

**FITCHBURG STATE UNIVERSITY**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018, 2017 AND 2016**

**Fitchburg State University**  
**Executive Summary**  
**Financial Statements for the Three Months Ended**  
**September 30, 2018, 2017 and 2016**

**Statements of Net Assets (pages 1 - 2):**

- Total assets increased by approximately \$11.1 million due primarily to a \$6.8 million increase in fixed assets and \$2.7 increase in cash and \$1.4 million increase in accounts receivable.
- Capital assets increased to approximately \$181.4 million net of current period depreciation of \$2.5 million.
- Current liabilities net increase was primarily due to increase in accounts payable and decrease in compensated absences and deferred revenues.
- Increase in non-current liabilities is primarily due to GASB 75 prior period adjustment of \$25 million which also resulted in a corresponding reduction in unrestricted net assets.
- Total debt from bond issues totaled \$57.04 million.

**Statements of Revenues, Expenses and Changes in Net Assets (pages 3 - 4):**

- Total revenue increased for the period to \$35.2 million
- Tuition and fee revenue increased by 7%
- Change in auxiliary revenue occurred in FY19 to include operation of dining hall which was formerly treated as an agency transaction.
- State appropriations increased to \$10.2 million in the first quarter as compared with \$9.9 million in the previous year. The increase is due to an increase in the fringe benefit rate charged by the Commonwealth. The fringe benefit rate was 33.5 % in fiscal 2017 and is 34.8% for fiscal 2018.
- Total expenditure increased overall to \$25.5 million and most of this increase was due to increase in salary and benefits
- Investment gains totaled \$211,000 as at Sept 2018 with investment income at \$159,000

**Statements of Cash Flows (page 5):**

- Total cash at September 30, 2018 was \$38.38 million which represents an increase of approximately \$2.68 million over cash balances at Sept 2017.
- Net cash provided from operations was \$5.29 million compared to \$1.72 million in Sept 17.
- Acquisitions of property and equipment totaled \$2.5 million was mainly on campus renovation of \$2.35 million.

**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF NET ASSETS**  
**September 30, 2018, 2017 and 2016**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 22,096,785	\$ 17,788,762	\$ 24,432,168
Cash and cash equivalents-restricted	8,689,021	8,882,414	9,353,228
Bond proceeds	108,341	3,240,668	24,593
Accounts receivable, net	25,160,582	23,768,654	8,099,123
Loans receivable, net-current portion	1,796	1,207	137
Prepaid expenses-current portion	<u>155,937</u>	<u>446,595</u>	<u>389,994</u>
<b>Total Current Assets</b>	<u>56,212,462</u>	<u>54,128,300</u>	<u>42,299,243</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	7,491,238	5,798,726	5,372,743
Investments	16,200,707	15,379,645	16,720,872
Endowment investments	867,809	814,615	843,671
Other assets	-	1,299	-
Loans receivable, net	1,659,172	1,870,689	1,951,473
Prepaid expenses	65,884	138,100	180,081
Capital assets, net	<u>181,456,736</u>	<u>174,670,825</u>	<u>176,171,883</u>
<b>Total Noncurrent Assets</b>	<u>207,741,546</u>	<u>198,673,899</u>	<u>201,240,723</u>
<b>Total Assets</b>	263,954,008	252,802,199	243,539,966
<b>Deferred Outflows of Resources</b>			
Deferred outflows - Pensions	3,504,138	4,901,385	3,999,478
Deferred outflows - OPEB	<u>2,291,791</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 269,749,937</u>	<u>\$ 257,703,584</u>	<u>\$ 247,539,444</u>

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**FITCHBURG STATE UNIVERSITY**  
**STATEMENTS OF NET ASSETS**  
**September 30, 2018, 2017 and 2016**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Current Liabilities</b>			
Bonds payable-current portion	\$ 3,523,606	\$ 3,350,972	\$ 3,148,347
Accounts payable and accrued liabilities	6,481,344	1,990,583	1,763,033
Accounts payable-construction	292,305	145,310	38,814
Salaries and benefits payable	2,218,888	2,189,510	2,070,699
Accrued workers compensation-current portion	141,432	126,662	110,720
Accrued faculty payroll	712,605	744,238	748,495
Compensated absences-current portion	2,137,708	3,130,920	3,255,321
Deferred revenue-current portion	2,215,041	2,811,581	1,918,019
Capital lease-current portion	252,159	247,656	-
Deposits-current portion	332,200	328,575	247,725
Other liabilities	4,579,710	5,600,290	5,381,967
<b>Total Current Liabilities</b>	<u>22,886,998</u>	<u>20,666,297</u>	<u>18,683,140</u>
<b>Noncurrent Liabilities</b>			
HEFA bond payable	1,671,492	1,963,361	2,289,805
MSCBA bonds payable	51,848,529	55,031,222	53,927,524
DCAMM payable	5,420,360	-	-
Accrued workers compensation	507,339	454,356	397,170
Compensated absences	3,076,214	1,918,951	1,911,855
Deferred revenue	323,259	-	-
Capital lease	518,156	770,316	-
Due to federal loan programs-Perkins	1,475,490	1,571,927	1,610,321
Due to federal loan programs-Nursing	378,475	421,138	413,165
Net OPEB Liability	25,145,103	-	-
Unfunded pension liability	11,430,648	12,580,841	9,995,092
<b>Total Noncurrent Liabilities</b>	<u>101,795,065</u>	<u>74,712,112</u>	<u>70,544,932</u>
<b>Total Liabilities</b>	<u>124,682,063</u>	<u>95,378,409</u>	<u>89,228,072</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - concessions	1,201,360	1,707,196	1,960,114
Deferred inflows - OPEB	3,346,876	-	-
Deferred inflows - pensions	679,709	51,499	358,503
<b>Total Deferred Inflows of Resources</b>	<u>5,227,945</u>	<u>1,758,695</u>	<u>2,318,617</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	120,421,335	118,593,740	118,770,927
<b>Restricted for:</b>			
Non-expendable			
Scholarships & fellowships	489,380	486,481	475,644
Expendable			
Scholarships & fellowships	524,393	509,788	466,267
Loans	259,048	277,672	274,563
Capital projects	1,321,556	1,272,121	406,197
Debt service	8,729,812	7,793,352	6,989,929
Other	387,716	930	930
Unrestricted	7,706,689	31,632,396	28,608,298
<b>Total Net Assets</b>	<u>139,839,929</u>	<u>160,566,480</u>	<u>155,992,755</u>
<b>Total Liabilities, Deferred Inflows and Net Assets</b>	<u>\$ 269,749,937</u>	<u>\$ 257,703,584</u>	<u>\$ 247,539,444</u>

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**FITCHBURG STATE UNIVERSITY**  
**STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS**  
**SEPTEMBER 30, 2018, 2017 and 2016**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Operating Revenues</b>			
Student tuition and fees	\$ 26,099,245	\$ 24,523,586	\$ 23,462,859
Waivers and exemptions	<u>(235,769)</u>	<u>(333,568)</u>	<u>(790,559)</u>
<b>Net student tuition and fees</b>	<b>25,863,476</b>	<b>24,190,018</b>	<b>22,672,300</b>
Federal grants and contracts	550,159	381,933	3,135,851
State and local grants and contracts	(85,444)	21,349	16,724
Stimulus grants	55,765	-	-
Nongovernmental grants and contracts	179,946	45,957	4,993
Sales and services of educational departments	136,457	353,046	359,088
Auxiliary enterprises:			
Residential life (net of scholarship allowances)	5,984,460	6,151,347	5,595,999
Resident Life - Dining Hall	2,479,274	-	-
Administrative overhead	34,970	12,673	20,858
Fundraising	36,388	60,679	35,355
Commissions	46,399	370,639	43,209
Miscellaneous	2,180	6,830	4,190
Nursing and Perkins	<u>6,831</u>	<u>10,263</u>	<u>7,267</u>
<b>Total Operating Revenues</b>	<b><u>35,290,861</u></b>	<b><u>31,604,734</u></b>	<b><u>31,895,834</u></b>
<b>Operating Expenses</b>			
<b>Salaries:</b>			
Faculty	2,850,419	2,451,363	2,993,982
Exempt wages	940,803	768,840	813,557
Non-exempt wages	4,545,441	5,164,720	4,550,570
Benefits	4,336,625	3,961,480	4,009,794
<b>Other Operating Expenses:</b>			
Employee related travel	61,073	39,689	73,929
Administrative expense	611,027	542,917	677,409
Facility operational supplies	441,756	395,215	358,405
Utilities	504,182	529,308	482,629
Consultant services	220,956	162,508	264,756
Operational services	786,577	514,362	362,364
Equipment purchases	79,766	91,410	215,378
Equipment maintenance and repairs	127,576	113,560	103,789
Purchased client services-program	33,850	34,576	55,710
Construction and building improvement	218,107	277,742	302,954
Scholarships	225,223	246,026	3,857,292
Loans & special payments	516,752	-	-
IT expenditures	2,431,563	1,744,377	1,551,324
Depreciation	2,535,922	2,421,859	2,419,491
Bad debt	(6,327)	-	2,506
Auxiliary enterprises:			
Residential life	<u>4,048,187</u>	<u>4,631,759</u>	<u>4,314,419</u>
<b>Total Operating Expenses</b>	<b><u>25,509,478</u></b>	<b><u>24,091,711</u></b>	<b><u>27,410,258</u></b>
<b>Operating profit/(loss)</b>	<b><u>9,781,383</u></b>	<b><u>7,513,023</u></b>	<b><u>4,485,576</u></b>

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**STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS**  
**SEPTEMBER 30, 2018, 2017 and 2016**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Nonoperating Revenues(Expenses)</b>			
State appropriations	10,206,212	9,857,902	10,113,292
Investment income (net of investment expenses)	158,517	138,582	79,907
Unrealized gain/(loss)	210,795	313,865	313,322
Interest on capital debt	(537,382)	(453,548)	(471,926)
<b>Net Nonoperating Revenues (Expenses)</b>	<u>10,038,142</u>	<u>9,856,801</u>	<u>10,034,595</u>
<b>Income (loss) before Capital and Endowment Additions</b>	19,819,525	17,369,824	14,520,171
Capital appropriations	-	64,310	74,078
Capital grants and gifts	65,532	105,229	63,229
<b>Increase in net assets</b>	19,885,057	17,539,363	14,657,478
<b>Net Assets - beginning of period</b>	<u>119,954,872</u>	<u>143,027,118</u>	<u>141,335,278</u>
<b>Net Assets - end of period</b>	<u>\$ 139,839,929</u>	<u>\$ 160,566,481</u>	<u>\$ 155,992,756</u>

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**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF CASH FLOWS  
SEPTEMBER 30, 2018, 2017 AND 2016**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Increase in net assets	\$ 19,885,057	\$ 17,539,362	\$ 14,657,478
Adjustments to reconcile increase in net assets to cash provided by (used by) operating activities:			
(Gain)/loss on marketable securities	(306,640)	(400,022)	(313,322)
Depreciation	2,535,922	2,421,859	2,419,491
(Increase) decrease in assets:			
Accounts receivable	(22,907,194)	(21,726,981)	(6,495,797)
Loans receivable	42,828	55,602	45,090
Other assets	221,633	(93,061)	(60,505)
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	3,395,954	511,012	(303,677)
Compensated absences	(127,359)	(111,375)	(287,317)
Accrued faculty payroll	(2,797,754)	(2,598,508)	(2,200,810)
Deferred revenue	481,340	894,058	806,934
Other liabilities	<u>4,862,902</u>	<u>5,232,794</u>	<u>5,330,362</u>
<b>Net cash provided by operating activities</b>	<u>5,286,689</u>	<u>1,724,740</u>	<u>13,597,927</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Unrealized gain on cash investments	(56,710)	(62,096)	(27,999)
Purchase of investments	(436,032)	(174,007)	(540,841)
Proceeds from the sale of investments	459,791	159,721	313,565
Acquisition of property, plant and equipment	<u>(2,543,133)</u>	<u>(3,689,357)</u>	<u>(3,593,491)</u>
<b>Net cash (used by) investing activities</b>	<u>(2,576,084)</u>	<u>(3,765,739)</u>	<u>(3,848,766)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Federal loan program	8,600	(44,847)	5,623
Proceeds of capital leases	(124,387)	(122,165)	-
Payments of capital debt	(255,611)	(309,839)	(271,468)
Amortization of bond premiums	<u>(66,070)</u>	<u>(77,381)</u>	<u>(77,380)</u>
<b>Net cash (used by) financing activities</b>	<u>(437,468)</u>	<u>(554,232)</u>	<u>(343,225)</u>
<b>Net increase in cash</b>	2,273,137	(2,595,231)	9,405,936
<b>Cash and cash equivalents - beginning of period</b>	<u>36,112,248</u>	<u>38,305,801</u>	<u>29,776,796</u>
<b>Cash and cash equivalents - end of period</b>	<u>\$ 38,385,385</u>	<u>\$ 35,710,570</u>	<u>\$ 39,182,732</u>
<b>Supplemental Disclosures:</b>			
- Cash paid for interest	<u>\$ 603,453</u>	<u>\$ 1,181,207</u>	<u>\$ 1,080,805</u>

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