1,440,523	2,571,980	84,072
Debt service	15,111,940	15,952,474	12,685,282
Other	196,172	215,664	202,341
	-	-	-
Unrestricted	<u>(2,233,558)</u>	<u>(3,221,743)</u>	<u>5,691,557</u>
Total net assets	<u>144,946,472</u>	<u>148,046,511</u>	<u>145,018,394</u>
LIABILITIES and NET ASSETS	<u>314,365,515</u>	<u>323,997,284</u>	<u>277,781,025</u>

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FITCHBURG STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES & CHANGES IN NET ASSETS
FOR PERIOD ENDED MARCH 31, 2024, 2023 and 2022.

	2024	2023	2022
Operating Revenues			
Student tuition and fees	43,234,710	44,023,415	44,587,913
Waivers and exemptions	(767,056)	(820,611)	(919,340)
Net student tuition and fees	<u>42,467,654</u>	<u>43,202,805</u>	<u>43,668,573</u>
Federal grants and contracts	6,784,593	6,215,658	18,218,623
State and local grants and contracts	1,140,074	864,304	579,698
Nongovernmental grants and contracts	1,298,932	562,441	394,020
Sales and services of educational departments	1,038,442	1,202,046	901,263
Auxiliary enterprises			
Auxiliary enterprises - Res Life	8,282,150	7,996,298	8,799,132
Auxiliary enterprises - Dining Hall	3,447,269	2,941,024	2,975,941
Other operating revenues	389,764	455,630	511,056
Total Operating Revenues	<u>64,848,878</u>	<u>63,440,206</u>	<u>76,048,306</u>
Operating Expenses			
Salaries:			
Faculty	20,273,958	19,657,468	18,549,162
Exempt wages	3,812,786	3,524,134	3,101,981
Non-exempt wages	16,913,134	15,938,124	14,946,316
Benefits	15,028,347	12,759,652	11,305,471
Other Operating Expenses			
Employee related travel	261,939	223,623	105,510
Administrative expense	1,625,033	1,476,297	1,690,475
Facility operational supplies	1,241,262	1,102,133	1,175,803
Utilities	3,357,524	2,639,778	3,050,931
Consultant services	1,757,003	1,769,514	1,541,022
Operational expenses	3,917,852	4,162,617	5,445,663
Equipment purchases	602,613	328,506	277,815
Equipment maintenance and repairs	591,855	541,976	512,523
Purchased client services-program	281,890	270,298	168,831
Construction and building improvement	1,527,633	1,601,690	1,520,994
Grant and Subsidies	53,522	70,090	33,900
Scholarships	8,923,554	8,084,884	14,068,624
Loans & special payments	(3,345,880)	197,627	1,007,437
IT expenditures	3,592,467	4,283,464	4,102,271
Amortization Expense	4,070,362	3,617,082	-
Depreciation	9,050,595	8,882,905	8,959,951
Bad debt expense	(46,168)	(104,911)	(54,751)
Auxiliary enterprises:	-	-	
Residential life - Housing	8,868,865	9,059,706	8,423,042
Residential life - Dining	2,434,239	2,118,511	2,154,894
Total Operating Expenses	<u>104,794,384</u>	<u>102,205,166</u>	<u>102,087,865</u>
Operating profit/(loss)	<u>(39,945,506)</u>	<u>(38,764,961)</u>	<u>(26,039,559)</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 MARCH 31, 2024, 2023 and 2022.

	2024	2023	2022
Nonoperating Revenues (Expenses)			
State appropriations	41,668,865	39,876,218	36,149,151
Investment income (net of investment expenses)	1,384,752	1,254,219	720,960
Unrealized gain/(loss)	962,661	202,433	(1,504,716)
Interest expense on capital asset	(2,819,073)	963,957	(824,553)
Total Nonoperating Revenues (Expenses)	<u>41,197,205</u>	<u>42,296,828</u>	<u>34,540,842</u>
 Income (loss) before Capital and Endowment Additions	 1,251,698	 3,531,867	 8,501,283
 Capital appropriations	(170,015)	1,664,415	1,089,214
Capital grants and gifts	189,689	189,689	189,688
Total Capital and Endowment Additions	<u>19,674</u>	<u>1,854,104</u>	<u>1,278,902</u>
 Increase in net assets	 1,271,372	 5,385,971	 9,780,185
 Net Assets - beginning of year	 143,675,100	 142,660,540	 135,238,209
Net Assets - end of period	<u>144,946,472</u>	<u>148,046,511</u>	<u>145,018,394</u>

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**FITCHBURG STATE UNIVERSITY
STATEMENTS OF CASH FLOW
MARCH 31, 2024, 2023 AND 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase in net assets	1,271,372	5,385,971	9,780,186
Adjustments to reconcile increase to cash Provided by (Used by) operating activities:	-	-	
(Gain)/loss on marketable securities	(349,689)	(202,433)	1,504,811
Depreciation	9,050,595	8,882,905	8,959,951
Amortization-Right of use asset /SBITA	4,070,362	3,617,082	-
(Increase) decrease in assets:			
Accounts receivable	(50,134)	(475,804)	9,917,211
Loans receivable	19,137	778,830	128,469
Other Assets	(73,253)	30,272	(291,104)
Increase (decrease) in liabilities			
Accounts payable and accrued liabilities	(1,765,696)	(3,469,010)	(910,519)
Compensated absences	515,941	178,428	438,601
Accrued faculty payroll	830,343	738,811	760,963
Deferred revenue	4,742,521	(1,210,107)	(3,060,275)
Other liabilities	<u>654,481</u>	<u>157,465</u>	<u>511,053</u>
Net Cash Provided by operating activities	<u>18,915,979</u>	<u>14,412,410</u>	<u>27,739,347</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Unrealized gain on investments	(962,661)	(373,368)	(454,236)
Purchase of investments	(4,933,661)	(3,669,976)	(3,706,218)
Proceeds from the sale of investments	4,223,133	3,593,253	3,431,473
Acquisition of property, plant and equipment	<u>(2,007,692)</u>	<u>(9,174,038)</u>	<u>(3,668,225)</u>
Net Cash (used by) investing activities	<u>(3,680,882)</u>	<u>(9,624,130)</u>	<u>(4,397,206)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Federal loan program	(33,542)	(761,689)	(222,383)
Payments of capital leases	-	-	(131,295)
Payments of capital debt	(3,243,802)	(4,020,584)	(2,519,169)
Amortization of bond premiums/ROUA/SBITO	<u>(3,011,056)</u>	<u>(2,191,816)</u>	<u>-</u>
Net Cash (used by) financing activities	<u>(6,288,400)</u>	<u>(6,974,089)</u>	<u>(2,872,847)</u>
Net increase in cash	8,946,697	(2,185,809)	20,469,294
Cash and cash equivalents - beginning of period	<u>36,241,884</u>	<u>49,248,381</u>	<u>38,888,628</u>
Cash and cash equivalents - end of period	<u>\$ 45,188,581</u>	<u>\$ 47,062,573</u>	<u>\$ 59,357,922</u>

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