APPROVED

Fitchburg State University

Minutes

Finance Committee Meeting

Board of Trustees Meeting

Date and Time
Friday October 17, 2025 at 2:00 PM

Location
This is a virtual only meeting and it will be livestreamed
https://www.fitchburgstate.edu/live

Committee Members Present
K. Spinelli (remote), M. Fiorentino, Jr. (remote), M. Morris (remote)

Committee Members Absent
D. Tiernan, E. Gregoire

Ex Officio Members Present
D. Hodge (remote)

Guests Present
K. Lundgren (remote), Karina Calvo (remote), Lisa Moulton (remote), M. Bruun (remote), Robert Labonte (remote), Stefan Dodd (remote), Stefan Dodd (remote), Summer Fetterroll (remote), Yvonnie Malcolm (remote)

I. Opening Items

A. **Record Attendance**

B. **Call the Meeting to Order**

K. Spinelli called a meeting of the Finance Committee Committee of Fitchburg State University to order on Friday Oct 17, 2025 at 2:03 PM.

C. Approve Minutes

M. Fiorentino, Jr. made a motion to approve the minutes from Board of Trustee Finance Committee Meeting on 05-13-25.
M. Morris seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

M. Fiorentino, Jr.	Aye
E. Gregoire	Absent
K. Spinelli	Aye
M. Morris	Aye
D. Tiernan	Absent

D. Committee Charge by BOT Chair and President

- BOT Chair M. Fiorentino and President D. Hodge outlined the updated guidance for all committees, emphasizing alignment with the President's goals, consistency in process, and collaboration across the Board.
- President Hodge announced that meeting scheduling and document preparation will now be managed by the President's office to streamline trustee review.
- The President introduced Dr. Travis Chambers as the new Chief Financial Officer (CFO), formally starting on December 1, 2025. Discussions regarding organizational changes will occur at the next meeting.
- Cabinet members are now assigned and encouraged to prioritize attendance at committee meetings.

II. Presentation by the Auditors

A. Board Presentation Exhibits/Audit Presentation

Presentation of Audit (FY 2025)
Presenter: Jim Johnston, Bollus Lynch
Key Audit Findings

- Bollus Lynch issued an Unmodified, Clean Opinion on the Audited Financials Draft as of 10.15.2025.
- Statement of Net Position (as of 6.30.2025):
  - University assets decreased by $8.5M year-over-year, primarily due to depreciation/amortization.
  - Cash position is up $4.7M year-over-year, attributed to increased state appropriations and positive market conditions.
  - Net Position showed a decrease of $141M year-over-year.
- Income Statement:

    - Operating Revenue is down $2M, driven mainly by a $3.2M decrease in Tuition and Fee revenue due to decreased student enrollment.
    - Operating Expenses increased by $3.4M, primarily related to payroll, benefits, and $18.7M in depreciation.
    - The resulting Operating Net Loss was $64.4M (up from $59M the prior year).
    - State Appropriations of $62M (Non-Operating) offset the loss.
    - Overall change in Net Position was a decrease of $2.4M year-over-year.
- Audit Process: The audit was smooth, with no alternative treatments, no audit adjustments, and no disagreements with management, supporting the accuracy of the information.

Committee Discussion Highlights

- Q (M. Fiorentino): Primary financial focus area?
    - A (J. Johnston): Enrollment is the biggest issue, as expenses remained relatively flat.
- Q (M. Fiorentino): Concern over using reserves?
    - A (J. Johnston): The University is not yet at a point of concern. The final net position was a positive gain, and if debt obligations are met, the University is in a good financial place.

III. Budget Update

A. Budget Summary

Audit Overview and 2026 Budget
Presenter: Robert Labonte
Audit Overview and Fund Clarification

- Mr. Labonte provided a clearer, more intuitive breakdown of the financial statements by fund type:
    - Unrestricted Funds (Controlled by Board, tied to the budget) showed a Surplus of $545,810.
    - Physical Plant included the majority of the deficit ($8M net deficit) due to ** $13.6M in depreciation**.
    - Accrual Funds (Pension/Benefit liability) are booked by the University but largely covered by the State.
- Key Takeaway: While the overall net position showed a $2.4M deficit, the Unrestricted Funds remained positive, which is key for the operating budget.

2026 Budget Review

- The 2026 Budget uses a new structure aligned with the standard state format.
- Expense Projection:
    - Overall increase of $4.6M.

    - Payroll/Related Expenses increase of $3M (includes $1.3M for retro collective bargaining and $1.5M for increases/step promotions).
    - All other expenses increase of $1.7M (4% increase, in line with inflation).
- Revenue Projection:
    - Includes a $3M increase in State Appropriations.
    - Enrollment and Housing revenues are estimated to be $158,000 less than the prior year (cautious projection).
- Reserve Usage: $2M in reserve funds will be used to support the 2026 budget (a reduction from the preliminary $3.5M projection).

IV. Closing Items

A. Adjourn Meeting

M. Fiorentino, Jr. made a motion to End the Meeting.
M. Morris seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

K. Spinelli	Aye
M. Morris	Aye
M. Fiorentino, Jr.	Aye
D. Tiernan	Absent
E. Gregoire	Absent

Closing Comments

- J. Johnston (Bollus Lynch) praised the clarity of Mr. Labonte's presentation, noting it provided a much clearer picture of day-to-day operations.
- President Hodge emphasized that enrollment and fiscal transparency will remain top priorities and thanked the finance team for their critical service during the transition.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 3:15 PM.

Respectfully Submitted,
K. Spinelli