APPROVED

Fitchburg State University

Minutes

Board of Trustees Budget, Finance, and Facilities

Fitchburg State University Board of Trustees

Date and Time
Tuesday October 17, 2023 at 8:30 AM

Location
Presidents' Hall, 291 Highland Ave., Fitchburg, MA 01420

The Fitchburg State University Board of Trustees Budget, Finance & Facilities Committee will meet on Tuesday, October 17, 2023 at 8:30 a.m. Members of the Foundation Audit Committee will be in attendance.

The meeting will take place in Presidents' Hall, Mazzaferro Center, 291 Highland Ave., Fitchburg, MA 01420

Committee Members Present
D. Phillips, D. Tiernan, E. Gregoire (remote), K. Spinelli, M. Fiorentino, Jr.

Committee Members Absent
None

Guests Present
A. Tourigny, A. Turner, F. Barricelli, G. Doiron, G. Peterson, J. Bourgeois, J. Hanselman, J. Johnston, J. Murdoch, J. Wolfman, L. Barrieau, L. Bayless, L. Lee, L. Moulton, L. Pizzimenti, M. McKenzie, Michael Mahan (remote), P. Marshall, P. McCafferty, P. Snouffer, R. Lapidus, R. Toomey, S. Dodd, S. King-Goodwin (remote), Y. Malcolm

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

K. Spinelli called a meeting of the Finance Committee Committee of Fitchburg State University to order on Tuesday Oct 17, 2023 at 8:32 AM.

C. Approve Minutes from the April 25, 2023 Budget, Finance, and Facilities meeting- VOTE (04-23/24)

D. Phillips made a motion to approve the minutes from Board of Trustees Budget, Finance, and Facilities Committee Meeting on 04-25-23.
D. Tiernan seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call	
M. Fiorentino, Jr.	Aye
E. Gregoire	Aye
K. Spinelli	Aye
D. Phillips	Aye
D. Tiernan	Aye

II. Presentation by the Auditors

A. Board Presentation Exhibits

Mr. Jim Johnston, Partner, and Ms. Laura Pizzimenti, Partner, auditors from Bollus Lynch were introduced.

J. Johnston thanked everyone for their patience and acknowledged that they had completed the audits later than expected. Given this is the first time his firm worked on the university audit there are some operational aspects that need to be worked on. He stated the new relationship with the campus finance team was positive, but that there is a learning curve when taking on a new client. The lateness of the audits is not indicative of any reporting issues or numerical problems. The two teams will meet to ensure the audit is completed and presented to the Board of Trustees in a timely fashion in the future.

J. Johnston presented and discussed the PowerPoint in detail.

He discussed the audit results. Their findings were all unmodified opinions for all three audits which means the audits are clean. He stated that the financials are all reported fairly. He discussed the leasing aspects from last year that needed to be reported this year. He noted that software licensing now needs to be recorded. He discussed management's presentation and analysis. The compliance work and financial

aid report is still in progress and they are not anticipating any findings. The process is still on-going.

The packet contains the required communications that the firm is obligated to provide. He said there were no adjustments in any of the three audits and no disagreements with management. Lastly, all materials are consistent with prior years.

J. Johnston discussed the statement of net position, statement of changes in net position, and statement of cash flows in detail. The footnotes and disclosures were presented and they are all typical of what is accustomed. He noted the restatement of FY22 due to the IT GASB 87 requirement which has been reported. There will be a new GASB requirement next year, GASB 101, Compensated Absences.

L. Pizzimenti said that vacation and accruals will need to be reported in the future as part of the new standard. She noted that right now, they are not sure how the change will impact the financial statements.

J. Johnston next presented the Foundation and Supporting Organization audits. He discussed the consolidated statement of financial position, consolidated statement of activities, and the footnotes and disclosures. The Foundation and Supporting Organization are compliant. There are no major new financing obligations or lines of credit for property.

A discussion ensued regarding reserves and the debt burden.
E. Gregoire noted the common thread utilizing the government funds related to the pandemic and we are seeing the impact on the loss of them. It is important to look at this take away as a point in time and future trends. The demand ratio is picking up the expenses by using the reserves. He noted it is important to not rely on the reserves to fund the operations of the institutions. The Board needs to pay attention to these areas.

There was a discussion on footnotes 19 and 20.

B. FY2023 Audit - VOTE (05-23/24)

D. Phillips made a motion to accept the FY2023 audit.
D. Tiernan seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

K. Spinelli	Aye
E. Gregoire	Aye
D. Phillips	Aye
D. Tiernan	Aye

Roll Call

M. Fiorentino, Jr. Abstain

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:21 AM.

Respectfully Submitted,
D. Tiernan