



NEASC INTERIM FIFTH-YEAR REPORT

Submitted to the Commission on Institutions of Higher Education  
of the New England Association of Schools and Colleges

January 2017

Fitchburg State University  
160 Pearl Street  
Fitchburg, MA  
NEASC Interim Fifth-Year Report

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Higher Education of the New England  
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## Introduction

This Fifth-Year Interim Report reviews how Fitchburg State University continues to meet the Commission on Institutions of Higher Education's Standards for Accreditation, summarizes Fitchburg State's actions in response to the Commission's 2012 Letter of Accreditation, and projects the institution's areas of focus or plans for the next five years.

There have been many significant structural changes at our institution during the period since our last accreditation visit, including the hiring of a new President and a Provost, the creation and implementation of a new administrative structure including academic deans, and the creation of a new office dedicated specifically to institutional research, planning and data-informed decision-making. Also, Fitchburg State University recently completed its five-year strategic plan, which is guiding our efforts going forward.

In this report, the main theme that has emerged is our increased effort in using data to inform institutional decision making. This evidence-based, data-informed approach permeates every section of this report, and our progress in this area will be noted throughout.

In early spring of 2016, a committee was formed to lead the preparation of this report, with Associate Vice President for Academic Affairs, Dr. Cathy Canney, as its chair. The committee consisted of 14 members, divided equally between faculty and administrators. The committee of 14 was divided into subgroups with each group assigned either a standard or multiple standards and a separate subgroup for the reflective essay. Subgroups submitted drafts of their work, allowing all committee members to review, provide feedback, and identify redundancies and/or gaps. The committee worked through the spring and summer to develop a complete first draft. In addition, a full-time professor from the department of English Studies reviewed and edited the document.

In the spring of 2016, a survey was disseminated to students, faculty and staff to gather feedback on various questions related to the standards. The survey instrument mirrored the one conducted for our 2012 self-study and had 497 respondents. Inputs were sought in the areas of mission, strategic planning, resources, academics, and transparency.

A draft report was shared with the University community in September 2016 and submitted to the All University Committee and Graduate Council (our form of shared governance which includes students). The report was also sent to the Commission on Institutions of Higher Education of the New England Association of Schools and Colleges staff for review and feedback. The academic deans representing the University's four divisions reviewed the draft and provided feedback as well. Following the release of the draft report, two open forums were held to allow for in-person feedback and dialogue. A web page that housed the draft report and other pertinent information included an email link as another means to provide feedback. The final report was then revised to reflect the community's response and shared again with the campus community. In August 2016, the chair of the NEASC Interim Report Committee along with the former interim provost reviewed the accreditation process and progress on the interim report with the Board of Trustees during their summer retreat. Prior to final submission, the report was again shared with the board.

The full committee, listed below, represents a broad cross section of the university.

Dr. Cathy Canney, Associate Vice President for Academic Affairs

Dr. Chris Cratsley, Director of Assessment

Dr. Sean Goodlett, Interim Dean of the Library and Academic Support Centers

Ms. Pamela McCafferty, Assistant Vice President for Institutional Research and Planning

Ms. Mary Beth McKenzie, Assistant Vice President of Finance and Administration

Dr. Paul Weizer, Interim Provost (through June 30, 2016), Professor, Economics, History, and Political Science

Mr. Anthony Wilcox, Director of Institutional Research and Effectiveness

Dr. Jenn Berg, Assistant Professor, Mathematics

Dr. Soumitra Basu, Assistant Professor, Industrial Technology

Dr. Christine Dee, Associate Professor, History

Dr. Nadimpalli Mahadev, Professor, Computer Science

Dr. Ben Railton, Professor, English Studies

Dr. Renee Scapparone, Assistant Professor, Business Administration

Dr. Kisha Tracy, Assistant Professor, English Studies

## Institutional Overview

Located in the city of Fitchburg, Massachusetts, Fitchburg State University is a comprehensive public university with a rich history of service to the state and an evolving and increasingly comprehensive mission. Founded as the State Normal School at Fitchburg in 1894, the University is committed to excellence in teaching and learning and blends liberal arts and sciences and professional programs within a small college environment. A Fitchburg State education extends beyond the classroom to include residential, professional, and co-curricular opportunities. As a community resource, the institution provides leadership and support for the economic, environmental, social, and cultural needs of North Central Massachusetts and the Commonwealth.

Fitchburg State University enrolls 7,000 day and evening students in more than 50 programs of study. In response to current trends within higher education and changing job markets, the University has made significant investments in leading-edge programs and facilities. FSU is the state's first and only public institution to offer a major in game design, its first new major in more than 10 years. Another notable achievement is the launching of a "4+1" program in criminal justice that enables students to complete their baccalaureate and master's degrees along with full municipal police certification within five years. This new program, developed in close collaboration with the state's Municipal Police Training Committee, is the first of its kind in the nation. A new undergraduate program in Chemistry has been added to our offerings.

While the new programs showcase innovative program development, the new science center, FSU's first new academic building in more than 30 years, demonstrates the University's commitment toward high quality teaching and learning. This \$57 million, 55,000-square-foot facility has already had a transformative effect on the institution, benefiting all students, as a laboratory science course is a

prerequisite for graduation. The former science building has also been upgraded to create an additional 50,000 square feet of modernized space for the benefit of the campus community.

A major renovation of the University's campus center has re-energized FSU's institutional ties with the city while providing a modern facility for our students. With the support of the institution's Board of Trustees, this \$65.5 million dollar renovation project has created a virtual front door to the campus and transformed the appearance of Fitchburg's North Street corridor. The campus and downtown Fitchburg are now linked by this pedestrian-friendly corridor.

Fitchburg State University is the largest non-municipal employer in the city and continues to partner with city and regional leadership in projects aimed at improving the quality of life in the city and surrounding communities. Economic development and urban renewal efforts have taken many forms and include support from faculty and students as well as University offices and institutes.

## Response to Areas Identified for Special Emphasis

### **Area 1: Developing and Implementing a Process to Assess the Effectiveness of the Board of Trustees**

The roles of the Board of Trustees and the chief operating officers of the state universities are delineated by Massachusetts law. At the local level, 11 voting members of a Board of Trustees oversee Fitchburg State University. Nine of these are appointed by the governor and serve up to five-year terms; these appointments are renewable one time. A student trustee, elected by the student body, serves a one-year term, and the Alumni Association elects an alumni trustee who serves a five-year term. No trustee may serve more than two consecutive terms. The Board elects its chairperson from among its members.

The duties and responsibilities of the Board of Trustees are defined in the General Laws of the Commonwealth of Massachusetts Chapter 15a, Section 22. This law states that the Fitchburg State University trustees are charged with the fiduciary management of the institution, including determination of fees, establishment of personnel management policy, staff services, and the general business of the institution. They elect the University President with the approval of the Board of Higher Education, adopt an annual plan of financial operation, award degrees in approved fields, and develop the University's mission statement to reflect the mission of the Commonwealth's public higher education system. The trustees conduct an annual evaluation of the President based on goals they have jointly established with him.

The Board of Trustees, while exercising considerable oversight of the President and the institution as a whole, had not conducted a formal evaluation of their own work or practices. This was identified as an area of emphasis by the Commission in September 2012 and became a priority for the University in the period prior to this report.

The Trustees' self-evaluation was facilitated through a number of meaningful steps. The Provost crafted a self-assessment instrument, which was first submitted to the Board of Trustees on November 7, 2012.

Former President Antonucci convened several meetings to discuss the rationale and value behind the new process to encourage healthy participation from the Board. Ten of the 11 trustees completed the evaluation.

The survey results were positive on the whole. In all of the 23 areas of inquiry in the self-assessment, all Trustees responded that they either “agree” or “strongly agree” with the preparation or practice of the Board. Areas that scored the highest (where 90% “strongly agree”) affirmed that the Board understands and supports the mission of Fitchburg State University; that the materials provided for the Board are useful, sufficient, and properly focused; that the Board’s deliberations and decisions are adequately documented; that actions of the Board are fiscally responsible; and that the Board regularly reviews the performance of the President.

While all questions received positive answers, some areas presented an opportunity for improvement. These include the orientation and training given to Board members (70% “agree,” but only 30% “strongly agree” that it was “adequate”), and the Board’s level of engagement with the University’s mission. Regarding the latter, 60% “agreed,” but only 40% “strongly agreed” that, 1) the Board reviews the University’s mission documents periodically to assess whether they need to be revised or updated; and 2) that the Board regularly considers the mission when it discusses key issues, allocates resources, and/or approves new initiatives.

Results of the survey were discussed at the Board’s January 2014 meeting. One trustee highlighted the orientation of new trustees as a potential area for improvement. He also opined that the terminology used in dealing with state finances was confusing even for financial industry professionals. Another trustee, while reflecting on the positive tone of the survey results, suggested that the survey should be continually revised and updated. Several Board members, including a representative from the state Board of Higher Education’s Office of Trustee Relations, offered to provide examples of self-evaluation surveys from other boards on which they served. As a follow up to these discussions, President Antonucci suggested forming a subcommittee of Board members for updating and improving the self-evaluation survey.

Upon assuming the presidency in July 2015, President Lapidus spearheaded several new initiatives to build on the Board’s earlier orientation. To ensure that long serving members stay informed on University matters, a portion of each meeting during the last year was set aside for informational presentations on a range of topics. Admissions standards and policies, financial aid policies, the unmet need of our students, the composition of our student body, the increasing need for student support e-services, Title IX, community partnerships and distance education were all reviewed with the Board, with a question and answer session allotted for each discussion.

Additionally, a new event termed “Bagels with the Board” was created through the combined sponsorship of the Office of the President and the Student Government Association (SGA). As the name indicates, this event gave students direct access to Board members to ask and answer questions, and generally interact with the Board in an informal setting. Board of Trustee members are now attending some SGA meetings as an additional means to connect with students.

Finally, the Board appointed the recommended subcommittee to review alternate self-evaluation instruments in an effort to make their self-assessment exercise even more useful. Headed by Vice Chair Anna Clementi, this subcommittee finalized a new evaluation instrument. The new instrument is more comprehensive, with additional open-ended questions that go beyond the former Likert scale

instrument. This assessment instrument was administered at a full-day informational retreat in August 2016. This retreat served as a refresher for existing members and an orientation for new members. The evaluation data was reviewed and appropriate actions will be taken based on results. This new assessment committee will remain as an existing sub-committee of the Board to ensure that the self-evaluation process is continuous. Furthermore, an orientation manual was created and will be provided to each new Board member as well as for reference for the entire Board.

## **Area 2: Implementing and Assessing the Strategic Plan and Assuring the Effective Integration of Strategic Planning, Operational Planning, and Budgeting**

Since our 2012 accreditation visit, Fitchburg State University has completed a new strategic plan, hired a new President and Provost, and begun to work toward a more effective integration of planning and budgeting.

### **Budget Process**

Our current budget process begins in mid-winter for the next fiscal year and continues throughout the spring. Under the leadership of President Lapidus, several changes have been made to the process described in our last report.

Prior to the distribution of budget documents to individual departments and units in 2015, an open forum was held for the campus community, with presentations on academic, technology, and finance areas. The finance presentation was designed to convey, in the simplest of terms, the sources of University funding and the distribution of those funds among key sections of the institution. In addition, information was given about how the dollar amount of funding for state appropriations, tuition and fees, grants, financial aid and other sources were spent across the institution. This forum successfully articulated how the state budget process affects the University budget and the opportunities and challenges faced by the University during the budget cycle. Feedback from campus constituents was positive, with many in the audience asserting that they better understood how the budget was constructed, and that resources such as personnel, central and auxiliary services were fixed costs that limited flexibility for planning. Although forums had been held previously, this revised approach will continue on an annual basis due to its positive impact.

Additionally, when departments were sent budget documents, they were shown the direct costs for each unit. Personnel costs have historically been centrally budgeted. Thus, for the first time, departments were able to see the “real” direct cost of operating each unit.

In the past, each department had been asked to maintain level funding, but still had to make a new budget request each year and justify the need for each line in its proposed budget. New monies, while discouraged, were also considered through the normal budget process. This year, rather than have departments go through this process, much of which was rather repetitive from year to year, the University announced that all departments would receive 95% of the prior year’s budget. There was no rationale or justification required and the department could assign these funds to appropriate lines at its discretion. The remaining 5% of the prior year’s funds (not including payroll or on-going construction projects) was used to fund strategic initiatives identified in the strategic plan or by the President.

Extraordinary budget requests (EBRQs) were relabeled as Petitions for Strategic Funding. These requests were either for additional operating funds above the 95% or one-time expenses that exceeded the

department's ability to fund within their existing budgets. Petitions were funded, as revenues permitted, by one of the three Vice Presidents from their budgets or from strategic funds as appropriate. In making such requests, departments were again required to explain how such an expense will further a specific goal or goals of the strategic plan.

After all departmental budget requests have been reviewed and approved, the President submits a draft of the balanced budget detailing expected revenues and expenditures and anticipated state appropriations to the Board of Trustees. Tuition is set by the state and retained by it in most cases. Fee rates, which are set by the University, are evaluated at this time based on expected enrollment. Various fee levels are presented to assess the impact on students as well as to exhibit how proposed fee increases impact the institution's ability to balance the budget. Proposed fee increases are then put before the Board of Trustees for formal vote. Based on final state appropriations, adjustments are made and presented to the Board as needed. Along with approval of the standard University fees, the Board also approved differential lab fees for science and studio courses, as well as increases to fees for housing and meal plans to bring us in line with our state peers while closing the budgetary gap. The lab fees were new to the University but appropriate to offset additional costs associated with these specialized courses as noted in our strategic plan. A similar fee structure exists within many universities. Additionally, the Board approved the use of discounting in order to attract out-of-state students. As the University retains tuition for this population, even at a reduced fee structure, any increase will have a positive impact on the budget.

Fitchburg State has posted positive results of operations in each of the last 10 fiscal periods, although in some years it was necessary to draw from our reserves to do so. The annual budget reflects prospective annualized operating costs with administrative overhead, and planned capital and technology expenditures included. Throughout this process, the University evaluates the long-term financial implications of budget decisions on the formulation of the current and proposed operating budgets, as well as the impact upon budget policies, cash management and investment programs. However, as the amount needed from reserves to operate has grown, the University has become more focused in its long term planning. This structural deficit was a central theme throughout the 2015 strategic planning process and informed both the final plan and the financial implementation appendix that accounted for anticipated costs and revenues resulting from the proposed plan.

### **Planning Process**

The annual budgeting process connection to the institution's long-range planning is somewhat constrained by the University's budget dependency on the state budget. The vagaries of the state process means that the amount of state level support for the University budget is often not known until after the start of a given fiscal year limiting our ability to make final budget determinations until the state budget is approved. Accordingly, planning has been more focused on goals rather than budget. However, since our last accreditation visit, several initiatives were undertaken to more closely align the budget process with strategic planning and prioritize goals with respect to the budget.

As part of our academic plan, the Vice President for Academic Affairs began a process to operationalize the criteria for program appraisal. The Vice President for Academic Affairs worked with a subgroup of Department Chairs to develop criteria using agreed upon data points. This project called Phase I Data, a joint effort between the offices of Academic Affairs and Finance, was completed in the summer of 2012 and has been shared with academic departments each year since. Phase I Data includes information such as numbers of majors, faculty, semester credit hours generated, tuition and fees generated and

salary expenses. The University joined the Delaware Study in 2015 in order to gain a comparative perspective on this type of data. This data allows stakeholders to make better connections between budget and planning as new majors and new faculty hires are considered.

As the five year period 2009-2014 was drawing to an end, Fitchburg State embarked on the next planning process and produced a strategic plan with more specific and measurable goals, and with real projected dollars attached to each action item.

The “planning to plan” phase started in December of 2013 and the process culminated with the approval of the final draft strategic plan by the Board of Trustees in April 2015. The University hired LD Large Consulting, LLC, to guide us through the planning process. Given our interest in mapping the dollar cost of specific goals, our consultant ensured that we started the process by analyzing our budget process to make certain that the proper linkages existed in the new strategic plan.

The planning process started with the creation of seven working groups, each with a faculty chair. These groups covered the range of subjects to be considered in the plan, including academic planning, academic values, community, financial structure, admissions/marketing, student services, and technology. Each group met several times to elicit input and discuss direction leading to the submission of a white paper outlining the 2-3 key issues that should be considered for the final plan.

The white papers were sent to the Strategic Planning Committee (SPC), which included one faculty and administrator from each working group, plus additional representation from the Student Government Association, our other unions as well as the Provost and a member of the Board of Trustees. The SPC met concurrently with the working groups in order to identify areas of overlap and keep the process on track. It then transitioned to reviewing the seven white papers and condensing the ideas contained therein to produce a draft strategic plan.

This draft plan was submitted to the Executive Planning Council (EPC). As the chief academic officer, the Interim Provost, Paul Weizer, chaired this group. The EPC had representatives from key constituencies, including faculty, staff, students, and the Board of Trustees. The EPC reviewed inputs from the campus and external communities, made adjustments as necessary, and prepared a final draft plan for submission to the Board of Trustees. In addition, the EPC approved a financial implementation appendix for submission. This document took each item in the plan, listed assumptions made about the budgetary impact of the item, and estimated a cost or revenue associated with it.

The strategic plan and draft implementation appendix that accompanied it, were approved by the Board in April 2015. While the plan and executive summary were posted on the web and shared widely with the University community, the financial implementation appendix was not shared broadly, as it was in draft form in anticipation of the change in presidential leadership that would occur two months later. President Lapidus began his tenure at Fitchburg State University in July 2015. During the President’s first year, attention was given to learning more about the institution and its community to build a foundation for planning priorities. Furthermore, the existing structural deficit has prevented the University from taking on significant new spending until it is brought under control. Accordingly, we have yet to begin full implementation of the plan, although there has been advancement on several initiatives. For instance, in all major budget and hiring discussions during this time, the plan was always a guide and justification for the decisions which were made. Examples of items funded from the strategic plan in its first year include the creation of a new Executive Director of Marketing position, academic advising coaches, new positions to support the implementation of the institution’s first 4+1 program, new

Admissions software to allow the University to better target key constituencies, and institutional support for the Reimagining the First Year of College initiative which will lead to the creation of a first year experience.

## Standards Narrative

### Standard One: Mission and Purpose

The Fitchburg State University Mission Statement was revised following the five-year NEASC review in 2007 and the final version was adopted by the Board of Trustees on December 8, 2009. The mission statement was further revised in the fall of 2010 to reflect University status granted by the Commonwealth of Massachusetts to Fitchburg State and the five other four-year public institutions. The current mission statement is found at <http://www.fitchburgstate.edu/about-us/university-mission-vision-and-values/>.

#### **Mission**

Fitchburg State University is committed to excellence in teaching and learning. It blends liberal arts and sciences curriculum with professional programs within a small University environment. Our public University offers value in education while preparing students to lead, serve, and succeed by fostering skills that will enable lifelong learning and civic responsibility. A Fitchburg State education extends beyond the classrooms. The University provides professional and co-curricular opportunities to its students. Fitchburg State serves the community as well, providing leadership and support for North Central Massachusetts and the Commonwealth.

The University's mission statement drives institutional development through an organic, inclusive and rigorous process of strategic planning. The Strategic Planning Committee worked throughout 2014 to produce the 2015-2020 strategic plan that outlines FSU's goals for improving University education, promoting student success, connecting the University to the civic community through employment and public service, and growing the University's fiscal resources. Significantly, when compared with 2012, the 2016 NEASC Survey indicates increased familiarity with the strategic plan among faculty, staff and administrators. This is a credit to the culture of transparency and outreach efforts of the Strategic Planning Committee of 2014. Moreover, faculty, staff and administrators are in agreement that the strategic plan drives the decision-making at the University. The increase in this opinion among faculty in both the Undergraduate Day and Graduate and Continuing Education divisions is noteworthy as it indicates faculty satisfaction with the strategic planning process and approval of its final form for 2015-2020.

In the 2012 institutional self-study, the University determined that it would emphasize key aspects of its mission in public gatherings and in classroom discussions, as well as through print and electronic media. A comparison between the 2012 and 2016 NEASC Survey results reveals the outcome of these outreach efforts, jointly organized by the offices of the President, academic affairs, student life, and external affairs, to be mixed.

On the positive side, when tallied against the 2012 NEASC Survey results, the 2016 NEASC Survey indicates that outreach to the administration increased awareness of the University's mission from 51.2% to 87.5%. Yet students, full-time faculty, adjunct day faculty, and staff report increases only in the "somewhat familiar" or "unfamiliar" categories with respect to the University's mission. When asked whether the University was fulfilling its mission, the results from a small sample (N=479 in 2016 as against N=991 in 2012) were again mixed. A full quarter of student responses in the undergraduate day and evening populations indicate strong agreement that the University fulfills its mission, and nearly all respondents concur with the statement, indicating broad and deep student satisfaction with the University. Yet, when the 2012 and 2016 responses from full-time faculty, adjunct faculty, staff and administrators are compared, the responses in the "strongly agree" category declined for all of the above-mentioned groups, while those in the "agree" category increased. Moreover, among full-time faculty, those who strongly disagreed that the University was fulfilling its mission rose from 3% of respondents to 9.6%. While this fall in approval could be the result of numerous factors, the most likely reason is the considerable degree of administrative change that occurred between 2012 and 2016, which will be discussed in Standard 3. The foregoing results indicate that administration should continue to involve faculty and staff in the articulation of the University's mission. Further, the question of whether the University is fulfilling its mission should be continuously raised and discussed through a dialogue between the new administration, faculty and staff.

*Projections Update:* The other projections from the 2012 report focused on the change from college to university and the name change of our honors program. Presently, the new names and identities accompanying each have been fully integrated into the University community.

The University's mission statement will continue to inform the five-year strategic planning cycles and evolution of the University's profile. As President Lapidus shapes the University under his tenure, the relevance of the current mission statement will be evaluated to ensure that it remains effective for planning, governance and institutional operations.

## Standard Two: Planning and Evaluation

The University has a comprehensive strategic planning process that provides both a structure for, and ongoing assessment of, its role as a public University in the complex and competitive landscape of 21<sup>st</sup>-century higher education. Strategic planning at the University occurs on a five-year cycle. Since the NEASC review of 2012 (which occurred during the 2010-2014 strategic plan), the University has, in its 2015-2020 strategic plan, reaffirmed its commitment to academic excellence and affordability. The organizing principle of the current strategic plan is student success, which is also reflected in the University's commitment to enhancing academic programs, strengthening support for students to complete their degrees, increasing the University's competitiveness in the state to better serve our students and the community, and adopting fiscal practices to achieve these goals. The University has begun this process by enacting a new budget process for fiscal year 2016-2017, as described in the Area of Emphasis.

Fitchburg State's commitment to continual and reflective self-evaluation has led it to shape its strategic plan in accordance with its mission statement. FSU is active in implementing the Board of Higher Education's Vision Project, whereby it aligns its self-reflection and assessment processes with successful

practices at the state and national level. Academic assessment is rigorous, ongoing, and data-informed, as demonstrated by department reviews and practices (more details to be found in Standard Eight's reflective essay). The recent consolidation of the Office of Assessment and the Office of Institutional Research into a new data service area has served academic departments well in effective dissemination of data. This data is used by academic departments for shaping their future plans in areas of curricular reform and faculty participation in professional organizations, national initiatives, and campus initiatives sponsored by the Center for Teaching and Learning.

In the 2016 NEASC Survey, faculty in both Undergraduate Day and the Graduate and Continuing Education Division report using assessment data "very frequently" (30-50%), as do administrators (36.7%). There has been a moderate increase in the "occasional" usage of data from 2012 to 2016 among full-time faculty and administrators, while the category of "very frequent" usage has declined modestly for full-time faculty. Although the number of respondents in this category is smaller in 2016 (N=186) than in 2012 (N=304), it may be asserted that the increase in self-reporting rates of "occasional" usage strongly implies that assessment data is disseminated efficiently and that it is relevant and useful to faculty and administration.

The University has implemented a comprehensive academic plan that has been much amplified from the earlier 2012 version. The plan documents the progress of a range of initiatives in areas of university status, academic quality, academic resources, student academic experience, and enrollment. The academic planning process has resulted in numerous achievements in all of these areas, and ongoing work in others. More information can be found on the Academic Affairs website.

NEASC 2016 Survey data indicates that a majority of the faculty, staff and administration find that resource allocation based on academic planning is "adequate." Comparing the NEASC Surveys of 2012 and 2016, it may be noted that the percentage of all constituent groups that rated resource allocation as "very well" declined. This drop was most evident among administrators (34.9% to 9.7%) and full-time faculty (5.1% to 2.7%). Moving forward, the Vice President's reports and public presentations will continue to outline how resources are utilized and to assess needs for academic resource allocation.

The University has increased its efforts to link its financial decision making to the strategic plan, alongside increasing budgeting transparency and expanding financial education for the campus. Financial Services and Academic Affairs have also collaborated in the development of Phase 1 Data reporting, which tallies academic department direct operating costs against students served. In conjunction with the launch of the 2015-2020 strategic plan, a new procedure now stipulates that funding requests that fall outside standard operations must include an explanation of how the request directly relates to and supports the advancement of strategic initiatives.

Through careful planning and assessment, and through a renewed focus on data-informed decision making and resource allocation, Fitchburg State University will continue to strive toward meeting its goals as outlined in its strategic plan, while remaining true to its mission.

### Standard Three: Organization and Governance

Fitchburg State University has undergone significant changes in its organization since the NEASC Self-Study in 2012. The University hired Dr. Richard S. Lapidus, formerly Dean of the College of Business at

California State Polytechnic University at Pomona, as its eleventh president in July 2015. In addition, Dr. Robin E. Bowen, Executive Vice President and Provost, resigned in April 2014 to assume presidency at Arkansas Tech University. Dr. Paul Weizer was appointed Interim Provost/VPAA to fill the vacancy left by Dr. Bowen's departure. Prior to these changes, the University administration had been reorganized into a Dean structure of six deans, of which four were new positions. (See Data First Form). Subsequently, three Interim Deans and an Interim Associate Vice President were appointed. In February 2015, Dr. Alberto Cardelle was selected as the Provost/Vice President for Academic Affairs to take office July 1, 2016. National searches for the three interim dean positions (Dean of Arts and Sciences, Dean of Health and Natural Sciences and Dean of Graduate and Continuing Education) are being conducted this academic year with a goal of July 2017 start dates. The University has included all its constituencies in the hiring processes of new administrators and the restructuring of the administration, and has conducted its hiring practices in a public and transparent manner.

As part of this restructuring, the Provost now meets with the Deans and Department Chairs four times annually. Four other meetings are held by division, with the Deans setting the agenda for their respective Department Chairs. In addition, the Provost, AVPPA, Deans and other administrators meet with all Department Chairs and Graduate Program Chairs twice annually.

The University continues to be governed by the Massachusetts Board of Higher Education (BHE), which is led by the Commissioner of Higher Education and staffed by the Department of Higher Education (DHE). The Board of Trustees governs the University at the local level. As stated before, the Board consists of eleven members, of which nine are appointed by the governor and two are elected from the student body and alumni. The Board of Trustees meets at least four times annually. The duties of the trustees are delineated in the General Laws of the Commonwealth of Massachusetts Chapter 15a, Section 22. This law states that the Fitchburg State University trustees are charged with the fiduciary management of the institution, including determination of fees, establishment of personnel management policy, staff services, and the general business of the Institution. The Board of Trustees also conducts annual evaluation of the President based on goals that they have established with him.

The structure of academic governance at Fitchburg State is determined by the contractual agreement between the DHE and the Massachusetts State College Association (MSCA). This contract outlines the duties and responsibilities of chairs and faculty. A separate contract governs the faculty teaching in the Division of Graduate and Continuing Education (DGCE). The programs in the DGCE are administered by Graduate Chairs and Program Managers, and are filled in consultation with Department Chairs and through elections within departments and approved by the Dean. Under the MSCA contract, members of the All University Committee and its standing committees of Curriculum, Academic Policies, Student Affairs as well as Graduate Council are elected annually among the faculty with administration represented through presidential appointments, and student representatives appointed by the Student Government Association (SGA). The meeting calendar and minutes are found on the Academic Affairs or Graduate Council websites.

*Projections Update:* Following the 2012 NEASC Review recommendations, the Board has begun to use self-assessment to ensure that it is effective in its work. Among the changes implemented since our last report are informational presentations at each Board meeting on an area of University operations, and a "Bagels with the Board" session each semester with SGA, which allows students direct access to the Board.

## Standard Four: The Academic Program

Fitchburg State has adapted well to the changing nature of academic disciplines, higher education, and American society, by creating new programs and certificates, revising and strengthening existing ones, and terminating those that are no longer efficacious. In the past five years, Fitchburg State has created one new department, Psychological Science (formally part of a large Behavioral Sciences department), and two new undergraduate majors, Game Design and Chemistry. The Criminal Justice program has built a new 4+ 1 CJ/Police Certification track, and the Interdisciplinary Studies program has undergone a thorough review and revision, resulting in a more unified and coherent major and degree. In addition, several new concentrations have been developed that speak to workforce needs including a Birth to 8 concentration within our undergraduate Early Childhood Education program and a Dyslexia Specialist concentration within our graduate Special Education degree program. All of our graduate programs are currently follows a five-year review cycle in conjunction with their respective undergraduate program reviews. As part of the process of reviewing and revising programs, several graduate programs were discontinued either due to lack of student demand or strategic shifting of priorities. The program review process has continued to produce positive results through data collection, analysis and reflection. For example, in the 2014 Political Science program review, a required internship replaced a former elective requirement to facilitate the program's intended academic and career development. In the Human Service program review, program faculty learned through practicum supervisor survey data that students needed additional skill building in several specific areas prior to practicum placement which has now been addressed within a preceding course. In the Nursing program, data revealed that students were not successful in achieving the department's drug calculation test requirement. Adjustments to the curriculum have resulted in 100% of the students now meeting this requirement.

Through the creative efforts of faculty and staff, FSU's academic offerings continue to expand with newer additions to online and hybrid courses and programs, most notably with the transition of graduate-level Special Education degree programs to an online/hybrid format. In addition to existing resources for faculty and students, such as 24/7 technical support, online access to library resources and support services and online tutorials, the University has added a host of other online services for students. These include an online student orientation program for accepted students, a more robust online student evaluation system piloted in the winter 2016 session with a 51% increase in response rates, options for prospective students to join webinar information sessions, and a dynamic online teaching resource web page. The University continues to utilize processes that verify the identity of students enrolled in online courses by issuing students a secure username and password which follows appropriate security standards.

As always, curriculum development and assessment continue to be shaped by academic departments through faculty expertise in their disciplines' best practices. The additional involvement of academic Deans has further facilitated program development, curricular reviews, program assessment, and evaluation of student learning. For example, the use of the Student Success Collaborative in FSU's strategic plan has led to a number of significant curricular changes, examples of which are described later in this report in the reflective essay. The implementation of DegreeWorks, along with web-accessible undergraduate and graduate catalogs, full-year course scheduling, and significantly enhanced graduate advising have all provided our students with a more cohesive curricular and program experience. Incoming students are pre-registered into required courses, and the creation of a new category of Academic Interests and Motivation (AIMs) now provides a clear and unified curriculum for

students who have not yet declared a major. A new developmental math initiative created in direct response to student success data helps incoming students to successfully navigate this core FSU requirement. To enable transfer students to attend FSU in larger numbers, and to align the University with its peer institutions, the minimum GPA requirement for transfer courses and credits has been revised from a 2.0 to a 1.7. The University continues to provide information regarding transfer credit policies and articulation agreements through its website and Student Handbook.

In response to key elements of the strategic plan, FSU has undertaken two University-wide initiatives that will significantly improve the curricular experience for all our students in the next five years. Our ongoing work in AASCU's multi-institution Reimagining the First Year (RFY) program incorporates elements of our existing curriculum with potential new courses and promises a multi-layered academic experience to incoming students at FSU. Close on the heels of a program review undertaken by the LA&S Council, our Liberal Arts & Sciences program is undergoing a substantial curriculum review and revision with the aim of linking key program objectives and outcomes to our requirements and developing scaffolding for the program. Furthermore, each of these ongoing efforts is tied to the statewide Department of Higher Education initiative focused on the shared objective of Civic Learning.

Policies regarding advising have also been revised. In the summer of 2013, the University began preregistering incoming first-year students who needed developmental math. The next summer, preregistration expanded to six academic majors and involved the selection of not only math courses but also two more general education courses. In 2015, all incoming students with declared majors received upwards of three classes, while undeclared students (PREM) who had interests in the STEM meta-major were assigned faculty advisors and guided through the AIMs program toward major selection. In the coming academic year, all other meta-majors will develop AIMs.

In 2016, all students except PREM students, who were provided one-on-one advising, were preregistered for their first semester. Furthermore, to assist in preregistration, an interest survey was disseminated for all incoming students. The survey is intended to identify the students' general education interests and any AP exam results.

Fitchburg State University continues to serve students in varied modalities and in other instructional locations beyond the Fitchburg campus. Our extended campus programs, and the Center for Professional Studies (CPS), are overseen by two full-time administrators and two full-time support staff, and provide rigorous academic programs and professional development opportunities through courses, workshops, and institutes. Updated review processes for course syllabi and course schedules have strengthened academic oversight of these programs, demonstrating the University's commitment toward providing excellent continuing education opportunities to the larger community.

Fitchburg State offers dual enrollment opportunities for area secondary school students allowing students the opportunity to earn academic credit at both their secondary school and at Fitchburg State. The university offers dual enrollment in one of three models. In all three models, students must meet the eligibility criteria and complete an application both of which are available on the university web site. Courses and faculty are selected and scheduled using the same process for scheduling any university course with the appropriate academic department and dean approving the courses and faculty member assigned to teach the course. In the first model, high school students enroll in an existing university course with university students on campus. Special dual enrollment registration sessions are held for students after all university students have registered. At these sessions, students are given pertinent

information needed to be successful in a university course and meet with advisors to select appropriate courses. In the second model, a university course from the existing curriculum is offered specifically to a cohort of high school students on the university campus. In the third model, an existing university course is offered at the local high school for a cohort of students. In all three models, courses are taught by Fitchburg State full-time or part-time faculty.

Fitchburg State follows the federal regulation definition of the credit hour and publishes this information in the University catalog. Prior to the University's 2012 self-study, it reaffirmed its commitment to follow the Carnegie unit by submitting a proposal through governance. The most common breakdown for one credit is one hour of class instruction and two hours of homework for 15 weeks each semester. The definition of the credit hour and Carnegie unit is a notation on the new course proposal form required when submitting course proposals through governance.

A minimum of 120 credits is required for a bachelor's degree, and a master's degree requires a minimum of 30 credits. Specific degree requirements and credits for all University courses are posted in the University catalog, on program web pages, on-line, as well as the semester course seats listing used by students to build semester course schedules.

*Projections Update:* Standards four and five of the 2012 self-study highlighted some areas for development and modification for the University, outlined in the form of 11 projections. Currently, nine of those 11 projections have been achieved, including the examination of academic affairs administrative structure, revision to the University catalog process and product, graduate program review process, interdisciplinary studies program review and revisions, addition of more global diversity designation courses and study abroad opportunities, grade distribution data analysis process, review of graduate program outcomes assessment, review of the faculty hiring plan, and development and implementation of a mechanism to support and highlight faculty scholarly achievements. The administrative structure for the oversight of academic programs has seen significant changes since the 2012 self-study with the implementation of the academic dean structure. Following an appraisal of the Academic Affairs administrative structure, the University now has four deans, versus one (Dean of Education) during the 2012 NEASC study. Whereas in the earlier structure department chairs reported directly to the Provost and Vice President for Academic Affairs, in the current configuration academic departments are organized within four divisions. Deans meet with Department Chairs within their division each month. All Department Chairs, divisional Deans, the Provost and other academic administrators meet four times a year.

Two of the projections are still in progress; one of these ensures that there are appropriate assessment measures for our Interdisciplinary Studies and Industrial Technology programs. The assessment work for interdisciplinary studies has made significant progress. The other projection, still in progress, asked for the creation of a working group of faculty, students and academic affairs administrators to coordinate with department chairs for conducting and evaluating an internal review of how reading, writing, critical analysis, and logical thinking are taught within our curriculum. The LA&S Council, which handles the General Education curriculum at FSU, was tasked as a working group to address this.

## Standard Five: Students

Over the past five years, the University has continued to make a number of improvements to admission and recruitment policies and procedures that recognize the needs of our various populations. Staffing improvements have led to the creation of a transfer recruitment team, the designation of a veterans' admissions liaison and the addition of a recruitment and retention specialist in the Office of Graduate and Continuing Education.

Admissions policy and procedure improvements include a streamlined veterans' admission application, revisions to the international admissions requirements, the removal of the standardized test requirement for several graduate programs with a policy proposal to remove this requirement for all programs currently moving through governance. In addition, the University has implemented new undergraduate admission requirements enacted by the Massachusetts Department of Education, designed to better prepare students for success in college.

Additionally, the Office of Graduate and Continuing Education has redesigned its on-campus orientation program and added an online version for distance education students. Further, Webinars have been conducted to better meet the needs of prospective students seeking information about our online programs. A new live chat feature has received significant usage and improved response time for student inquiries.

The University has continued to provide clear transfer pathways by increasing the number of MassTransfer Agreements, creating discipline-specific Transfer Pathways and serving in a leadership role in the creation of the *\$30K Commitment*, later adopted statewide as the *Commonwealth Commitment*. The Commonwealth Commitment program is an initiative amongst the public universities and colleges in Massachusetts that facilitates degree completion through greater access and affordability by strengthening the transfer pathways and freezing tuition and fees for eligible students. In response to the long-term educational goals of our students, admission agreements were completed with Lake Erie College of Osteopathic Medicine with guaranteed admission and three-plus-three articulation agreements with the University of Massachusetts School of Law at Dartmouth and the Massachusetts School of Law. The University continues to provide information regarding transfer credit policies and articulation agreements through the website and Student Handbook.

In order to better serve our veteran student population, a Veterans Center, centrally located and adjacent to the campus center and library complex, was opened in Thompson Hall. Communication to veteran students has improved and tracking within our SIS has been formalized so as to benefit this growing population of students. These efforts, and the establishment of a Student Veteran Organization, have led Fitchburg State University to receive the Military Friendly Designation.

The Hammond Campus Center redesign, which includes the Library, has been completed. Survey results regarding these changes are positive with 20% more respondents in the NEASC survey distributed in fall 2016 reporting that the library space "very adequately" fosters study and learning. Similarly, student responses indicate greater familiarity with, and improved service from, all offices and services located in the Hammond Campus Center.

The position of Interim Dean of the Library and Academic Support Centers was created in 2014 in order to bring together key academic support areas into a cohesive, student success focused unit. Together, the Academic Advising Center, the Career Center, the Math Center, the Placement Test Center and the Tutoring Center provide coordinated and strategic services to better address the needs of students. In the fall of 2016, the Career and Advising Centers merged to form the Career Counseling and Academic Advising Center which provides a holistic, academic coaching center, designed to support all students as well as at-risk populations.

First year students are now centrally housed in one residence facility, Russell Hall, in order to assist with first-year and learning community initiatives. New day student orientation programs, both summer and fall, have been evaluated and revised with the goal of better preparing and engaging incoming students. The revised orientation program was implemented in summer 2016 and is discussed further in the Reflective Essay. The Associate Dean for Student Development and Residence Life, in conjunction with the Director of Assessment, has gathered data in order to assess the effectiveness of the new programming, with an eye to continuous improvement.

Video conferencing technology was implemented to further extend our reach to LPNs seeking their BSN and to expand our foreign language offerings by collaborating with sister state institutions. To address the issue of low student response rate for course evaluations for online courses, the University purchased software, Evaluation Kit, to improve the system. During the pilot this past winter session, response rates increased from 15% to 66%. To serve our non-traditional students better, the Office of Student Accounts has implemented an extended tuition payment plan. We have also started to award degrees in August in recognition of the growing number of students who complete their degrees outside of the traditional cycle.

An important advising tool, DegreeWorks, was implemented in order to foster student learning, improve completion rates and time to degree completion, and enable individualized curricular design. This comprehensive and user-friendly degree evaluation and mapping system promotes clear academic pathways for our students, minimizing the purchase of educational credits that do not count toward degree completion or the student's curriculum.

The University continues to focus on the safety of the campus, implementing numerous initiatives including the RAVE Guardian campus safety mobile application, Civilian Response to an Active Shooter training, and the creation of an Emergency Management Plan and an Emergency Management Team. The Fitchburg Anti-Violence Education (FAVE) program has been fully implemented and the University is in full compliance with VAWA and the Title IX/EO initiatives. The University has reviewed its policies on students' rights and responsibilities, including grievance procedures, and made any necessary changes. Documents continue to be distributed and made readily available to students. In 2016, the University established a Community Assessment and Risk Evaluation (CARE) Team as it continues to strive to maintain a safe, responsive, and respectful academic community. This team, with representation from across campus, reviews circumstances that might indicate a particular community member is unsafe, unable to function in an academic environment or may pose risk to others. Previously, the University had an Incident Response Team which responded to these types of concerns, however, the newly

established CARE Team which meets weekly is intended to identify and respond to behaviors and concerns before they have risen to an “incident”. The University also continues to work closely with the community regarding safety and support as evidenced by the addition of a Community Policing Outreach Center at the University’s Main Street Intermodal Station location.

The 2009-2014 strategic plan called for an increase in our Hispanic student population to 10%. In order to facilitate this, a Hispanic Student recruitment plan was developed and implemented beginning in September 2011. Some of the strategies to increase the undergraduate day Hispanic population included purchasing names through the College Board Student Search Service; participation in the National Hispanic College Fair; increased outreach to diverse school districts; hosting under-served student group visits; hiring of diverse student tele-recruiters, tour guides and shadow hosts and the use of admission exceptions permitted within the Massachusetts Department of Higher Education guidelines. These multi-pronged efforts resulted in an increase in Hispanic applications from 5.5% to 15.9% for the undergraduate day population from fall 2008 to fall 2014, an increase in acceptance of Hispanic students from 3.9% to 11.9%, and an increase in Hispanic deposits from 4.3% to 10.9%. There has been an increase in Hispanic enrollment from 4.1% to 9.8% for the overall undergraduate day population from fall 2008 to fall 2014. It is worth emphasizing that when compared to our sister state universities, we experienced the largest increase in both Hispanic and minority enrollments over this same period:

		Fall 2008	Fall 2014	% increase
Fitchburg State University	Hispanic or Latino	3.64%	9.76%	168.13%
	Minority	9.73%	22.69%	133.20%
State Universities	Hispanic or Latino	4.42%	8.60%	94.57%
	Minority	12.77%	21.91%	71.57%

By fall 2015, the University had reached its Hispanic enrollment goal for undergraduate students and continues to outpace our sister state universities:

		Fall 2008	Fall 2015	% increase
Fitchburg State University	Hispanic or Latino	3.64%	10.94%	200.55%
	Minority	9.73%	25.69%	164.03%
State Universities	Hispanic or Latino	4.42%	9.12%	106.33%
	Minority	12.77%	23.20%	81.68%

The University also set an undergraduate retention goal of 80% to be reached by 2016. As noted in the table below, rates have fluctuated a bit and we have not yet realized the expected progress.

Fall Cohort	Retention Rate	Hispanic	Minority	Non-Minority
2010	72.8	64.2	71.3	73.1
2011	74.2	65.0	67.0	75.3
2012	78.5	78.1	77.0	78.7
2013	77.6	74.7	79.2	77.4
2014	75.0	66.7	75.6	74.8
2015 (projected)	75.0			

The recent implementation of the Student Success Collaborative, combined with the initiatives outlined in both the strategic plan and the RFY proposal, reflect a renewed emphasis on student persistence and success. Moreover, in fall 2016 the University formed a Student Success Taskforce with representatives from across campus. This taskforce will work strategically to enhance and add initiatives and interventions aimed at increasing retention and persistence to graduation. These data informed actions should allow the University to better meet its intended retention goals in the next five years.

*Projections Update:*

By the fall of 2014, the University had reached a Hispanic enrollment of 9.8%, just shy of its goal of 10%, which was then exceeded in the fall of 2015.

Although progress was made toward a retention rate of 80% (reaching 78.5% with the fall 2012 cohort), the University has not maintained that initial progress but we are encouraged about future progress considering all the initiatives developed in recent years.

Beginning in 2013, the University began addressing its goal of having students complete developmental coursework during the freshmen year by pre-registering incoming students requiring remediation into developmental courses. The following year’s policy, requiring all students to enroll in and complete a mathematics course within the first year, further strengthened this initiative. As a result, the percentage of students completing college-level math in their first year increased from 23% to 48% for students requiring remediation.

College Student Inventory data has been incorporated into the SSC advising platform and predictive analytics reports. This will greatly facilitate the usage of this data across the campus.

The adoption of DegreeWorks which is more fully described in the Reflective Essay resulted in the delivery of web-based degree evaluations for all of the University’s academic programs, including graduate programs for the first time.

Following the ten-year Self Study, the position of Dean of Student and Academic Life was added to the Executive Cabinet. The current strategic plan calls for an examination of the current model of student and academic life including resource utilization and the function of each area, with the goal to better

ascertain how student services are currently delivered, decrease redundancies, and better orchestrate the delivery of services. As a first step, the University has committed to hiring a Vice-President of Student Affairs with the search process for that position currently progressing with a goal of a spring 2017 hire.

## Standard Six: Teaching, Learning and Scholarship

In the last five years, the University has broadened the interpretation of scholarship, raised the tenure requirements for incoming librarians, and altered and expanded first-year advising and advising tools.

Under the leadership of Vice Presidents Robin Bowen and Paul Weizer, Academic Affairs has adopted the Boyer model of scholarship in the past few years. While the University still values traditional scholarship of discovery and the scholarship of teaching and learning, the definition of scholarly activity has broadened to include the scholarship of application or “engagement,” as well as scholarship that integrates multiple disciplines. Such scholarship is a natural fit for an institution with a mission such as ours, where faculty has a 4/4 workload. To facilitate the advancement of this scholarship, the Center for Teaching & Learning (CTL) now offers “micro-grants” that support the innovative use of new technologies and improved teaching methods. Similarly, to aid faculty in the advancement of their scholarly agendas, over the course of the last two years, and at the request of faculty, Academic Affairs has reexamined its policies for the awarding of course releases for faculty scholarship and creative activity. This has resulted in an increase of such course releases from one to two per year.

Only one significant change in the preparation and qualifications of academic staff occurred in the last five years. Beginning in the academic year 14/15, the tenure requirements were altered for all incoming librarians. Whereas previously librarians had only needed a Master of Library Science (MLS) or Master of Library Science and Information Science (MLIS) to obtain tenure, now professional librarians must satisfy the requirements of a “terminal degree;” according to the MSCA faculty/librarian contract, this translates into 60 hours of graduate credits, inclusive of the MLS or MLIS. The current contract cites a need for additional graduate credit hours only when librarians are seeking promotion from the rank of “Associate Librarian” to “Librarian.” The stipulation regarding the criteria for tenure appears in the letters of appointment for all incoming librarians.

Last, the tools used by faculty to conduct academic advising have improved markedly in the last five years. For instance, in the academic year 2014/2015, the University utilized a Davis Foundation Grant award to implement its new degree audit system, DegreeWorks (mentioned in Standard 5). The software not only calculates GPA-in-major more accurately, but flags deficiency grades; it is also more user friendly for both advisors and students alike. Similarly, in this last academic year, the University implemented its new data analytics package, the Student Success Collaborative (SSC), a product of the EAB (formerly Education Advisory Board). The SSC allows faculty advisors to see risk factors like rates of grades of D, F or W, as well as courses failed and retaken. In the spring of 2016, the University purchased an adjunct system known as SSC Campus, which enables student referrals to support services and assists faculty advisors in scheduling course registration advising.

*Projections Update:* The original Standard Five had two projections. The first called for discussions between the President, the VPAA, and union leadership on the number of full-time faculty. This discussion began in earnest in the 2009/2010 academic year, and it has continued unabated. The result has been the steady growth of the faculty to levels not seen since 2001.

The second projection called for the VPAA and academic department chairs to better support, encourage, and highlight the achievements of faculty with regard to research and creative activity. Since 2012, the University has developed a number of mechanisms for broadcasting faculty output. Each year, for example, faculty publications, presentations, and creative activity are listed in an internal publication entitled “A Community of Scholars.” Similarly, the University’s internal faculty listserv publishes “Fitchburg State News” on a regular basis, which contains a section entitled “Faculty Notes” that lists the same.

## Standard Seven: Institutional Resources

### Human Resources

The University has begun evaluating personnel needs in light of budgetary constraints and contractual requirements; the goal has been to hire and retain sufficient personnel to fulfill our mission. In the case of the faculty and librarians, the Massachusetts State College Association (MSCA) contract stipulates that 85% of all credit-bearing courses in the Day Unit be taught by tenure-track or tenured full-time faculty. Although there had been brief, isolated instances when this requirement was not met, in practice the University substantially exceeds national averages for full-time vs. adjunct appointments in the Day Unit. The American Federation of State, County and Municipal Employees (AFSCME) and the Association of Professional Administrators (APA) unit contracts do not have similar standards.

Human Resources policies are readily available through the University’s website, and a print version is issued to new employees upon hire. Each bargaining unit has its own hiring handbook for onboarding new employees, and similar guides exist for non-benefited staff and student workers. These policy handbooks ensure the hiring of sufficiently qualified personnel. Moreover, the Human Resources department annually reviews and updates these documents as needed.

Lastly, the contracts governing all aspects of employment for the three bargaining units, including both the Day and Evening units in the MSCA, are also found on the HR website. Each of the contracts covers policies for the fair redress of grievances, and each lays out the terms of employment, as well as the procedures for regular evaluation, promotion, and, for faculty and librarians, the awarding of tenure. The terms for awarding professional development monies are also laid out in each of the contracts.

### *Projection Updates-- Human Resources*

The projection involving the determination of appropriate staffing levels in either new or newly-renovated physical spaces was completed. As a result of a needs review, two new maintainers were hired to cover the additional square footage in the Science Complex. Similarly, the University added a new heating, ventilation and air conditioning (HVAC) system supervisory position to focus on the new

technology being incorporated into our upgraded and renovated buildings, including the Hammond Building and the Antonucci Science Complex.

The projection calling for the development of policies on intellectual property rights for staff has not yet been completed.

### **Physical Resources**

The University has completed two very significant capital projects that were anticipated at the time of the 2012 Report: the Antonucci Science Complex and the Hammond Campus Center and Library. The Science Center provided up-to-date laboratory space that better facilitates student learning and faculty research, also enabling the University to reinstate its Chemistry degree program. In addition, the completion of the Hammond Campus Center renovation has resulted in a building that now serves as a “front door” to the University, providing a centralized location for the majority of the student support services offices. The redesign and renovations also reimagined the library by placing key resources and services at targeted locations.

Both of these major projects, in addition to the many other smaller projects, have targeted public teaching and learning spaces and incorporated infrastructure upgrades that, while not usually visible, are nevertheless critical to supporting campus operations. These upgrades significantly improved the accessibility of the campus. In addition, a major project targeting energy efficiency is currently underway in conjunction with the Massachusetts State Division of Capital Asset Management and Maintenance (DCAMM).

To date, the completion of these and other capital projects have resulted in a reduction in the deferred maintenance backlog by 29%. While this is a significant reduction, the current backlog estimate still stands at almost \$80 million, and in many instances the state does not pick up this burden. These capital outlays have impinged upon the pool of discretionary monies available in each fiscal year; and while we could scale back our investment in deferred maintenance either to close the structural deficit or to invest in existing or new strategic priorities, the University would need to ensure that it continued to chip away at the backlog. To complete these initiatives, the University has continued to leverage local funding sources and worked with the Massachusetts State College Building Authority (MSCBA) and DCAMM to fund projects.

A hallmark of these capital investments has been the creation of informal gathering and work spaces. Given the sizeable population of commuter students, providing these spaces is critical to engendering a welcoming environment. In all, since 2012 open seating areas have increased by some 15,000 sq. ft., or by 117%.

As each project is initiated, department faculty and staff are engaged in the design and development process to insure that current needs and future objectives for learning and research are incorporated into the plans. An example of this occurred with the recent renovation of our McKay Building, where faculty and department offices were built, as well as classrooms and an expanded observation room.

Additionally through department input, a new academic research suite was created to support faculty and student research capabilities for the Psychological Science department.

The University also continues to insure availability of funds and flexibility in their deployment to support changes to or new additions of academic programs. This was exemplified during the launch of the Game Design major, where spaces had to be modified to accommodate this program. As the same time this was done, the University was able to undertake other modifications which allowed improvements to the Industrial Technology and Humanities teaching lab and studio spaces.

#### *Projection Updates-- Physical Resources*

The University achieved its targeted reduction of our carbon footprint by 10% as of 2015; as of 2013, we had achieved a reduction of 28% in greenhouse gas emissions. However, with the introduction of almost 63,000 sq. ft. of new space, in 2017 the overall reduction has dropped to 9%. The above-referenced energy efficiency project should assist the University in once again meeting our target of a 10% reduction.

#### **Financial Resources**

The University continues to experience positive results from its operations and remains on firm financial ground. Annual financial audits continue to be clean with no findings or items of note; in addition, the University underwent an audit by the Office of the State Auditor in 2015 that focused on functions including trust fund administration, inventory policies and procedures, internal controls, Cleary Act reporting, and procurement policies and practices, all of which also resulted in no significant findings or items of concern. The University takes steps above and beyond standards to insure fiscal integrity, including annual completion of the single audit, which evaluates federal programs compliance.

The University financial leadership continues to stay abreast of accounting standards, anticipating and preparing for changes. In fiscal 2015, as required by the Comptroller of the Commonwealth of Massachusetts, the University implemented Government Accounting Standards Board Statement No. 68, (GASB 68) *Accounting and Financial Reporting for Pensions*. The standard mandates the allocation of the Commonwealth's unfunded pension liability to various state agencies, including institutions of higher education. The allocation is based on each entity's actual annual contribution paid via the state's fringe benefit charge assessed to the University. The initial amount allocated to the University was \$6.2 million which resulted in a decrease in unrestricted net assets of the same amount. The University's unfunded pension liability for fiscal 2015 and 2016 was \$5.1 and \$10.0 million respectively. Another forthcoming change that the University is beginning to prepare for relates to the accounting associated with leased equipment, which will need to be included for the first time in 2019.

Importantly, the University continues to maintain a strong financial position despite the ongoing challenges with state appropriations, which continue to decline in relation to overall institutional operating costs. The state also imposes unfunded mandates. The collective bargaining agreements, for instance, were funded fully only during the first year, thus leaving a significant gap that the University was required to cover during the second and third years. It is important to note that the state of Massachusetts (office of Administration and Finance) is the bargaining agent in these contract

negotiations. Under the leadership of the past and current financial teams, a centralized approach to financial operations has allowed the University to leverage state appropriations and maximize the efficacy of those funds. By insuring the maximum number of employee salaries, where possible, are first paid from state appropriations, the University achieves greater value as the fringe costs are then paid by the state. The centralized approach provides that the necessary monitoring and adjustments are made to insure full use of state funds allocations. However, as the state allocation becomes a smaller part of the overall operating budget, the University must now cover 100% of the cost of the fringe benefits of some employees, as personnel costs now exceed the state appropriation. There are also, in other words, hidden costs in the bargaining carried out by the state on our behalf.

Despite ongoing efforts by the Institution and our peers to bolster the state appropriation funding, the University has had to rely increasingly on student fees to fund the annual operating budget. Knowing that this challenging financial environment is likely to continue, the University has carefully managed its expenditure and income strategies to ensure that the net position is positive each year.

The largest portion of the University operating budget continues to be dedicated to its educational mission, with more than 57% dedicated to instruction, academic support, student support, research and public service and scholarships. This has continued relatively stable, however there was an anomaly increase in FY16 that was largely attributable to the pension liability entry resulting from the GASB 68 change as well as some large retirement payouts.

Our fiscal and financial positions must also be set within the context of the deferred maintenance backlog and other strategic priorities of the institution. Construction and renovation projects have led to an increase in our debt load, and the current debt burden ratio is at 5%, which is the maximum recommended by the Massachusetts Department of Higher Education. However, the vast majority of that debt, some \$52 million, was accrued to pay for one project, the renovation of the Hammond Building, which houses our student center, student support offices, and the library. And while the Hammond project was not identified in any of our strategic plans *per se*, it was part of the Master Facilities Plan. These renovations were necessary and long overdue. By taking an aggressive approach to funding capital projects, the University has been able to be responsive to new academic, programmatic and support needs.

The University's approach to budgeting and revenue forecasting is consistently conservative, and the University budgets have anticipated operating deficits in the past, even though net results at the close of the fiscal year have continued to be positive. As such, the University leadership, in conjunction with the Board of Trustees, have been actively working to identify strategies and institute programs that will enhance its revenue base, while also controlling costs. These solutions include the approval for implementing targeted fees on resource intensive operations, as well as providing discounting incentives to attract out-of-state students which will net a higher return as this revenue source does not have to be fully remitted to the state. The University has also been evaluating partnership opportunities to expand the reach of on-line programs. Finally, a new centralized process has been established to assess open positions, determining if or in what form the position may be reconfigured to better support institutional needs, no longer automatically refilling vacancies.

With the FY17 budgeting process, for the first time in recent history, departments and units were directed to plan for a budget at 95% of prior year. The funds derived through this effort were then deployed toward strategic initiatives, such as the upgrade to the campus wireless network, as well as one-time exceptional or unforeseen circumstances. In addition, under the new University leadership, a structured process for requesting and securing funds for strategic and/or exceptional needs has been implemented. It is likely for the near future that level funds budgeting will continue to be used as a means to manage costs, and insure funds remain available for critical strategic and operating initiatives.

The deployment of the strategies and measures described above reflect the acknowledgement of the ongoing political and funding climate and the active steps the University leadership is embracing to insure future financial stability for the institution.

### *Projections Updates--Financial Resources*

Based upon our 2012 projection, the University, both individually and in collaboration with other public institutions, engaged in a wide variety of efforts aimed at increasing awareness and recognition of the value of public universities. The primary focus was on reinforcing to the general public and, in particular, opinion leaders, the message that state funding of public higher education represents an investment that will pay significant dividends to the Commonwealth of Massachusetts. Major efforts in raising the profile of FSU include the hiring of a University digital media manager, who, in consultation with industry experts, has expanded and re-focused the University's web and social media presence; participation in a State University Council of Presidents-sponsored television, radio and online marketing campaign, and promotion of such collaborative initiatives as the Commonwealth Commitment, an innovative program aimed at increasing access to a quality education. In addition, the President and other senior level administrators are continuously engaged in outreach to state officials via one-on-one meetings, special student events and other programs. These appropriations are key to maintaining our mission as an affordable and accessible comprehensive public state university.

An additional projection called for annual progress reports of the strategic plan to identify budgetary recommendations for IPEDS expenditure categories. At the interim report, it was determined that this format was not the best way to accomplish the goal of transparency with the budget process. Work continues to be undertaken to increase transparency. In the most recent budget cycle, the IPEDS classifications were used to show campus constituents how University operations are apportioned. This was especially helpful in increasing understanding by faculty and staff as to what portion of the budget is fungible. Further effort to demystify the prioritization and engage campus members in the allocation of strategic funds is under consideration as one of the next steps with this effort. With new leadership in the president and provost positions, as well as new dean structure within the Academic Affairs administration team, efforts to expand and further define the best system for financial planning, transparency, ownership and accountability is anticipated.

Meanwhile, Institutional Advancement has made a number of organizational changes, including incorporation of the grants and sponsored programs office into the development organization, with the creation of a full-time grant writer position, to increase funding and better coordinate philanthropic efforts. In addition, Institutional Advancement expanded and leveraged its staffing to complete a major

capital campaign, surpassing its fundraising target of a total collected or pledged funds of \$12,000,000 at the conclusion of 2013.

## **Technology**

In the years since the 2012 self-study, the major changes that took place in Information Technology can be grouped into three areas: security enhancements, infrastructure upgrades, and software upgrades. The institution meets all of its technological resource needs and engages in constant maintenance, upgrades, and enhancements.

The most important security enhancements include the installation of a web application firewall to help protect the University's web servers; the migration of management of the firewall, intrusion protection and web application firewalls to security personnel; the installation of Identity Finder so that protected information can be located and redacted or removed; the deployment of McAfee antivirus to Apple Mac systems; and the installation of the Barracuda email archiving system for capturing all emails sent to and from Fitchburg State accounts. Also the Rave emergency alert system has been implemented along with Alertus for desktop notifications of campus emergencies.

The completion of renovations has significantly increased the number of mediated classrooms and workspaces. In addition, the University's first remote classroom was built in 2014. It is used to instruct foreign language and nursing students in distant locations; in the most recent academic year, this technology has allowed us to expand our foreign language offerings. Plans are underway for several more such classrooms. Internet bandwidth was increased from 600mbps to 1,000mbps. Student lab systems were replaced with virtual desktops, saving money and increasing configuration options. One third of the campus core network has now been replaced. This work will continue for the next two years until all of it is refreshed.

Two significant software purchases were made that are positively impacting both our prospective and current students. First, an admissions customer relational management system, Slate, was implemented in fall 2016 that provides staff a more effective, paperless process, targeted student communications and a portal allowing prospective students to check the status of their application. Second, a degree audit software, DegreeWorks, was implemented in fall 2015 providing students and faculty advisors a robust degree audit that charts students' progress toward degree completion. More details on DegreeWorks is provided under Student Success Initiatives in the Reflective Essay.

### *Projections Update-- Technology*

The projection in the 2012 self-study states that Information Technology will work with the Center for Teaching and Learning to host an on-campus annual technology symposium. This has been addressed through sessions during faculty professional development days along with regular Center for Teaching and Learning professional development offerings and workshops at the biennial GCE faculty meetings.

## Library

Even as the Library underwent a complete renovation, its staffing and structure have also undergone considerable transformations. The new Interim Dean of the Library also supervises the Career, Tutor, and Advising Centers, along with the Center for Teaching and Learning. In the last two years, the Library has replaced half of its professional staff, which in itself presented an opportunity for further reorganization. These staffing changes have permitted the professional librarians to place more emphasis on instruction and reference/research services as well as potentially participate in a first-year experience. Moreover, these reorganizations have given the AFSCME staff more of a role in the day-to-day operations of the Library.

Two large-scale projects were also brought to completion during the late summer and early fall of 2016. The first, a website redesign, better leverages our online resources and makes information about services more readily accessible. Two new technologies were deployed in this website: a “discovery layer” that allows patrons to search the Library’s catalog and all online databases, periodicals, and reference materials from a single Google-like search box and a “responsive design” that adjusts the formatting of the site depending on the user’s device type (i.e., desktop, laptop, tablet, or phone). The second, a “reboot” of the McKay Arts Academy (MAA) elementary and middle school library, broadens our collaboration with Fitchburg Public Schools (FPS). The University renovated the library space and then catalogued the school’s physical holdings in its Voyager cataloguing system; the latter activity represents an ongoing commitment to collaborate with the FPS system and MAA in specific.

### *Projections Update—Library*

The library had two projections in the 2012 self-study. The first of these called for an examination of how we integrate information literacy across the curriculum. The second involved the development of an assessment regimen, not only for instruction, but for all services and resources. In the last academic year we have advanced the development of a revised information literacy curriculum which is now under consideration at the Liberal Arts & Sciences Council (our governing body on the general education curriculum) as a requirement for all students. Furthermore, the instruction librarians have developed a rubric for the assessment of information literacy instruction, which is now in use in a wide variety of library instruction classes. Similarly, the instruction librarians have begun the development and deployment, in a pilot semester, of a “modular” form of library instruction, whereby we offer smaller, more “digestible” sessions that are then repeated and reinforced throughout the semester and/or across the curriculum. Where the library has been less successful is in the assessment of the provision of other services and the allocation of resources. Nevertheless, the librarians are now in the process of writing a self-study for a program review, and the development of an assessment regimen features heavily in this process.

## Standard Nine: Integrity, Transparency and Public Disclosure

As a public university, Fitchburg State follows all applicable federal and state laws and policies. The University abides by the Freedom of Information Act and Massachusetts Public Records Law and responds to any requests for information. The University Campus Police complies with the federal Clery

Act by posting crime statistics on the website. The University posts a notice of availability of aid on its Financial Aid webpage as required by federal law.

University employees undergo professional ethics and data security training as mandated by the State Ethics Commission. FSU is in compliance with the Massachusetts State Universities Affirmative Action/Equal Opportunity/Diversity Plan. The collective bargaining agreements for faculty members and librarians guarantee their intellectual property rights, that they may research and study in fields of their choosing, and that they may question assumptions and be guided by evidence in scholarly research. Faculty, librarians, and staff hold membership in professional organizations with formal requirements for professional conduct and integrity. Several academic programs report to secondary accrediting agencies. The University holds institutional membership in national, regional, and state associations and councils. These outside groups provide a layer of external oversight and demonstrate the University's institutional integrity.

Fitchburg State has internal conduct guidelines for all segments of the University community. The Employee Handbook, which explains and enforces policies for faculty and staff, is regularly updated to reflect changes in collective bargaining agreements, state or federal law, or institutional practice. An Institutional Review Board (IRB) and the Institutional Animal Care and Use Committee (IACUC) oversee policies and procedures involving use of human subjects or animals in research. The Office of Student Conduct, Mediation and Education publishes several guides for student conduct and states the penalties for violation.

Fitchburg State University's catalog and website disclose information necessary for informed decision-making by students, prospective students, and other interested parties. This information includes the University's obligations and responsibilities to its students and their obligations and responsibilities to the University. Results from our 2016 NEASC Survey suggest that the University continues to communicate with integrity. Eighty-seven percent of faculty, staff and students agreed or strongly agreed that the University communicates with integrity with 7% rendering no opinion. Since our last report to NEASC, the University has transitioned to a completely on-line catalog. 2016 NEASC Survey results indicate students, faculty and administrators find the website user-friendly, with at least 70% at minimum indicating easy navigation.

The University website houses specific and searchable information about the University's admission standards, employment, assessment, academic programs, policies, and operations. This includes links to documents governing academic integrity, alcohol and drug use, dispute resolution and the appeals process for sanctions. The status of the University's numerous accreditations is posted on relevant webpages and in printed publications. The website includes student and faculty accomplishments as well as financial resources and the support for institutional services. Audit reports, retention and graduation rates, and data from the Office of Institutional Research and Planning are included on the site. The *Institutional Factbook* describes enrollment, degrees awarded, demographic data, and financial information.

### *Projection Update*

In the 2012 self-study process, the University foregrounded the need to delete courses from our catalog which were not offered on a regular basis, the need for an intellectual property policy for students and

staff, the need for continuity on the committee on equity and diversity and the need for regular conversations regarding academic integrity especially as it relates to grade distribution. All but the intellectual property policy for staff have been accomplished.

## Reflective Essay on Educational Effectiveness

### Introduction

Fitchburg State University is committed to an ongoing process of evaluation and improvement to ensure satisfactory levels of student achievement on educational outcomes related to the institution's mission. Over the past five years the campus has increased its attention to data-informed decision-making to understand learning outcomes, both in terms of what and how students learn and their success in progressing through and completing their programs of study. This evidence-based approach has played a vital role in academic program revisions, general education curriculum review, and the 2015-2020 strategic plan. Successful gathering and analysis of data has also driven student success initiatives such as developmental math revisions, freshmen pre-enrollment, DegreeWorks implementation, Guided Pathways to Success in STEM, the Student Success Collaborative, creation of a Student Success Taskforce and the Reimagining the First Year (RFY) project, all of which are aimed at facilitating satisfactory student achievement.

In the area of student learning, Fitchburg State has embraced a diverse set of measures to meet individual accreditation (i.e. ABET, Commission on Collegiate Nursing Education, International Assembly for Collegiate Business Education, The Council for Standards in Human Service Education, and The Council for the Accreditation of Educator Preparation) and program planning needs at the undergraduate and graduate levels. Our growing understanding of the method and substance of student learning has influenced assessment of academic programs and generated campus-wide discussions on the effectiveness of the general education curriculum. Furthermore, FSU's 2015-2020 strategic plan that has student success at its core is guided by a wide range of structured, data-informed discussions from the National Survey of Student Engagement (NSSE) regarding student learning and student engagement, and student success data related to retention and graduation rates. Equally, participation in the EAB's Student Success Collaborative (SSC) has strengthened our knowledge about student success with predictive analytics. We are now vigorously foregrounding these and other existing resources in shaping strategies for improving student retention and graduation rates. We anticipate that our multipronged initiatives such as improved developmental instruction, advising tools such as DegreeWorks and the SSC Advising platform, and carefully conceptualized policy and curricular changes will enable our pre-majors, freshmen (through the RFY project), and ultimately all our students to succeed.

Alongside measuring the impact of a Fitchburg State education for our students, we are beginning to more clearly link our stated student outcomes to the University Mission, establish benchmarks for satisfactory levels of achievement, and evaluate whether all students are achieving the desired outcomes. In sum, our progress in assessing what and how students are learning, and our increased focus on data-informed decision-making through learning outcomes assessment and other student success markers has our campus well-positioned to expand the ways in which we evaluate and improve our institutional effectiveness. This progress is illustrated in the essay through the following sections: Description of our process for measuring educational effectiveness, particularly in the areas of student

learning and success; Findings and Analysis related to student learning and student success, which demonstrates our ongoing commitment for improving institutional effectiveness in these areas through data-informed decision-making; and, finally, Appraisal and Projections that analyzes the value of these efforts while also acknowledging the need to improve educational effectiveness through expanding the data-informed approach into other areas. These areas include better defining institution-wide, mission-driven goals for our students' educational outcomes, and measuring these goals not only through what students achieve at our institution, but also through outcomes in their careers and ongoing study after they graduate.

## Description

In the past five years Fitchburg State University has placed an increased emphasis on support for data collection and data review processes to improve educational effectiveness through data-informed decision-making. One very significant undertaking toward this goal has been the creation of the Office of Institutional Research and Planning (OIRP) in 2015. The data collection and analysis, grant-funded initiatives and other activities supported and overseen by this office have resulted in a variety of direct and indirect measures of student learning and student success that have been used, along with other data sources, for annual assessment reports, five-year program self-studies, and the five-year strategic planning process. Fitchburg State University's efforts to measure educational effectiveness for data-informed decision-making are evident in the support provided by the OIRP for measuring student learning and student success, the multiple data sources available for measuring effectiveness, and the program reporting and strategic planning processes that utilize this data.

### **Support for Measuring Educational Effectiveness**

The staffing and support for measuring and improving educational effectiveness has been centralized through the Office of Institutional Research and Planning. This new office has a dedicated campus space and houses the Director of Assessment and Director of Institutional Effectiveness and Research under one roof, along with an Assistant Vice President, a Staff Associate and an Administrative Assistant with these latter three positions new to this area. The Assistant Vice President for Institutional Research and Planning (AVPIRP) oversees the OIRP, and works closely with the Provost, the Associate Vice President for Academic Affairs (AVPAA) and the Deans to facilitate the use of data for evaluating and improving institutional effectiveness. This organizational structure helps to insure that the collection and use of data, previously scattered across multiple campus offices, are now supervised and supported in a single location.

### **Support for Evaluating Student Learning**

The OIRP supervises campus-wide efforts for measuring student learning and studies factors that impact student learning in academic programs and the co-curriculum. In conjunction with this work, the OIRP oversees the Tk20 Assessment Management System and administers campus-wide surveys related to student learning through Select-Survey. Further, the Office works closely with the AVPAA to design and fund professional development days (increased from 2 to 3 in the past five years), where information regarding assessment of student learning and/or the use of assessment data to inform curricular changes is disseminated to the campus community. The OIRP also disburses funds to support faculty attendance at conferences such as the New England Educational Assessment Network (NEEAN) Fall

Forum and Spring Dialogues in the Disciplines. Support is also given for attending the Association of American Colleges and Universities (AAC&U) General Education and Assessment Conference, and the annual user conference for TK20.

In the past five years, staff members from the OIRP at Fitchburg State University have promoted faculty assessment efforts through a “Quality Collaborative Dyad” grant administered by the AAC&U and funded by the Lumina Foundation, and the Learning Assessment Research Consortium (LARC) funded by the Davis Foundation. At least seven faculty members were sponsored each year as Assessment Scholars and Researchers for these grants. Academic Affairs has also stimulated assessment efforts through its Special Projects Grants, with a special category of grant devoted to learning outcomes assessment work and supported by the OIRP. These efforts have helped create a data-informed assessment culture at Fitchburg State in which teams of faculty across the campus regularly collect, analyze and reflect on student work to evaluate student learning and inform program revisions.

### **Support for Evaluating Student Success**

The OIRP is also responsible for collecting, analyzing and reporting institutional data on admissions, enrollment, student demographics, test scores, degrees awarded, retention and graduation rates, University employee demographics, and campus finances. This data is disseminated to academic departments, reviewed in academic affairs meetings, published on the University website, and reported to the Massachusetts Department of Higher Education (DHE) and IPEDs.

A recent undertaking at FSU, run through the OIRP, now compiles data on the expenditure of each program per-student (Phase I data) and Student Achievement Measures (SAM). The latter tracks student graduation rates not only during their time at FSU but also upon their transfer to other institutions. In addition to gathering Phase I data and SAM, the OIRP is responsible for overseeing the administration and reporting of the National Survey of Student Engagement (NSSE) on campus.

Led by the AVPIRP, the OIRP is currently engaged in implementing a major new effort on campus to improve institutional effectiveness through the Student Success Collaborative (SSC). The SSC, which utilizes data to improve graduation rates, is an excellent example of data-informed decision-making. In the last two years, FSU has worked with the EAB to accumulate 10 years of data on student characteristics, course grades, and degrees awarded for the purposes of building a tool for data review and predictive analytics within the online SSC platform. This tool allows academic programs to evaluate the impact of student characteristics, academic pathways and individual course performance on student graduation rates, and aids advisors in assessing a student’s risk level for proactive intervention. Academic departments are provided the 10-year SSC data on student success in the form of institutional workbooks to facilitate program policy and curricular revisions. This material is subsequently reviewed by a faculty data advisory group with the goal of identifying best practices for data use, and applied toward developing campus-wide student success campaigns such as early major declaration for pre-majors and re-enrollment of high-credit stop-outs.

### **Collecting Data for Measuring Institutional Effectiveness**

Just as the Student Success Collaborative represents an opportunity to collect, analyze and act on a great deal of historical data from student records, the OIRP is also involved in supporting the collection of direct and indirect data on student learning. The OIRP collects indirect data on student learning and

engagement through both a Graduating Student Survey administered to all graduating students, and the National Survey of Student Engagement (NSSE) for undergraduates. The OIRP also supports programs in using the campus' Select Survey tool to administer additional surveys targeted at specific populations of students, alumni, and other stakeholders. Surveys at the course and program level are administered and analyzed using the campus' Tk20 assessment management system. As explained below, this system facilitates the collection and use of direct measures of student learning by allowing individual programs to score student work, portfolios, dispositions or observations. As a participant in the Multi-State Collaborative for Learning Outcomes Assessment (MSC), FSU has further expanded the collection of direct measures of student learning by submitting samples of student work to be scored by a multi-state team of faculty scorers. This partnership provides data on student learning that can be benchmarked against students from other states and institutions.

### **Graduating Student Survey**

At the institutional level, data for program assessment of learning outcomes is provided through the Graduating Student Survey. Upon their application for graduation each undergraduate and graduate student receives an e-mail directing them to complete an online graduating student survey. The data from these surveys is disaggregated by program and provided to various departments for their five-year program review or accreditation report. The data is not aggregated for programs annually as the sample sizes are usually too small on a program-by-program basis to be of value. However, the majority of programs receive enough student responses over a five-year span to allow for meaningful data analysis. While it is not possible to tailor the graduating student survey to the individual assessment needs of every program, in the past five years, survey content has been reviewed with all of the department chairs and Deans. The survey has been revised to provide the most useful data for as many programs as possible, and to allow cross-disciplinary and historical comparisons with past trends.

### **National Survey of Student Engagement**

In an effort to provide consistent, comparable data across multiple years, the institution also administers the National Survey of Student Engagement (NSSE) every three years. The NSSE has been administered twice in the past five years. In order to gather data that was more in line with the goals of the institution, FSU has added two supplemental modules, on information literacy and advising, to the 2015 survey. While small sample sizes impede analyses of individual programs, FSU has requested NSSE for disaggregated data at the division level that Deans can share with program chairs and faculty. Furthermore, FSU has used NSSE data across multiple years of administration to facilitate the self-study of the LA&S curriculum. This data was also summarized, distributed and discussed as part of the strategic planning Process.

### **Tk20**

While program assessments of student learning stretch from e-portfolios with self-reflective essays to student surveys, Tk20, with its capacity to generate rubrics, observation forms and surveys for gathering data, provides additional institutional support for program self-evaluations. Samples of student work are uploaded into Tk20 by the Office of Institutional Research and Planning, or added by students into an e-portfolio, and are accessed by faculty who use Tk20's online rubrics and data to generate reports. Criminal Justice, Political Science and the Liberal Arts & Sciences are some of the programs that have successfully assessed student work and learning outcomes using Tk20. Data entered by faculty or staff

on student observations or other forms and student responses to Tk20 surveys can also be archived, aggregated and reported. The Education and Nursing departments have used such data for their reaccreditation reporting.

In the last five years, Tk20's data on learning outcomes has been crucial for the review of the LA&S program at FSU. Tk20 has enabled the LA&S Council to score student work using rubrics for Written Communication, Problem Solving through Inquiry and Analysis, Problem Solving through Quantitative Reasoning, Ethical Reasoning, Citizenship through Critical Analysis of Events, and Aesthetic Appreciation. All of these rubrics, with the exception of Aesthetic Appreciation, are modifications from a national set of VALUE (Valid Assessment of Learning in Undergraduate Education) rubrics developed by the Association of American Colleges and Universities (AAC&U).

Fitchburg State used the AAC&U's "Quality Collaboratives Dyad" grant to collaborate with Mount Wachusett Community College (our local two-year institution affiliate) in reshaping the Written Communication and Quantitative Reasoning rubrics and for developing rubrics for Information Literacy and Civic Learning and Engagement. These revised rubrics are now also used in Tk20 to assess student work across the two campuses.

### **Multi-State Collaborative**

For the past two years, FSU has participated in the Multi-State Collaborative for Learning Outcomes Assessment (MSC), where faculty from multiple institutions in different states have assessed student work using unmodified AAC&U Critical Thinking, Quantitative Literacy and Written Communication rubrics. This project involves collecting artifacts of Fitchburg State student work from students who have completed at least 90 credits. These samples are then uploaded by OIRP staff into the Taskstream assessment management system used by the national team of scorers to assess levels of student learning. This exercise has yielded additional institutional data on learning outcomes as well as comparison data from students at a similar point in their academic career at other institutions.

### **Program Reporting**

In support of our continuing efforts to make data-informed decisions about our curricula and policies, each of our undergraduate programs is required to submit an annual assessment report and a five-year self-study. The undergraduate assessment reports function as an important supplement to the five-year program review or accreditation reports required of each program (graduate or undergraduate) on campus, and encourage programs to maintain the practice of collecting and analyzing data. The focus of each of these reports is on documenting existing and planned improvements to the educational effectiveness of our programs in response to data. In the past five years, these efforts have been strengthened through improvements to the self-study process by increasing the emphasis on advanced preparation for program reviews and integrating the graduate and undergraduate review process.

### **Annual Assessment Reports**

In the past five years the format of the assessment report has been revised to align with the data requested by NEASC on the Series E form. Every program reports the learning outcomes assessed within the prior academic year, the methods (other than grades) used to assess these learning outcomes, and any changes made to the program in response to the findings from this assessment process. In addition, each assessment report must include the learning outcomes for the upcoming year, the methods by

which they will be assessed, and a description of the parties responsible for collecting and interpreting the data. The institution does not require any standardization of learning outcomes or assessment methodologies across individual programs. Instead, programs reflect on their assessment processes and data with the support of their Dean and the Director of Assessment, and redefine their learning outcomes, assessment methodology, and curricula to reflect the unique and evolving features of their discipline, including accreditation requirements.

### **Program Self-Studies**

Five-year program review or accreditation reports (the timeline may vary slightly for accreditation reports depending on the accreditor) are required for both graduate and undergraduate programs and must include an assessment of student learning over the period of the review. As with the annual undergraduate assessment reports, program reviews are required to include recent data on learning outcomes and responses to the data, but with two important additions: all learning outcomes for the program (whether assessed or not) must be enumerated, and an accompanying discussion of how the goals of the program are linked with its own mission and the overall mission of the institution must be provided.

Programs are also required, as a component of the self-study, to report and reflect on their enrollment data, including retention rates, graduation rates and time to completion. The OIRP provides programs undergoing self-study with fall-to-fall freshmen cohort retention rates, a set of other institutional programs for comparison, and the ten-year institution-wide rate. The standard data set provided to programs also includes the time to completion for the three cohorts of the program who entered six, seven, and eight years ago respectively. It should also be emphasized that programs are encouraged to work with the staff to identify additional data that will facilitate their program review.

The undergraduate programs that are undergoing self-studies in 2016-17 have been encouraged to utilize the SSC workbook data now available for each program. These online workbooks chart graduation rates within programs against a wide range of student characteristics relative to performance in individual courses, and as a function of transferring into or out of a given program. Programs are encouraged to use this and the assessment data to explore how their curriculum and policies may be modified to promote student learning and success. The self-study may enumerate program changes already made based on the assessment and student success data, but it must also identify overall areas of program strength and weakness, as well as future plans for change in the next five years.

### **Self-Study Process**

This process of reviewing and reflecting on data has been strengthened in the past five years by Academic Deans who work closely with their programs on the development of these self-studies or accreditation reports, and encourage the practice of advanced preparation for program reviews. Based on the projections of our last institutional report, FSU has instituted a process whereby the Associate Vice President for Academic Affairs convenes a meeting each year that brings together programs embarking on the review process, their respective Deans, the Directors of Assessment and Institutional Research and Effectiveness, and representatives from other programs that have recently undergone effective self-studies. In these meetings, the AVPAA explains the requirements for the review process, and the Directors of Assessments and Institutional Research and Effectiveness provide preliminary data for the programs under consideration and describe the range of information available from the

institution. Finally, the Deans and program chairs that have recently completed successful self-studies, may provide useful pointers on how to structure an inclusive and reflective self-study process. The OIRP and the Assistant Vice President for Institutional Research and Planning have further strengthened this process. The AVPIRP and the AVPAA have worked together to advance this preparation process from the fall of the review year to spring of the previous year and are working to standardize and expand the data available.

The AVPAA, the Dean of Graduate and Continuing Education, and Director of Assessment have also made a concerted effort to expand the assessment of student learning and evaluation of student success in graduate programs. As a result of our 2012 self-study reflection, graduate program chairs are now required to attend the same program review preparation meetings as their undergraduate program counterparts, and when appropriate, the two programs are required to submit a combined self-study document. Like their undergraduate counterparts, the graduate programs now receive graduating student survey data aggregated across the past five years for the purposes of their self-study or accreditation report. FSU does not currently require graduate programs to submit annual assessment reports as the enrollments for graduate programs are substantially smaller than undergraduate programs, and the small sample sizes would make data from an individual year much less meaningful for analysis.

### **Strategic Planning**

The strategic planning process represents a prime example of our commitment to data-informed decision making, and our mission-driven effort to measure and improve student achievement. Fitchburg State University has not made any changes to the University Mission, Vision, and Values or the LA&S (FSU's version of General Education) Curriculum Objectives in the past five years. Consequently, the emphasis on student learning and success in the 2010 strategic plan and in the Academic Plan that followed in 2011 has continued into the new 2015 strategic plan. The mission of the University and the learning objectives of the Liberal Arts and Sciences program (published on the University web site) are central to the 2011 Academic Plan and 2015 strategic plan, with an effort to align LA&S objectives, University Mission, and NEASC standards. Furthermore, the 2015 strategic plan responded to ongoing concerns about student retention and graduation rates by creating strategies to address these areas of student success. The strategic plan and the planning process depended on campus-wide data about student learning and student success to generate plans and initiatives for improving educational effectiveness.

### **LA&S Learning Outcomes Review**

The 2011 Academic Plan called for an appraisal of reading, writing, critical analysis and logical thinking skills within the curriculum, and increased the emphasis on civic engagement and global learning. The 2015 strategic plan endorsed the existing list of outcomes, but also expanded it to include metacognition, creative thinking, oral communication, ethical reasoning, social justice, problem solving and interdisciplinary learning. All of these outcomes were also addressed in the LA&S Curriculum Self-Study. As part of the LA&S review process, individual program learning outcomes have been compared to the existing LA&S objectives and potential future outcomes for alignment. It is worth pointing out that four learning outcomes that Fitchburg State has been focused on—Civic Learning, Critical Thinking, Quantitative Reasoning and Written Communication—have also been emphasized in the state-level Commonwealth of Massachusetts Department of Higher Education (DHE) Vision Project, and efforts to

assess these outcomes have been supported by the Advancing Massachusetts Culture of Assessment (AMCOA) efforts funded by the Davis Foundation, the Multi-State Collaborative (MSC) for Learning Outcomes Assessment sponsored by the Association of American Colleges and Universities (AAC&U), and the State Higher Education Executive Organization (SHEEO) with funding from the Gates Foundation. Internal assessment data on student learning in each of the identified areas, as well as data supplied by the MSC are being actively used to respond to the priorities established by the 2015 strategic plan.

### **Review of Retention and Graduation Rates**

As stated before, student success was an integral part of the 2011 Academic Plan and the 2015 strategic plan. Our student success goals were also shaped by the DHE Vision Project that called for improvements in six-year graduation rates and first-year retention rates, and for eliminating race and gender achievement gaps in graduation and retention rates. FSU has been engaged in effective measuring of retention and graduation rates and exploring factors predicting graduation rates through the SSC. More effective measures of graduation rates have been explored through the use of Student Clearinghouse data that offers the additional metric of students who transfer and graduate from another institution. Furthermore, the SSC data allows for disaggregating graduation rates and the factors contributing to student success by academic programs and examining historic patterns over the last 10 years. This data is provided online through the SAM website. The strategic planning process has both been informed by retention and graduation rate data, and led to ongoing efforts and initiatives aimed at measuring and improving these outcomes. The fall 2016 creation of the Student Success Taskforce will centralize these efforts and allow for campus-wide planning to improve retention and persistence toward graduation.

As the above details illustrate, the strategic planning process at Fitchburg State University has fueled the practice of using data to measure student success, both in terms of what students learn, and the ways in which they progress through programs of study, and ultimately receive degrees. The campus is advancing into the next phase of implementation of the strategic plan where progress toward goals will be measured through metrics related to what and how our students learn, retention and graduation rates, and other mission appropriate outcomes that help evaluate what students gain from their college education. As Fitchburg State moves ahead with this process, the centralized support, data collection and data analysis functions provided by the Office of Institutional Research and Planning will play a critical role in helping us find ways to make data-informed decisions for achieving institutional effectiveness.

### **Findings and Analysis**

Educational effectiveness within our programs, and across the institution as a whole, has been linked with two major areas: student learning (measured by assessment of learning outcomes) and student success (measured by graduation and retention rates). Data in each of these areas is being used in program reporting and strategic planning processes to strengthen academic programs and services for students. In the area of student learning, individual program reports demonstrate a substantive response to documented weaknesses in student learning outcomes such as written communication, ethical reasoning, and quantitative reasoning. Direct measurement of learning outcomes as part of our

Liberal, Arts, and Sciences (General Education) program review, coupled with indirect measures provided by student self-reported learning, have also revealed strengths and weaknesses in student learning in the areas of problem solving, written communication, and civic learning/citizenship that need to be addressed. In response to our strategic plan we have initiated changes in some areas of emphasis for student learning in our general education curriculum, particularly related to reading, information literacy, critical thinking, ethical reasoning, and civic learning. In the area of student success, the campus has undertaken a broad range of initiatives, including revisions to developmental mathematics, freshmen orientation, pre-registration, and intrusive advising, to name a few, to improve retention and graduation rates. As discussed below, overall, Fitchburg State's emphasis on data-informed decision-making has yielded valuable insights into the ways in which we can improve our educational effectiveness as reflected by measures of student learning and student success.

### **Student Learning**

In describing Fitchburg State University's approach to education, the Mission Statement says that the institution "blends liberal arts and sciences and professional programs" and "foster[s] lifelong learning and civic and global responsibility." Additionally, the University's Academic Plan places a great deal of emphasis on "Reading, Writing, Critical Analysis, and Logical Thinking Across the Curriculum," both in the LA&S program (applicable only to undergraduate programs) as well as in the majors. In order to connect the existing work on improving learning outcomes with the four emphasized above in the Academic Plan, the LA&S Council has identified four areas of existing learning outcomes—Citizenship through Critical Analysis of Events, Problem Solving through both Inquiry and Data Analysis and Quantitative Reasoning, and Written Communication. Another key goal of the strategic plan is "[a]lign[ing] Liberal Arts and Sciences core curriculum with skills and aptitudes valued in the workforce," including "meta-cognition, critical and creative thinking, inductive and deductive reasoning, oral and written communication, ethical reasoning, social justice, problem solving, and cross-disciplinary experience" (Objective 1A). Further, the strategic plan reiterates commitment to "civic and global responsibility," as well as the expansion of "high-impact practices" such as a freshman-year experience, senior capstone experience, and community-based and service learning (Objective 2B), some of which are specific to an undergraduate curriculum. The following assessments and activities have been guided by these public statements concerning student learning at Fitchburg State.

### **Program-Level Assessment of Learning Outcomes**

An analysis of the alignment between undergraduate learning outcomes reveals that over half of them are related to written and oral communication, critical thinking, civic learning, ethical reasoning, quantitative reasoning, and information literacy.

A number of programs have made considerable effort to assess written communication, ethical reasoning, and quantitative reasoning. For instance, in response to poor writing skills among its majors, the Criminal Justice program has modified one of its courses to focus more on the writing process rather than the quantity of writing. The Occupational/Vocational Education program has increased its writing requirements to address the problem of inadequate writing skills. In a similar vein, Computer Science, Nursing and Exercise & Sports Science have come up with different solutions for their concerns about student ethical reasoning. The Computer Science program developed a course to address the gap in ethical reasoning, whereas the Nursing program, has added an ethics book that their students must read, and incorporated a required course in philosophy of human nature or contemporary ethical

problems into their curriculum. Exercise and Sports Science is exploring areas in their curriculum where ethical reasoning can be emphasized more explicitly, and developing a new rubric to assess it. Business Administration, Earth Systems Science, and Political Science have all perceived weaknesses or gaps in student quantitative skills. The Business Accounting concentration has modified its courses to increase emphasis in course content and evaluation in the areas of calculating, recording, and providing financial information. Earth Systems Science has integrated successful quantitative skills lessons and strategies from one course into their other courses, and Political Science has added the courses in statistics and research methods as prerequisites for their Senior Seminar. Lastly, in the area of Information Literacy, the History program has capped enrollment in two research-related History courses to allow for enhanced focus on research skills, and Exercise and Sports Science has designed a research methods course to address student weakness in information literacy.

Given that individual graduate and undergraduate programs vary widely in their learning outcomes, and the methods for assessing them, it is difficult to utilize the Series E data to make comprehensive statements about what and how students learn, or the levels at which they achieve mission-appropriate outcomes outlined in the academic and strategic plan. However, the Series E data does illustrate a broad commitment to the assessment of student learning outcomes, and to making program improvements based on those assessments. Reviewing the Series E data, we find that individual programs have identified weaknesses in some of these broad areas described above and are making curricular changes to address them, while some other outcomes, such as oral communication, critical thinking through inquiry and analysis, and civic learning, appear to not have received the same levels of attention.

### **Learning Outcomes in the Liberal Arts and Sciences Program**

The current common set of learning experiences for all undergraduate students is the General Education curriculum (referred to as the LA&S curriculum at Fitchburg State). The learning outcomes of the General Education program, published on the University web site and reviewed with faculty and staff during Development Days and through calls for assessment artifacts, are: Citizenship through Critical Analysis of Events, Problem Solving through Inquiry and Data Analysis, Problem Solving through Quantitative Reasoning, Written and Oral Communication, Aesthetic Appreciation, and Ethical Reasoning. Applying faculty input from Development Day sessions, the LA&S Council has developed a strong foundation for learning outcomes assessment, constructive discussions of assessment data, and faculty development for improving student learning.

The LA&S Council and the entire campus community have been very responsive to recommendations of the Academic and Strategic plans in identifying institution-wide goals that could be further integrated into the General Education curriculum. For instance, student artifacts that were assessed with our Problem Solving rubric consistently could not be assessed for the following criteria: creating graphs, tables or statistics, using appropriate methodology, integrating information from outside sources, explaining patterns or trends, identifying pros and cons, analyzing from multiple perspectives, and applying content to new situations. To resolve what was found to be apparent differences in the applicability of problem solving in math and science disciplines, the LA&S Council developed two separate rubrics—Quantitative Reasoning and Inquiry and Data Analysis. By doing so, the learning outcomes became clearer to instructors, and they were better able to assign work that could be assessed. In another example of responding to recommendations, the LA&S Council revamped the Written Communication rubric, separating out organization and development into two separate criteria

and adding an additional criterion related to academic discourse. Recognizing the need for a method of assessing an additional learning outcome, the Assessment Scholars project developed and tested an Information Literacy rubric that has been disseminated to the University community through Development Days and other projects.

In spite of these strengths, it is also clear that there is a need to expand our learning outcomes into areas such as Critical Thinking, Information Literacy, and Reading, to better align with the Academic Plan. Work has begun here. For example, in 2016/2017 the Library will revisit the mission, vision, and goals as part of its program review process. In past reviews the Library concentrated its efforts on reporting the services offered by library staff, but will now focus on the importance of Information Literacy in the role of creating lifelong learners, as defined by the University Mission. In addition, and in response to the Academic Plan and the strategic plan, the Center for Teaching and Learning sponsored a pedagogical discussion group to consider Critical Thinking across the curriculum, discussing various assessment tools. As the LA&S Council reviews and revises the curriculum, they will need to focus on making all of the learning outcomes explicit in the courses that we teach, linking them across multiple disciplines, and evaluating them through substantive student assignments that can be readily assessed for the purposes of ongoing program improvement.

There is a need to identify distinct institutional learning outcomes that can be integrated into programs and offices. Historically, our liberal arts and sciences (or general education curriculum) has been treated as the institutional outcomes for the purposes of assessment. As part of the LA&S curriculum revision process currently underway, a final proposal will include proposed institutional learning outcomes.

### **Liberal Arts and Sciences Program Review**

The recent LA&S Program Review came up with a number of recommendations and considerations that address some of the issues highlighted above. First, regrouping of LA&S clusters (Citizenship and the World; Science, Math, and Technology; and the Arts) was suggested to create better alignment with our learning outcomes. Second, though skills like Written and Oral Communication and Information Literacy cut across many clusters, a more standardized representation of these in the curriculum was deemed beneficial. Third, the rubric for assessing Aesthetic Appreciation (in Literature and Arts or Music courses) should be examined to determine whether it captures all the criteria we are looking for, and whether the language of the rubric allows us to reveal consistent patterns of student strengths and weaknesses. Fourth, though there are a number of LA&S courses with a strong emphasis on Problem Solving through Inquiry and Analysis, other forms of Problem Solving such as Quantitative Reasoning are more variable in their expression across the Science, Math, and Technology cluster. Lastly, and significantly, it appears that almost none of our courses within the LA&S curriculum explicitly support Civic Engagement or Ethical Reasoning, thus making it difficult to assess student learning in these areas. Many of the Citizenship and the World (CTW) courses highlight citizenship as a learning outcome in terms of students understanding global issues and events. For instance, Economic, History, and Political Science courses focus on critically analyzing contemporary and historical issues and events, often drawing on information literacy skills. If we want our students to demonstrate awareness of issues related to diversity and show their involvement with social and civic issues, we need appropriate course assignments to address these outcomes. Similarly, our students need more inputs within courses to

acquire the skills of forming, stating and supporting positions on issues related to citizenship. A more comprehensive approach that involves meaningful ethical reasoning assignments across many courses is needed to evaluate student Ethical Reasoning and for us to collect larger samples of student work for assessment purposes.

The LA&S Council is currently working on a redesign to address the above issues and reinforce strengths related to student learning identified in the curriculum. To help with this undertaking, a subgroup of the 2015/16 LA&S council attended the AACU's summer institute on General Education Assessment. They met throughout summer 2016, developed a proposal for institutional learning goals and a revision to our current general education program. Draft proposals have been shared broadly with the campus community throughout fall 2016 with feedback and dialogue occurring amongst campus constituents. Through this process, the LA&S Council has adopted a broader working set of learning outcomes than those represented in the existing curriculum including: Aesthetic Analysis and Creative Expression, Civic Learning, Collaboration, Ethical Reasoning, Information Literacy, Inquiry and Analysis, Integrative Learning, Intercultural Learning, Personal Wellness, Quantitative Reasoning, Reading, Speaking and Listening and Written Communication. These outcomes will be applied and potentially refined through the process of developing a new general education curriculum proposal in the spring of 2017. Additionally, this broader set of learning outcomes, provides a potential foundation for ongoing discussions of institution-wide student learning outcomes.

### **Conclusions from Assessment about Student Learning**

Regarding assessment data from our LA&S rubrics evaluating our current learning outcomes, the following specific conclusions about student learning can be determined:

- **Problem Solving**: Assessment data for Problem Solving over the past five years shows a pattern similar to the one observed in prior assessments involving creating, explaining and defending arguments with figures, tables and/or statistics. In almost all cases, students in 1000-level courses are better at creating figures, tables and/or statistics than they are at explaining underlying patterns, and in all cases students are better at creating rather than using numerical data to defend an argument. As we help students develop these skills, greater emphasis must be placed on the analysis of patterns in data, the use of outside sources and broader implications of data beyond the narrow scope of the experiment. This emphasis is represented in the LA&S Council's emphasis on fostering Inquiry and Analysis and Quantitative Reasoning as outcomes in the revision to the LA&S Curriculum.
- **Written Communication**: The data on Written Communication suggests that an increased emphasis on the documentation of sources and greater exposure to modes of academic discourse in introductory LA&S coursework would benefit our students. While there is improvement in the documentation of sources at the advanced level, the use of evidence, citation of sources and facility with academic discourse continue to be relative areas of weakness that need to be addressed in intermediate and advanced junior/senior writing-intensive courses. It is worth noting that LA&S has required courses within majors to meet certain goals such as the advanced writing requirement, but, at present, there is no method of assessing them. These concerns have inspired the LA&S Council to focus on both written communication and information literacy as critical learning outcomes for a revised curriculum.

- **Citizenship:** While there were substantial changes in the Citizenship rubric from 2009-2013, the existing data suggests a pattern of weakness in using evidence across a range of applications even when scored with different rubrics. In addition, every single attempt to use the rubric for evaluating engagement with social or civic issues failed to yield worthwhile assessments. However, once the rubric was revised to include assessment of the student's perspectives and statements about diversity of cultures and communities, additional patterns emerged. Student artifacts consistently scored very negatively in the area of students' positions on issues, and assessment across two different types of artifacts did not yield credible information regarding their stance on diversity of cultures and communities. Based on this data, the LA&S Council has embraced a broader set of citizenship-related learning outcomes moving forward including civic learning and intercultural learning.

It may be emphasized that several of the deficiencies demonstrated in the LA&S learning outcome data can be attributed to a focus on assessing students at a beginning or emerging level of mastery of learning, rather than a longitudinal model. This is evidenced by the fact that when higher-level courses were assessed, students showed greater overall proficiency in Written Communication skills. While we do not currently have comprehensive data for learning outcomes in higher-level courses, as each department uses a different methodology of assessment, seniors typically self-report a higher capacity to integrate ideas or information from various sources, include diverse perspectives, analyze the basic elements of an idea, make judgments about information, arguments or methods, apply theories of concepts to a new situation, and to reflect and revise. These findings suggest the importance of assessing student work at both introductory levels in general education courses and upper levels in disciplinary coursework to get a complete picture of student learning.

### **Student Self-Reported Learning**

According to consistent patterns in indirect measures of student learning as reported by NSSE 2004-2015, one important hallmark of a Fitchburg State education is that students are more likely to engage in an internship, practicum, clinical assignment, or other field-based experience than students at other institutions. Though freshmen and seniors often report that they don't plan to enroll in a capstone course, the number of students completing capstone courses by their senior year is comparable to our peer institutions. Also, students at other institutions are much more likely to engage in foreign language coursework, although recent surveys suggest that Fitchburg State has contributed in that direction through the study abroad experience.

While students at Fitchburg State do encounter papers or projects that require integrating ideas or information from various sources, instances of such course work appeared less frequent in their senior year when compared to other institutions. Relative to students at other institutions, both freshmen and seniors at Fitchburg State reported relatively fewer opportunities for preparing multiple drafts of a paper or assignment, and the difference was more consistent across years in freshmen. Freshmen also gave fewer class presentations than their peers in other institutions and were less frequently involved in learning communities that could provide opportunities for interdisciplinary and integrative learning. However, in 2012 freshmen were on par with peer institutions for integrating ideas or information from various sources and putting together concepts from different courses. Freshmen reported increasing levels of synthesizing and organizing ideas and information or experiences in each successive survey from 2004-2012 and never reported scores lower than their peers' from other institutions for this

category. Levels of institutional contribution reported by seniors for writing, speaking, critical thinking, and analyzing quantitative problems were generally on par with their peers in prior years. While results were mixed across years, the Strategic Plan and LA&S curriculum redesign efforts have emphasized a commitment to learning outcomes related to Written and Oral Communication and Integrative Learning based in part on concerns raised from NSSE data.

Regarding diversity, the NSSE data indicates that while students at most institutions report low institutional contributions to these areas, Fitchburg State freshmen, in all years except 2015, consistently report lower contribution of their institution to their understanding of people from diverse backgrounds. Compared to other institutions, in all years except 2015, Fitchburg State freshmen reported significantly reduced opportunities for critiquing their own perspectives and understanding alternate viewpoints on a topic or issue. They also reported significantly lower frequencies of learning something that changed the way they understand an issue or concept in 2006 and 2012. Also, very few students self-reported that they were involved in community based projects (less frequently than their peers) and freshmen reported significantly less contribution of the institution to developing a personal code of values and ethics than nationwide peer institutions. Based on information provided by freshmen and seniors, there is clearly a need for institutional attention to ensure that our students better understand other racial and ethnic experiences, embrace civic learning and develop a personal code of values and ethics. Intercultural Learning, Civic Learning and Ethical Reasoning were all highlighted for increased emphasis in the Strategic Plan and have been adopted as potential learning outcomes for the LA&S Curriculum revision by the LA&S Council.

While a number of areas of potential increased emphasis emerged from NSSE data, freshmen perceptions of the contributions of a Fitchburg State University education to their knowledge, skills and personal development were comparable to perceptions of students at other institutions for most learning outcomes and generally showed a pattern of improved perceptions from 2004 to 2009. Seniors too generally reported higher levels of contribution from the institution toward these learning outcomes. This suggests that relative to other institutions, students may be achieving a number of our mission-related outcomes at an acceptable level in a variety of ways.

### **Conclusions about Student Learning**

Though the Multi-State Collaborative provides a potential opportunity to assess relative levels of achievement toward our mission-appropriate outcomes in undergraduate student learning related to Critical Thinking, Quantitative Reasoning, and Written Communication, the data is preliminary and incomplete. Our evaluations of learning outcomes in these areas through direct assessment of student learning in the LA&S Curriculum and indirect assessment of student learning, and related student learning experiences through NSSE have informed important strategic priorities and resulting curricular revision plans to strengthen student learning in Aesthetic Analysis and Creative Expression, Civic Learning, Collaboration, Ethical Reasoning, Information Literacy, Inquiry and Analysis, Integrative Learning, Intercultural Learning, Personal Wellness, Quantitative Reasoning, Reading, Speaking and Listening and Written Communication. Overall, the campus is making great progress in using the assessment of student learning to make data-informed decisions, and the existing work points to opportunities to fill in existing gaps, and to potentially integrate efforts within the general education

curriculum with related efforts in individual degree programs and co-curricular activities. As Fitchburg State moves ahead with its efforts toward improving learning outcomes, the Office of Institutional Research and Planning will play a critical role in helping us find additional ways to make data-informed decisions for achieving institutional effectiveness.

### Student Success

Fitchburg State has made student success the organizing principle of its 2015-2020 strategic plan, creating a campus-wide culture to nurture and support its goals. Equally, in the period since our last self-study the institution has begun to act on data to develop initiatives to increase student success, maintained work on successful existing programs, and set clear goals for student success within the academic plan. The details below focus on student success patterns based on retention and graduation rates and shed light on the many initiatives the institution has undertaken in the last five years to support and improve these trends.

	2011	2012	2013	2014	2015
Retention rate	73%	75%	78%	77%	75%
Projection from 2012 self-study	n.a.	78%	80%	n.a.	n.a.
Male retention rate	73%	73%	74%	73%	75%
Female retention rate	73%	76%	82%	81%	75%

IPEDS undergraduate retention rates have remained relatively constant; these rates show that we are not making consistent progress toward the goals set in the 2012 NEASC self study or the strategic plan's goal of 80% (Objective 2A5). It should be noted that the gender imbalance in retention rates common across higher education is true for our institution as well. Our higher retention rate years correspond with an increase in retention rates for female students, while male retention is relatively flat.

	2011	2012	2013	2014	2015
IPEDS minority retention rate	72%	67%	77%	79%	75%
Projection from 2012 self-study	n.a.	75%	75%	n.a.	n.a.
Percent of retention cohort identified as minority	14%	14%	23%	23%	28%

	2011	2012	2013	2014	2015
IPEDS minority graduation rate	33%	36%	42%	49%	51%
Projection from 2012 self-study	n.a.	45%	48%	n.a.	n.a.
Percent of fall cohort 6-years prior identified as minority	9%	10%	11%	10%	8%

	2011	2012	2013	2014	2015
IPEDS graduation rate	47%	51%	50%	57%	51%
Hispanic graduation rate	n.a.	30%	44%	44%	39%
Gap	n.a.	18	6	13	14
Percent of fall cohort 6 years prior identified as Hispanic/Latina	2%	3%	4%	4%	4%

Retention rates for minority students have increased from 72% to 75%; this suggests that the institution has met the goals set in the 2012 NEASC report, but not exceeded those goals in the following years. However, it should be emphasized that the retention rate for minority students now matches the rate for the whole student body and the increase has occurred alongside a doubling in enrollment of minority students.

	2011	2012	2013	2014	2015
Bachelor's degree graduation rate	47%	51%	50%	57%	51%
Projection from 2012 self-study	n.a	50%	52%	n.a.	n.a

Our six-year IPEDS undergraduate graduation rate increased from 47% in 2011 to 51% in 2015. While the variance indicates that the leading issues driving graduation rates are not a result of systematic changes, the overall upward trend is positive. We will need to develop clear strategies to meet the strategic plan's goal of a 5% increase. Similar to the situation with retention, the graduation rate is relatively flat amongst males, with an increase in female graduation rates accounting for higher numbers. The newly formed Student Success Taskforce will be the vehicle for developing these strategies.

	2011	2012	2013	2014	2015
IPEDS minority graduation rate	33%	36%	42%	49%	51%
Projection from 2012 self-study	n.a	45%	48%	n.a.	n.a
Percent of enrolled students identified as minority	13%	16%	19%	23%	26%

The IPEDS minority graduation rate has seen the steepest rise from 33% in 2011 to 51% in 2015. While we did not meet the 2012 projections in either 2012 or 2013, we have since exceeded those goals (again doing so with an increase in the number of minority students at the institution).

	2011	2012	2013	2014	2015
IPEDS graduation rate	47%	51%	50%	57%	51%
Hispanic graduation rate	n.a.	30%	44%	44%	39%
Gap	n.a.	18	6	13	14
Percent of enrolled students identified as Hispanic	6%	7%	9%	10%	11%

The strategic plan commits the institution to halve the gap in graduation rates for Hispanic students and some progress toward this goal has been achieved, given that the Hispanic student graduation rate has increased from 30% in 2012 to 39% in 2015.

Graduate retention/completion rates are high and have been stable for part-time students, and fallen for students identified as full-time (from 90% to 85%). The graduation rates are also high and stable for full-time students and have dropped from 87% to 82% for part-time students. (Changes in reporting on the S-series prevents comparison from the 2012 full report to the current report – hence no tables

here.) The institution does not disaggregate information about graduate students by attributes such as gender or minority status so we cannot reflect on the graduate population through those lenses.

There are two programs on campus that require the passage of licensing exams: Nursing and Education. Nursing students who complete the program at Fitchburg State have a first-time passing rate of NCLEX (which they take after completing the program) of 97%:

Calendar Year	NCLEX 1 <sup>st</sup> Time Pass Rate
2011	97%
2012	98%
2013	94%
2014	93%
2015	97%

Education programs have a passing rate of 100% on the MTEL. The MTEL is required of students before they enroll in their practica experiences. The Education Unit has policies on when students take the licensure exams and offers regular preparation workshops for these exams. The OIRP will be gathering data on the effectiveness of these workshops as well as the outcome of students who do not complete the education program.

### **Student Success Initiatives**

The culture of data-informed decision making and planning has driven many student success initiatives on campus in the last five years. Below we introduce and reflect upon both the student success initiatives the community has begun in the last five years (taken chronologically) as well as the data-informed process that has framed all of the initiatives.

### **Mathematics Courses as Barriers to Student Completion**

In line with national trends, Fitchburg State University has identified remedial mathematics courses (and mathematics courses in general) as a barrier to student success. To address this, several changes have been made in policy and curriculum.

A revision of the most commonly taken remedial mathematics course, Basic Math II, was begun with support of State Performance Incentive Funding. The course was redesigned using an emporium model which eliminates lectures and replaces them with a learning resource model featuring interactive software and on-demand personalized assistance. Class attendance is mandatory and one faculty member and at least one tutor are in the classroom at all times. In this modular approach students work independently and must achieve minimum passing grades on each module in order to progress. We have a developmental math coordinator who oversees courses, tutors, advises students, and monitors in progress grades (IP) of those students who don't finish the course within one semester. Once implemented, the course was further revised by dividing it into two tracks, STEM and Non-STEM. The STEM represents the traditional calculus path and the Non-STEM prepares students for statistics, geometry, or finite math. Developmental math content for each sequence was then aligned with the learning outcomes necessary for success in the subsequent college level math course.

The Mathematics Progress Requirement (MPR) was implemented in the fall of 2013. The goal of this policy was to increase the number of students completing their mathematics gateway course within

their first two years of study. Any student needing remedial math courses begin taking these courses in their first year, continue to take them until they have satisfied the Mathematics Readiness Requirement (MRR), and take their required college-level mathematics course within a year of completing the MRR. A student who has satisfied the MRR upon entry to the University and did not transfer in a college level math class, must take a math class within their first year at Fitchburg State. As a result of this policy, the percentage of students completing college-level math in their first year increased from 23% to 48% for students requiring remedial mathematics, and from 53% to 81% for students placing directly into college-level mathematics.

The Math Progress has been facilitated by two additional success strategies. Each department identified the gateway mathematics course(s) necessary for successful completion of each major. All matriculating freshman students are now preregistered for the appropriate mathematics course during their first semester. Another change begun in fall 2015, with the support of a Massachusetts STEM Retention and Completion grant, has been a pilot that places students directly into their college level mathematics class. Rather than using the algebra Accuplacer score, the University began using high school GPA to place students who were required to take Applied Statistics for their major course of study directly into Applied Statistics even if they did not achieve a passing score on the Accuplacer. In addition, supplemental instruction was added to all Applied Statistics sections. The retention rates for students in the pilot was 86.7% as compared to the retention rate of students taking developmental math which was 70.3%.

### **Pre-Registration**

The Table below shows the graduation rate by 1st Term attempted credits.

<b>1<sup>st</sup> Term Attempted Credits</b>	<b>Graduation Rate</b>
<b>0-5</b>	0%
<b>6-8</b>	35%
<b>9-11</b>	31%
<b>12-14</b>	41%
<b>15-18</b>	58%
<b>19+</b>	100%

Acknowledging the strong links between students' first-term enrollment load and their subsequent graduation rates, the University implemented a pre-registration program. Over the last four years this program has not only pre-registered students into required mathematics and English courses, but also facilitated a full 15-credit pre-enrollment for students who have a declared major. While the initial program was initiated to reduce complications in the summer orientation registration process, the transition to full pre-registration relied upon data from the Student Success Collaborative showing that historically students who attempted 15-18 credits in their first term had a higher graduation rate than students who attempted fewer credits as displayed in the above table. Fall 2016 was the first academic year in which all first-year students were pre-enrolled for the fall term. Once data is available, it will be examined to show its actual effect on graduation rates.

## **DegreeWorks**

Recognizing that our graduation rates are below the national average, and based on the feedback from users regarding difficulty of use of our prior degree planning tool, in the winter of 2013 the institution applied for and received a \$200,000 grant from the Davis Educational Foundation for the purchase and implementation of DegreeWorks software. Matching funds from the institution also supported the implementation. As stated in the grant application, the overarching goal of the grant was to “foster student learning and success with an emphasis on the improvement of transfer rates, completion rates, time to degree, and individualized curricular design.” This was to be accomplished through “the use of software that provides a comprehensive set of web-based academic advising, degree audit, and transfer articulation tools to help students and their advisors negotiate curriculum requirements and establish a plan for graduation within four years.” The purchase and setting up of software took about a year and a half, and the software went “live” in the fall of 2015. The implementation of the software is now mostly complete, and the implementation of the planning module is under review. Both undergraduate and graduate programs are fully scripted into the system. Usage tracking software shows that as of December 2015, 98% of the faculty are using the program. Overall student usage is 64%, but given that the usage software is unable to disaggregate along this variable, it is likely that there is a high usage amongst undergraduate students and a much lower rate for graduate students.

## **Guided Pathways and Intrusive Advising**

In response to data that showed low levels of graduation rates for STEM majors in 2013, the University partnered with seven Massachusetts community colleges to seek the support of Complete College America’s (CCA) Guided Pathways to Success (GPS) in STEM Careers initiative. Fitchburg State joined institutions from Massachusetts, the District of Columbia, Idaho, Illinois, and Ohio in exploring new ways to provide clear academic degree maps, default class schedules, guaranteed milestone courses, and proactive advising support to students in the high-demand fields of science, technology, engineering, and mathematics. The benefits of this project are already evident as 83% of these students have registered for spring semester courses and 35% have transitioned into a major (as compared to 71% and 33% for pre-majors who did not participate in the STEM AIMs project). The results for AY2015/16 show a 79% retention rate, with 43% transitioning into a major. Again, the early nature of the project means that we do not yet have comparative graduation rate data. Given the success of this and the intrusive model for encouraging students to enroll in a major (see below), the institution is planning on rolling out this model to a wider range of majors in the coming years.

## **Student Success Collaborative**

Given the institution’s commitment to a culture of data-informed decision-making, creating a single resource for collecting, analyzing, and sharing the large amount of student success-data was an important next step. This need was met with the implementation of the Student Success Collaborative data analytics and advising platform designed by EAB. The Student Success Collaborative (SSC) combines technology, research, process improvement, and predictive analytics to help institutions with at-risk and off-path students. In September 2014, the University joined more than 160 institutions of higher education to participate in the SSC. Implementation of this system has moved the institution as a whole toward data-informed decision-making, and led reforms in everything from departmental and general curricula to budgeting.

Already, the SSC has been used to identify and assist undeclared students who had a clear pathway to graduation but had not yet identified a major. In AY 2015/16, 56 students without majors were actively persuaded to receive advising at our Academic Advising Center. Eighty-eight percent of the 95% that were advised declared a major, exceeding the benchmarks set by the initiative. The data was also used to identify a group of students who had left the institution but were close to completing a degree. This re-enrollment initiative was not successful in meeting its targets, highlighting the need to work on increasing retention given the challenges in pursuing students after they have left.

Through tailored reports, academic departments are now able to assess key trends in student performance and identify opportunities for targeted initiatives, curricular change, and enhanced resources. SSC data has been influential in shaping three proposals in AY2015/16: a policy change requiring students to enroll in a major after completing 45 credits as against 60 (based on SSC data regarding graduation rates of those who declare majors later), and two proposals on adding minimum grade requirements for pre-requisites in the Exercise and Sports Science program and for the course MATH 2300 Calculus 1 (based on data citing lower performance in future courses).

Building on improvements in advising enabled by DegreeWorks, the University implemented the SSC advising platform in January 2016. The SSC platform applies historical datasets to current students in order to provide advisors with detailed insights. This was augmented in September by SSC Campus, which integrates the functionality of Grades First to deliver user-friendly communication and scheduling tools, as well as utilization and outcomes analytics for student support services.

### **Reimagining the First Year of College**

Given the special role of the first year of college in a student's overall success, FSU was eager to participate in a multi-university collaboration called "Re-Imagining the First Year of College" (RFY). We applied for and joined (in December 2015) the coalition of 44 universities, which is sponsored jointly by a grant from the American Association of State Colleges and Universities (AASCU), the Bill and Melinda Gates Foundation, and USA Funds. The RFY initiative has both internal and external goals: first, each of the 44 participating campuses developed a series of success strategies to improve retention, persistence, and graduation rates to be implemented over three years. Shaping these success strategies involves rethinking the entire ecosystem of the first year of college. This means reexamining our outreach to and communication with prospective students, the curriculum of the first 30 hours of student coursework, advising, student support services, and much more. At Fitchburg State, these strategies translate into the development of a first-year experience, the scaling-out of supplemental instruction, the expansion of academic coaching, as well as instituting professional development for faculty and staff on intrusive and career advising and growth mindset. Second, once these initiatives are up, running, and producing results, AASCU and the Gates Foundation will create a public repository of what they call "promising practices" that can be scaled out to the remaining 400 AASCU institutions, if not across American higher education. Given the scope of the RFY, it is no surprise that AASCU considers the initiative its most ambitious undertaking to date. The first round of the project will be completed in December 2018.

### **Orientation Revision**

With a continued focus on student success, a team examined the current freshmen orientation program. After researching the role such orientations play in retention and in shaping students' sense of

belonging, a new summer orientation program has been created with the aim of helping students better prepare for their time at Fitchburg State. The new approach includes moving from a half-day to an overnight session, working with smaller groups of students, developing mission and goals with them, introducing an academic experience, and extending family programming. The goals for the new program are: to provide the prospective student a compelling reason to join the University, facilitate the transition of students to rigorous academic work and active social engagement with an eye toward fostering student success, and to support the parents, partners, guardians, and children of new students. Student focus groups have given feedback on the program in terms of its impact on their sense of belonging, its capacity to address questions regarding student and financial support, lifestyle and safety, connections with other students, and opportunities for community engagement. Initial review of the data shows an overall positive view of the new program.

## Appraisal and Projections

Fitchburg State University is actively using data on student learning and student success to motivate and measure the outcomes of a wide variety of student success initiatives as well as a major revision to our Liberal Arts and Sciences Curriculum. These efforts reflect our progress in using data to insure educational effectiveness. Nonetheless, we remain committed to further improving our educational effectiveness in the areas of Student Learning and Student Success, to increasing our adoption of institution-wide student outcomes to support our mission, and to measure those outcomes in terms of learning, retention and graduation success at Fitchburg State, as well as success in advanced studies and careers after graduation.

### Student Learning Appraisal

Fitchburg State University has consistently emphasized the importance of establishing and assessing program level and campus-wide expectations for student learning outcomes. Campus-wide outcomes such as written communication, quantitative reasoning, and information literacy both within the context of informed citizenship and in other written work, have been measured at the undergraduate level within individual programs and across our general education (LA&S) curriculum, and the data used to inform curricular revision efforts. We have also identified gaps in the direct assessment of student learning at the undergraduate program and institutional levels, such as ethical reasoning and intercultural learning in the general education curriculum, or oral communication, citizenship, (particularly civic learning and engagement), and inquiry and analysis at the program and general education level, and have proposed changes in the general education curriculum to address them. Data from the National Survey of Student Engagement (NSSE) has been used as an effective indirect measure that provides additional lines of evidence about what and how students are learning to support ongoing initiatives to improve educational effectiveness through the campus strategic plan.

The campus does not have stated institutional learning outcomes. Such outcomes would be useful especially if they connected the University's mission to the general education curriculum and co-curricular activities, and if the connection between these goals and the goals of individual programs of study were made clear. This is particularly true at the graduate level, where there is no shared curriculum such as the LA&S to insure common levels of achievement related to the institutional

mission. Both undergraduate and graduate programs of study would benefit from the identification and direct assessment of shared institutional learning outcomes appropriate to the level of the degree awarded, and deepening the connection to the University Mission.

### **Appraisal of Student Success**

#### **Data-Informed Initiatives**

Overall the culture of data-informed decision-making has expanded. Initiatives often take their cue from analysis of data and there is strong institutional support for collecting and planning with data as evidenced through the purchase of the Student Success Collaborative and the creation of the new Office of Institutional Research and Planning. Some of the initiatives use data in planning and for benchmarking success (mathematics course re-designs, Guided Pathways, pre-registration, some curricula and policy revisions, Reimagining the First Year), while others have not yet established data-informed metrics of success (pre-enrollment, DegreeWorks, the SSC project overall, redesign of orientation).

#### **Institutional Support for Retention and Graduation**

In the last five years Fitchburg State has devoted considerable attention and effort toward student success. Through strategic planning and coordination with the Vision Project of the Massachusetts Board of Higher Education, the University has clearly defined quantitative measures of student success in the form of retention and completion benchmarks for first-time full-time undergraduate student population overall, as well as clear goals on reducing the gaps in student success for the Hispanic student population. FSU does not have comparable benchmarks for the overall undergraduate population (that is, including those other than first-time full-time students) or benchmarks for graduate retention and completion.

#### **Funding Student Success**

Fitchburg State has supported student success initiatives with both external and internal funding. External sources of support include State Performance Incentive Funding (used for several mathematics course design and redesign initiatives), Davis Foundation Grant funds for DegreeWorks, Complete College America support for the Guided Pathways to Success, and the American Association of State Colleges and University's support for the Reimagining the First Year of College. In parallel, the institution has used internal resources to further the goals of student success in areas of policy changes, pre-enrollment efforts, intrusive advising, academic coaching and re-designing summer orientation.

#### **Appraisal of Educational Effectiveness (synthesis across the four areas of focus)**

The institution's efforts in demonstrating educational effectiveness vary amongst the areas identified by NEASC: what students gain as a result of their education; assessment of student learning; "what and how students are learning;" measures of student success, including retention and graduation, and satisfactory levels of student achievement on mission-appropriate student outcomes. Assessment of student learning is strongly grounded in allowing programs (majors and the general education curriculum) the freedom to define outcomes and gather data on the achievement of these outcomes. There is emerging evidence of a culture wherein this type of data is used in shaping curricular changes. The lack of clearly defined and shared (institutional) student learning objectives has hindered our

attempts to understand and articulate what students gain from their time at the institution beyond specific program objectives. In the area of student success the institution has clearly adopted the data-informed practice of using data to launch initiatives; but we are lacking in the area of defining both quantitative and qualitative measures of success for initiatives before they are begun. Planning a systematic and transparent reflection on the success of initiatives is not yet the norm.

Looking through a wider lens, the institution is not integrating the data collected across areas of the campus and using a holistic approach in decision-making. For example, the institution regularly shares Phase 1 data detailing the cost of and income generated by academic departments and has suggested that this data should be used for determining the strategic direction of the institution (see Standard 7); however, this data has not included measures of student success or assessment of student learning. The most recent Phase 1 data report has incorporated student success data as an initial step in this direction and the campus is convening for the first time a Student Success Assessment and Research Committee (SSARC) to examine and integrate data collected across the areas of the campus. The goal of the committee, consisting of faculty and OIRP staff, is to further strengthen a culture of assessment and data-informed decision making. SSARC will provide peer review of departmental annual reports and conduct research focused on student success data.

The institution does not currently systematically collect information on what happens to our students after they complete their degree. Efforts are underway to use Student Clearinghouse data to track alumni enrollment and completion of graduate programs. The Development Office has recently purchased new software for collecting employment information about graduates, creating the potential to use this data to build on our existing analyses of institutional effectiveness.

## **Projections**

The institution has begun the process of defining mission appropriate outcomes at the institutional level and the level of achievement in these outcomes that students, parents, employers, and the community can expect from Fitchburg State students. Our intent is that these definitions should reflect the mission and integrate with program and co-curricular outcomes. When the campus community comes to consensus on these definitions, the outcomes will play an integral role in institutional planning, programming, data collection, data analysis, and continual reflection on educational effectiveness.

The institution will continue cultivating a culture of data-informed decision-making. In particular, the initiative-planning process will include quantitative and qualitative metrics for measuring the success of the initiative, gather data on those metrics, and regularly reflect on whether the initiative is successful. The success of an initiative will be connected to the prior projection's outcomes and be applied across the curricular, co-curricular, and resource allocation areas across the campus.

The institution will begin to research effective and meaningful ways to measure what Fitchburg State students have gained as a result of their time at the institution beyond the program outcome level. These measures will be developed considering nationally understood conversations on the role of higher education in our society and include qualitative and quantitative measures disaggregated by degree level.

## Institutional Plans

Over the last five years, Fitchburg State University has made significant progress in our mission of providing excellence in teaching and learning that blends liberal arts and sciences and professional programs within a small college environment. Our advancements have come largely through collaboration as we have worked to develop and implement our more recent strategic plan.

Fitchburg State has undergone significant leadership changes during this period with both the President and Provost joining the University in the last 18 months and, a new administrative structure with divisional deans has been implemented. Yet, with all of these changes, the University came together for our most inclusive strategic planning process ever to ensure stability, growth and direction for this institution. Since its approval by the Board of Trustees in April 2015, our 2015-2020 plan has driven the creation of new initiatives and helped to determine resource allocations. The 2015 plan revolved around the theme of student success and will continue to drive our future plans and actions.

While most of our work has been focused on our own strategic vision, Fitchburg State University is also guided by the Massachusetts Department of Higher Education's vision for the system, articulated in its Annual Vision Project reports. These system-wide goals focus on the "big three" challenges of college participation, closing achievement gaps, and college completion.

The goals and initiatives contained in the Vision Project are closely aligned with our campus goals and initiatives in our 2015 strategic plan. Given this alignment, our efforts over the next five years will be focused on the continued implementation of the 2015 strategic plan in ways that meet the goals at both the institutional and state levels.

Fitchburg State University's strategic plan has four broad goals, each containing a number of objectives. The first goal centers on strengthening academic programs. This goal is to be accomplished through a campus-wide emphasis on providing and communicating clear pathways to student retention and graduation through the analysis of student success data, the commitment to ongoing curricular development, the provision of comprehensive academic support services, and the utilization of proactive advising. We explore alternative pathways to degree completion by considering new and more flexible options for course delivery, including accelerated courses as well as online and hybrid learning and additional delivery options using technology. Among the areas of focus in this goal are revisions to our Liberal Arts and Science requirements, the creation of a transfer student center and a more purposeful approach to recruiting and assimilating this population, the expansion of key on-line programs, and increased partnerships with the community to increase Hispanic enrollments and close the achievement gap.

Goal two focuses on promoting student success by breaking down barriers to degree completion. We evaluated obstacles to retention and completion using data in a much more comprehensive manner than ever before. As we continue to evaluate these obstacles, the institution will strategically coordinate, develop and communicate initiatives to improve student retention and completion using data to guide the decision making process. Specifics include the establishment of a Student Success Taskforce, increased use of Student Success Collaborative (SSC) data, additional faculty professional development on proactive advising, the development of a first year experience, and the hiring of a Vice-

President of Student Affairs currently in process and the examination of this area to meet the needs of our current and future students.

Goal three strives to build a university community that embraces civic and global responsibility. The continued viability of our University is inextricably linked to the economic health and development of the city and the region. Accordingly, we are committed to high impact practices such as service learning and internship opportunities, which have proven to be impactful to current students, supportive of the local and regional economy, and important as recruiting tools. Key objectives within this goal include the purchase of downtown real estate in order to create an entrepreneurship center that will provide enormous opportunities for faculty, students, alumni and community members. This site facilitates possibilities for faculty and student-run non-profit business assistance programs, internships, studio space and other initiatives. The University will also continue our long standing collaboration with a local non-profit organization on the potential creation of a day care facility which will serve faculty, staff, students, and community members which could serve as a lab school for our early childhood education program.

Goal four focuses on growing and strategically aligning the University's resources. Continued academic excellence requires the highest feasible level of support to our students, a strategic focus on the allocation and/or reallocation of resources, and the continuation of a sustainable financial model that most effectively deploys the University's resources. The University faces significant demographic challenges for the next five years. To counter this, we will continue to examine all operations and look for ways to mitigate expected drops in enrollment of traditional students and increase other student populations. This will include examination of a new fee structure for high demand programs, discounting fees to attract out-of-state students, expansion of online programs and working with the state and our community college partners on the "Commonwealth Commitment" which provides financial incentives for students to fulfill their degree requirements in a timely fashion.

We are enthusiastic and optimistic about the work being done by the staff and faculty at Fitchburg State University. Our commitment to move forward with planning and initiatives which lead to student success will position us as an institution that continues to provide educational opportunities that benefit our students. The additional revenues and strategic investments called for in our strategic plan will position us well for the challenges we face and will allow Fitchburg State to continue our proud history of serving the region and the state effectively going forward.

## Appendices

Appendix a. Affirmation of Compliance

Appendix b. Most recent audited financial statement

Appendix c. The auditor's management letter

Appendix d. Interim Report Forms

Appendix e. Making Assessment More Explicit (The E Series) forms



# COMMISSION ON INSTITUTIONS OF HIGHER EDUCATION

NEW ENGLAND ASSOCIATION OF SCHOOLS AND COLLEGES

3 Burlington Woods, Suite 100, Burlington, MA 01803-4514

Voice: (781) 425 7785

Fax: (781) 425 1001

Web: <https://cihe.neasc.org>

## AFFIRMATION OF COMPLIANCE WITH FEDERAL REGULATIONS RELATING TO TITLE IV

Periodically, member institutions are asked to affirm their compliance with federal requirements relating to Title IV program participation, including relevant requirements of the Higher Education Opportunity Act.

- 1. Credit Hour:** Federal regulation defines a credit hour as an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutional established equivalence that reasonably approximates not less than: (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or (2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours. (CIHE Policy 111. See also *Standards for Accreditation* 4.34.)

URL	<a href="http://catalog.fitchburgstate.edu/content.php?catoid=25&amp;navoid=1618">http://catalog.fitchburgstate.edu/content.php?catoid=25&amp;navoid=1618</a>
Print Publications	N/A
Self-study/Interim Report Page Reference	Page 16

- 2. Credit Transfer Policies.** The institution’s policy on transfer of credit is publicly disclosed through its website and other relevant publications. The institution includes a statement of its criteria for transfer of credit earned at another institution of higher education along with a list of institutions with which it has articulation agreements. (CIHE Policy 95. See also *Standards for Accreditation* 4.38, 4.39 and 9.19.)

URL	<a href="http://catalog.fitchburgstate.edu/content.php?catoid=25&amp;navoid=1612&amp;hl=credit+hour&amp;returnto=search#Transfer_Credit">http://catalog.fitchburgstate.edu/content.php?catoid=25&amp;navoid=1612&amp;hl=credit+hour&amp;returnto=search#Transfer_Credit</a>  <a href="http://www.fitchburgstate.edu/admissions/undergraduate/requirements/transfer/articulation-agreements/">http://www.fitchburgstate.edu/admissions/undergraduate/requirements/transfer/articulation-agreements/</a>
Print Publications	N/A
Self-study/Interim Report Page Reference	Page 15 & 17

- 3. Student Complaints.** “Policies on student rights and responsibilities, including grievance procedures, are clearly stated, well publicized and readily available, and fairly and consistently administered.” (*Standards for Accreditation* 5.18, 9.8, and 9.19.)

URL	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf</a>
Print Publications	N/A
Self-study/Interim Report Page Reference	Page 18

- 4. Distance and Correspondence Education: Verification of Student Identity:** If the institution offers distance education or correspondence education, it has processes in place to establish that the student who registers in a distance education or correspondence education course or program is the same student who participates in and completes the program and receives the academic credit. . . . The institution protects student privacy and notifies students at the time of registration or enrollment of any projected additional student charges associated with the verification of student identity. (CIHE Policy 95. See also *Standards for Accreditation* 4.48.)

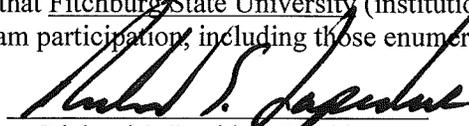
Method(s) used for verification	The university issues each user a secure login username and password. All distance education courses and programs are required to use the Blackboard Learning Management System which requires use of this secure login username and password. The university also offers instructional design and support in creating courses and programs for distance education. <a href="http://www.fitchburgstate.edu/distance">www.fitchburgstate.edu/distance</a>
Self-study/Interim Report Page Reference	Page 14

**5. FOR COMPREHENSIVE EVALUATIONS ONLY: Public Notification of an Evaluation Visit and Opportunity for Public Comment:** The institution has made an appropriate and timely effort to notify the public of an upcoming comprehensive evaluation and to solicit comments. (CIHE Policy 77.)

URL	
Print Publications	
Self-study Page Reference	

The undersigned affirms that Fitchburg State University (institution name) meets the above federal requirements relating to Title IV program participation, including those enumerated above.

Chief Executive Officer:

  
Richard S. Lapidus, President

Date:

1/5/17

**Fitchburg State University Foundation, Inc.**

**Consolidated Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**June 30, 2016**

**Fitchburg State University Foundation, Inc.**

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## Independent Auditor's Report

The Board of Directors  
Fitchburg State University Foundation, Inc.

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Fitchburg State University Foundation, Inc. ("Foundation"), which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fitchburg State University Foundation, Inc. as of June 30, 2016, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the consolidated financial statements of Fitchburg State University Foundation, Inc., and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 17, 2015. In our opinion, the summarized comparative consolidated information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016 on our consideration of Fitchburg State University Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2016. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fitchburg State University Foundation, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Boston, Massachusetts  
November 15, 2016

**Fitchburg State University Foundation, Inc.**

**Consolidated Statement of Financial Position**  
**June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

Assets

	<u>2016</u>	<u>2015</u>
Cash and equivalents	\$ 1,185,537	\$ 1,287,165
Investments	15,256,246	15,469,351
Accrued investment income receivable	32,740	27,418
Accounts receivable	12,322	82,511
Contributions receivable, net	119,684	157,114
Prepaid expenses and other current assets	68,921	25,286
Property and equipment, net of accumulated depreciation	6,249,546	6,368,281
Deferred financing costs, net of accumulated amortization of \$31,463 and \$27,996, respectively	27,271	30,738
Other assets	<u>87,916</u>	<u>90,095</u>
<b>Total assets</b>	<b><u>\$ 23,040,183</u></b>	<b><u>\$ 23,537,959</u></b>

Liabilities and Net Assets

Bank line of credit	\$ 250,000	\$ -
Accounts payable, trade	51,171	138,687
Accrued interest payable	6,334	6,900
Deferred revenue	69,770	6,795
Notes payable - bank	553,081	572,464
First mortgage notes payable	<u>2,527,993</u>	<u>2,672,455</u>
<b>Total liabilities</b>	<b><u>3,458,349</u></b>	<b><u>3,397,301</u></b>
<b>Net assets</b>		
Unrestricted	5,311,277	5,654,767
Temporarily restricted	4,765,321	5,223,211
Permanently restricted	<u>9,505,236</u>	<u>9,262,680</u>
<b>Total net assets</b>	<b><u>19,581,834</u></b>	<b><u>20,140,658</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 23,040,183</u></b>	<b><u>\$ 23,537,959</u></b>

See Notes to Consolidated Financial Statements.

**Fitchburg State University Foundation, Inc.**

**Consolidated Statement of Activities**  
**Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Revenue and support					
Program revenues					
Gifts and donations	\$ 180,935	\$ 228,010	\$ 159,498	\$ 568,443	\$ 815,708
Grants and contracts	25,000	5	-	25,005	71,892
Sales and services	111,688	197,407	-	309,095	322,867
Rental income	165,000	-	-	165,000	165,000
Residence hall income	478,962	-	-	478,962	224,540
License fee income	108,167	-	-	108,167	235,833
Contribution in kind income	135,896	-	-	135,896	132,220
Other revenue					
Interest and dividends	92,977	227,591	-	320,568	309,059
Gain (loss) on investments	(93,603)	(233,058)	-	(326,661)	693,056
Gain on sale of property	-	-	-	-	594,795
Net assets released from restrictions	791,787	(791,787)	-	-	-
Reclassification of net assets	3,000	(86,058)	83,058	-	-
Total revenue and support	<u>1,999,809</u>	<u>(457,890)</u>	<u>242,556</u>	<u>1,784,475</u>	<u>3,564,970</u>
Expenses					
Program services	1,912,731	-	-	1,912,731	1,575,847
Management and general	318,354	-	-	318,354	319,753
Fundraising	112,214	-	-	112,214	268,673
Total expenses	<u>2,343,299</u>	<u>-</u>	<u>-</u>	<u>2,343,299</u>	<u>2,164,273</u>
Increase (decrease) in net assets	(343,490)	(457,890)	242,556	(558,824)	1,400,697
Net assets at beginning of year	<u>5,654,767</u>	<u>5,223,211</u>	<u>9,262,680</u>	<u>20,140,658</u>	<u>18,739,961</u>
Net assets at end of year	<u>\$ 5,311,277</u>	<u>\$ 4,765,321</u>	<u>\$ 9,505,236</u>	<u>\$ 19,581,834</u>	<u>\$ 20,140,658</u>

See Notes to Consolidated Financial Statements.

**Fitchburg State University Foundation, Inc.**

**Consolidated Statement of Cash Flows**  
**Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016	2015
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (558,824)	\$ 1,400,697
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities		
Gain (loss) on investments	326,661	(693,056)
Gain on sale of property	-	(594,795)
Impairment loss	98,446	31,218
Depreciation	246,581	163,000
Discount on pledges	(1,243)	1,002
Bad debt expense	5,529	12,841
Amortization of deferred financing costs	3,467	3,470
Contributions restricted for long-term purposes	(159,498)	(311,443)
Contributions of investment securities	(6,426)	(11,534)
Changes in assets and liabilities		
(Increase) decrease in assets		
Cash surrender value of life insurance	2,179	1,796
Accounts receivable	189	(18,077)
Accrued investment income receivable	(5,322)	1,512
Contributions receivable	26,034	(10,829)
Prepaid expenses and other current assets	(26,635)	2,293
Increase (decrease) in liabilities		
Accounts payable, trade	(87,516)	99,183
Accrued interest payable	(566)	(2,379)
Deferred revenue	62,975	(79,460)
	(73,969)	(4,561)
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property and equipment	(226,292)	(1,089,077)
Deposits paid for purchases of property	(17,000)	3,000
Proceeds from sale of investments	3,747,059	3,879,649
Purchase of investments	(3,854,189)	(4,145,346)
Proceeds from sale of property	70,000	891,200
	(280,422)	(460,574)
Net cash used in investing activities		

**Fitchburg State University Foundation, Inc.**

**Consolidated Statement of Cash Flows**  
**Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Cash flows from financing activities		
Proceeds of first mortgage notes payable	-	105,686
Proceeds of bank line of credit	250,000	-
Payments on bank line of credit	-	(225,000)
Payments on first mortgage notes payable	(144,462)	(410,232)
Payments on notes payable - bank	(19,383)	(18,995)
Advance from Fitchburg State University	-	(100,000)
Collections of contributions restricted for long-term purposes	<u>166,608</u>	<u>269,851</u>
Net cash provided by (used in) financing activities	<u>252,763</u>	<u>(378,690)</u>
Net decrease in cash and equivalents	<u>(101,628)</u>	<u>(843,825)</u>
Cash and equivalents, beginning of year	<u>1,287,165</u>	<u>2,130,990</u>
Cash and equivalents, end of year	<u>\$ 1,185,537</u>	<u>\$ 1,287,165</u>

See Notes to Consolidated Financial Statements.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

**Note1 - Organization and summary of significant accounting policies**

**Organization**

Fitchburg State University Foundation, Inc. (the "Foundation") was organized on June 6, 1978, exclusively for the benefit of Fitchburg State University (the "University"), to establish scholarships and make awards to educationally talented and needy students; to establish a Distinguished Professor award within the faculty of the University; to subsidize inter-collegiate athletic programs; to subsidize budgets of departments of the University as needed for particular purposes; to encourage public use and support of functions and activities which further the mission of the University; and to encourage other activities necessary for, or incidental to, any or all of the foregoing. The following programs are supported under the auspices of the Foundation: Center Stage, Alumni Association, Women in Today's Society, Amelia V. Gallucci-Cirio endowment and the University's Booster Clubs.

FSU Foundation Supporting Organization, Inc. (the "Supporting Organization") was organized on October 29, 1999 to be a supporting organization operated, supervised and controlled for the exclusive benefit of the Foundation and all of its educational and charitable activities. As of June 30, 2016, the Supporting Organization's sole program activity has been to acquire, hold, operate and lease real estate and related improvements for the benefit of the Foundation and University.

The Foundation and the Supporting Organization are collectively referred to hereinafter as the Organization.

**Summary of significant accounting policies**

**Principles of consolidation**

The consolidated financial statements include the accounts of the Foundation and the Supporting Organization. All significant intercompany accounts and transactions have been eliminated in consolidation.

Professional standards require that a not-for-profit organization consolidate another not-for-profit organization if the reporting not-for-profit ("Foundation") has both control and an economic interest in the other not-for-profit organization ("Supporting Organization"). The Supporting Organization's Articles of Organization limit its activities to those that are for the exclusive benefit of the Foundation.

**Use of estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Method of accounting**

The consolidated financial statements of the Organization have been prepared on the accrual basis, whereby income is recorded when earned and expenses recorded when incurred in the appropriate accounting period.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

**Basis of presentation**

The consolidated financial statements of the Organization are presented in accordance with guidance issued by the Financial Accounting Standards Board ("FASB") for the presentation of financial statements of Not-for-Profit Entities. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent the portion of expendable funds available for support of the Organization.

Temporarily restricted net assets represent contributions specifically restricted by the donor. Programs supported by the Organization operate under budgetary restrictions except for the Women in Today's Society program. Income earned from support derived by the Women in Today's Society program is restricted; ninety percent (90%) of such income is available for the Women in Today's Society program with ten percent (10%) available for general Organization expenses.

Permanently restricted net assets represent funds that are subject to restrictions of gift instruments requiring in perpetuity that the principal be invested and the income, only, be used primarily for the granting of scholarships and to fund other academic and cultural programs. Earnings on certain permanently restricted net assets are specifically restricted by the donor.

**Risks and uncertainties**

The Organization maintains an investment portfolio consisting of a combination of U.S. Treasury securities and other government obligations, corporate bonds, equity securities and mutual funds that are invested in equity securities, bonds and other investment securities. The Organization's investments in equity securities, corporate bonds and mutual funds include both domestic and foreign investments. In addition, the Organization has an investment in a real estate fund that is invested in a diversified portfolio of office, residential, industrial and retail properties. Investment securities and real estate investments are exposed to various risks, such as interest rate, market, and credit risks. Real estate investments are exposed to additional risks based on investment concentrations by specific property type and geographic area. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and such changes could materially affect the Organization's investment account balances.

**Revenue recognition**

**Contributions and bequests**

Contributions are recognized when the donor makes a promise to give, that is, in substance, unconditional. Unconditional promises to give are reported at net realizable value if at the time the promise is made collection is expected to be received in one year or less. Unconditional promises to give that are expected to be collected in more than one year are reported at fair value using present value techniques and a discount rate determined by management of the Organization. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Contributions in the form of property and equipment and other assets are recorded at fair value on the date the donation is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. It is the Organization's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in temporarily restricted net assets. The Organization reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of depreciation expense relating to the donated property and equipment. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Sales and services**

Sales and services revenue primarily consists of revenue generated from various cultural programs, functions and events organized by the Organization. Revenue is recognized when the programs, functions and events have taken place and as services are performed. Revenues received for future programs, functions and events are deferred to the applicable year in which they are earned.

**Rental and license fee income**

Renting and leasing operations currently consist of leasing commercial space under a long-term lease agreement with the Commonwealth of Massachusetts acting by and through its Division of Capital Asset Management and Maintenance ("DCAM") on behalf of the University. In addition, the Organization granted the University an exclusive license to occupy, manage, maintain and operate certain other property owned by the Organization pursuant to License Agreements with initial terms of one year and automatic annual renewals thereafter. Rental and license fee income are recognized under the operating method as the rentals and license fees become due. Rental and license fee payments received in advance are deferred until earned.

**Residence hall income**

Residence hall fees are recognized when earned.

**Cash and investments**

The Organization maintains cash and an investment pool that is available for use by all funds. Each fund's portion is reflected in the consolidated financial statements under cash and equivalents and investments. Earnings on cash and investments of the unrestricted net assets and temporarily restricted net assets are reflected in the fund in which the assets are recorded.

**Accounts receivable**

Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual account balances. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**Investments**

Investments consist of debt, marketable equity securities, mutual funds, a pooled investment real estate fund and other investments which are carried at their fair values. Unrealized gains and losses are included in revenue. Restricted investment income and gains are reported as increases in unrestricted net assets, unless a donor or law temporarily or permanently restricts their use. Gains and losses on the disposition of investments are principally determined based on the first-in, first-out method or specific identification of securities sold. Investment income is recognized when earned. Dividends are recorded on the ex-dividend date.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

The Organization's investment policy consists of a target asset allocation range of 50% to 70% equity securities, 30% to 50% fixed income securities and up to 10% in cash and equivalents.

**Endowments**

The Organization's endowments consist of approximately 90 individual funds that are restricted by donors to function as endowments primarily for the granting of scholarships and to fund other academic and cultural programs. No funds have been designated by the Board of Directors to function as endowments as of June 30, 2016. In accordance with accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of relevant law**

The Board of Directors of the Organization has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate restricted endowment funds: (i) the duration and preservation of the fund, (ii) the purposes of the Organization and the donor-restricted endowment fund, (iii) general economic conditions, (iv) the possible effect of inflation and deflation, (v) the expected total return from income and the appreciation of investments, (vi) other resources of the Organization, and (vii) the investment policies of the Organization.

**Investment and spending policies**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods as well as board-designated funds, if any. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a variety of investments that aim to preserve principal, generate income and provide the opportunity for conservative growth.

The Organization's performance goals are to provide an average annual total rate of return, net of fees, that equals or exceeds its spending rate plus inflation ("CPI") over a rolling five-year period. Additionally, the endowment assets are invested in a manner that is intended to produce results that equal or exceed the average return of appropriate capital market indices weighted by the Organization's asset allocation target percentages over a rolling five-year period. The Organization's performance goals are also intended to produce results that equal or exceed the average return of a universe of similarly managed funds. The Organization's performance goals are based upon a long-term investment horizon. Accordingly, actual returns in any given year may vary from these amounts.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a spending policy of appropriating for distribution each year a percentage of its endowment fund's average fair value over the preceding three years. The amount to be appropriated for distribution shall not exceed 5%. In establishing this policy, the Organization considered the long-term expected return on its endowment fund assets. Accordingly, over the long-term, the Organization expects the current spending policy to be consistent with the Organization's objective of seeking to maintain the purchasing power of the endowment fund assets held in perpetuity or for a specified term as well as to provide additional real growth through investment return.

**Funds with deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Massachusetts General Laws requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. As of June 30, 2016 and 2015, there were no deficiencies of this nature.

**Property and equipment**

Property and equipment are recorded at cost, if purchased or constructed and, if donated, at fair value at the time of the donation. Property and equipment are depreciated on the straight-line method over their estimated useful lives of 40 years for buildings, 20 years for building and land improvements, 7 and 10 years for furniture and fixtures, 5 years for equipment and 3 years for computer software and equipment. Depreciation commences when the asset is placed in service.

Generally, all additions and improvements with an individual cost or, if donated, fair value in excess of \$5,000 are capitalized to property and equipment.

**Impairment of long-lived assets**

The Organization's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that such assets may be impaired. An evaluation is performed by obtaining a market appraisal or by measuring the estimated future undiscounted cash flows (without interest charges) associated with the asset to the asset's carrying amount to determine if a write-down to fair value is required. If an impairment is present, the assets are reported at the lower of carrying value or fair value.

**Deferred financing costs**

Deferred financing costs consist of costs incurred to obtain the first mortgage notes payable. These costs are being amortized on a straight-line basis over the terms of the related debt, which approximates the effective yield method.

**Consolidated statement of cash flows**

For purposes of the consolidated statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

**Income taxes**

The Foundation and the Supporting Organization are classified by the Internal Revenue Service as "publicly supported organizations" exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation or Supporting Organization's tax-exempt purposes are subject to taxation as unrelated business income. The Foundation has unrelated business income for the year ended June 30, 2016. The income and related income taxes thereon, which are not material, are included in the accompanying consolidated financial statements. The Supporting Organization had no unrelated business income for the year ended June 30, 2016.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the consolidated financial statements. Management does not believe its evaluation of tax positions will significantly change within 12 months of June 30, 2016. Any changes in tax positions will be recorded when the ultimate outcome becomes known. Accrued interest and penalties associated with uncertain tax positions, if any, are recognized as a part of interest expense and miscellaneous other expenses, respectively, in the accompanying consolidated statements of activities. The Foundation and Supporting Organization have no accrued interest and penalties associated with uncertain tax positions at June 30, 2016 and 2015 and none were incurred during the years then ended. The Foundation and Supporting Organization's income tax returns are subject to examination by taxing authorities generally for the years ended June 30, 2013, 2014, and 2015.

**Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Summarized comparative financial information**

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2015, from which the summarized information was derived.

**Reclassifications**

Certain reclassifications have been made to the fiscal 2015 financial statements to conform to the fiscal 2016 presentation.

**Subsequent events**

The Organization has evaluated subsequent events through November 15, 2016, which is the date these consolidated financial statements were available to be issued.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016****Note 2 - Cash and equivalents**

Cash and equivalents consist of the following at June 30:

	2016	2015
Cash and other demand deposits	\$ 600,755	\$ 513,024
Money market funds	584,782	774,141
	\$ 1,185,537	\$ 1,287,165

Money market funds include the SSgA US Government Money Market Fund in the aggregate amount of \$208,180 and \$139,750 at June 30, 2016 and June 30, 2015, respectively. The SSgA US Government Money Market Fund invests in obligations of the U.S. Government, or its instrumentalities with remaining maturities of one year or less. The fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value. At June 30, 2016 and June 30, 2015, the fund's investment securities had a weighted average maturity of 28 days and 29 days, respectively. The fund had an average credit quality rating of AAAM at June 30, 2016 and June 30, 2015, respectively.

Money market funds include the Schwab Advisor Cash Reserves Fund in the aggregate amount of \$79,744 and \$42,183 at June 30, 2016 and June 30, 2015, respectively. The Schwab Advisor Cash Reserves Fund invests in high-quality short-term money market investments issued by U.S. and foreign issuers. The fund's goal is to seek the highest current income consistent with stability of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value. At June 30, 2016 and June 30, 2015, the fund's investment securities had a weighted average maturity of 47 days and 44 days, respectively. The fund was not rated for average credit quality at June 30, 2016 and June 30, 2015, respectively.

Money market funds include the RWM Cash Management Money Market account in the aggregate amount of \$155,349 and \$151,894 at June 30, 2016 and 2015, respectively.

Money market funds also include the Fidelity Bank LifeDesign Business Cash Management Money Market account with a balance of \$141,509 and \$440,314 at June 30, 2016 and June 30, 2015, respectively.

The Organization maintains its operating cash balances in financial institutions located in Massachusetts. The balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2016 and June 30, 2015, the Organization's uninsured cash and equivalent balances, including the SSgA US Government Money Market Fund, Schwab Advisor Cash Reserves Fund, Fidelity Bank LifeDesign Business Cash Management Money Market account, and RWM Cash Management Money Market account, amounted to approximately \$430,200 and \$510,700, respectively.

The Organization's cash balances fluctuate throughout the year and may exceed insured limits from time-to-time. The Organization has not experienced any losses on its accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes that the Organization is not exposed to any significant credit risk with respect to its cash and cash equivalent balances.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016****Note 3 - Investments**

Investments are included at their fair values in the accompanying consolidated financial statements and consist of the following at June 30:

	2016		2015	
	Cost	Fair value	Cost	Fair value
Equities	\$ 5,839,660	\$ 8,109,970	\$ 5,860,876	\$ 8,644,818
Preferred stocks	107,779	112,925	119,957	118,798
Mutual funds	3,665,172	3,676,250	3,842,598	3,928,904
Corporate bonds	1,586,976	1,630,038	1,173,863	1,194,283
U.S. government securities	1,693,568	1,727,063	1,576,992	1,570,489
Mortgage backed securities	-	-	12,071	12,059
	<u>\$ 12,893,155</u>	<u>\$ 15,256,246</u>	<u>\$ 12,586,357</u>	<u>\$ 15,469,351</u>

At June 30, 2016 and 2015, net unrealized gains in the Organization's investment portfolio amounted to \$2,363,091 and \$2,882,994, respectively.

At June 30, 2016 and 2015, equities include securities in the consumer goods sector which represent 21% and 18%, respectively, of the fair value of the Organization's investment portfolio.

At June 30, 2016 and 2015, 8% and 6% of the fair value of the Organization's investment portfolio in each year represents foreign investments.

Investments with an equivalent fair value of \$9,190,000 at June 30, 2016 collateralize certain debt agreements (see Notes 8 and 10).

Commonfund Realty Investors, LLC (the "Fund") is a commingled, open-end real estate investment fund composed of income oriented, value-add and development properties that have been combined to create a value-added portfolio with a strong focus on distributable income. The Foundation made a capital investment in the Commonfund Realty Investors, LLC totaling \$485,000 as of August 2007. Investment units in the Fund are not deemed to be readily marketable pursuant to and as more fully described in the investment agreement. On June 30, 2010, the Organization wrote down its investment in Commonfund Realty Investors, LLC to zero representing its fair value based upon the latest available information (March 31, 2010) provided by its professional investment manager. The decline in the fair value of this investment resulted from the significant, continuing disruptions in the global capital, credit and real estate markets. In the opinion of management, the decline in fair value of this investment was considered to be other-than-temporary. During fiscal 2015, the Organization received a capital gain distribution from Commonfund Realty Investors, LLC totaling \$423, which is included in net realized gains (losses) in 2015.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016**

At June 30, 2016, the fair value of investments in debt securities by contractual maturities is as follows:

	Maturity				Total
	Within 1 year	1 - 5 years	5 - 10 years	More than 10 years	
Corporate bonds	\$ 234,795	\$ 1,024,782	\$ 370,461	\$ -	\$ 1,630,038
U.S. government securities	101,115	1,273,593	352,355	-	1,727,063
	<u>\$ 335,910</u>	<u>\$ 2,298,375</u>	<u>\$ 722,816</u>	<u>\$ -</u>	<u>\$ 3,357,101</u>

Realized and unrealized gains (losses) on investments are shown net in the consolidated statement of activities. The components (representing the year-to-year activity) for the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Net realized gains (losses)	\$ 193,242	\$ 609,351
Net unrealized gains (losses)	<u>(519,903)</u>	<u>83,705</u>
Net gains (losses) on investments	<u>\$ (326,661)</u>	<u>\$ 693,056</u>

The Organization incurred investment management fees of \$100,290 in 2016 and \$94,980 in 2015, which are included in management and general expenses in the consolidated statement of activities.

The following table presents the gross unrealized losses and fair values of the Organization's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the investments have been in a continuous unrealized loss position at June 30, 2016.

Description of investments	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Equities	\$ 1,076,971	\$ 166,630	\$ 326,590	\$ 75,339	\$ 1,403,561	\$ 241,969
Preferred stocks	6,358	26	6,422	40	12,780	66
Mutual funds	1,235,651	68,620	949,649	119,257	2,185,300	187,877
Corporate bonds	30,397	148	50,321	223	80,718	371
U.S. government securities	-	-	303,549	9,475	303,549	9,475
Total	<u>\$ 2,349,377</u>	<u>\$ 235,424</u>	<u>\$ 1,636,531</u>	<u>\$ 204,334</u>	<u>\$ 3,985,908</u>	<u>\$ 439,758</u>

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016**

The following table presents the gross unrealized losses and fair values of the Organization's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that the investments have been in a continuous unrealized loss position at June 30, 2015.

Description of Investments	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Equities	\$ 752,333	\$ 88,914	\$ 169,067	\$ 40,958	\$ 921,400	\$ 129,872
Preferred stocks	-	-	67,437	2,560	67,437	2,560
Mutual funds	1,211,915	57,775	402,592	44,575	1,614,507	102,350
Corporate bonds	347,812	2,429	60,659	1,526	408,471	3,955
U.S. government securities	360,243	1,259	461,432	20,037	821,675	21,296
Mortgage backed securities	-	-	12,059	12	12,059	12
Total	<u>\$ 2,672,303</u>	<u>\$ 150,377</u>	<u>\$ 1,173,246</u>	<u>\$ 109,668</u>	<u>\$ 3,845,549</u>	<u>\$ 260,045</u>

**Equities and preferred stocks**

The Organization has 93 investments in equities, of which 22 were in an unrealized loss position at June 30, 2016. The Organization also has 17 investments in preferred stocks, of which two were in an unrealized loss position at June 30, 2016. The fluctuation in the equity securities and preferred stocks reflects general economic conditions and current changes in the industries of the companies in which the securities are held. The Organization has evaluated the severity and duration of the impairments. Based on that evaluation and the Organization's ability and intent to hold these investments for a reasonable period of time sufficient for a recovery of fair value, the Organization does not consider these investments to be other-than-temporarily impaired at June 30, 2016.

**Mutual funds**

The Organization has 24 mutual fund investments, of which 13 are in an unrealized loss position at June 30, 2016. The mutual funds are invested in equities and debt securities of companies in diverse industries and reflect current general economic conditions. The Organization has evaluated the severity and duration of the impairments. Based on that evaluation and the Organization's ability and intent to hold the investments for a reasonable period of time sufficient for a recovery of fair value, the Organization does not consider these investments to be other-than-temporarily impaired at June 30, 2016.

**Corporate bonds**

At June 30, 2016, the Organization's investments in corporate debt securities were in the form of interest-bearing securities of top-rated corporate issuers. The Organization has 36 corporate debt security investments, of which two are in an unrealized loss position at June 30, 2016. The securities in an unrealized loss position are comprised of fixed-rate debt securities of varying maturities. The value of fixed income securities is sensitive to interest rate fluctuations and the credit rating of the issuer.

There have been no indications of default on interest or principal payments by the issuers. The Organization does not intend to sell nor does it believe it would be required to sell the corporate bonds before their anticipated market value recovery. Accordingly, the Organization does not consider these investments to be other-than-temporarily impaired at June 30, 2016.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016****U.S. government obligations**

The Organization has 18 U.S. government investment securities at June 30, 2016, of which six were in an unrealized loss position as a result of interest rate fluctuations. The contractual terms of the investments do not allow the issuer to settle the securities at a price less than the amortized cost of the investment. The Organization does not intend to sell nor does it believe it would be required to sell these investment securities before their anticipated market value recovery. Accordingly, the Organization does not consider the investments to be other-than-temporarily impaired at June 30, 2016.

The endowment net asset composition by type of fund at June 30, 2016 is as follows:

Fund type	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowments	<u>\$ 4,130,783</u>	<u>\$ 9,505,236</u>	<u>\$ 13,636,019</u>

Changes in the endowment net assets for the year ended June 30, 2016 are as follows:

	Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	\$ 4,460,118	\$ 9,262,680	\$ 13,722,798
Investment return			
Investment income	226,789	-	226,789
Appreciation (depreciation), realized and unrealized	<u>(232,406)</u>	<u>-</u>	<u>(232,406)</u>
Total investment return	(5,617)	-	(5,617)
Contributions	10,957	159,498	170,455
Other income	14,480	-	14,480
Appropriation of endowment assets for expenditure	(241,969)	-	(241,969)
Investment management fees	(71,352)	-	(71,352)
Reclassification of net assets	<u>(35,834)</u>	<u>83,058</u>	<u>47,224</u>
Endowment net assets, end of year	<u>\$ 4,130,783</u>	<u>\$ 9,505,236</u>	<u>\$ 13,636,019</u>

The endowment net asset composition by type of fund at June 30, 2015 is as follows:

Fund type	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowments	<u>\$ 4,460,118</u>	<u>\$ 9,262,680</u>	<u>\$ 13,722,798</u>

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016**

Changes in the endowment net assets for the year ended June 30, 2015 are as follows:

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 3,997,075	\$ 8,936,622	\$ 12,933,697
Investment return			
Investment income	216,527	-	216,527
Appreciation (depreciation), realized and unrealized	<u>490,312</u>	<u>-</u>	<u>490,312</u>
Total investment return	706,839	-	706,839
Contributions	55,100	311,443	366,543
Other income	5,254	-	5,254
Appropriation of endowment assets for expenditure	(165,375)	-	(165,375)
Investment management fees	(67,226)	-	(67,226)
Reclassification of net assets	(71,549)	15,000	(56,549)
Transfer upon removal of donor restrictions	<u>-</u>	<u>(385)</u>	<u>(385)</u>
Endowment net assets, end of year	<u>\$ 4,460,118</u>	<u>\$ 9,262,680</u>	<u>\$ 13,722,798</u>

**Note 4 - Contributions receivable, net**

Contributions receivable consist of the unpaid balances (net of discount and any allowance for uncollectible contributions) made on behalf of the Organization. The majority of the contributions receivable are generally pledged from North Central Massachusetts area contributors. The year-end balances are exclusive of potential contributions to be received as part of corporate matching gift programs. Unpaid Alumni Association telethon contributions from the previous fall and spring telethon campaigns are written off at the end of each fiscal year.

Contributions receivable consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 81,701	\$ 74,874
Receivable in one to five years	<u>40,000</u>	<u>85,500</u>
	121,701	160,374
Discount on pledges	<u>(2,017)</u>	<u>(3,260)</u>
	<u>\$ 119,684</u>	<u>\$ 157,114</u>

Contributions which are to be received in more than one year are reflected net of a discount determined at the time of the contribution ranging from 1% to 2%.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
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During fiscal 2016, a donor made a conditional promise to give in the amount of \$100,000. The contribution is to be used for the proposed downtown Fitchburg theater block renovation project. As of June 30, 2016, the conditions of the donation have not been met and accordingly, the contribution has not been recorded. The project is expected to close in fiscal 2017, at which time the conditions of the contribution are expected to be met.

**Note 5 - Fair value measurements**

FASB's guidance on fair value measurements established a new framework for measuring fair value of assets and liabilities and expanded related disclosures. FASB's guidance requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants. The guidance established a three-level valuation hierarchy based upon observable and non-observable inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Fair value is the price the Organization would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization's market assumptions. Preference is given to observable inputs.

The fair value hierarchy under the guidance is as follows:

- Level 1 - Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and
- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The guidance requires the use of observable data if such data is available without undue costs and effort.

When available, the Organization uses unadjusted quoted market prices to measure the fair value and classifies such items within Level 1. Level 1 securities primarily include publicly-traded equity securities and mutual funds.

When quoted market prices are unobservable, the Organization uses quotes from independent pricing vendors based on recent trading activity and other relevant information including market interest rate curves, referenced credit spreads and estimated prepayment rates where applicable. At June 30, 2016 and 2015, Level 2 securities consist primarily of corporate fixed income securities, U.S. government securities, preferred stocks and mortgage backed securities.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016**

At June 30, 2016 and 2015, the Organization's assets included in Level 3 of the fair value measurement hierarchy consisted of its investment in Commonfund Realty Investors, LLC. As discussed in Note 3, the Organization wrote down its investment in Commonfund Realty Investors, LLC to zero at June 30, 2010, representing its estimate of the fair value of the investment at that date.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value of assets measured on a recurring basis at June 30, 2016 is as follows:

Investments	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equities	\$ 8,109,970	\$ 8,109,970	\$ -	\$ -
Preferred stocks	112,925	-	112,925	-
Mutual funds	3,676,250	3,676,250	-	-
Corporate bonds	1,630,038	-	1,630,038	-
U.S. government securities	1,727,063	-	1,727,063	-
Total	<u>\$ 15,256,246</u>	<u>\$ 11,786,220</u>	<u>\$ 3,470,026</u>	<u>\$ -</u>

The fair value of assets measured on a recurring basis at June 30, 2015 is as follows:

Investments	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equities	\$ 8,644,818	\$ 8,644,818	\$ -	\$ -
Preferred stocks	118,798	-	118,798	-
Mutual funds	3,928,904	3,928,904	-	-
Corporate bonds	1,194,283	-	1,194,283	-
U.S. government securities	1,570,489	-	1,570,489	-
Mortgage backed securities	12,059	-	12,059	-
Total	<u>\$ 15,469,351</u>	<u>\$ 12,573,722</u>	<u>\$ 2,895,629</u>	<u>\$ -</u>

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016****Note 6 - Property and equipment**

Property and equipment at June 30, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Real estate under lease		
Land	\$ 402,663	\$ 402,663
Building	1,557,724	1,557,724
Building improvements	<u>100,452</u>	<u>100,452</u>
	<u>2,060,839</u>	<u>2,060,839</u>
Real estate used for student housing		
Land	253,555	253,555
Building	434,225	434,225
Building improvements	<u>28,600</u>	<u>28,600</u>
	<u>716,380</u>	<u>716,380</u>
Real estate used for faculty and staff housing		
Land	18,766	18,766
Building	<u>82,099</u>	<u>82,099</u>
	<u>100,865</u>	<u>100,865</u>
Other		
Land	1,895,081	1,873,724
Land improvements	158,127	131,506
Buildings	810,923	810,923
Building improvements	1,109,006	1,031,261
Equipment	116,330	116,330
Computer software	641,878	641,878
Furniture and fixtures	60,773	58,650
Library materials	<u>6,570</u>	<u>6,570</u>
	<u>4,798,688</u>	<u>4,670,842</u>
	7,676,772	7,548,926
Less accumulated depreciation	<u>1,427,226</u>	<u>1,180,645</u>
Property and equipment, net	<u>\$ 6,249,546</u>	<u>\$ 6,368,281</u>

Accumulated depreciation on real estate under lease amounted to \$428,981 and \$385,015 at June 30, 2016 and 2015, respectively. Accumulated depreciation on real estate used for student housing amounted to \$108,377 and \$96,091 at June 30, 2016 and 2015, respectively. Accumulated depreciation on real estate used for faculty and staff housing amounted to \$3,079 and \$1,026 at June 30, 2016 and 2015, respectively.

At June 30, 2016 and 2015, property and equipment with a cost of approximately \$464,300 and \$422,000, respectively, were fully depreciated and still in service.

**Fitchburg State University Foundation, Inc.**

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In fiscal 2016, the Supporting Organization acquired a property in close proximity to the Fitchburg State University campus consistent with the Organization's mission and the University's strategic plan which includes campus expansion. The property, which includes land and a building, was purchased for an aggregate cost of \$119,803 (see Note 9). The Organization intends to raze the building and create green space.

As a result of its decision to raze the building, management determined, in accordance with the requirements of FASB accounting guidance, that the property was impaired and was written down to its fair value of \$21,357. The impairment charge (a noncash accounting charge) to operations in the amount of \$98,446 had no impact on the Organization's fiscal 2016 cash flow or its ability to generate cash flow in the future.

The fair value of the property was measured using significant unobservable inputs (Level 3) pursuant to the FASB's guidance on fair value measurements. The fair value of the property was determined based upon the property assessment at the purchase date.

In fiscal 2015, the Supporting Organization acquired two properties in close proximity to the Fitchburg State University campus. The properties, including land only, were acquired for a cost of \$100,940 and \$51,218, respectively. The land acquired for \$100,940 was sold to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University during the fiscal year 2015 (see below). The land acquired for \$51,218 is currently being used as green space.

In May 2015, the Supporting Organization obtained an appraisal of the property acquired for \$51,218. As a result of the appraisal, management determined, in accordance with the requirements of FASB accounting guidance, that the property was impaired and was written down to its fair value of \$20,000. The impairment charge (a noncash accounting charge) to operations in the amount of \$31,218 had no impact on the Organization's fiscal 2015 cash flow or its ability to generate cash flow in the future.

The fair value of the property was measured using significant unobservable inputs (Level 3) pursuant to the FASB's guidance on fair value measurements. The fair value of the property was determined based upon the appraisal.

During fiscal 2015, the Supporting Organization sold land acquired during the fiscal year at a cost of \$100,940. The property was sold to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University. The property was sold for \$70,000. A loss of \$30,940 was recorded from the sale of the property and recognized in the accompanying 2015 consolidated statement of activities.

In December 2013, the Supporting Organization entered into a Purchase and Sale Agreement, as last amended on August 25, 2014, to sell a certain parcel of land to an unrelated third party (the "Buyer") in exchange for \$800,000 in cash. The land is located at 161 - 181 Main Street in Fitchburg, Massachusetts and was secured by a first mortgage loan provided by Workers' Credit Union. The loan was paid in full upon the sale of the property in fiscal 2015 (see Note 9). The land was being used as green space and had a carrying value of \$130,000. During fiscal 2015, the Supporting Organization sold the land for \$800,000. A gain of \$670,000 was recorded from the sale of the property and recognized in the accompanying 2015 consolidated statement of activities.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
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During fiscal 2014, two properties, each of which includes land and a building, were purchased for an aggregate cost of \$100,865 and \$133,065, respectively. During fiscal 2015, these two properties were sold to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University (see below).

The Supporting Organization received a letter of intent from DCAM, dated August 29, 2014, to purchase one of the two properties referred to above under negotiations to be sold in fiscal 2014 and recorded on the books of the Supporting Organization at June 30, 2014 in the amount of \$133,065. DCAM agreed to pay the Supporting Organization \$69,600 subject to the satisfaction of certain State publication requirements and the execution of a mutually acceptable Purchase and Sale Agreement. As a result of DCAM's offer, management determined, in accordance with the requirements of FASB accounting guidance, that the property was impaired and should be written down to \$69,600 at June 30, 2014. During fiscal 2015, the property was sold for \$69,600.

The second of the two properties referred to above under negotiations to be sold in fiscal 2014 was sold during fiscal 2015 to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University. The property was recorded on the books of the Supporting Organization at \$100,865 and was sold for \$56,600. A loss of \$44,265 was recorded from the sale of the property and recognized in the accompanying 2015 consolidated statement of activities.

**Note 7 - Other assets**

Other assets at June 30, 2016 and 2015 consist of the cash surrender value of life insurance in the amount of \$48,891 and \$51,070, respectively, and an art collection in the amount of \$39,025 in both years.

**Note 8 - Lines of credit**

**Foundation**

On April 2, 2015, the Foundation renewed, under substantially the same terms, its existing revolving working capital line of credit agreement with Workers' Credit Union which permits the Foundation to borrow up to \$250,000. Pursuant to the provisions of the line of credit agreement, maximum advances under the line are limited to 70% of the pledged investment collateral unless otherwise approved by the lender. At June 30, 2016 and 2015, \$250,000 and \$0, respectively, was outstanding on the line of credit. The line of credit provides for interest at the Wall Street Journal Prime Rate, but in no event less than 6% per annum. At June 30, 2016 and 2015, the effective interest rate was 6% per annum. For the years ended June 30, 2016 and 2015, interest expense incurred on borrowings under this line of credit amounted to \$4,078 and \$12,834, respectively. The borrowings under the line, during 2016, were advanced to the Supporting Organization. There were no new borrowings under the line during 2015. The interest expense incurred on the borrowings has been reflected as an expense on the books of the Supporting Organization. Borrowings are secured by investments with an equivalent fair value of approximately \$7,209,000. The line of credit is also collateralized by all funds held by the lender. At June 30, 2016, the Foundation has total cash balances of \$57,903 held by the lender. The line of credit agreement expires on March 17, 2017. The Foundation may prepay outstanding revolving loans under the agreement in whole or in part at any time without premium or penalty.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016****Supporting Organization**

On August 18, 2016, the Supporting Organization entered into a demand, unsecured revolving line of credit agreement with Rollstone Bank and Trust which permits the Supporting Organization to borrow up to \$250,000. The line of credit provides for interest at the Wall Street Journal Prime Rate (currently 3.5%) less .25%. The line of credit agreement expires on August 18, 2017. The Supporting Organization may prepay outstanding revolving loans under the agreement in whole or in part at any time without premium or penalty. The line of credit agreement contains, among other covenants, the maintenance of a debt service coverage rate, as defined, of at least 1.00 to 1. In addition, the agreement provides that the line of credit be brought to a zero balance for 30 consecutive days annually during the term of the agreement. As of November 15, 2016, the Supporting Organization has made borrowings of \$110,000 under the line of credit agreement.

**Note 9 - First mortgage notes payable****Foundation**

The Foundation has a mortgage note payable in the original amount of \$550,000, dated April 16, 2008, with Fidelity Cooperative Bank. The proceeds of the note were used to acquire certain real estate properties on the Fitchburg State University campus. The note is secured by a first mortgage interest in the real estate and related personal property located thereon, and an assignment of leases and rents. Furthermore, any and all deposits held by the lender serve as additional collateral for the loan.

The loan agreement has a term of 20 years and provides for a fixed rate of interest of 5.75% per annum for the first 10 years of the loan term. Thereafter, the interest rate will be fixed at the Federal Home Loan Bank Ten Year Cost of Funds Rate in effect as of the first day of the final 10 years of the term of the loan plus 118 basis points. The loan requires monthly installments of principal and interest of \$3,862. The monthly installments of principal and interest during the final 10 years of the loan term shall be determined based on the interest rate then in effect to provide for the amortization of the then outstanding loan principal over the remaining term of the loan. The note matures on April 16, 2028. The note may be prepaid at any time, in whole or in part, without premium or penalty.

At June 30, 2016 and 2015, the outstanding principal balance of this mortgage note payable amounted to \$401,297 and \$423,463, respectively.

For the years ended June 30, 2016 and 2015, interest expense on this mortgage note payable amounted to \$24,128 and \$25,312, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rate in effect at June 30, 2016, are estimated to be as follows:

Year	Amount
2017	\$ 23,570
2018	24,981
2019	26,477
2020	28,013
2021	29,740
Thereafter	268,516

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
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**Supporting Organization**

In August 2006, the Supporting Organization acquired land and a building consisting of 4,179 square feet of office space and 53,429 square feet of warehouse space located in Fitchburg, Massachusetts near the University campus. The entire property has been leased to DCAM on behalf of the University (see Note 11). The University is currently using the property for its print services, maintenance, and shipping and receiving and financial services.

The acquisition and related costs were funded with the proceeds of an offering of tax-exempt revenue bonds, Massachusetts Development Finance Agency Revenue Bonds, FSC Foundation Supporting Organization Issue, Series 2006 (the "bonds"), dated August 1, 2006, in the amount of \$1,900,000, issued by the Massachusetts Development Finance Agency ("MDFA"), pursuant to a Loan and Trust Agreement. People's United Bank, as successor in interest to Chittenden Trust Company, is the bond Trustee. MDFA assigned all of its rights, title, and interest in and to the loan and related loan documents to the bond Trustee as security for repayment of the bonds. The loan is secured by a first mortgage interest in the real estate and related personal property located thereon, and an assignment of leases and rents. Payment and performance of the Supporting Organization's obligations under the loan agreement have been guaranteed by the Foundation.

The loan agreement has a term of 20 years and provides for a fixed rate of interest of 5.5% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (August 16, 2011, 2016 and 2021) to a fixed rate of interest equal to 80% of the bank's prime rate, but no greater than 1% or less than 1% of the interest rate in effect for the immediately preceding five-year adjustment interval. The interest rate was adjusted to 4.5% per annum on August 16, 2011 pursuant to the provisions of the loan agreement. The loan required monthly installments of principal and interest of \$13,154 through August 16, 2011 and \$12,306 until August 16, 2016. The interest rate was adjusted to 3.5% per annum on August 16, 2016 pursuant to the provisions of the loan agreement. Commencing thereafter, the monthly installments of principal and interest are \$11,739 until the next five-year interval adjustment date of August 16, 2021. The loan matures on August 16, 2026. The loan agreement requires the Supporting Organization to maintain a Debt Service Coverage Ratio, as defined, of not less than 1.10 to 1 to be measured annually at the end of its fiscal year.

The mortgage note was issued pursuant to the Loan and Trust Agreement and related loan documents and is subject to and governed by the terms and conditions of those agreements. The loan may be prepaid in accordance with the terms of the Loan and Trust Agreement for prepayment of the bonds as more fully described in the Loan and Trust Agreement.

The loan documents contain cross default provisions with the DCAM lease.

At June 30, 2016 and 2015, the outstanding principal balance of this mortgage note payable amounted to \$1,199,159 and \$1,289,675, respectively.

For the years ended June 30, 2016 and 2015, interest expense on this mortgage note payable amounted to \$56,994 and \$60,872, respectively.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
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Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rates in effect at June 30, 2016, and August 16, 2016, are estimated to be as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 98,976
2018	103,466
2019	107,198
2020	110,984
2021	115,067
Thereafter	663,468

Workers' Credit Union ("WCU") provided financing to the Supporting Organization in the form of a note, dated February 27, 2009, in the amount of \$750,000. The proceeds of the loan were used primarily to repay advances made to the Supporting Organization by the Foundation for the acquisition of four real estate properties. The note is secured by a first mortgage interest in certain real estate owned by the Supporting Organization and an assignment of certain leases and rents. The note is also collateralized by all funds held by the lender. At June 30, 2016 and 2015, the Supporting Organization has total cash balances of \$5,660 and \$4,914, respectively, held at WCU which serve as additional collateral for both WCU loans to the Supporting Organization.

The mortgage note has a term of 10 years, expiring on February 27, 2019, and provided for a fixed rate of interest of 5.74% per annum. The interest rate was adjusted to 4.99% per annum on June 20, 2013 pursuant to the provisions of a loan modification agreement. The note required monthly installments of principal and interest of \$4,714, through June 20, 2013, based on a 20-year principal amortization. Commencing thereafter, the monthly installments of principal and interest are \$4,422, based on a 20-year principal amortization.

At June 30, 2016 and 2015, the outstanding principal balance of this mortgage note payable amounted to \$622,287 and \$643,630, respectively.

For the years ended June 30, 2016 and 2015, interest expense on this mortgage note payable amounted to \$30,282 and \$33,414, respectively.

Aggregate principal maturities on the loan for each of the remaining three years are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 22,527
2018	23,677
2019	576,083

Workers' Credit Union provided financing to the Supporting Organization in the form of a note, dated February 19, 2010, in the amount of \$300,000. The proceeds of the loan were used to finance the acquisition of a real estate property located at 161-181 Main Street in Fitchburg, Massachusetts. The mortgage note had a term of 10 years, expiring on February 19, 2020, and provided for a fixed rate of interest of 6.03% per annum. The interest rate was adjusted to 5.28% per annum on June 20, 2013, pursuant to the provisions of a loan modification agreement. The note required monthly installments of principal and interest of \$1,939, through June 20, 2013, based on a 20-year principal amortization. Commencing thereafter, the monthly installments of principal and interest were \$1,816, based on a 20-year principal amortization.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
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Upon the sale of the property located at 161 - 181 Main Street during fiscal 2015, the loan was paid in full (see Note 6).

For the year ended June 30, 2015, interest expense on this mortgage note amounted to \$10,229.

In June 2013 Rollstone Bank & Trust provided financing to the Supporting Organization in the form of a note, dated June 19, 2013, in the amount of \$142,000. The proceeds of the loan were used to repay an advance made to the Supporting Organization by the Foundation in May, 2013 for the acquisition, at a cost of \$172,483, of a real estate property located at 131 Highland Avenue in Fitchburg, Massachusetts. The mortgage note had a term of 20 years, maturing on June 19, 2033, and provided for a fixed rate of interest of 3.25% per annum. Commencing in July, 2013, the loan required monthly installments of principal and interest of \$809 based on a 20-year principal amortization.

On December 22, 2014, the Supporting Organization refinanced its Rollstone Bank & Trust first mortgage note, with an outstanding balance of \$134,314, with a new note dated December 22, 2014 in the amount of \$240,000. As a result, the Supporting Organization received additional loan proceeds of \$105,686. The note is secured by a first mortgage interest in the property and an assignment of leases and rents on the property.

The mortgage note has a term of 20 years, maturing on December 22, 2034, and provides for a fixed rate of interest of 3.25% per annum. Commencing in January, 2015, the loan requires monthly installments of principal and interest of \$1,367 based on a 20-year principal amortization. The loan agreement requires the Supporting Organization to maintain a ratio of Cash Flow (after distributions), as defined, to the Current Maturity of Long-Term Debt plus interest, as defined, of not less than 1.0 to 1 for any fiscal year. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

At June 30, 2016 and 2015, the outstanding principal balance of the mortgage note payable amounted to \$226,969 and \$235,713, respectively.

For the years ended June 30, 2016 and 2015, interest expense on the mortgage note payable amounted to \$7,649 and \$6,291, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 9,058
2018	9,361
2019	9,674
2020	9,980
2021	10,331
Thereafter	178,565

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
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In June 2013, Fidelity Co-Operative Bank provided financing to the Supporting Organization in the form of a note, dated June 26, 2013, in the amount of \$83,200. The proceeds of the loan were used to repay an advance made to the Supporting Organization by the Foundation in May 2013 for the acquisition, at a cost of \$144,975, of a real estate property located at 340 Highland Avenue in Fitchburg, Massachusetts. The note is secured by a first mortgage interest in the property and an assignment of leases and rents on the property.

The mortgage note has a term of 20 years, maturing on June 26, 2033, and provides for a fixed rate of interest of 3.5% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (June 26, 2018, 2023 and 2028) to the Federal Home Loan Bank Boston Classic Advance Five Year Rate plus 2.75% per annum. Commencing in July, 2013, the loan requires monthly installments of principal and interest of \$376 until the next five-year interval adjustment date of June 26, 2018. The note provides for the payment of a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement.

At June 30, 2016 and 2015, the outstanding principal balance of the mortgage note payable amounted to \$78,281 and \$79,974, respectively.

For the years ended June 30, 2016 and 2015, interest expense on this mortgage note payable amounted to \$2,818 and \$2,870, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rate in effect at June 30, 2016, are estimated to be as follows:

Year	Amount
2017	\$ 1,762
2018	1,826
2019	1,892
2020	1,953
2021	2,030
Thereafter	68,818

In October 2016, Fidelity Co-Operative Bank provided financing to the Supporting Organization in the form of a promissory note, dated October 19, 2016, in the amount of \$118,000. The proceeds of the loan were used to reimburse the Supporting Organization for the acquisition, at a cost of \$119,803, of a real estate property located at 198 Pearl Street in Fitchburg, Massachusetts in February 2016 (see Note 6). The note is secured by a Negative Pledge Agreement on the property.

The promissory note has a term of 10 years, maturing on October 21, 2026, and provides for a fixed rate of interest of 4.11% per annum. Commencing on November 21, 2016, the loan requires monthly installments of principal and interest of \$726 based on a 20-year principal amortization until the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due and payable. The note provides for the prepayment of all or a portion of the amount owed without penalty. The business loan agreement contains, among other covenants,

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
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restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the business loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Supporting Organization.

Aggregate principal maturities on the loan for each of the next five years and thereafter are estimated to be as follows:

Year	Amount
2017	\$ 2,536
2018	3,973
2019	4,142
2020	4,306
2021	4,501
Thereafter	98,542

In November 2016, Enterprise Bank and Trust Company provided financing to the Supporting Organization in the form of a promissory note, dated November 4, 2016, in the amount of \$280,000. The proceeds of the loan were used for the acquisition, at a cost of \$358,287, of a real estate property located at 689-717 Main Street in Fitchburg, Massachusetts (see Note 12). The note is secured by a first mortgage interest in the property and an assignment of rents on the property.

The promissory note has a term of 10 years, maturing on November 4, 2026, and thereafter is payable on demand. The note provides for a fixed rate of interest of 4.33% per annum for the first ten years of the loan term. Thereafter, the interest rate will be adjusted at ten-year intervals to the Federal Home Loan Bank Boston Classic Advance Ten Year Rate plus 1.95% per annum. Commencing on January 1, 2017, the loan requires monthly installments of principal and interest of \$1,401 based on a 30 year principal amortization schedule. If the note is prepaid in whole or in part during the first 117 months of each fixed rate period for the purpose of refinancing the note with another financial institution, the note provides for a prepayment penalty equal to 3% of any principal reduction. Except for the forgoing, the note may be prepaid in whole or in part without penalty. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Supporting Organization.

Aggregate principal maturities on the loan for each of the next five years and thereafter are estimated to be as follows:

Year	Amount
2017	\$ 2,255
2018	4,712
2019	4,923
2020	5,143
2021	5,374
Thereafter	257,593

In November 2016, Hometown Bank provided financing to the Supporting Organization in the form of a commercial note, dated November 8, 2016, in the amount of \$135,000. The proceeds of the loan were used for the acquisition, at a cost of \$183,237, of a real estate property located at 132

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016**

Highland Avenue in Fitchburg, Massachusetts (see Note 12). The note is secured by a first mortgage interest in the property and a collateral assignment of rents and leases on the property.

The commercial note has a term of 25 years, maturing on November 8, 2041, and provides for a fixed rate of interest of 4.875% per annum. Commencing on December 8, 2016, the loan requires monthly installments of principal and interest of \$779 based on a 25 year principal amortization schedule with a final payment of all unpaid principal and accrued interest thereon due at maturity. The loan agreement requires the Supporting Organization to maintain a minimum earnings before interest, taxes, depreciation, amortization and rent to related entities and after distributions of not less than 1.25 times annual principal and interest payments plus dividends to be tested annually.

Aggregate principal maturities on the loan for each of the next five years and thereafter are estimated to be as follows:

Year	Amount
2017	\$ 1,637
2018	2,916
2019	3,061
2020	3,214
2021	3,374
Thereafter	120,798

**Note 10 - Note payable - bank****Supporting Organization**

In May 2007, the Supporting Organization acquired land and a building consisting of six apartment units at a total cost of \$504,479, including related acquisition costs. The Supporting Organization also acquired an adjacent parcel of land at a cost of \$183,301. The properties are located in the area surrounding the Fitchburg State University campus. The apartments are being used by the University as additional student housing for which the Supporting Organization receives residence hall fees.

The acquisitions were funded with the proceeds of a note payable in the amount of \$680,000, dated April 26, 2007, with Enterprise Bank and Trust Company. The note is secured by investments with a fair value of approximately \$1,981,000 at June 30, 2016. In addition, payment and performance of the Supporting Organization's obligations under the loan agreement have been guaranteed by the Foundation.

The promissory note has a term of 30 years, expiring on May 5, 2037, and provides for a fixed rate of interest of 6% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (April 26, 2012, 2017, 2022, 2027 and 2032) to the Federal Home Loan Bank Boston Classic Advance Five Year Rate plus 1.15% per annum. The interest rate was adjusted to 2.62% per annum on April 26, 2012 pursuant to the provisions of the loan agreement. The loan required monthly installments of principal and interest of \$4,122 through May 7, 2012. Commencing thereafter, the monthly installments of principal and interest are \$2,875 until the next five-year interval adjustment date of April 26, 2017. The note may be prepaid at any time, in whole or in part, without premium or penalty.

At June 30, 2016 and 2015, the outstanding principal balance of this note payable amounted to \$553,081 and \$572,464, respectively.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016**

For the years ended June 30, 2016 and 2015, interest expense on this note payable amounted to \$14,953 and \$15,486, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rate in effect at June 30, 2016, are estimated to be as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 20,044
2018	20,583
2019	21,137
2020	21,670
2021	22,288
Thereafter	447,359

**Note 11 - Lease and license agreements**

As disclosed in Note 9, the Supporting Organization entered into a long-term operating lease agreement with DCAM on behalf of the University. The lease commenced on August 16, 2006. The lease is for a term of 10 years and provides for base rent of \$165,000 per year, payable in monthly installments of \$13,750, for the entire lease term. The University is also responsible for the payment of normal operating, maintenance and repair costs associated with its use of the property. The lease expired on August 16, 2016. The Supporting Organization and DCAM are operating under the same terms and conditions as the expired lease agreement for the operation and use of the property while the parties negotiate a new lease agreement. For the years ended June 30, 2016 and 2015, rental income amounted to \$165,000 in each year. Future minimum rental income to be received on this lease for the year ending June 30, 2017 is \$20,625.

On August 6, 2008, the Supporting Organization entered into a 10-year operating lease agreement with an unrelated third party for 2,350 square feet of office space located in Fitchburg, Massachusetts. The lease commenced on November 1, 2008 and expires on October 31, 2018. The space is being used by Fitchburg State University as office and classroom space for its Center for Professional Studies. The lease provided for a base annual rent of \$17,625 for each of the first three years of the lease term, payable in monthly installments of \$1,469. Beginning with the fourth year of the lease, there will be a 7.5% increase at the commencement of each three-year period of the lease term, including the continuous period of any extensions thereof. On November 1, 2011, the base annual rent increased to \$18,947 for the next three-year period of the lease term, payable in monthly installments of \$1,579. On July 1, 2014, the Supporting Organization entered into an amended operating lease agreement with the unrelated third party adding 20 parking spaces for use in conjunction with the above mentioned office space and extending the lease term through June 30, 2019. The amended lease provides for a base annual rent of \$28,495 for each of the first three years of the lease term, payable biannually in installments of \$14,247. On July 1, 2017, the annual rent on the lease shall increase by 7.5% to \$30,632. The Supporting Organization may extend the initial term of the lease, under the same terms and conditions, for successive periods of one year provided it is not then in default of the lease terms and it gives proper notice. The Supporting Organization may cancel the lease at any time with the payment of two months' base rent as a termination charge. The Supporting Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2016 and 2015, rent expense amounted to \$28,495 and \$28,494, respectively.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016**

The following is a schedule of future minimum rental payments under this operating lease agreement:

Year ending June 30,	Amount
2017	\$ 28,495
2018	30,632
2019	30,632
	<u>\$ 89,759</u>

On February 1, 2013, the Supporting Organization entered into a 10-year operating lease agreement with the above noted unrelated third party for an additional 1,424 square feet of office space located in Fitchburg, Massachusetts. The lease commenced on February 1, 2013 and shall expire on January 31, 2023. The space is being used by Fitchburg State University for additional office and classroom space. The lease provides for a base annual rent of \$5,696 payable in monthly installments of \$475. The Supporting Organization may extend the initial term of the lease, under the same terms and conditions, for successive periods of one year provided it is not then in default of the lease terms and it gives proper notice. The Supporting Organization may cancel the lease at any time after February 1, 2014 with the payment of two months' base rent as a termination charge. The Supporting Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2016 and 2015, rent expense amounted to \$5,696 in each year.

The following is a schedule of future minimum rental payments under this operating lease agreement:

Year ending June 30,	Amount
2017	\$ 5,696
2018	5,696
2019	5,696
2020	5,696
2021	5,696
Later years	9,019
	<u>\$ 37,499</u>

On June 25, 2015, the Supporting Organization entered into an operating lease agreement with an unrelated third party for a building containing residential suites designed for use as a dormitory for college students. The lease commenced on August 1, 2015 and expired on May 31, 2016. The lease provided for annual rent of \$220,000 to be paid in two installments of \$110,000 each on August 1, 2015 and January 1, 2016. In July 2016, the Supporting Organization extended the initial term of the lease under the same terms and conditions for the period August 1, 2016 through May 31, 2017. Subject to availability, the Supporting Organization may extend the term of the lease, under the same terms and conditions, for the periods June 1, 2017 through July 31, 2017 and August 1, 2017 through May 31, 2018. For the year ended June 30, 2016, rent expense amounted to \$220,000.

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

The Supporting Organization and the University are parties to License Agreements whereby the Supporting Organization granted to the University irrevocable and exclusive licenses to occupy, manage, maintain and operate certain property owned by the Supporting Organization. The License Agreements provide for initial terms of one year and automatic annual renewals thereafter. The License Agreements provide for annual license fees payable, in arrears, in four equal quarterly installments. All costs to operate and maintain the property, including any capital improvements made thereto, shall be borne by the University. The License Agreements may be terminated by either party upon the expiration of the initial term of the agreements and any subsequent renewal term with the giving of proper notice. In addition, the University may terminate the agreements at any time with the giving of proper notice. For the years ended June 30, 2016 and 2015, license fee income amounted to \$108,167 and \$235,833, respectively.

**Note 12 - Property purchase commitments and closings**

On February 3, 2016, the Supporting Organization entered into a purchase and sale agreement for the purchase of a property, including land and a building, for a price of \$350,000. The Supporting Organization made a deposit of \$10,000 on the property during fiscal 2016 which is included in prepaid expenses and other current assets in the accompanying 2016 consolidated statement of financial position. The Supporting Organization intends to use the property for academic support and a theater renovation. On November 4, 2016, the Supporting Organization closed on this acquisition at a total cost of \$358,287. The acquisition was financed, in part, with a mortgage note on the property in the amount of \$280,000 (see Note 9).

On May 5, 2016, the Supporting Organization entered into a purchase and sale agreement for the purchase of a property, including land and a building, for a price of \$140,000. The Supporting Organization made a deposit of \$3,000 on the property during fiscal 2016 which is included in prepaid expenses and other current assets in the accompanying 2016 consolidated statement of financial position. The Supporting Organization intends to raze the building and create green space. On July 12, 2016, the Supporting Organization closed on this acquisition at a total cost of \$141,515.

On June 10, 2016, the Supporting Organization entered into a purchase and sale agreement for the purchase of a property, including land and building, for a price of \$80,000. The Supporting Organization made a deposit of \$4,000 on the property during fiscal 2016 which is included in prepaid expenses and other current assets in the accompanying 2016 consolidated statement of financial position. The Supporting Organization intends to raze the building and create green space. On July 14, 2016, the Supporting Organization closed on this acquisition at a total cost of \$81,275.

The July acquisitions were funded with operating cash of the Supporting Organization in the amount of \$147,790 and the proceeds of an advance in the amount of \$75,000 from the Foundation.

On July 26, 2016, the Supporting Organization entered into a purchase and sale agreement for the purchase of a property, including land and building, for a price of \$180,000. The Supporting Organization intends to use this property for faculty housing. On November 8, 2016, the Supporting Organization closed on this acquisition at a total cost of \$183,237. The acquisition was financed, in part, with a mortgage note on the property in the amount of \$135,000 (see Note 9).

**Note 13 - Restricted net assets**

Temporarily restricted net assets in the amount of \$4,765,321, as of June 30, 2016, are available as follows: equipment which use is restricted, in the amount of \$2,365; and scholarships to qualified students and to promote cultural programs within Fitchburg State University in the amount of

**Fitchburg State University Foundation, Inc.**

**Notes to Consolidated Financial Statements  
June 30, 2016**

\$4,762,956. Temporarily restricted net assets in the amount of \$5,223,211, as of June 30, 2015, were available as follows: equipment which use is restricted, in the amount of \$10,786; and scholarships to qualified students and to promote cultural programs within Fitchburg State University in the amount of \$5,212,425.

Temporarily restricted net assets released from restrictions during 2016 represent the satisfaction of program restrictions in the amount of \$474,409; the satisfaction of scholarship-related restrictions in the amount of \$308,957 and the satisfaction of equipment donation restrictions in the amount of \$8,421.

Permanently restricted net assets in the amounts of \$9,505,236 and \$9,262,680 as of June 30, 2016 and 2015, respectively, are invested in perpetuity. Income from the investments is expendable for the program services of the Organization, including the granting of scholarships and to fund other academic and cultural programs.

During 2016, \$83,058 was reclassified from temporarily restricted net assets to permanently restricted net assets. In accordance with the donor's restrictions, this amount together with current year donations met the Organization's minimum requirement to establish permanent endowments. Accordingly, the \$83,058 was reclassified to permanently restricted net assets. In addition, \$3,000 was reclassified from temporarily restricted net assets to unrestricted net assets during the year reflecting a change in donor intentions.

**Note 14 - Transactions with a related party**

Fitchburg State University renders certain administrative services to the Organization. These services, with a value of \$135,896 and \$132,220, respectively, have been recognized as contribution in kind income in the accompanying consolidated statement of activities in accordance with FASB guidance for the years ended June 30, 2016 and 2015.

For the years ended June 30, 2016 and 2015, the Supporting Organization incurred expenses totaling \$31,787 and \$29,564, respectively, to Fitchburg State University for maintenance services provided to the Supporting Organization for the real estate used for student housing.

As of June 30, 2015, the Supporting Organization has miscellaneous payables in the amount of \$5,272 to Fitchburg State University, which are included in accounts payable, trade in the accompanying 2015 consolidated statement of financial position.

As of June 30, 2016, the Supporting Organization has miscellaneous accounts receivable in the amount of \$1,650 from Fitchburg State University, which are included in accounts receivable in the accompanying 2016 consolidated statement of financial position.

At June 30, 2016 and 2015, the Foundation has miscellaneous payables to Fitchburg State University in the amounts of \$20,201 and \$95,491 which are included in accounts payable, trade in the accompanying 2016 and 2015 consolidated statements of financial position, respectively.

During fiscal 2014, the University made a noninterest-bearing advance to the Supporting Organization in the amount of \$100,000 to fund a portion of the rehabilitation costs of the campus residence for the University President. The advance was repaid during fiscal 2015. The outstanding advance did not have any specified repayment provisions and due date.

**Fitchburg State University Foundation, Inc.****Notes to Consolidated Financial Statements  
June 30, 2016****Note 15 - Major donors**

During fiscal 2016, the Organization received unrestricted donations of \$127,450 from one donor which represents approximately 22% of total gifts and donations revenue during 2016.

During fiscal 2015, the Organization received temporarily restricted donations of \$140,200 from one donor which represent approximately 17% of total gifts and donations revenue during 2015.

**Note 16 - Supplemental cash flows information**

	<u>2016</u>	<u>2015</u>
Cash paid for interest during the year	<u>\$ 141,468</u>	<u>\$ 169,687</u>

Schedule of noncash investing and financing activities:

	<u>2016</u>	<u>2015</u>
Acquisition of property and equipment	\$ 226,292	\$ 962,002
Accounts payable thereon		
Beginning of year	-	127,075
End of year	<u>-</u>	<u>-</u>
Cash paid for property and equipment	<u>\$ 226,292</u>	<u>\$ 1,089,077</u>

During fiscal 2015, the Supporting Organization sold certain of its land and buildings with an aggregate net book value of \$401,405 for \$996,200 resulting in an aggregate gain of \$594,795. Sales proceeds of \$70,000 were receivable as of June 30, 2015 and were received in July 2015.

**Supplementary Information**

Independent Auditor's Report on Supplementary Information

To the Board of Directors  
Fitchburg State University Foundation, Inc.

We have audited the consolidated financial statements of Fitchburg State University Foundation, Inc. ("Foundation") as of and for the year ended June 30, 2016, and our report thereon dated November 15, 2016, which appears on page 2, expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the 2016 consolidated financial statements as a whole. The information for the year ended June 30, 2016 contained on page 39 is presented for purposes of additional analysis and is not a required part of the 2016 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 consolidated financial statements or to the 2016 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2016 consolidated financial statements as a whole. The prior year summarized comparative information has been derived from the supplementary information accompanying the Foundation's 2015 consolidated financial statements and, in our report on supplementary information dated November 17, 2015, we expressed our opinion that such information was fairly stated in all material respects in relation to the 2015 consolidated financial statements as a whole. Such information should be read in conjunction with the Foundation's consolidated financial statements and accompanying supplementary information for the year ended June 30, 2015, from which the summarized information was derived.



Boston, Massachusetts  
November 15, 2016

**Fitchburg State University Foundation, Inc.**

**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	Program services	Management and general	Fundraising	2016 consolidated total	2015 consolidated total
Scholarships	\$ 308,957	\$ -	\$ -	\$ 308,957	\$ 380,967
Community services	43,493	-	-	43,493	17,710
Speakers and cultural programs	35,553	-	-	35,553	67,857
Outside services	68,725	-	661	69,386	132,363
Accounting and audit	-	37,626	-	37,626	26,270
Insurance	57,436	24,324	-	81,760	74,695
Affiliate personnel costs	-	85,073	50,823	135,896	132,220
Supplies	67,174	-	25	67,199	86,906
Postage	26,356	-	14,580	40,936	29,950
Equipment and maintenance	109,719	14,626	576	124,921	135,358
Printing and publications	90,711	112	15,003	105,826	189,158
Travel	106,292	-	161	106,453	123,945
Meetings and conferences	64,205	331	30,048	94,584	106,576
Professional and consulting services	5,587	-	-	5,587	9,083
Awards and grants	155,128	-	-	155,128	69,190
Fees, fines, licenses, permits	787	-	337	1,124	4,926
Repairs and maintenance	31,787	-	-	31,787	29,564
Rent	254,191	-	-	254,191	34,190
Utilities	24,915	-	-	24,915	22,971
Interest	116,774	24,128	-	140,902	167,308
Miscellaneous	7,363	15,814	-	23,177	24,521
Investment management fees	-	100,290	-	100,290	94,980
Other financial fees	1,400	3,714	-	5,114	5,877
	<u>1,576,553</u>	<u>306,038</u>	<u>112,214</u>	<u>1,994,805</u>	<u>1,966,585</u>
Impairment loss	98,446	-	-	98,446	31,218
Depreciation and amortization	237,732	12,316	-	250,048	166,470
	<u>\$ 1,912,731</u>	<u>\$ 318,354</u>	<u>\$ 112,214</u>	<u>\$ 2,343,299</u>	<u>\$ 2,164,273</u>

See Independent Auditor's Report on Supplementary Information.

Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
Fitchburg State University Foundation, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Fitchburg State University Foundation, Inc., which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 15, 2016.

#### Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Fitchburg State University Foundation, Inc.'s internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fitchburg State University Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Fitchburg State University Foundation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Fitchburg State University Foundation, Inc.'s consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fitchburg State University Foundation, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fitchburg State University Foundation, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fitchburg State University Foundation, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Boston, Massachusetts  
November 15, 2016



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**Fitchburg State University  
(a department of the  
Commonwealth of Massachusetts)**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Reports**

**June 30, 2016 and 2015**

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

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## Independent Auditor's Report

To the Board of Trustees  
Fitchburg State University

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Fitchburg State University (the "University") (a department of the Commonwealth of Massachusetts), as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the index.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Fitchburg State University as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note 1, the financial statements of Fitchburg State University and its discretely presented component unit are intended to present the respective financial position, the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Massachusetts that is attributable to the transactions of Fitchburg State University and its discretely presented component unit. They do not purport to, and do not, present fairly the financial position of the Commonwealth of Massachusetts as of June 30, 2016 and 2015, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension benefit schedules on pages 5 to 15 and 80 to 81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the 2016 financial statements that collectively comprise the University's basic financial statements. The residence hall fund and residence hall damage fund activity shown on pages 82 to 83 are presented for purposes of additional analysis and are not a required part of the 2016 financial statements. The residence hall fund and residence hall damage fund activity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2016 financial statements. The residence hall fund and residence hall damage fund activity information have been subjected to the auditing procedures applied in the audit of the 2016 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 financial statements or to the 2016 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the residence hall fund and residence hall damage fund activity information are fairly stated, in all material respects, in relation to the 2016 financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016 on our consideration of Fitchburg State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fitchburg State University's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Boston, Massachusetts  
November 15, 2016

**FITCHBURG STATE UNIVERSITY**  
(a department of the Commonwealth of Massachusetts)  
Management's Discussion and Analysis  
**UNAUDITED**

## Introduction

The following discussion and analysis are intended to provide an overview of the financial position and results of operations of Fitchburg State University (the "University") for the fiscal years ended June 30, 2016, 2015 and 2014. This discussion is provided by the management of the University and should be read in conjunction with the financial statements and notes thereto. The purpose of this document is to give some background to the financial statements, and foster an understanding of how these statements relate to the mission and activities of the University.

The University, located in North Central Massachusetts, is one of the nine comprehensive public universities in the Commonwealth of Massachusetts (the "Commonwealth"). These institutions, along with the five-campus University of Massachusetts system and the 15 community colleges comprise public higher education in Massachusetts. The University offers approximately 50 undergraduate degree programs in eighteen academic departments, 20 Masters' degree programs and several Graduate Certificates of Advanced Study. During fiscal 2016, there were approximately 3,650 full-time students and thousands of part-time students enrolled in degree programs, for a combined full-time equivalent enrollment of approximately 5,136. Thousands more non-matriculated students take advantage of professional development programs through the Division of Graduate and Continuing Education ("DGCE"). The University awarded approximately 1,100 graduate and undergraduate degrees in fiscal 2016. The University is accredited by the New England Association of Schools and Colleges ("NEASC") and many of the University's programs are accredited by program-specific accrediting bodies.

## Financial Highlights

The University experienced positive results from operations in fiscal 2016 resulting in an increase in net assets of approximately 2.0%. The following are key financial highlights for the current period:

- General appropriations from the Commonwealth are approved by the legislature to help fund the day-to-day operations of the University. The University received appropriations of \$29.1 million in fiscal 2016 as compared with \$28.9 million in fiscal 2015 and \$27.4 million in fiscal 2014. Included in the current year's figure are incentive funds appropriated by the Massachusetts legislature which provided an additional \$5.5 million in funding to the state university system. Fitchburg State University received \$400,000, less than half of what was received in the prior fiscal year. There were no funds received for the current collective bargaining agreements resulting in an overall increase in general appropriations of less than 1%.
- The University increased mandatory fees by \$225 per semester to subsidize unfunded state mandates, primarily collective bargaining obligations not funded by state appropriations. The capital projects fee was also increased in fiscal 2016 to fund the final phase of the renovations to Hammond Hall. Total mandatory per semester fees were \$4,482, \$4,145 and \$4,007 in fiscal 2016, 2015 and 2014, respectively. Tuition, which is controlled by the Commonwealth, has not increased since the fall of 2001 and remains at \$485 per semester for in-state students.
- The University expended \$19.2 million from current funds for capital additions in fiscal 2016. An additional \$1 million was spent on the University's behalf by the Massachusetts Division of Capital Asset Management ("DCAM") for the Science Center modernization project and energy retrofit projects. Projects completed during the year included Phase IV, V & VI of the Hammond Hall renovations, renovations to the Dupont smokestack and campus core improvements. Projects remaining in process at June 30, 2016 include the final renovations of Hammond Hall, Phase II of the McKay C wing renovations, and the campus wireless project.

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- Total assets and deferred outflows of resources at the end of fiscal 2016 were \$230 million and exceeded liabilities and deferred inflows of resources of \$89 million by \$141 million (i.e. net position). Unrestricted net position available to support short-term operations totaled \$17.9 million, of which \$12.3 million has been designated for specific purposes.
- Total operating, non-operating, and gift revenue for fiscal 2016 was \$95.1 million, while expenses totaled \$92.3 million, resulting in an increase to net position of \$2.8 million. The increase in net position includes a 7.6% increase in student tuition and fee revenues.
- Governmental Accounting Standards Board ("GASB") Statement No. 68 requires that an allocated portion of the Commonwealth's unfunded pension liability be reported on the financial statements of the individual institutions of higher education. The allocation is based on the actual contributions paid by the institutions through assessed fringe benefit charges. The University's portion of the Commonwealth's unfunded pension liability is calculated at \$10 million at June 30, 2015. The financial statements and ratios have been adjusted accordingly.

Ratio analysis measures certain elements of an institution's overall financial health. The Massachusetts Department of Higher Education has instituted the use of certain core financial ratios as part of their performance measures for public universities and colleges in the Commonwealth. Analysis using these ratios, as well as other commonly accepted ratios, are incorporated throughout this document.

- **Current Ratio:** An excess of current assets over current liabilities (the current ratio) is a measure of liquidity and provides a buffer against future uncertainties. The University's current assets of \$26.7 million are sufficient to cover current liabilities of \$15.1 million. The University's current ratio at June 30 is 1.8 to 1 for 2016, 1.6 to 1 for 2015, and 1.4 to 1 for 2014.
- **Return on Net Position Ratio:** Net position represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Comparing the current change in total net position to total net position at the beginning of the period (return on net position) is an economic measure that determines if the University is financially better off than in previous years. The University's return on net position at June 30, 2016, 2015 and 2014 was 2.0%, 4.4% and 14.5%, respectively. The increase in the prior years' return on net position ratio is primarily the result of capital funds received for the construction of the Antonucci Science Complex.
- **Primary Reserve Ratio:** This ratio indicates how long the University could function using its expendable reserves without relying on additional net position generated by operations. The University's primary reserve ratio at June 30, 2016, 2015 and 2014 was 27.3%, 27.5% and 25.8%, respectively.
- **Secondary Reserve Ratio:** This ratio measures the significance of non-expendable net position in relation to an institution's operating size. An improving trend shows an improved capital base and the higher the ratio value, the better the long-term financial condition. The University's secondary reserve ratio at June 30, 2016, 2015 and 2014 was 125.9%, 128.45% and 131.9%, respectively.
- **Composite Financial Index:** In order to assess and evaluate the total financial health of an institution, core financial ratios are weighted and combined into a single factor called the Composite Financial Index ("CFI"). When calculated, a strength factor of three indicates a relatively healthy institution that can sustain moderate growth with expendable net position exceeding debt levels. The University's CFI at June 30, 2016, 2015 and 2014 was 1.4, 1.6 and 2.8, respectively.

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### Using the Financial Statements

Fitchburg State University reports its activity as a business type activity using the full accrual basis of accounting. The accrual basis of accounting ensures that all amounts owed to the University and all pending obligations of the University are accounted for in the appropriate period, thus giving a clear picture of the University's financial position. The University is a department of the Commonwealth of Massachusetts. A summary of the University's financial statements is incorporated in the Commonwealth's Comprehensive Annual Financial Report in its government-wide financial statements. The University's financial statements include three major documents: The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These statements are prepared in accordance with Governmental Accounting Standards.

#### *Statement of Net Position*

The statement of net position presents the financial position of the University at the end of the year and includes all assets, liabilities and deferred inflows and outflows of resources of the University, with the difference reported as net position. Assets, liabilities and deferred inflows and outflows are generally measured using current values, with a notable exception in capital assets, which are stated at historical cost less an allowance for depreciation. Net position is one indicator of the financial condition of the University, while the change in net position from one period to the next is an indicator of whether the financial condition has improved or worsened. The statements of net position (condensed, in thousands) at June 30, 2016, 2015 and 2014, are as follows:

	2016	2015	2014
<b>Assets</b>			
Current assets	\$ 26,712	\$ 28,703	\$ 23,573
Capital assets, net	174,998	163,847	151,560
Other	24,170	35,402	38,639
<b>Total assets</b>	<b>225,880</b>	<b>227,952</b>	<b>213,772</b>
<b>Deferred outflows of resources</b>	<b>3,999</b>	<b>607</b>	<b>-</b>
<b>Liabilities</b>			
Current liabilities	15,163	17,393	16,485
Long-term liabilities	70,999	69,179	62,541
<b>Total liabilities</b>	<b>86,162</b>	<b>86,572</b>	<b>79,026</b>
<b>Deferred inflows of resources</b>	<b>2,382</b>	<b>3,402</b>	<b>2,017</b>
<b>Net position</b>			
Net investment in capital assets	115,713	113,647	110,513
Restricted			
Nonexpendable	467	480	474
Expendable	7,230	6,660	5,680
Unrestricted			
Designated	12,271	10,568	9,381
Undesignated	5,654	7,230	6,681
<b>Total net position</b>	<b>\$ 141,335</b>	<b>\$ 138,585</b>	<b>\$ 132,729</b>

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Current assets consist primarily of cash and cash equivalents (93.0%). Other assets include non-current restricted cash and cash equivalents, investments in marketable securities and loans receivable. Capital assets are used to provide services to students, faculty and staff. These assets are not available for current or future spending. Current liabilities primarily include trade accounts and salaries payable, accounts payable - construction, the current portion of compensated absences and accrued faculty payroll. In the normal course of events and based on a consistent past history in this regard, it is anticipated that obligations due to employees will be funded by state appropriations. Deferred inflows and outflows of resources represent either the acquisition or use of net assets applicable to future periods and are distinct from assets and liabilities. Net position in fiscal 2014 has been decreased to reflect the recognition of the University's unfunded pension liability as required by the implementation of GASB Statement No. 68. The overall increase in net position over the last three fiscal years is the result of an influx of capital appropriations and grants that funded the construction of the Antonucci Science Complex. Those individual elements of revenue and the corresponding increases in net position are illustrated in the following schedule.

*Statement of Revenues, Expenses and Changes in Net Position*

The following Statements of Revenues, Expenses and Changes in Net Position (condensed, in thousands) presents information showing the University's results of operations for the fiscal years ended June 30, 2016, 2015 and 2014. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g. the accrual for compensated absences).

	2016	2015	2014
Operating revenues			
Tuition and fees (net)	\$ 36,408	\$ 33,815	\$ 32,945
Grants	8,426	8,500	8,040
Sales and service of educational department	1,274	1,139	1,142
Auxiliary	9,270	9,278	8,807
Other operating revenue	982	832	799
Total operating revenue	<u>56,360</u>	<u>53,564</u>	<u>51,733</u>
Operating expenses			
Instruction	33,729	32,049	31,735
Research and public service	481	396	551
Academic support	6,088	5,478	4,865
Student services	9,646	9,745	9,195
Scholarships	1,809	1,647	1,688
Institutional support	9,975	8,081	7,664
Operations and maintenance	11,223	12,116	11,377
Depreciation	9,088	8,525	7,209
Auxiliary	8,854	9,094	8,770
Total operating expenses	<u>90,893</u>	<u>87,131</u>	<u>83,054</u>
Net operating loss	<u>(34,533)</u>	<u>(33,567)</u>	<u>(31,321)</u>
Non-operating revenue and expenses			
State appropriations	37,159	36,198	34,028
Investment income	(3)	191	1,988
Interest expense and debt issue costs	(1,419)	(1,165)	(1,002)
State capital appropriations	73	908	836
Capital gifts and grants	1,473	3,841	12,361
Interagency transfers	-	(550)	(120)
Total non-operating revenue	<u>37,283</u>	<u>39,423</u>	<u>48,091</u>
Increase in net position	2,750	5,856	16,770
Net position, beginning of the year	138,585	132,729	122,152
Restatement	-	-	(6,193)
Net position, end of the year	<u>\$ 141,335</u>	<u>\$ 138,585</u>	<u>\$ 132,729</u>

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State appropriations are reported net of the amount of in state day school tuition collected by the University on behalf of the Commonwealth. The tuition collected (for in state supported courses taught by state employees) is then remitted to the Commonwealth as required by Massachusetts General Law. The following schedule details the Commonwealth appropriations received by the University. Included in appropriations are the fringe benefit costs for University employees, which are paid by the Commonwealth. The Commonwealth appropriates general funds to cover the cost of fringe benefits for state employees, but these funds are not appropriated directly to the University. Employees who are paid from local trust funds, grants or other sources receive the same fringe benefits. Generally, the University reimburses the Commonwealth for the benefit costs associated with these employees. In 2012 legislation was passed that allowed the state universities to retain out of state day tuition. The legislation further mandated that the Commonwealth would fund the fringe benefits for any employee paid from this funding source. The fringe benefit rate charged by the Commonwealth, exclusive of compensated absences, for fiscal years 2016, 2015 and 2014 was 29.2%, 27.3% and 26.2%, respectively. The current fringe benefit rate includes group medical insurance (18.8%); retirement (9.5%) and terminal leave (.9%).

The following schedule (condensed, in thousands) details the Commonwealth appropriations received by the University:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commonwealth general appropriations	\$ 29,109	\$ 28,961	\$ 27,551
Appropriations to cover fringe benefits provided to employees of the Commonwealth	<u>8,820</u>	<u>8,191</u>	<u>7,522</u>
	37,929	37,152	35,073
Tuition remitted back to the Commonwealth	<u>(770)</u>	<u>(954)</u>	<u>(1,045)</u>
Net appropriations	37,159	36,198	34,028
Additional state capital appropriations	<u>73</u>	<u>908</u>	<u>836</u>
Total appropriations	<u>\$ 37,232</u>	<u>\$ 37,106</u>	<u>\$ 34,864</u>

State appropriations are a significant source of funding for the University. According to the Governmental Accounting Standards Board, appropriations are considered non-operating revenue. As such, the University appears to experience a loss from operations. However, it should be noted that state appropriations *are* used to fund the operating activities of the University.

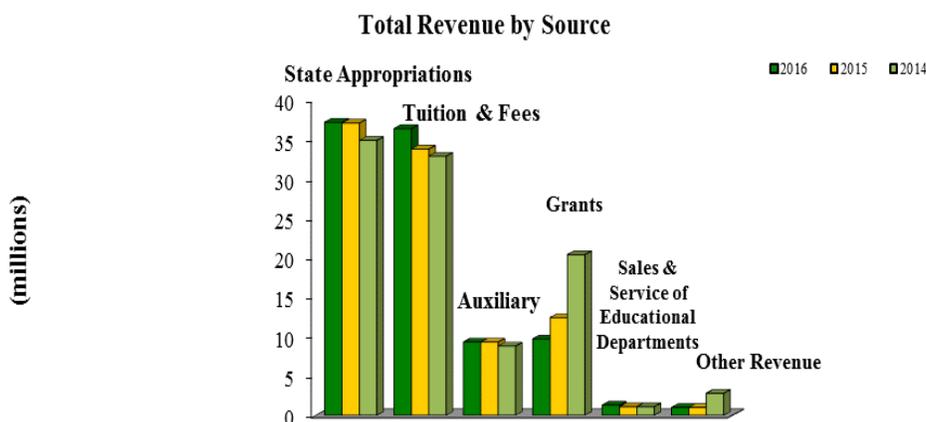
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The following schedule (condensed, in thousands) illustrates the University's incurred losses from operations for the fiscal years ended June 30, 2016, 2015 and 2014:

	2016	2015	2014
Tuition and fees revenue, net	\$ 36,408	\$ 33,815	\$ 32,945
Other operating revenue	19,952	19,749	18,788
<b>Total operating revenue</b>	<b>56,360</b>	<b>53,564</b>	<b>51,733</b>
Operating expenses	(90,893)	(87,131)	(83,054)
<b>Operating loss</b>	<b>(34,533)</b>	<b>(33,567)</b>	<b>(31,321)</b>
Total state appropriations	37,159	36,198	34,028
Other revenue (expense), net	124	3,225	14,063
<b>Increase in net position</b>	<b>\$ 2,750</b>	<b>\$ 5,856</b>	<b>\$ 16,770</b>

**Net Operating Revenues Ratio:** This ratio indicates whether total operating activities resulted in a surplus or deficit. A positive ratio indicates that the institution experienced an operating surplus and is indicative of efficient and effective operations. For the fiscal years ended June 30, 2016, 2015 and 2014, the University's net operating revenues ratio was 1.5%, 1.4% and 4.0%, respectively.

The following is a graphic illustration of total revenue (operating, non-operating and capital) by source. Total revenue for the fiscal years ended June 30, 2016, 2015 and 2014 was \$95.1, \$94.7 and \$100.9 million, respectively.



For the fiscal year ended June 30, 2016, general appropriations, as well as total appropriations, essentially remained flat with 2015 funding levels. Collective bargaining costs were not funded in fiscal 2016 resulting in an increase in the amount of payroll funded from local trust funds and a corresponding increase in fringe benefit charges from the state. The lack of collective bargaining funding further exacerbates the continued reduction in state support and forces the University to rely more heavily on student fees to support operations. Over the last fifteen years, general appropriations (including fringe benefits) that support the operating costs of the University have decreased to 40.2% from 61.5% in fiscal 2001. In addition to the increasing amount of local payroll, all other operating costs incurred by the University are funded from other

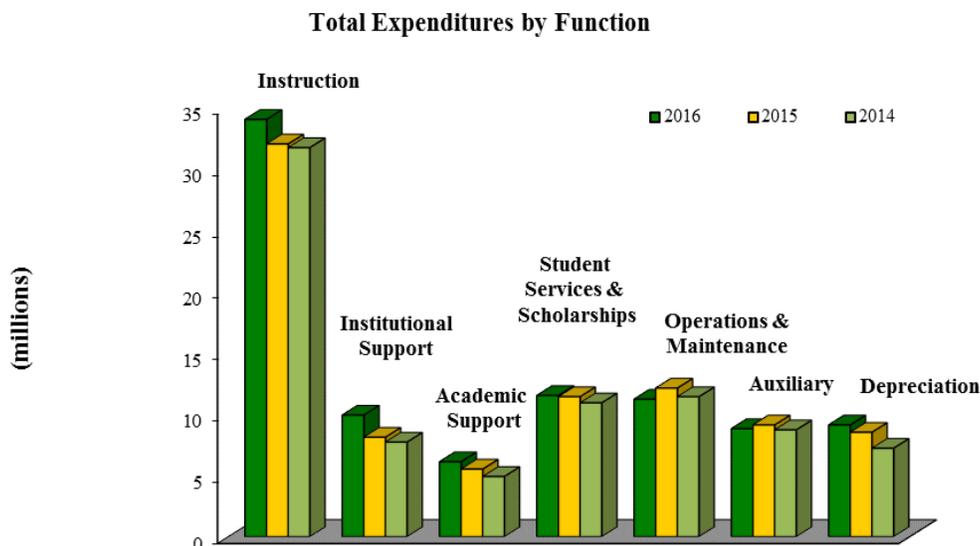
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non-state revenue sources. Tuition and fees are reported net of tuition waivers, exemptions, and scholarship allowances. The amount of tuition charged per semester is controlled at the state level and remains unchanged. The University fee and capital projects fee was increased in fiscal 2016 resulting in an overall increase in total tuition and fee revenue of 7.6%. During fiscal year 2016, 2015 and 2014, in-state tuition, fees and room & board for full time resident students was \$9,532, \$9,100 and \$8,907 per semester, respectively. In-state tuition and fees for commuting students in fiscal years 2016, 2015 and 2014 was \$4,967, \$4,630 and \$4,492 per semester, respectively.

Auxiliary revenue represents revenue received from the operations of the University's residence halls. Auxiliary revenue does not include fees charged for the student housing facility owned and operated by the FSU Supporting Organization, Inc. (the "Supporting Organization"). The average residence hall occupancy rate for the year was 103% capacity.

Grant revenue is made up of federal, state and private grants. Grant revenue includes PELL, SEOG and Federal Work Study financial aid programs. Grant revenue also includes \$1.3 million in capital grant funds used for construction and renovation of the science center and energy retrofit projects.

The following is a graphic illustration of total expenditures (operating and non-operating) by function. Total expenditures for the fiscal years ended June 30, 2016, 2015 and 2014 were \$92.3, \$88.8 and \$84.2 million, respectively.



Expenditures, exclusive of depreciation, increased by 4.1% primarily due to increases in payroll mandated by collective bargaining agreements. The most significant area of expense remains Instruction, which represents 36.5% of total operating expenses. Faculty payroll (\$22.1 million) and related benefits (\$6.5 million) represent approximately 84.7% of instructional expenditures. Institutional Support consists of the day-to-day operational support of the institution, excluding physical plant operations. Scholarships are funded from Title V entitlement programs such as PELL and SEOG, as well as, from institutional operating funds. Operations and Maintenance consists of expenditures related to physical plant. Expenditures in this functional area include general repair costs and deferred maintenance costs that are below the capitalization threshold of \$50,000. The financial statements include \$9.1, \$8.5 and \$7.2 million in depreciation expense for 2016, 2015 and 2014, respectively.

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**Demand Ratios:** Demand ratios measure the extent to which each type of expense consumes operating and non-operating revenues. The following table displays the amount of operating and non-operating revenue, exclusive of capital grants and appropriations, consumed by the various functional expense categories:

Expense	2016	2015	2014
Instruction	36.0%	35.6%	36.2%
Institutional Support	10.6%	9.0%	8.7%
Academic Support	6.5%	6.1%	5.5%
Student Services & Scholarships	12.2%	12.6%	12.4%
Operations & Maintenance	12.0%	13.5%	13.0%
Auxiliary	9.4%	10.1%	10.0%
Depreciation	9.7%	9.5%	8.2%

Note: The total sum of all Demand Ratios will be greater (less) than 100%, with the difference representing the surplus (deficit).

#### *Statement of Cash Flows*

The statement of cash flows provides pertinent information about the cash receipts and cash payments during a certain period of time. The statement provides an additional tool to assess the financial health of the institution. As required by GASB, the statement is reported using the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of receipts (e.g. tuition and fees) and disbursements (e.g. cash paid to employees for services).

The following are the University's statements of cash flows (condensed, in thousands) for the fiscal years ended June 30, 2016, 2015 and 2014:

	2016	2015	2014
	<u>          </u>	<u>          </u>	<u>          </u>
Cash received from operations	\$ 57,063	\$ 52,990	\$ 51,214
Cash expended for operations	<u>(74,289)</u>	<u>(70,666)</u>	<u>(68,574)</u>
Net cash used by operations	(17,226)	(17,676)	(17,360)
Net cash provided by noncapital financing activities	28,510	28,007	26,506
Net cash used in capital and related financing activities	(23,918)	(9,069)	(7,150)
Net cash provided by (used in) investing activities	<u>455</u>	<u>2,235</u>	<u>(187)</u>
Net increase (decrease) in cash and equivalents	(12,179)	3,497	1,809
Cash and equivalents, beginning of the year	<u>41,956</u>	<u>38,459</u>	<u>36,650</u>
Cash and equivalents, end of the year	<u>\$ 29,777</u>	<u>\$ 41,956</u>	<u>\$ 38,459</u>

The University's cash and cash equivalents decreased by approximately \$12.2 million during fiscal 2016, resulting in the cash and cash equivalents balance of \$29.7 million at fiscal year end. The decrease is primarily due to bond proceeds spent on Phase V of the Hammond Hall renovation. Non-capital financing

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activities, as defined by GASB, include state appropriations. These appropriations fund the operating activities of the University. Investing activities include interest and dividends received from portfolio investments, as well as, interest earned on University funds held in various short-term money management vehicles.

#### *Capital Assets*

Capital assets consist of land, land improvements, buildings and building improvements, equipment, library materials, and construction in progress. As of June 30, 2016, net capital assets increased to \$175 million net of current depreciation expense of \$9.1 million. During the current fiscal year there were \$20.2 million in additions to capital assets. Major capital initiatives either continuing or undertaken during 2016 include:

- McKay C Wing renovations, \$856,000 (to date)
- Campus Wireless Project, \$129,000 (to date)
- Final renovations to Hammond Hall, \$1.6 million (to date)

Additional information on Fitchburg State University's capital assets can be found in Note 5 to the accompanying financial statements.

**Physical Asset Renewal Ratio:** The extent to which capital renewal is occurring as compared to physical usage (depreciation) can be measured by the physical asset renewal ratio. A ratio above 1:1 indicates increasing investment in plant facilities. The University's physical asset renewal ratio for fiscal years ended June 30, 2016, 2015 and 2014 was 2.2, 2.4 and 4.0, respectively.

#### *Long-term Debt*

The University has long-term debt obligations issued for various capital projects. The debt was issued through several financing agreements with the Massachusetts Development Finance Agency ("MDFA") (formerly the Massachusetts Health and Educational Facilities Authority ("MHEFA")) and the Massachusetts State College Building Authority ("MSCBA"). The interest rate on the MDFA debt is a floating rate set every thirty five days based on market conditions. The interest rate on the MSCBA debt is based on an increasing coupon rate ranging from 2.00% to 6.54% over the term of the debt as set by MSCBA. The debt is being repaid by the University primarily through dedicated student fees ("DSF"). The following table summarizes the various debt vehicles, interest rates, debt service and debt outstanding at June 30, 2016 and is inclusive of any bond premiums or discounts.

Issuing Agency	Construction Project	Fiscal Year Issued	Original Issue	Funding Source	Effective Interest Rate	Debt Service Payments	Debt Outstanding	Maturity
MDFA	Recreation Center	1997	\$6,000,000	DSF	1.91%	\$301,238	\$2,838,013	2023
MSCBA	Holmes Dining Hall Renovations	2005	\$1,090,000	DSF	2.57%	\$68,225	\$600,000	2025
MSCBA	Elliot Athletic Field Improvements	2005	\$4,020,000	DSF	2.32%	\$248,451	\$2,190,000	2025
MSCBA	Holmes Dining Hall Renovations	2006	\$2,060,000	DSF	4.59%	\$147,192	\$1,309,937	2026
MSCBA	Hammond Campus Center Renovations	2011	\$15,935,656	DSF & operating funds	3.42%	\$1,108,132	\$12,559,798	2030

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Issuing Agency	Construction Project	Fiscal Year Issued	Original Issue	Funding Source	Effective Interest Rate	Debt Service Payments	Debt Outstanding	Maturity
MSCBA	Hammond Campus Center Renovations	2012	\$7,043,416	DSF & operating funds	4.95%	\$509,550	\$6,029,022	2031
MSCBA	Hammond Campus Center Renovations	2013	\$11,300,906	DSF & operating funds	3.33%	\$744,425	\$10,056,807	2032
MSCBA	Parking Expansion	2013	\$2,563,127	DSF & operating funds	3.07%	\$168,588	\$2,280,838	2032
MSCBA	Hammond Campus Center Renovations	2014	\$12,235,614	DSF & operating funds	4.90%	\$914,400	\$11,464,287	2033
MSCBA	Hammond Campus Center Renovations	2015	\$10,669,503	DSF & operating funds	4.07%	\$759,044	\$10,385,822	2034
Total			\$72,918,222			\$4,969,245	\$59,714,524	

For the fiscal years ended June 30, 2016, 2015 and 2014, the total debt (current and long-term) attributable to interagency payments and bond premiums amounted to \$59.7, \$62.6 and \$54.4 million, respectively.

Additional information on Fitchburg State University's long-term debt activity can be found in Note 12 to the accompanying financial statements.

**Viability Ratio:** The availability of expendable net position to cover debt (the viability ratio) is a basic determinant of financial health. A viability ratio of 1.0 indicates that, as of the statement of net position date, the University has sufficient net position to satisfy its debt obligations. The University's viability ratio remained at .4 as of June 30, 2016, 2015 and 2014.

**Debt Burden:** The debt burden ratio measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures. In order to effectively manage resources, including debt, industry standards sets the upper threshold for institutional debt burden at 7%. As of June 30, 2016, 2015 and 2014, the University's debt burden was 5.8%, 5.0% and 4.2%, respectively.

#### *Looking Forward*

In September, the University launched the 2016-17 academic year with one of its largest and most diverse incoming freshman classes. There are more than 1,000 first year and transfer students beginning classes which is the second largest incoming class in the University's history. There are 294 high schools represented, 14 states and 4 foreign countries resulting in the highest overall diversity rate to date. The 2016-17 academic year also welcomes a new provost and vice president for academic affairs as well as the formal inauguration of the eleventh president of Fitchburg State University.

In August of 2016, the Massachusetts Department of Higher Education awarded \$910,000 in individual grants to 22 public colleges and universities to expand opportunities for high school students to participate in the Commonwealth Dual Enrollment Partnership program. The program allows students to attend free or low cost college courses at local campuses, at area high schools or on line. Fitchburg State University received a 25% increase over the 2016 amounts and will use those funds to expand partnerships with area high schools and to expand access to the program by offering classes in the late afternoons and on Saturdays.

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Fitchburg State University has been selected by the American Association of State Colleges and Universities to participate in a three year *Re-Imagining the First Year of College* ("RFY") project. The University was one of only 44 institutions nationally and one of only two institutions in Massachusetts to be selected. The sweeping initiative aims to transform the first year of college to enhance student's success in their undergraduate years and in the 21<sup>st</sup> century workplace. The first year of college is critical to student success but is also the point at which undergraduate institutions experience the greatest loss of students. The Project will strive to implement proven, innovative strategies and programs that are adapted to each campus's unique environment. The goal of the program is to improve retention, persistence and graduation rates as well as the entire operational system surrounding a student's first two semesters in higher education. RFY is being funded through grants from the Bill and Melinda Gates Foundation and USA Funds.

The University is the largest employer in the city of Fitchburg. As such, the institution continues to partner with the city and regional leadership in projects aimed at improving the quality of life and economic foundation of the area. Economic development and urban renewal efforts have taken many forms and include support from faculty, students and administrative staff. The *ReImagined North of Main* project is a multi-agency effort to improve the quality of life in the area north of Main Street. The Project includes representatives from City Hall, the University, Fitchburg Public Schools and several local nonprofit organizations. The goal is to improve overall conditions in targeted neighborhoods by focusing on public safety, economic development and entrepreneurship, education, housing, health and community engagement. As a community resource, the institution continues to provide leadership and support for the economic, environmental, social and cultural needs of Fitchburg, north central Massachusetts and the Commonwealth.

*Requests for Information*

This financial report is designed to provide a general overview of the finances of Fitchburg State University for anyone interested in this information. Questions concerning any of the data provided in this report or requests for additional financial information should be addressed to Dr. Richard S. Lapidus, President, Fitchburg State University, 160 Pearl Street, Fitchburg, Massachusetts, 01420.

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**Statements of Net Position**  
**June 30, 2016 and 2015**

	<u>Assets</u>			
	2016	Component Unit Fitchburg State University Foundation, Inc. 2016	2015	Component Unit Fitchburg State University Foundation, Inc. 2015
Current assets				
Cash and equivalents	\$ 19,028,998	\$ 1,185,537	\$ 19,114,408	\$ 1,287,165
Restricted cash and cash equivalents	5,807,938	-	7,134,196	-
Investments	-	5,795,296	-	6,258,067
Accounts receivable, net	1,522,077	45,062	2,163,423	109,929
Contributions receivable, net	-	81,701	-	61,124
Loans receivable - current portion	117	-	100	-
Other current assets	352,411	68,921	290,709	25,285
<b>Total current assets</b>	<b>26,711,541</b>	<b>7,176,517</b>	<b>28,702,836</b>	<b>7,741,570</b>
Noncurrent assets				
Restricted cash and cash equivalents	4,939,860	-	15,706,939	-
Investments	16,185,963	-	16,597,029	-
Endowment investments	809,984	9,460,950	842,717	9,211,284
Accounts receivable, net of current portion	81,249	-	80,009	-
Contributions receivable, net	-	37,983	-	95,990
Loans receivable, net of current portion	1,996,583	-	2,020,468	-
Capital assets, net	174,997,882	6,249,546	163,847,460	6,368,281
Other noncurrent assets	157,159	115,187	155,097	120,834
<b>Total noncurrent assets</b>	<b>199,168,680</b>	<b>15,863,666</b>	<b>199,249,719</b>	<b>15,796,389</b>
<b>Total assets</b>	<b>225,880,221</b>	<b>23,040,183</b>	<b>227,952,555</b>	<b>23,537,959</b>
Deferred outflows of resources				
Deferred outflow for pensions	3,999,478	-	606,819	-
<b>Total deferred outflows of resources</b>	<b>3,999,478</b>	<b>-</b>	<b>606,819</b>	<b>-</b>

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Net Position**  
**June 30, 2016 and 2015**

Liabilities and Net Position

	2016	Component Unit Fitchburg State University Foundation, Inc. 2016	2015	Component Unit Fitchburg State University Foundation, Inc. 2015
<b>Current Liabilities</b>				
Interagency payables - current portion	\$ 3,132,683	\$ -	\$ 2,866,416	\$ -
Long-term debt - current portion	-	175,937	-	164,043
Bank line of credit	-	250,000	-	-
Accounts payable and accrued liabilities	2,649,234	57,505	4,721,040	145,587
Accounts payable - construction	1,526,988	-	2,068,744	-
Accrued workers' compensation - current portion	110,720	-	127,529	-
Compensated absences - current portion	3,447,051	-	3,366,175	-
Faculty payroll accrual	2,949,305	-	2,947,991	-
Revenue received in advance	1,047,856	69,770	981,528	6,795
Deposits	251,925	-	270,550	-
Other current liabilities	47,405	-	42,890	-
<b>Total current liabilities</b>	<b>15,163,167</b>	<b>553,212</b>	<b>17,392,863</b>	<b>316,425</b>
<b>Noncurrent liabilities</b>				
Interagency payables, net of current portion	56,581,841	-	59,740,264	-
Accrued workers' compensation, net of current portion	397,170	-	457,467	-
Compensated absences, net of current portion	2,007,442	-	1,913,232	-
Long-term debt, net of current portion	-	2,905,137	-	3,080,876
Loan payable - federal financial assistance program	2,017,863	-	1,989,199	-
Net pension liability	9,995,092	-	5,078,817	-
<b>Total noncurrent liabilities</b>	<b>70,999,408</b>	<b>2,905,137</b>	<b>69,178,979</b>	<b>3,080,876</b>
<b>Total liabilities</b>	<b>86,162,575</b>	<b>3,458,349</b>	<b>86,571,842</b>	<b>3,397,301</b>
<b>Deferred inflows of resources</b>				
Service concession arrangement	2,023,343	-	2,276,261	-
Deferred inflow for pensions	358,503	-	1,125,969	-
<b>Total deferred inflows of resources</b>	<b>2,381,846</b>	<b>-</b>	<b>3,402,230</b>	<b>-</b>

**Fitchburg State University**  
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**Statements of Net Position**  
**June 30, 2016 and 2015**

	<u>Net Position</u>			
	<u>2016</u>	Component Unit Fitchburg State University Foundation, Inc. <u>2016</u>	<u>2015</u>	Component Unit Fitchburg State University Foundation, Inc. <u>2015</u>
Net investment in capital assets	\$ 115,713,366	\$ 2,918,471	\$ 113,647,096	\$ 3,108,089
Restricted for:				
Nonexpendable				
Scholarships and fellowships	467,162	4,839,056	480,227	4,626,322
Cultural programs	-	3,063,207	-	3,033,384
Centennial endowments	-	1,592,974	-	1,592,974
Other	-	10,000	-	10,000
Expendable				
Scholarships and fellowships	492,879	2,511,936	530,065	2,809,012
Cultural programs		1,946,688	-	2,088,759
Loans	273,806	-	269,986	-
Capital projects	1,455,397	-	1,498,585	-
Debt service	5,007,027	-	4,360,069	-
Other	930	304,331	930	317,152
Unrestricted	<u>17,924,711</u>	<u>2,395,171</u>	<u>17,798,344</u>	<u>2,554,966</u>
Total net position	<u>\$ 141,335,278</u>	<u>\$ 19,581,834</u>	<u>\$ 138,585,302</u>	<u>\$ 20,140,658</u>

See Notes to Financial Statements.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2016 and 2015**

	2016	Component Unit Fitchburg State University Foundation, Inc. 2016	2015	Component Unit Fitchburg State University Foundation, Inc. 2015
Operating revenues				
Student tuition and fees	\$ 38,443,713	\$ -	\$ 36,798,709	\$ -
Student fees restricted for repayment of Interagency payables	5,692,277	-	4,918,252	-
Less: Scholarship allowances	<u>(7,728,440)</u>	-	<u>(7,901,604)</u>	-
Net student tuition and fees	36,407,550	-	33,815,357	-
Federal grants and contracts	7,850,337	-	7,935,184	-
State and local grants and contracts	393,374	25,005	496,631	71,892
Nongovernmental grants and contracts	182,630	-	68,430	-
Sales and services of educational departments	1,273,739	582,262	1,138,903	723,700
Gifts and contributions	-	544,843	-	636,485
Auxiliary enterprises:				
Residential life	9,237,481	478,962	9,245,569	224,540
Alcohol awareness and other programs	32,250	-	32,580	-
Other operating revenues	<u>982,443</u>	-	<u>831,648</u>	<u>594,795</u>
Total operating revenues	<u>56,359,804</u>	<u>1,631,072</u>	<u>53,564,302</u>	<u>2,251,412</u>
Operating expenses				
Educational and general				
Instruction	33,729,305	38,489	32,048,719	84,973
Research	2,445	-	1,191	-
Public service	479,045	118,062	395,305	153,939
Academic support	6,087,539	15,193	5,477,624	20,718
Student services	9,646,259	173,622	9,745,125	157,651
Institutional support	9,974,494	534,249	8,080,755	672,421
Operations and maintenance of plant	11,223,190	451,043	12,115,929	147,203
Depreciation and amortization	9,087,710	250,048	8,525,149	166,470
Scholarships and awards	1,809,254	449,585	1,647,595	430,573
Auxiliary enterprises				
Residential life	8,824,155	71,816	9,065,978	68,037
Alcohol awareness and other programs	<u>29,770</u>	-	<u>27,882</u>	-
Total operating expenses	<u>90,893,166</u>	<u>2,102,107</u>	<u>87,131,252</u>	<u>1,901,985</u>
Operating income (loss)	<u>(34,533,362)</u>	<u>(471,035)</u>	<u>(33,566,950)</u>	<u>349,427</u>

**Fitchburg State University**  
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**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2016 and 2015**

	2016	Component Unit Fitchburg State University Foundation, Inc. 2016	2015	Component Unit Fitchburg State University Foundation, Inc. 2015
Nonoperating revenues (expenses)				
State appropriations	\$ 37,159,087	\$ -	\$ 36,197,548	\$ -
Gifts	176,510	-	50	-
Investment income (loss), net of investment expense	(59,768)	(29,366)	129,973	261,264
Investment income (loss) on restricted assets, net of investment expense	57,157	(77,019)	61,013	645,871
Interest expense on Interagency payables and capital asset related debt	(1,418,683)	(140,902)	(1,092,563)	(167,308)
Debt issuance costs	-	-	(72,534)	-
Net nonoperating revenues (expenses) before capital and endowment additions	<u>35,914,303</u>	<u>(247,287)</u>	<u>35,223,487</u>	<u>739,827</u>
Income (loss) before capital and endowment additions	<u>1,380,941</u>	<u>(718,322)</u>	<u>1,656,537</u>	<u>1,089,254</u>
State capital appropriations	72,922	-	908,318	-
Capital grants	1,296,113	-	3,841,367	-
Transfers (to)/from state agencies	-	-	(550,360)	-
Private gifts for endowment purposes	-	159,498	-	311,443
Total capital and endowment additions	<u>1,369,035</u>	<u>159,498</u>	<u>4,199,325</u>	<u>311,443</u>
Increase (decrease) in net position	2,749,976	(558,824)	5,855,862	1,400,697
Net position - beginning of year	<u>138,585,302</u>	<u>20,140,658</u>	<u>132,729,440</u>	<u>18,739,961</u>
Net position - end of the year	<u>\$ 141,335,278</u>	<u>\$ 19,581,834</u>	<u>\$ 138,585,302</u>	<u>\$ 20,140,658</u>

See Notes to Financial Statements.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Cash Flows**  
**Years Ended June 30, 2016 and 2015**

	2016	2015
Cash flows from operating activities		
Tuition and fees	\$ 36,581,234	\$ 33,258,312
Research grants and contracts	8,513,028	8,392,365
Payments to suppliers	(19,182,946)	(19,207,948)
Payments to utilities	(4,125,313)	(4,493,845)
Payments to employees	(46,171,052)	(42,661,945)
Payments for benefits	(2,735,385)	(2,249,189)
Payments for scholarships	(1,839,701)	(1,676,028)
Loans issued to students	(234,744)	(292,382)
Collection of loans to students	255,170	269,553
Auxiliary enterprise receipts		
Residential life	9,236,353	9,254,125
Alcohol awareness program	32,250	32,580
Receipts from sales and services of educational departments	1,398,044	953,133
Other payments	-	(84,862)
Other receipts	1,047,084	829,752
	<u>(17,225,978)</u>	<u>(17,676,379)</u>
Net cash provided by (used in) operating activities		
Cash flows from noncapital financing activities		
State appropriations	29,108,794	28,960,545
Tuition remitted to State	(775,375)	(953,550)
Gifts from grants for other than capital purposes	176,510	50
	<u>28,509,929</u>	<u>28,007,045</u>
Net cash provided by (used in) noncapital financing activities		
Cash flows from capital and related financing activities		
State capital appropriations	72,922	908,318
Loan programs net funds received	32,484	35,201
Capital grants	193,468	486,798
Interagency payable proceeds received	-	10,669,502
Payments for capital assets	(19,247,076)	(16,404,632)
Principal paid on capital debt	(2,582,360)	(2,086,687)
Interest paid on capital debt	(2,386,885)	(2,054,377)
Debt issuance costs	-	(72,534)
Transfers to other state agencies	-	(550,360)
	<u>-</u>	<u>(550,360)</u>
Net cash provided by (used in) capital and related financing activities	<u>(23,917,447)</u>	<u>(9,068,771)</u>

**Fitchburg State University**  
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**Statements of Cash Flows**  
**Years Ended June 30, 2016 and 2015**

	2016	2015
Cash flows from investing activities		
Purchase of investments	\$ (3,694,401)	\$ (7,033,331)
Proceeds from sale of investments	3,758,792	8,263,378
Earnings on investments	390,358	904,687
Collection of advance to component unit	-	100,000
	454,749	2,234,734
Net cash provided by (used in) investing activities	454,749	2,234,734
Net increase (decrease) in cash and equivalents	(12,178,747)	3,496,629
Cash and equivalents, beginning of year	41,955,543	38,458,914
Cash and equivalents, end of year	\$ 29,776,796	\$ 41,955,543
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (34,533,362)	\$ (33,566,950)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Bad debt expense	94,997	340,682
Depreciation and amortization	9,087,710	8,525,149
Fringe benefits paid by the Commonwealth of Massachusetts	8,819,470	8,190,553
Change in unfunded net pension liability	756,150	(594,701)
Changes in assets and liabilities:		
Receivables	350,358	(772,518)
Other current and noncurrent assets	(63,692)	36,969
Accounts payable and accrued liabilities	(1,909,548)	651,000
Accrued workers' compensation	(77,106)	(112,878)
Compensated absences	175,086	232,490
Accrued faculty payroll	1,314	(480,703)
Revenue received in advance	66,328	(17,780)
Other current liabilities	4,515	(44,697)
Deposits	(18,625)	(40,165)
Loans to students	20,427	(22,830)
	(17,225,978)	(17,676,379)
Net cash provided by (used in) operating activities	\$ (17,225,978)	\$ (17,676,379)

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Cash Flows**  
**Years Ended June 30, 2016 and 2015**

	2016	2015
Schedule of noncash investing and financing activities		
Acquisition of capital assets	\$ 20,238,132	\$ 20,812,807
Accounts payable thereon:		
Beginning of year	2,068,744	1,880,368
End of year	(1,526,988)	(2,068,744)
Capital grants from DCAM	(1,036,663)	(3,588,067)
Net interest earned and incurred, capitalized in construction in progress	(496,149)	(631,732)
Payments for capital assets	\$ 19,247,076	\$ 16,404,632
Unrealized gain (loss) on investments	\$ (405,738)	\$ (701,502)
Fringe benefits paid by the Commonwealth of Massachusetts	\$ 8,819,470	\$ 8,190,553
Capital grants - amortization of deferred inflows of resources - service concession arrangement	\$ 252,918	\$ 259,901
Reconciliation of cash and cash equivalent balances		
Current assets		
Cash and cash equivalents	\$ 19,028,998	\$ 19,114,408
Restricted cash and cash equivalents	5,807,938	7,134,196
Noncurrent assets		
Restricted cash and cash equivalents	4,939,860	15,706,939
Total cash and cash equivalents	\$ 29,776,796	\$ 41,955,543

See Notes to Financial Statements.

**Fitchburg State University**  
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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

**Note 1 - Summary of significant accounting policies**

**Organization**

Fitchburg State University (the "University") is a public, State-supported comprehensive four-year University which offers a quality education leading to baccalaureate and master's degrees in many disciplines. With its campus located in Fitchburg, Massachusetts, the University provides instruction in a variety of liberal arts, allied health, and business fields of study. The University also offers, through the Division of Graduate and Continuing Education, credit and non-credit courses. The University is accredited by the New England Association of Schools and Colleges.

The University is a department of the Commonwealth of Massachusetts (the "State" or the "Commonwealth"). The accompanying financial statements reflect only the transactions of the University and its discretely presented component unit. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed if the University had been operated independently of the State.

Fitchburg State University Foundation, Inc. (the "Foundation") is a component unit of Fitchburg State University. The Foundation is a legally separate, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. It was organized on June 6, 1978, exclusively for the benefit of Fitchburg State University, to establish scholarships and make awards to educationally talented and needy students; to establish a Distinguished Professor award within the faculty of the University; to subsidize inter-collegiate athletic programs; to subsidize budgets of departments of the University as needed for particular purposes; to encourage public use and support of functions and activities which further the mission of the University; and to encourage other activities necessary for, or incidental to, any or all of the foregoing. The following programs are supported under the auspices of the Foundation: Center Stage, Alumni Association, Women in Today's Society, Amelia V. Gallucci - Cirio endowment and the University's Booster Clubs. The Board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

FSU Foundation Supporting Organization, Inc. (the "Foundation Supporting Organization") was organized on October 29, 1999 for the exclusive benefit of the Foundation and all of its educational and charitable activities. The Foundation Supporting Organization is a legally separate, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation Supporting Organization's sole program activity, as of June 30, 2016, has been to acquire, hold, operate and lease real estate and related improvements for the benefit of the Foundation and the University. The financial information of the Foundation Supporting Organization is consolidated into the financial statements of the Foundation. The Foundation and Foundation Supporting Organization are collectively referred to hereinafter as the FSU Foundation.

During 2016, FSU Foundation distributed scholarships and awards in the amount of \$449,585 directly to students and faculty of the University, and incurred an additional \$1,793,424 in support of its mission in other ways. Complete financial statements for FSU Foundation can be obtained from the Office of the Vice President for Finance and Administration, Fitchburg State University, 160 Pearl Street, Fitchburg, MA 01420.

**Fitchburg State University**  
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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

During 2015, FSU Foundation distributed scholarships and awards in the amount of \$430,573 directly to students and faculty of the University, and incurred an additional \$1,638,720 in support of its mission in other ways.

**Basis of presentation**

The University's financial statements have been prepared using the "economic resources measurement focus" and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board ("GASB"). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

FSU Foundation, as a nonprofit organization, reports under Financial Accounting Standards Board ("FASB") guidance on financial reporting for Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Other than the reclassification of certain items, no modifications have been made to FSU Foundation's consolidated financial information in the University's financial reporting entity for these differences.

The University's policy for defining operating activities in the statements of revenues, expenses and changes in net position are those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities in accordance with GASB Statement No. 35. These nonoperating activities include the University's operating and capital appropriations from the Commonwealth of Massachusetts, net investment income, gifts, and interest expense.

When both restricted and unrestricted resources are available for use, it is the University's policy to use the restricted resources first, then unrestricted resources as they are needed.

GASB Statement No. 34 requires that resources be classified for accounting purposes into the following three net position categories:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position.
- **Restricted:**
  - Nonexpendable** - Component of net position whose net assets are subject to externally-imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds.
  - Expendable** - Component of net position whose use of net assets by the University is subject to externally-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted:** All other categories of net position. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees.

**Fitchburg State University**  
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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

In accordance with the requirements of the Commonwealth of Massachusetts, the University's operations are accounted for in several trust funds. All of these trust funds have been consolidated and are included in these financial statements.

**Use of estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**Cash and cash equivalents and investments**

The University's cash and cash equivalents are considered to be cash on hand, cash and cash equivalents held by the Commonwealth's Treasurer and Receiver-General, Massachusetts Development Finance Agency ("MDFFA") and Massachusetts State College Building Authority ("MSCBA"), and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the University are reported at fair value. Any investments held with the Commonwealth's Treasurer and Receiver-General in the Massachusetts Municipal Depository Trust ("MMDT") are also at fair value. This external investment pool, run by the Treasurer and Receiver-General, operates in accordance with appropriate laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Investments include marketable debt and equity securities which are carried at their readily determinable fair values. Realized and unrealized gains and losses are included in nonoperating revenues. Gains and losses on the disposition of investments are determined based on specific identification of securities sold or the average cost method. Investment income is recognized when earned and is generally credited to the trust fund holding the related assets.

Dividends, interest and net gains or losses on investments are reported in the Statements of Revenues, Expenses and Changes in Net Position. Any net earnings not expended are included in net position categories as follows:

- (i) as increases in restricted - nonexpendable net position if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- (ii) as increases in restricted - expendable net position if the terms of the gift or the University's interpretation of relevant state law impose restrictions on the current use of the income or net gains. The University has relied upon the Attorney General's interpretation of state law that unappropriated endowment gains should be classified as restricted - expendable; and
- (iii) as increases in unrestricted net position in all other cases.

At June 30, 2016 and 2015, the University had \$455,754 and \$394,659, respectively, in endowment income available for authorization for expenditure, which is included in restricted-expendable net position for scholarships and fellowships.

**Fitchburg State University**  
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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

Massachusetts General Law, Chapter 15 grants authority to the University Board of Trustees to administer the general business of the University. Inherent in this authority is the authority to invest funds of the University. Chapter 15 further grants the Trustees the authority to delegate, to the President, any said powers or responsibilities. The Board of Trustees of Fitchburg State University has delegated the authority to make specific investment decisions to the President of the University and the Finance Committee of the Board of Trustees. The University's endowment investments consist of debt, marketable equity securities, mutual funds, and other investments which are carried at their fair values. The primary cash equivalent funds are within the MMDT, the external investment pool for political subdivisions of the Commonwealth.

The University's authorized spending rule provides that all earnings on endowment investments may be expended pursuant to the stipulations placed on these endowments. If a donor has not provided specific instructions, Massachusetts General Law permits the University's Board of Trustees to authorize for expense the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

FSU Foundation's investments consist of debt, marketable equity securities, mutual funds, a pooled investment real estate fund and other investments which are carried at their fair values. Unrealized gains and losses are included in revenue. Restricted investment income and gains are reported as increases in unrestricted net position, unless a donor or law temporarily (expendable) or permanently (non-expendable) restricts their use. Gains and losses on the disposition of investments are principally determined based on the first-in, first-out method or specific identification of securities sold. Investment income is recognized when earned. Dividends are recorded on the ex-dividend date.

FSU Foundation maintains cash and equivalents and an investment pool that is available for use by all funds. Each fund's portion is reflected in the financial statements under cash and equivalents and investments. Earnings on cash and investments of the unrestricted net position and temporarily restricted (expendable) net position are reflected in the fund in which the assets are recorded.

The University's and FSU Foundation's investment income are presented net of investment expense in the statements of revenues, expenses and changes in net position. The University's investment expense amounted to \$103,535 and \$113,383 for the years ended June 30, 2016 and 2015, respectively. The Foundation's investment expense amounted to \$100,290 and \$94,980 for the years ended June 30, 2016 and 2015, respectively.

**Accounts receivable**

Accounts receivable are stated at the amount the University expects to collect from outstanding balances. The University provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the University has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Accounts receivable also include a receivable from the operator of the University's food services operation in connection with a service concession arrangement between the University and the operator. The receivable has been recorded at the net present value of the installments to be received from the operator using a discount rate determined by management of the University.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

**Loans receivable and payable**

Loans receivable consist, primarily, of the Federal Perkins Loan Program ("Perkins") and the Federal Nursing Student Loan Program ("NSL"). The federal government provides the majority of the funds to support these programs. Loan payments received from students made under the Perkins and NSL programs may be re-loaned after collection. The portion of the Perkins and NSL Loan Programs provided by the federal government is refundable to the federal government upon the ending (liquidation) of the University's participation in the programs. The amount due to the federal government upon liquidation by the University is \$1,606,367 and \$1,585,355 for Perkins and \$411,496 and \$403,844 for NSL at June 30, 2016 and 2015, respectively. These amounts are included as a noncurrent liability in the accompanying statements of net position.

The prescribed practices for the Perkins and NSL programs do not provide for accrual of interest on student loans receivable or for the provision of an allowance for doubtful loans. Accordingly, interest on loans is recorded as received and loan balances are reduced subsequent to the determination of their uncollectability and have been accepted (assigned) by the Department of Education and the Department of Health and Human Services. Management closely monitors outstanding balances and assigns loans to the Department of Education based upon such factors as student payment history, current status of applicable students, and the results of collection efforts.

**Capital assets**

Capital assets are controlled but not owned by the University. The University is not able to sell or otherwise pledge its assets, since the assets are all owned by the Commonwealth of Massachusetts. Capital assets, which include land, land improvements, buildings, building improvements, equipment and other assets are reported in the statements of net position at cost or fair market value, if donated. Capital assets are defined by the University as assets with an initial, individual cost of more than \$50,000 in accordance with the Commonwealth's capitalization policy. The University does not hold collections of historical treasures, works of art, or other items not requiring capitalization or depreciation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets, with the exception of land, are depreciated using the straight-line method over estimated useful lives of 40 years for buildings, 20 years for building and land improvements, 5 years for furniture and 3 to 10 years for equipment.

Library materials acquired for the most recent five-year period are capitalized. The cost of library materials purchased in the current year is added and the cost of purchases made in the earliest year of the five-year period is deducted from the net position balance.

The land on which the residence halls stand is leased by the MSCBA from the Commonwealth of Massachusetts at a yearly cost of one dollar. The leases are long-term leases which can be extended at the end of their terms for additional 10-year periods.

The University, in accordance with a management and services agreement between the MSCBA and Commonwealth of Massachusetts, is charged a semi-annual revenue assessment which is based on a certified occupancy report, the current rent schedule, and the design capacity for each of the residence halls. This revenue assessment is used by MSCBA to pay principal and interest due on its long-term debt obligations. These obligations may include the costs of periodic renovations and improvements to the residence halls. The revenue assessment amounts for the years ended June 30, 2016 and 2015

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were \$5,231,200 and \$5,742,083, respectively, and are included in the Residential life auxiliary enterprises in the accompanying statements of revenues, expenses and changes in net position. All facilities and obligations of the MSCBA are included in the financial statements of the MSCBA. It is not practical to determine the specific asset cost or liability attributable to the University. The leases, therefore, are accounted for under the operating method for financial statement purposes.

FSU Foundation's capital assets are recorded at cost, if purchased or constructed and, if donated, at fair value at the date of donation. Capital assets, with the exception of land, are depreciated using the straight-line method over the estimated useful lives of the assets of 40 years for buildings, 20 years for building and land improvements, 7 and 10 years for furniture and fixtures, 5 years for equipment and 3 years for computer software and equipment. FSU Foundation generally capitalizes all additions and improvements with an individual cost or, if donated, fair value in excess of \$5,000.

**Contributions and bequests**

FSU Foundation recognizes contributions revenue when the donor makes a promise to give, that is, in substance, unconditional. Unconditional promises to give are reported at net realizable value if at the time the promise is made collection is expected to be received in one year or less. Unconditional promises to give that are expected to be collected in more than one year are reported at fair value using present value techniques and a discount rate determined by management of FSU Foundation. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions in the form of property and equipment and other assets are recorded at the fair value on the date the donation is received. All contributions are considered to be available for unrestricted use by FSU Foundation unless specifically restricted by the donor. FSU Foundation provides for probable uncollectible amounts of unconditional promises to give through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual account balances.

**Compensated absences**

Employees earn the right to be compensated during absences for vacation leave and sick leave. Accrued vacation is the amount earned by all eligible employees through June 30 each year. Pursuant to statewide experience on sick pay buy-back agreements applicable to state employees, the University accrues sick leave to a level representing 20% of amounts earned by those University employees with ten or more years of State service at the end of the fiscal year. Upon retirement, these employees are entitled to receive payment for this accrued balance (see also Note 8).

**Student fees**

Student tuition and fees are presented net of scholarships applied to students' accounts. Certain other scholarship amounts are paid directly to, or refunded to, the student and are generally reflected as expenses.

**Revenue received in advance**

Deposits and advance payments received for tuition and fees related to the University's summer programs and tuition billed for the following fiscal year are recorded as revenues received in advance. Funds received in advance from various grants and contracts are also included in revenues received in advance.

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**Agency funds**

Agency funds consist of resources held by the University as custodian or fiscal agent of student organizations, the State Treasurer and others. Transactions are recorded to asset and liability accounts. There were no material balances at June 30, 2016 and 2015.

**Bond premiums**

Bond premiums are being amortized on a straight-line basis over the terms of the related debt agreements.

**Interest expense and capitalization**

The University follows the policy of capitalizing interest expense as a component of the cost of capital assets constructed for its own use. During 2016 and 2015, total interest costs incurred were accounted for as follows:

	2016	2015
Total interest costs incurred	\$ 2,225,292	\$ 1,997,166
Less: Interest income on unused funds from tax exempt borrowings	(937)	(118)
Bond premium amortization	(309,523)	(272,753)
	1,914,832	1,724,295
Less: Capitalized portion of net interest earned and incurred	(496,149)	(631,732)
Interest expense	\$ 1,418,683	\$ 1,092,563

**Pension plan**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employees' Retirement System ("MSERS") and additions to/deductions from MSERS's fiduciary net position have been determined on the same basis as they are reported by MSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Fringe benefits**

The University participates in the Commonwealth's fringe benefit programs, including health insurance, unemployment, pension and workers' compensation benefits. Workers' compensation coverage is provided by the Commonwealth on a self-insured basis. Health insurance and pension costs are billed through a fringe benefit rate charged to the University. Workers' compensation and unemployment insurance costs are assessed separately based on the University's actual experience.

**Tax status**

The University is a department of the Commonwealth of Massachusetts and is therefore exempt from federal and state income taxes.

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**Reclassifications**

Certain reclassifications have been made to the 2015 financial statements to conform to the 2016 presentation.

**Recently adopted accounting pronouncements**

In February 2015, the GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*. The primary objective of GASB Statement No. 72 is to address accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. The Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of GASB Statement No. 72 are effective for financial statements for periods beginning after June 15, 2015 with earlier application encouraged. The University adopted this standard in fiscal year 2016.

The impact of implementing GASB Statement No. 72 on the University's financial statements is disclosure only as further discussed in Note 2.

**Note 2 - Cash and cash equivalents, and investments**

Cash and cash equivalents - unrestricted and restricted - include the following at June 30, 2016 and 2015:

	2016		
	Current Unrestricted	Current Restricted	Noncurrent Restricted
Cash and money market accounts	\$ 14,278,260	\$ 4,829,913	\$ 945,656
Cash equivalents held by MDFA *	-	261,076	307,647
Cash equivalents held by MSCBA ***	-	612,595	3,565,261
Massachusetts Municipal Depository Trust	3,113,025	-	121,296
Massachusetts State Treasurer **	1,636,643	104,354	-
Petty cash	1,070	-	-
	<u>\$ 19,028,998</u>	<u>\$ 5,807,938</u>	<u>\$ 4,939,860</u>
	2015		
	Current Unrestricted	Current Restricted	Noncurrent Restricted
Cash and money market accounts	\$ 13,072,032	\$ 5,188,126	\$ 120,303
Cash equivalents held by MDFA *	-	246,298	330,616
Cash equivalents held by MSCBA ***	-	1,201,002	15,240,108
Massachusetts Municipal Depository Trust	3,099,938	104,875	15,912
Massachusetts State Treasurer **	2,941,350	393,895	-
Petty cash	1,089	-	-
	<u>\$ 19,114,409</u>	<u>\$ 7,134,196</u>	<u>\$ 15,706,939</u>

\* This amount consists of cash equivalents which are restricted by the Massachusetts Development Finance Agency ("MDFA") for the funding of payments to retire the bonds (see Note 12). The University does not have access to these funds except by the authorization of MDFA.

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\*\* The University has recorded cash held for the benefit of the University by the State Treasurer in the amount of \$1,636,643 and \$2,941,350 at June 30, 2016 and 2015, respectively, for University funds and \$104,354 and \$393,895 at June 30, 2016 and 2015, respectively, to pay year-end liabilities. The latter balance represents amounts paid from State appropriations subsequent to the fiscal year-end.

\*\*\* This amount consists of cash and cash equivalents which are restricted by the Massachusetts State College Building Authority ("MSCBA") for the funding of certain construction projects at the University and payments to retire bonds (see Note 12). The University does not have access to these funds except by authorization of MSCBA. Interest earned on debt service reserve funds are used on a current basis to offset annual debt service payments.

Money market funds include the Schwab Advisor Cash Reserves Premier Sweep Shares in the aggregate amount of \$78,860 and \$43,109 at June 30, 2016 and June 30, 2015, respectively. The Schwab Advisor Cash Reserves Premier Sweep Shares invests in high-quality short-term money market investments issued by U.S. and foreign issuers, such as commercial paper, including asset-backed commercial paper; promissory notes; certificates of deposit and time deposits; variable and floating-rate debt services; bank notes and bankers' acceptances; repurchase agreements; obligations that are issued by the U.S. government, its agencies or instrumentalities. The fund seeks the highest current income consistent with stability of capital and liquidity. At June 30, 2016 and June 30, 2015, the fund's investment securities had a weighted average maturity of 33 days and 42 days, respectively. The fund was not rated for average credit quality at June 30, 2016 and June 30, 2015, respectively.

Money market funds include the Northern Institutional Diversified Assets Portfolio in the aggregate amount of \$337,241 and \$208,083 at June 30, 2016 and June 30, 2015, respectively. The Northern Institutional Diversified Assets Portfolio invests in a broad range of high quality, U.S. dollar-denominated government, bank and commercial obligations that are available in the money markets. The fund seeks to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity by investing exclusively in high quality money market instruments. At June 30, 2016 and June 30, 2015, the fund's investment securities had a weighted average maturity of 28 days and 37 days, respectively. The fund had an average credit quality rating of Aaa-mf at June 30, 2016 and June 30, 2015.

Money market funds also include the RWM Cash Management money market account with a balance of \$328,685 and \$106,206 at June 30, 2016 and 2015, respectively.

The Massachusetts Municipal Depository Trust ("MMDT") is not subject to FDIC insurance. According to the MMDT, the Massachusetts Municipal Depository Trust is an investment pool for political subdivisions in the Commonwealth which was designed as a legal means to safely invest temporarily available cash. Its primary purpose is to provide a safe, liquid, high-yield investment vehicle offering participation in a diversified portfolio of high quality debt instruments. The MMDT is not a bank, savings institution, or financial institution. The MMDT is an instrumentality of the State Treasurer.

The University maintains a cash and investment pool that is available for use by all trust funds. Each fund type's portion of this pool is reflected in the financial statements under the caption, cash and cash equivalents and investments. The method of allocating interest earned on pooled cash and investments is to record all interest to the appropriate fund based on that fund's average monthly balance. Interest earnings attributable to each trust fund are included under investment income.

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**Custodial credit risk**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University's deposit policy provides for bank balances to be held in interest-bearing checking accounts and, where account activity and balances warrant it, in money market accounts. All bank balances are to be held at financial institutions of high credit quality. At June 30, 2016 and 2015, the University had uninsured cash balances totaling \$5,582,049 and \$5,584,089, respectively.

The University does not have a formal policy with respect to the custodial credit risk. Custodial credit risk is that, in the event of the failure of the counterparty, the University will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds. Certain cash balances are covered by the National Credit Union Administration's Share Insurance Fund up to \$250,000.

The following University investments at June 30, 2016 are held by the counterparty's trust department or agent but not in the University's name and, therefore, are subject to custodial credit risk as follows:

U.S. Treasury Notes and Government Securities	\$ 1,425,817
Corporate Debt Securities	1,900,196
Equity Securities	7,770,711
Mutual Funds	<u>5,899,223</u>
Total	16,995,947
Less insured amounts	<u>1,500,000</u>
Amount subject to Custodial Credit Risk	<u><u>\$ 15,495,947</u></u>

**Credit risk**

The University is required to comply with the Commonwealth of Massachusetts' deposit and investment policies which are principally defined in the Massachusetts General Laws, Chapter 29. State Statutes permit investment in obligations of the U.S. Treasury, authorized bonds of all states, bankers' acceptances, certificates of deposit, commercial paper rated within the three highest classifications established by Standard & Poor's Corporation and Moody's Commercial Paper Record and repurchase agreements secured by any of these obligations. The University has also adopted its own formal investment policy, the objectives of which are: safety of principal; liquidity for operating needs; return on investment; and diversification of risk. The University's investment policy generally limits the maturities of investments to not more than one year. However, the University may invest in securities with maturities in excess of one year if it is determined to be in the best interest of the University as described in the University's investment policy. The University may also appoint a professional fund manager and invest in equity and bond funds. Eligible investments shall be consistent with those permitted by State Statutes.

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As of June 30, 2016 and 2015, the fair values of the University's deposits held at the Massachusetts Municipal Depository Trust were \$3,234,321 and \$3,220,725, respectively. At June 30, 2016, the approximate percentage of the University's deposits held at the MMDT and the respective investment maturities in days were as follows: 54% at 30 days or less; 29% at 31-90 days; 11% at 91-180 days; and 6% at 181 days or more. At June 30, 2016, approximately 97% of the MMDT's cash portfolio had a credit quality rating of P1 and the remaining 3% had a credit quality rating of P2.

The University's funds held at MDFA are invested in the Short-Term Asset Reserve ("STAR") Fund and had a fair value of \$568,723 and \$576,914 at June 30, 2016 and 2015, respectively. The STAR Fund invests primarily in U.S. Treasury bills, notes, and other obligations guaranteed by the U.S. government or its agencies or instrumentalities. Additionally, the fund invests in repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper, notes, and both corporate floating rate and corporate fixed-rate securities. The STAR Fund maintains a net asset value of \$1 per share and had a fund credit quality rating of AAAM as of both June 30, 2016 and 2015, respectively. At June 30, 2016 and 2015, the fund's investment securities maintain a weighted average maturity of 46 and 27 days, respectively.

At June 30, 2016, certain of the University's funds are held at MSCBA. Of the total, \$1,915,439 is deposited in various cash accounts which are fully collateralized by securities in accounts in the name of MSCBA, and \$2,262,417 is invested in various funds as listed below:

Investment Type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1-5	6-10	Greater Than 10	
Federal Home Loan						
Bank discount notes	\$ 144,841	\$ 144,841	\$ -	\$ -	\$ -	N/A
Federal Farm Credit	667,799	-	667,799	-	-	AA+
Massachusetts ST Bonds	1,449,777	-	485,614	-	964,163	AAA
<b>Total</b>	<b>\$ 2,262,417</b>	<b>\$ 144,841</b>	<b>\$ 1,153,413</b>	<b>\$ -</b>	<b>\$ 964,163</b>	

At June 30, 2015, certain of the University's funds are held at MSCBA. Of the total, \$14,178,693 is deposited in various cash accounts which are fully collateralized by securities in accounts in the name of MSCBA, and \$2,262,417 is invested in various funds as listed below:

Investment Type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1-5	6-10	Greater Than 10	
Federal Home Loan						
Bank discount notes	\$ 144,841	\$ 144,841	\$ -	\$ -	\$ -	N/A
Federal Farm Credit	667,799	-	-	667,799	-	AAA
Massachusetts ST Bonds	1,449,777	-	485,614	-	964,163	AAA
<b>Total</b>	<b>\$ 2,262,417</b>	<b>\$ 144,841</b>	<b>\$ 485,614</b>	<b>\$ 667,799</b>	<b>\$ 964,163</b>	

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The University's investments in marketable securities are represented by the following at June 30:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
<u>Noncurrent:</u>				
U.S. Treasury Notes and Government Securities	\$ 1,443,562	\$ 1,425,817	\$ 1,519,134	\$ 1,474,042
Corporate Debt Securities	1,849,460	1,900,196	1,948,679	1,921,784
Mortgage-Backed Securities	-	-	16,581	16,593
Equity Securities	6,798,795	7,770,711	4,269,686	5,533,726
Mutual Funds	5,943,009	5,899,223	8,318,807	8,493,601
	<u>\$ 16,034,826</u>	<u>\$ 16,995,947</u>	<u>\$ 16,072,887</u>	<u>\$ 17,439,746</u>

The University's investments at fair value are presented in the accompanying statements of net position as follows:

	2016	2015
Investments	\$ 16,185,963	\$ 16,597,029
Endowment investments	809,984	842,717
	<u>\$ 16,995,947</u>	<u>\$ 17,439,746</u>

At June 30, 2016, the University's U.S. Treasury Notes and Government Securities and corporate debt securities along with their investment maturities and credit quality ratings are as follows:

Investment Type	Fair Value	Investment Maturities (in years)				Credit Rating
		Less Than 1	1-5	6-10	Greater Than 10	
U.S. Treasury Notes and Government Securities 1.625% to 3.500%	\$ 1,425,817	\$ 137,236	\$ 1,098,264	\$ 190,317	\$ -	AA+
Corporate Debt Securities 1.875% to 5.625%	633,314	120,219	449,385	63,710	-	A
Corporate Debt Securities 3.100% to 6.3000%	314,030	-	64,168	249,862	-	A-
Corporate Debt Securities 2.800% to 4.300%	128,009	-	-	128,009	-	A+
Corporate Debt Securities 3.400% to 3.625%	185,084	-	65,615	119,469	-	AA
Corporate Debt Securities 1.75% to 3.625%	193,452	60,469	-	132,983	-	AA-
Corporate Debt Securities 3.200% to 4.650%	121,721	-	-	121,721	-	AA+
Corporate Debt Securities 0.03125	53,552	-	-	53,552	-	AAA
Corporate Debt Securities 1.400% to 5.000%	271,034	-	192,706	78,328	-	BBB+
Total	<u>\$ 3,326,013</u>	<u>\$ 317,924</u>	<u>\$ 1,870,138</u>	<u>\$ 1,137,951</u>	<u>\$ -</u>	

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At June 30, 2015, the University's U.S. Treasury Notes and Government Securities, corporate debt securities and mortgage-backed securities along with their investment maturities and credit quality ratings are as follows:

Investment Type	Fair Value	Investment Maturities (in years)			Credit Rating	
		Less Than 1	1-5	6-10		Greater Than 10
U.S. Treasury Notes and Government Securities 2.000% to 3.500%	\$ 1,474,042	\$ 141,489	\$ 995,448	\$ 337,105	\$ -	AA+
Corporate Debt Securities 1.375% to 6.0000%	554,646	50,397	316,114	188,135	-	A
Corporate Debt Securities 1.400% to 3.875%	312,004	60,127	65,975	185,902	-	A-
Corporate Debt Securities 1.875% to 5.625%	313,811	-	192,377	121,434	-	A+
Corporate Debt Securities 3.400% to 4.300%	176,788	-	-	176,788	-	AA
Corporate Debt Securities 0.0175	249,829	61,907	126,222	61,700	-	AA-
Corporate Debt Securities 3.000% to 4.650%	190,624	75,143	-	115,481	-	AA+
Corporate Debt Securities 0.046	124,082	-	59,606	64,476	-	BBB+
Mortgage-Backed Securities 0.0037	16,593	-	16,593	-	-	N/A
<b>Total</b>	<b>\$ 3,412,419</b>	<b>\$ 389,063</b>	<b>\$ 1,772,335</b>	<b>\$ 1,251,021</b>	<b>\$ -</b>	

FSU Foundation's cash and cash equivalents consist of the following at June 30, 2016 and 2015:

	2016	2015
Cash and other demand deposits	\$ 600,755	\$ 513,024
Money Market Funds	584,782	774,141
	<u>\$ 1,185,537</u>	<u>\$ 1,287,165</u>

Money market funds include the SSgA US Government Money Market Fund, the Schwab Advisor Cash Reserves Fund, RWM Cash Management and the Fidelity Bank LifeDesign Business Cash Management Money Market account in the amounts of \$208,180, \$79,744, \$155,349 and \$141,509 at June 30, 2016 and \$139,750, \$42,183, \$151,894 and \$440,314 at June 30, 2015, respectively.

The cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2016 and 2015, FSU Foundation's uninsured cash and equivalent balances, including the SSgA US Government Money Market Fund, Schwab Advisor Cash Reserves Fund, RWM Cash Management and Fidelity Bank LifeDesign Business Cash Management Money Market account, amounted to approximately \$430,200 and \$510,700, respectively.

FSU Foundation's investment policy consists of an asset allocation range of 50% to 70% equity securities, 30% to 50% fixed income securities and up to 10% in cash and cash equivalents.

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FSU Foundation's investments are represented by the following at June 30:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 5,839,660	\$ 8,109,970	\$ 5,860,876	\$ 8,644,818
Preferred stocks	107,779	112,925	119,957	118,798
Mutual funds	3,665,172	3,676,250	3,842,598	3,928,904
Corporate bonds	1,586,976	1,630,038	1,173,863	1,194,283
U.S. government securities	1,693,568	1,727,063	1,576,992	1,570,489
Mortgage-backed securities	-	-	12,071	12,059
	<u>\$ 12,893,155</u>	<u>\$ 15,256,246</u>	<u>\$ 12,586,357</u>	<u>\$ 15,469,351</u>

FSU Foundation's investments at fair value are presented in the accompanying statements of net position as follows:

	2016	2015
Current assets		
Investments	\$ 5,795,296	\$ 6,258,067
Noncurrent assets		
Endowment investments	9,460,950	9,211,284
	<u>\$ 15,256,246</u>	<u>\$ 15,469,351</u>

At June 30, 2016, net unrealized gains in FSU Foundation's investment portfolio amounted to \$2,363,091. At June 30, 2015, net unrealized gains in FSU Foundation's investment portfolio amounted to \$2,882,994.

At June 30, 2016 and 2015, equities include securities in the consumer goods sector which represent 21% and 18%, respectively, in each year of the fair value of FSU Foundation's investment portfolio.

At June 30, 2016 and 2015, 8% and 6% of the fair value of FSU Foundation's investment portfolio in each year, respectively, represents foreign investments.

Investments held by FSU Foundation with an equivalent fair value of \$9,190,000 at June 30, 2016 collateralize certain debt agreements (see Notes 13 and 14).

Commonfund Realty Investors, LLC (the "Fund") is a commingled, open-end real estate investment fund composed of income oriented, value-add and development properties that are combined to create a value-added portfolio with a strong focus on distributable income. The Foundation made a capital investment in the Commonfund Realty Investors, LLC totaling \$485,000 as of August 2007. Investment units in the Fund are not deemed to be readily marketable pursuant to and as more fully described in the investment agreement. On June 30, 2010, FSU Foundation wrote down its investment in Commonfund Realty Investors, LLC to zero representing its fair value based upon the latest available information (March 31, 2010) provided by its professional investment manager. The decline in the fair value of this investment resulted from the continuing significant disruptions in the global capital, credit and real estate markets. In the opinion of management of FSU Foundation, the decline in fair value of this investment was considered to be other-than-temporary. During fiscal 2015, FSU Foundation

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received capital gain distributions from Commonfund Realty Investors, LLC totaling \$423, which is included in investment income (loss) on restricted assets in the accompanying 2015 statement of revenues, expenses and changes in net position.

At June 30, 2016, the fair value of FSU Foundation's investments in debt securities by contractual maturities is as follows:

	Maturity				Total
	Within 1 Year	1-5 Years	5-10 Years	More Than 10 Years	
Corporate bonds	\$ 234,795	\$ 1,024,782	\$ 370,461	\$ -	\$ 1,630,038
U.S. government securities	101,115	1,273,593	352,355	-	1,727,063
	<u>\$ 335,910</u>	<u>\$ 2,298,375</u>	<u>\$ 722,816</u>	<u>\$ -</u>	<u>\$ 3,357,101</u>

At June 30, 2015, the fair value of FSU Foundation's Investments in debt securities by contractual maturities is as follows:

	Maturity				Total
	Within 1 Year	1-5 Years	5-10 Years	More Than 10 Years	
Corporate bonds	\$ 30,267	\$ 917,914	\$ 246,102	\$ -	\$ 1,194,283
U.S. government securities	429,208	809,493	331,788	-	1,570,489
Mortgage-backed securities	-	-	-	12,059	12,059
	<u>\$ 459,475</u>	<u>\$ 1,727,407</u>	<u>\$ 577,890</u>	<u>\$ 12,059</u>	<u>\$ 2,776,831</u>

The University investments are measured at fair value on a recurring basis and have been categorized based upon the fair value hierarchy in accordance with GASB 72 below. Similarly, the FSU Foundation follows similar guidance in accordance with Financial Accounting Standards Codification ASC 820-10, which prioritizes the inputs to valuation techniques used to measure fair value of investment assets into three levels also.

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the University can access at measurement date.

**Level 2** - Inputs other than quote prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

**Level 3** - Unobservable inputs for an asset or liability.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

The University's investments' fair value measurements are as follows at June 30, 2016:

Investments	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Treasury Notes and Government Securities	\$ 1,425,817	\$ -	\$ 1,425,817	\$ -
Corporate Debt Securities	1,900,196	-	1,900,196	-
Equity Securities	7,770,711	7,770,711	-	-
Mutual Funds	5,899,223	5,899,223	-	-
	<u>\$ 16,995,947</u>	<u>\$ 13,669,934</u>	<u>\$ 3,326,013</u>	<u>\$ -</u>

The University's investments' fair value measurements are as follows at June 30, 2015:

Investments	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Treasury Notes and Government Securities	\$ 1,474,042	\$ -	\$ 1,474,042	\$ -
Corporate Debt Securities	1,921,784	-	1,921,784	-
Mortgage-Backed Securities	16,593	-	16,593	-
Equity Securities	5,533,726	5,533,726	-	-
Mutual Funds	8,493,601	8,493,601	-	-
	<u>\$ 17,439,746</u>	<u>\$ 14,027,327</u>	<u>\$ 3,412,419</u>	<u>\$ -</u>

The FSU Foundation's investments' fair value measurements are as follows at June 30, 2016:

Investments	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Treasury Notes and Government Securities	\$ 1,727,063	\$ -	\$ 1,727,063	\$ -
Preferred stocks	112,925	-	112,925	-
Corporate bonds	1,630,038	-	1,630,038	-
Equity securities	8,109,970	8,109,970	-	-
Mutual funds	3,676,250	3,676,250	-	-
	<u>\$ 15,256,246</u>	<u>\$ 11,786,220</u>	<u>\$ 3,470,026</u>	<u>\$ -</u>

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

The FSU Foundation's investments' fair value measurements are as follows at June 30, 2015:

Investments	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Treasury Notes and Government Securities	\$ 1,570,489	\$ -	\$ 1,570,489	\$ -
Preferred stocks	118,798	-	118,798	-
Mortgage-backed securities	12,059	-	12,059	-
Corporate bonds	1,194,283	-	1,194,283	-
Equity securities	8,644,818	8,644,818	-	-
Mutual funds	3,928,904	3,928,904	-	-
	<u>\$ 15,469,351</u>	<u>\$ 12,573,722</u>	<u>\$ 2,895,629</u>	<u>\$ -</u>

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

**Note 3 - Accounts and contributions receivable**

The University's accounts receivable include the following at June 30, 2016 and 2015:

	2016	2015
Student accounts receivable	\$ 1,491,446	\$ 1,804,967
Parking and other fines receivable	84,621	102,578
Commissions receivable	73,879	71,761
Grants receivable	221,718	366,374
Compass receivable, including accrued interest of \$3,231 and \$23,104 (see Note 11)	81,249	276,708
Miscellaneous other receivables	38,081	37,563
	<u>1,990,994</u>	<u>2,659,951</u>
Less allowance for doubtful accounts	<u>(387,668)</u>	<u>(416,519)</u>
	<u>\$ 1,603,326</u>	<u>\$ 2,243,432</u>

FSU Foundation's contributions receivable consist of the following at June 30, 2016 and 2015:

	2016	2015
Receivable in less than one year	\$ 81,701	\$ 74,874
Receivable in one to five years	40,000	85,500
	<u>121,701</u>	<u>160,374</u>
Discount on pledges	<u>(2,017)</u>	<u>(3,260)</u>
	<u>\$ 119,684</u>	<u>\$ 157,114</u>

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

Contributions which are to be received in more than one year are reflected net of a discount determined at the time of contribution ranging from 1% to 2%.

During fiscal 2016, a donor made a conditional promise to give to the FSU Foundation in the amount of \$100,000. The contribution is to be used for the proposed downtown Fitchburg theater block renovation project. As of June 30, 2016, the conditions of the donation have not been met and accordingly, the contribution has not been recorded. The Project is expected to close in fiscal 2017, at which time the conditions of the contribution are expected to be met.

**Note 4 - Loans receivable**

Loans receivable include the following at June 30, 2016 and 2015:

	2016	2015
Perkins loans receivable	\$ 1,642,805	\$ 1,658,456
Nursing loans receivable	353,895	362,112
Emergency student loans receivable	3,018	3,018
	1,999,718	2,023,586
Less allowance for doubtful accounts	(3,018)	(3,018)
	\$ 1,996,700	\$ 2,020,568

The federal law authorizing the disbursing of Perkins loans expired on September 30, 2015. As of October 1, 2015, the University is prohibited from issuing new Perkins loans to students who have not received them prior to October 1, 2014. As of the date of these financial statements, the Perkins loan program will end any further new loans being issued after June 30, 2017. The University may remit all federal proceeds and loans at any time thereafter to the Department of Education or continue to maintain them for five additional years.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

**Note 5 - Capital assets**

Capital assets activity of the University for the year ended June 30, 2016 is as follows:

Capital assets:	Totals June 30, 2015	Additions	Reclassifications* and Reductions	Totals June 30, 2016
<u>Non-depreciable capital assets</u>				
Land	\$ 5,327,079	\$ 74,731	\$ 76,315	\$ 5,478,125
Construction in progress	16,371,909	3,216,178	(16,104,958)	3,483,129
Total non-depreciable assets	<u>21,698,988</u>	<u>3,290,909</u>	<u>(16,028,643)</u>	<u>8,961,254</u>
<u>Depreciable capital assets</u>				
Land improvements	14,699,632	1,212,157	865,836	16,777,625
Buildings	80,591,909	-	-	80,591,909
Building improvements	111,653,501	15,336,547	15,162,807	142,152,855
Equipment	15,606,531	281,916	-	15,888,447
Furniture	597,676	-	-	597,676
Library materials	427,351	116,603	(54,590)	489,364
Total depreciable assets	<u>223,576,600</u>	<u>16,947,223</u>	<u>15,974,053</u>	<u>256,497,876</u>
Total capital assets	<u>245,275,588</u>	<u>20,238,132</u>	<u>(54,590)</u>	<u>265,459,130</u>
Less: Accumulated depreciation				
Land improvements	4,492,258	793,135	-	5,285,393
Buildings	39,831,662	1,217,453	-	41,049,115
Building improvements	23,116,834	6,157,654	-	29,274,488
Equipment	13,389,698	864,878	-	14,254,576
Furniture	597,676	-	-	597,676
Library materials	-	54,590	(54,590)	-
Total accumulated depreciation	<u>81,428,128</u>	<u>9,087,710</u>	<u>(54,590)</u>	<u>90,461,248</u>
Capital assets, net	<u>\$ 163,847,460</u>	<u>\$ 11,150,422</u>	<u>\$ -</u>	<u>\$ 174,997,882</u>

As of June 30, 2016, capital assets of the University with a cost of approximately \$45,276,000 were fully depreciated and still in service.

- \* Construction costs incurred for various capital projects were included in construction in progress and subsequently transferred to capital asset additions upon completion during the fiscal year ended June 30, 2016.

The University enters into various contract commitments with contractors, from time to time, for improvements to its facilities. Remaining contract commitments totaled approximately \$1,553,000 and \$673,000 at June 30, 2016 and 2015, respectively.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

Capital assets activity of the University for the year ended June 30, 2015 is as follows:

Capital assets:	Totals June 30, 2014	Additions	Reclassifications* and Reductions	Totals June 30, 2015
<u>Non-depreciable capital assets</u>				
Land	\$ 5,130,841	\$ 196,238	\$ -	\$ 5,327,079
Construction in progress	15,315,326	13,365,116	(12,308,533)	16,371,909
Total non-depreciable assets	<u>20,446,167</u>	<u>13,561,354</u>	<u>(12,308,533)</u>	<u>21,698,988</u>
<u>Depreciable capital assets</u>				
Land improvements	14,296,430	396,727	6,475	14,699,632
Buildings	80,591,909	-	-	80,591,909
Building improvements	92,850,538	6,500,905	12,302,058	111,653,501
Equipment	15,332,037	274,494	-	15,606,531
Furniture	597,676	-	-	597,676
Library materials	428,462	79,327	(80,438)	427,351
Total depreciable assets	<u>204,097,052</u>	<u>7,251,453</u>	<u>12,228,095</u>	<u>223,576,600</u>
Total capital assets	<u>224,543,219</u>	<u>20,812,807</u>	<u>(80,438)</u>	<u>245,275,588</u>
Less: Accumulated depreciation				
Land improvements	3,777,981	714,277	-	4,492,258
Buildings	38,228,247	1,603,415	-	39,831,662
Building improvements	18,000,770	5,116,064	-	23,116,834
Equipment	12,387,075	1,002,623	-	13,389,698
Furniture	589,344	8,332	-	597,676
Library materials	-	80,438	(80,438)	-
Total accumulated depreciation	<u>72,983,417</u>	<u>8,525,149</u>	<u>(80,438)</u>	<u>81,428,128</u>
Capital assets, net	<u>\$ 151,559,802</u>	<u>\$ 12,287,658</u>	<u>\$ -</u>	<u>\$ 163,847,460</u>

As of June 30, 2015, capital assets of the University with a cost of approximately \$43,383,000 were fully depreciated and still in service.

- \* Construction costs incurred for various capital projects were included in construction in progress and subsequently transferred to capital asset additions upon completion during the fiscal year ended June 30, 2015.

The University has considered the requirements of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and has noted no implications of this standard to the University's financial statements for the years ended June 30, 2016 and 2015, respectively.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

Capital assets activity of FSU Foundation for the year ended June 30, 2016 is as follows:

Capital assets:	Totals June 30, 2015	Additions	Reclassifications* and Reductions	Totals June 30, 2016
Real estate under lease to the University:				
Land	\$ 402,663	\$ -	\$ -	\$ 402,663
Building	1,557,724	-	-	1,557,724
Building improvements	100,452	-	-	100,452
	<u>2,060,839</u>	<u>-</u>	<u>-</u>	<u>2,060,839</u>
Real estate used for student housing:				
Land	253,555	-	-	253,555
Buildings	434,225	-	-	434,225
Building improvements	28,600	-	-	28,600
	<u>716,380</u>	<u>-</u>	<u>-</u>	<u>716,380</u>
Other:				
Land	1,892,490	21,357	-	1,913,847
Land improvements	131,506	26,621	-	158,127
Buildings	893,022	-	-	893,022
Building improvements	1,031,261	77,745	-	1,109,006
Equipment	758,208	-	-	758,208
Furniture and fixtures	58,650	2,123	-	60,773
Library materials	6,570	-	-	6,570
	<u>4,771,707</u>	<u>127,846</u>	<u>-</u>	<u>4,899,553</u>
Total capital assets	<u>7,548,926</u>	<u>127,846</u>	<u>-</u>	<u>7,676,772</u>
Less: Accumulated depreciation				
Real estate under lease to the University:				
Building	343,997	38,944	-	382,941
Building improvements	41,018	5,022	-	46,040
	<u>385,015</u>	<u>43,966</u>	<u>-</u>	<u>428,981</u>
Real estate used for student housing:				
Buildings	87,750	10,855	-	98,605
Building improvements	8,342	1,430	-	9,772
	<u>96,092</u>	<u>12,285</u>	<u>-</u>	<u>108,377</u>
Other:				
Land improvements	53,935	7,475	-	61,410
Buildings	110,215	22,325	-	132,540
Building improvements	49,124	53,260	-	102,384
Equipment	458,324	99,843	-	558,167
Furniture and fixtures	21,370	7,427	-	28,797
Library materials	6,570	-	-	6,570
	<u>699,538</u>	<u>190,330</u>	<u>-</u>	<u>889,868</u>
Total accumulated depreciation	<u>1,180,645</u>	<u>246,581</u>	<u>-</u>	<u>1,427,226</u>
Capital assets, net	<u>\$ 6,368,281</u>	<u>\$ (118,735)</u>	<u>\$ -</u>	<u>\$ 6,249,546</u>

Non-depreciable capital assets of FSU Foundation total \$2,570,065 at June 30, 2016, which is comprised of land.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

At June 30, 2016, capital assets of FSU Foundation with a cost of approximately \$464,000 were fully depreciated and still in service.

In fiscal 2016, the Foundation Supporting Organization acquired a property in close proximity to the Fitchburg State University campus consistent with its mission and the University's strategic plan which includes campus expansion. The property, which includes land and a building, was purchased for an aggregate cost of \$119,803 (see Note 13). The Foundation Supporting Organization intends to raze the building and create green space.

As a result of its decision to raze the building, management determined, in accordance with the requirements of accounting guidance, that the property was impaired and was written down to its fair value of \$21,357. The impairment charge (a noncash accounting charge) to operations in the amount of \$98,446 had no impact on the Foundation Supporting Organization's fiscal 2016 cash flow or its ability to generate cash flow in the future. The impairment charge is included in operations and maintenance of plant in the FSU Foundation's accompanying 2016 statement of revenues, expenses and changes in net position.

The fair value of the property was measured using significant unobservable inputs (Level 3) pursuant to the accounting guidance on fair value measurements. The fair value of the property was determined based upon the property assessment at the purchase date.

On February 3, 2016, May 5, 2016, June 10, 2016 and July 26, 2016, the Foundation Supporting Organization entered into purchase and sale agreements for the purchase of four properties, including land and buildings, for a price of \$350,000, \$140,000, \$80,000 and \$180,000, respectively. The Foundation Supporting Organization closed on these purchases on November 4, 2016, July 12, 2016, July 14, 2016 and November 8, 2016 at total costs of \$358,287, \$141,515, \$81,275, and \$183,237, respectively.

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**June 30, 2016 and 2015**

Capital assets activity of FSU Foundation for the year ended June 30, 2015 is as follows:

Capital assets:	Totals June 30, 2014	Additions	Reclassifications* and Reductions	Totals June 30, 2015
Real estate under lease to the University:				
Land	\$ 402,663	\$ -	\$ -	\$ 402,663
Building	1,557,724	-	-	1,557,724
Building improvements	100,452	-	-	100,452
	<u>2,060,839</u>	<u>-</u>	<u>-</u>	<u>2,060,839</u>
Real estate used for student housing:				
Land	253,555	-	-	253,555
Buildings	434,225	-	-	434,225
Building improvements	28,600	-	-	28,600
	<u>716,380</u>	<u>-</u>	<u>-</u>	<u>716,380</u>
Other:				
Land	1,872,490	20,000	-	1,892,490
Land improvements	61,899	69,607	-	131,506
Buildings	893,022	-	-	893,022
Building improvements	39,569	1,176,182	(184,490)	1,031,261
Equipment	643,259	114,949	-	758,208
Furniture and fixtures	26,277	32,373	-	58,650
Library materials	6,570	-	-	6,570
Construction in progress	398,777	-	(398,777)	-
	<u>3,941,863</u>	<u>1,413,111</u>	<u>(583,267)</u>	<u>4,771,707</u>
Total capital assets	<u>6,719,082</u>	<u>1,413,111</u>	<u>(583,267)</u>	<u>7,548,926</u>
Less: Accumulated depreciation				
Real estate under lease to the University:				
Building	305,054	38,943	-	343,997
Building improvements	35,995	5,023	-	41,018
	<u>341,049</u>	<u>43,966</u>	<u>-</u>	<u>385,015</u>
Real estate used for student housing:				
Buildings	76,894	10,856	-	87,750
Building improvements	6,912	1,430	-	8,342
	<u>83,806</u>	<u>12,286</u>	<u>-</u>	<u>96,092</u>
Other:				
Land improvements	48,230	5,705	-	53,935
Buildings	88,916	21,299	-	110,215
Building improvements	9,957	39,167	-	49,124
Equipment	424,493	33,831	-	458,324
Furniture and fixtures	15,281	6,089	-	21,370
Library materials	5,913	657	-	6,570
	<u>592,790</u>	<u>106,748</u>	<u>-</u>	<u>699,538</u>
Total accumulated depreciation	<u>1,017,645</u>	<u>163,000</u>	<u>-</u>	<u>1,180,645</u>
Capital assets, net	<u>\$ 5,701,437</u>	<u>\$ 1,250,111</u>	<u>\$ (583,267)</u>	<u>\$ 6,368,281</u>

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

Non-depreciable capital assets of FSU Foundation totaled \$2,548,708 at June 30, 2015, which is comprised of land.

At June 30, 2015, capital assets of FSU Foundation with a cost of approximately \$422,000 were fully depreciated and still in service.

In fiscal 2015, the Foundation Supporting Organization acquired two properties in close proximity to the University's campus consistent with the Foundation's mission and the University's strategic plan which includes campus expansion. The properties, including land only, were acquired for a cost of \$100,940 and \$51,218, respectively. The land acquired for \$100,940 was sold to the Commonwealth of Massachusetts acting by and through its Division of Capital Asset Management and Maintenance ("DCAM") on behalf of Fitchburg State University during the fiscal year. The land acquired of \$51,218 is currently being used as green space. In May 2015, the Foundation Supporting Organization obtained an appraisal of the property acquired for \$51,218. As a result of the appraisal, management determined that the property was impaired and accordingly, it was written down to its fair value of \$20,000. The impairment charge (a noncash accounting charge) to operations in the amount of \$31,218 had no impact on the Foundation Supporting Organization's fiscal 2015 cash flow or its ability to generate cash flow in the future. The impairment charge is included in operations and maintenance of plant in the FSU Foundation's accompanying 2015 statement of revenues, expenses and changes in net position.

The fair value of the property was measured using significant unobservable inputs (Level 3) pursuant to accounting guidance on fair value measurements. The fair value of the property was determined based upon the appraisal.

During fiscal 2015, the Foundation Supporting Organization sold land located at 161 - 181 Main Street in Fitchburg, Massachusetts for \$800,000 resulting in a gain of \$670,000. The property had a carrying value of \$130,000.

The Foundation Supporting Organization received a letter of intent from DCAM, dated August 29, 2014, to purchase one of its properties for \$69,600 subject to the satisfaction of certain State publication requirements and the execution of a mutually acceptable Purchase and Sale Agreement. During fiscal 2015, the property was sold to DCAM for \$69,600. The property had a carrying value of \$69,600.

A second property was sold during fiscal 2015 to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University. The property was recorded on the books of the Foundation Supporting Organization at \$100,865 and was sold for \$56,600. A loss of \$44,265 was recorded from the sale of the property.

During fiscal 2015, the Foundation Supporting Organization sold land acquired during the fiscal year at a cost of \$100,940. The property was sold to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University. The property was sold for \$70,000. A loss of \$30,940 was recorded from the sale of the property.

Collectively, the Foundation Supporting Organization had a net gain of \$594,795 from the sale of the aforementioned real estate properties. This gain is reflected as other operating revenues in the accompanying 2015 statement of revenues, expenses and changes in net position of FSU Foundation.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

**Note 6 - Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities include the following at June 30, 2016 and 2015:

	2016	2015
Accounts payable - trade	\$ 706,708	\$ 1,428,711
Salaries and fringe benefits payable	1,134,762	2,279,398
Accrued interest payable	312,241	474,498
Tuition due State	71,810	78,008
Other	423,713	460,425
	\$ 2,649,234	\$ 4,721,040

**Note 7 - Accrued workers' compensation**

Independent actuarial reviews of the outstanding loss reserve requirements for the Commonwealth of Massachusetts' self-insured workers' compensation program were conducted as of June 30, 2016 and 2015. Based upon the Commonwealth's analyses, \$507,890 and \$584,996 of accrued workers' compensation has been recorded as a liability at June 30, 2016 and 2015, respectively.

**Note 8 - Accrued compensated absences**

Accrued compensated absences are comprised of the following at June 30, 2016 and 2015:

	2016	2015
Vacation time payable	\$ 2,608,874	\$ 2,590,531
Sick time payable	2,845,619	2,688,876
Total	\$ 5,454,493	\$ 5,279,407
Amount representing obligations due to employees funded through sources other than State appropriations	\$ 292,981	\$ 359,174
Amount representing obligations due to employees compensated through State appropriations	5,161,512	4,920,233
Total	\$ 5,454,493	\$ 5,279,407

It is anticipated that the obligation due to employees funded through State appropriations will be discharged through future State appropriations and the balance is expected to be liquidated through trust funds. Had these amounts not been reflected as obligations of the University, the University's unrestricted net position balances would be \$23,086,223 and \$22,718,577 at June 30, 2016 and 2015, respectively (see Note 1, Compensated absences).

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

**Note 9 - Faculty payroll accrual**

The contract for full-time faculty begins on September 1 and ends on May 31, of any given academic year. The Commonwealth of Massachusetts and Fitchburg State University pay all faculty over the 12-month period from September through August. Consequently, on June 30 of each year there is a balance due on each faculty contract which is to be paid from the subsequent year's State appropriation. The total amount due at June 30, 2016 of \$2,949,305 will be paid from the University's fiscal 2017 State appropriations. The total amount due at June 30, 2015 of \$2,947,991 was paid from the University's fiscal 2016 State appropriations.

**Note 10 - Revenue received in advance**

Revenue received in advance includes tuition received in advance from students for summer courses commencing after June 30 and grant funds received in advance.

Revenue received in advance includes the following at June 30, 2016 and 2015:

	2016	2015
Tuition, fees and professional development	\$ 869,621	\$ 828,926
Grants	147,260	144,957
Other	30,975	7,645
	\$ 1,047,856	\$ 981,528

**Note 11 - Deferred inflows of resources from service concession arrangement**

Deferred inflows of resources from service concession arrangement at June 30, 2016 and 2015 in the amounts of \$2,023,343 and \$2,276,261, respectively, consist of the unamortized balances of a service concession arrangement with Compass Group USA, Inc. ("Compass") to manage and operate the University's food services operation at the University's dining services locations as more fully described in the arrangement. The service concession arrangement commenced on July 1, 1999 for a term of 10 years through June 30, 2009 and has been amended several times thereafter to modify its terms, provide for additional payments to the University for investment in improvements in or at the University as mutually agreed upon by the parties, and extend the term of the arrangement until June 30, 2024. The last such amendment to the service concession arrangement was effective May 1, 2014 and provides for the extension of the arrangement to June 30, 2024 and payments to the University totaling \$2,500,000. These payments shall be made to the University by Compass in seven installments as follows: \$300,000 in fiscal 2011; \$1,200,000 in fiscal 2012; \$200,000 in fiscal 2014; \$500,000 in fiscal 2015; \$200,000 in fiscal 2016; \$50,000 in fiscal 2020; and \$50,000 in fiscal 2022. As of June 30, 2016, the University has received the first five installments from Compass. In addition, Compass has agreed to pay the University specified percentages of 4%, 4 ½% or 12% of specified sales receipts from the food services operation as more fully described in the arrangement. All improvements and equipment purchased with the payments received from Compass shall remain the property of the University. The arrangement may be terminated by either party at any time, without cause, by giving not less than 60 days prior written notice to the other party. The arrangement contains provisions, whereby, in the event of termination of the arrangement, the University shall be required to repay a portion of any payments made to the University by Compass. The portion required to be repaid shall be determined in

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accordance with amortization schedules prepared by Compass. The amortization schedules assume that all funds will be received from Compass. The University does not anticipate that the arrangement will be terminated prior to its expiration date.

The University has recorded the service concession arrangement as a deferred inflow of resources at its present value using a 5% discount rate determined by management of the University. In fiscal 2011, the University recorded an accounts receivable from Compass at the present value of the future payments to be received from Compass, using a 5% discount rate determined by management of the University. The University received \$200,000 from Compass in fiscal 2016 which was applied as follows: interest income - \$26,405; and a reduction of the accounts receivable - \$173,595. The University received \$500,000 from Compass in fiscal 2015 and it has been recognized in the accompanying 2015 statement of net position as an additional deferred inflow. At June 30, 2016, the accompanying statement of net position includes a remaining receivable from Compass in the amount of \$81,249, which includes accrued interest receivable of \$3,231 (see Note 3). At June 30, 2015, the accompanying statement of net position includes a remaining receivable from Compass in the amount of \$276,708, which includes accrued interest receivable of \$23,104 (see Note 3). The deferred inflow of resources is being amortized to revenue on a straight-line basis over the term of the arrangement. Amortization in the amounts of \$252,918 and \$259,901, respectively, has been recognized in capital grants revenue in the accompanying statements of revenues, expenses and changes in net position for each of the years ended June 30, 2016 and 2015.

**Note 12 - Interagency payables**

**MDFA**

On November 22, 1996, the University signed a financing agreement to receive \$6,000,000 from a Massachusetts Development Finance Agency ("MDFA") (formerly Massachusetts Health and Educational Facilities Authority ("MHEFA")) bond issuance, to be used for the construction of the University's athletic facility. This obligation is being repaid solely by the University through an increase in student fees. Construction of the athletic facility was completed in August 2000. MDFA retained \$502,899 of the bond proceeds for a debt service retirement fund.

In addition, the Commonwealth appropriated an additional \$6,000,000 on behalf of the University for its share of the cost of the athletic facility.

The net proceeds of the borrowing deposited by MDFA on behalf of the University were as follows:

Debt issue	\$ 6,000,000
Amount held by MDFA for debt service retirement fund (included in restricted cash and cash equivalents - noncurrent)	(502,899)
Origination fees paid to MDFS	<u>(98,707)</u>
Net proceeds	<u>\$ 5,398,394</u>

The University is required to make annual funding payments of principal on this debt each July 1. The principal payment due July 1, 2016 of \$261,076 was made as scheduled. These payments are made to a restricted cash account held in escrow in the University's name and recorded on the books of the

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University. These amounts, along with the remaining balance of the initial deposit, are to be held in escrow until July 1, 2023, when the total debt is due and payable unless the University elects to release the funds in the debt service reserve to redeem portions of the debt obligation. Earnings on this balance are transferred and used by the University to offset the administrative costs associated with this debt. In a prior year, the University elected to release the annual funding payments from the reserve to redeem portions of the debt obligation. Accordingly, each year the funding payments are now being released from the debt service reserve to redeem portions of the outstanding debt obligation. As of June 30, 2016 and 2015, debt service reserve funds amounted to \$213,311 and \$236,867, respectively. The outstanding principal balance of this Interagency payable at June 30, 2016 and 2015 was \$2,838,013 and \$3,110,051, respectively.

Interest on the debt is paid every 35 days at a floating rate of interest subject to market conditions. The interest rate is determined by MDFA conducting a true auction of their debt issuance every 35 days, in which the University's obligation is pooled with other higher education institutions within the Commonwealth who have debt funded through MDFA. The most recent auctioned interest rate in effect at June 30, 2016 and 2015 was 0.958% and 0.318%, respectively. The University is also responsible to pay for program expenses at an annual rate of 0.882% (2016) and 0.867% (2015) of the outstanding principal balance, calculated and payable every 35 days when the rate is auctioned. The effective interest rate (including annual program expenses) for 2016 and 2015 amounted to 1.91% and 1.18%, respectively.

Principal funding payments and estimated interest, due to maturity, consist of the following:

For the year ending June 30,	Principal	Estimated Interest (1)	Total
2017	\$ 261,076	\$ 25,702	\$ 286,778
2018	276,740	23,051	299,791
2019	293,345	20,240	313,585
2020	310,945	17,262	328,207
2021	329,602	14,104	343,706
2022 - 2024	1,112,280	21,414	1,133,694
	2,583,988	121,773	2,705,761
Balance of restricted cash held for debt principal	254,025	-	254,025
Total	\$ 2,838,013	\$ 121,773	\$ 2,959,786

(1) The interest rate in effect at June 30, 2016 of 0.958% was used to calculate the estimated interest on the debt obligation of \$2,838,013. The estimated interest also reflects the reduction of the outstanding debt obligation each year by the annual funding payments.

MDFA is responsible to determine, subject to certain criteria, if income earned on unexpended bond proceeds exceeds the interest cost to the bondholders. Any excess income earned is held in a rebate fund by an appointed trustee. Such amounts are held until every fifth year, whereby payment is to be made as indicated by the bond indenture agreement.

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**MSCBA**

During March 2005, the University signed a financing agreement to receive \$5,110,000 from a Massachusetts State College Building Authority ("MSCBA") bond issuance. These funds were used for renovations of the athletic fields and dining hall (the "Projects") at the University. This obligation will be repaid solely by the University through dedicated student fees. The University also provided equity contributions totaling \$5,582,838 to fund their portion of the total renovation costs of the Projects. Of this amount, \$1,582,838 was provided by the University's food service vendor for the dining facilities Project. The University also executed a management agreement with MSCBA, whereby MSCBA will provide management services to the University for the Projects.

In prior years, the MSCBA had certain bond refunding transactions. The University expects to benefit from interest savings on the bond refundings and to have a net interest credit in fiscal year 2025 as a result of the interest savings.

The University is required to make annual principal payments on this debt each May 1. The final principal payment is due on May 1, 2025. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA using an increasing coupon rate of interest ranging from 3.5% to 5% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs. For the years ended June 30, 2016 and 2015, the effective interest rate on this debt was 2.37% and 0.89%, respectively. The effective interest rate at June 30, 2016 and 2015, respectively, reflects interest savings as a result of the bond refundings. The outstanding balance of this Interagency payable was \$2,790,000 and \$3,045,000 at June 30, 2016 and 2015, respectively.

Principal and interest payments due to maturity consist of the following:

For the year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 260,000	\$ 80,405	\$ 340,405
2018	275,000	96,879	371,879
2019	285,000	91,244	376,244
2020	295,000	78,796	373,796
2021	305,000	68,091	373,091
2022 - 2025	<u>1,370,000</u>	<u>130,274</u>	<u>1,500,274</u>
Total	<u>\$ 2,790,000</u>	<u>\$ 545,689</u>	<u>\$ 3,335,689</u>

During March 2006, the University signed a financing agreement to receive \$2,060,000 from a Massachusetts State College Building Authority ("MSCBA") bond issuance. These funds were used for renovations of the dining hall (the "Project") at the University. This obligation will be repaid solely by the University through dedicated student fees. The University also executed a management agreement with MSCBA whereby MSCBA will provide management services to the University for the Project.

As of June 30, 2016 and 2015, amounts held by MSCBA related to the debt issue and the Project are debt service reserve funds of \$144,841 for both years which are included as noncurrent restricted cash and cash equivalents in the accompanying statements of net position.

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The University is required to make annual principal payments on this debt each May 1. The final principal payment is due on May 1, 2026. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA using an increasing coupon rate of interest ranging from 3.5% to 5% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs. For the years ended June 30, 2016 and 2015, the effective interest rate on this debt was 4.59% and 4.10%, respectively. The outstanding balance of this Interagency payable was \$1,309,937 and \$1,410,621 at June 30, 2016 and 2015, respectively, including unamortized premium.

Principal and interest payments due to maturity consist of the following:

For the year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 100,000	\$ 42,248	\$ 142,248
2018	105,000	46,118	151,118
2019	110,000	47,035	157,035
2020	115,000	41,303	156,303
2021	120,000	36,216	156,216
2022 - 2026	<u>705,000</u>	<u>87,021</u>	<u>792,021</u>
	1,255,000	299,941	1,554,941
Plus: Unamortized premiums	<u>54,937</u>	<u>-</u>	<u>54,937</u>
Total	<u>\$ 1,309,937</u>	<u>\$ 299,941</u>	<u>\$ 1,609,878</u>

During December 2010, the University signed a financing agreement to receive \$15,935,656 from a Massachusetts State College Building Authority ("MSCBA") bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, are being used for renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds. The University also executed a management agreement with MSCBA, whereby MSCBA will provide management services to the University for the renovations.

As of June 30, 2016 and 2015, amounts held by MSCBA related to the debt issue and the Project debt service reserve funds of \$1,449,777 for both years are included as noncurrent restricted cash and cash equivalents in the accompanying statements of net position.

The University is required to make annual principal payments on this debt each May 1. The final principal payment is due on May 1, 2030. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 3.0% to 6.54% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs. For the years ended June 30, 2016 and 2015, the effective interest rate on this debt was 3.42% and 3.44%, respectively. The outstanding balance of this Interagency payable was \$12,559,798 and \$13,272,854 at June 30, 2016 and 2015, respectively, including unamortized premium.

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Principal and interest payments due to maturity consist of the following:

For the year ending June 30,	Principal	Interest	Total
2017	\$ 682,085	\$ 423,207	\$ 1,105,292
2018	717,403	389,102	1,106,505
2019	752,721	374,041	1,126,762
2020	777,002	350,125	1,127,127
2021	801,284	325,438	1,126,722
2022 - 2026	4,478,801	1,151,916	5,630,717
2027 - 2030	4,269,099	271,242	4,540,341
	<u>12,478,395</u>	<u>3,285,071</u>	<u>15,763,466</u>
Plus: Unamortized premiums	<u>81,403</u>	<u>-</u>	<u>81,403</u>
Total	<u><u>\$ 12,559,798</u></u>	<u><u>\$ 3,285,071</u></u>	<u><u>\$ 15,844,869</u></u>

During December 2011, the University signed a financing agreement to receive \$7,043,416 from a Massachusetts State College Building Authority ("MSCBA") bond issuance. These funds, net of bond issuance costs, are being used for renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds. The University also executed a management agreement with MSCBA, whereby MSCBA will provide management services to the University for the renovations.

The University is required to make annual principal payments on this debt each May 1. The final principal payment is due on May 1, 2031. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 3.0% to 5.0% over the term of the debt to maturity. For the years ended June 30, 2016 and 2015, the effective interest rate on this debt was 4.95% and 4.93%, respectively. The outstanding balance of this Interagency payable was \$6,029,022 and \$6,314,443 at June 30, 2016 and 2015, respectively, including unamortized premium.

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Principal and interest payments due to maturity consist of the following:

For the year ending June 30,	Principal	Interest	Total
2017	\$ 250,000	\$ 257,550	\$ 507,550
2018	265,000	245,050	510,050
2019	280,000	231,800	511,800
2020	290,000	220,600	510,600
2021	300,000	209,000	509,000
2022 - 2026	1,730,000	820,000	2,550,000
2027 - 2031	2,210,000	342,250	2,552,250
	<u>5,325,000</u>	<u>2,326,250</u>	<u>7,651,250</u>
Plus: Unamortized premiums	<u>704,022</u>	<u>-</u>	<u>704,022</u>
Total	<u><u>\$ 6,029,022</u></u>	<u><u>\$ 2,326,250</u></u>	<u><u>\$ 8,355,272</u></u>

During December 2012, the University signed a financing agreement to receive \$13,864,033 from a Massachusetts State College Building Authority ("MSCBA") bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, are being used for Phase III of renovations to the Hammond Campus Center and parking expansion. This obligation will be repaid solely by the University through dedicated student fees and operating funds. The University also executed a management agreement with MSCBA, whereby MSCBA will provide management services to the University for the renovations.

As of June 30, 2016 and 2015, amounts held by MSCBA related to the debt issue and the Project are as follows:

	2016	2015
Unexpended debt proceeds	\$ -	\$ 549,877
Debt service reserve fund	214,164	214,164
	<u>\$ 214,164</u>	<u>\$ 764,041</u>

The amounts held by MSCBA are included in the accompanying statements of net position at June 30, 2016 and 2015 as follows:

	2016	2015
Restricted cash and cash equivalents		
Current	\$ -	\$ 83,757
Noncurrent	214,164	680,284
	<u>\$ 214,164</u>	<u>\$ 764,041</u>

The University is required to make annual principal payments on this debt each May 1. The final principal payment is due on May 1, 2032. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates

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ranging from 2.00% to 5.0% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs. For the years ended June 30, 2016 and 2015, the effective interest rate on this debt was 3.28% and 3.39%, respectively. The outstanding balance of this Interagency payable was \$12,337,645 and \$12,908,846 at June 30, 2016 and 2015, respectively, including unamortized premium.

Principal and interest payments due to maturity consist of the following:

For the year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 535,000	\$ 377,413	\$ 912,413
2018	560,000	356,012	916,012
2019	580,000	333,613	913,613
2020	610,000	304,612	914,612
2021	630,000	280,213	910,213
2022 - 2026	3,550,000	1,017,312	4,567,312
2027 - 2031	4,060,000	505,950	4,565,950
2032	890,000	26,700	916,700
	<u>11,415,000</u>	<u>3,201,825</u>	<u>14,616,825</u>
Plus: Unamortized premiums	922,645	-	922,645
Total	<u>\$ 12,337,645</u>	<u>\$ 3,201,825</u>	<u>\$ 15,539,470</u>

During January 2014, the University signed a financing agreement to receive \$12,235,614 from a Massachusetts State College Building Authority ("MSCBA") bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, are being used for Phase IV of renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds. The University also executed a management agreement with MSCBA whereby MSCBA will provide management services to the University for the renovations.

As of June 30, 2016 and 2015, amounts held by MSCBA related to the debt issue and the Project are as follows:

	<u>2016</u>	<u>2015</u>
Unexpended debt proceeds	\$ -	\$ 1,084,008
Debt service reserve fund	<u>667,799</u>	<u>667,799</u>
	<u>\$ 667,799</u>	<u>\$ 1,751,807</u>

The amounts held by MSCBA are included in the accompanying statements of net position at June 30:

	<u>2016</u>	<u>2015</u>
Restricted cash and cash equivalents:		
Current	\$ -	\$ 675,569
Noncurrent	<u>667,799</u>	<u>1,076,238</u>
	<u>\$ 667,799</u>	<u>\$ 1,751,807</u>

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The University is required to make annual principal payments on this debt each May 1 commencing in fiscal 2015. The final principal payment is due on May 1, 2033. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 2.00% to 5.0% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs. For the years ended June 30, 2016 and 2015, the effective interest rate on this debt was 4.90% and 4.81%, respectively. The outstanding balance of this Interagency payable was \$11,464,287 and \$11,918,818 at June 30, 2016 and 2015, respectively, including unamortized premium.

Principal and interest payments due to maturity consist of the following:

For the year ending June 30,	Principal	Interest	Total
2017	\$ 405,000	\$ 512,700	\$ 917,700
2018	420,000	496,500	916,500
2019	440,000	475,500	915,500
2020	465,000	453,500	918,500
2021	485,000	430,250	915,250
2022 - 2026	2,815,000	1,762,250	4,577,250
2027 - 2031	3,600,000	983,750	4,583,750
2032 - 2033	1,705,000	129,000	1,834,000
	10,335,000	5,243,450	15,578,450
Plus: Unamortized premiums	1,129,287	-	1,129,287
Total	<u>\$ 11,464,287</u>	<u>\$ 5,243,450</u>	<u>\$ 16,707,737</u>

During December 2014, the University signed a financing agreement to receive \$10,669,503 from a Massachusetts State College Building Authority ("MSCBA") bond issuance. These funds, net of bond issuance costs and a debt service reserve fund, are being used for Phase V of renovations to the Hammond Campus Center. This obligation will be repaid solely by the University through dedicated student fees and operating funds. The University also executed a management agreement with MSCBA whereby MSCBA will provide management services to the University for the renovations.

The net proceeds of the borrowing deposited by MSCBA on behalf of the University were as follows:

	2015
Debt issue	\$ 9,065,000
Amount held by MSCBA for debt service retirement fund (included in restricted cash and cash equivalents - noncurrent)	(596,968)
Debt issuance premium	1,604,502
Debt issuance cost	<u>(72,534)</u>
Net proceeds	<u>\$ 10,000,000</u>

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As of June 30, 2016 and 2015, amounts held by MSCBA related to the debt issue and the Project are as follows:

	<u>2016</u>	<u>2015</u>
Unexpended debt proceeds	\$ 41,291	\$ 9,773,075
Debt service reserve fund	596,968	596,968
	<u>\$ 638,259</u>	<u>\$ 10,370,043</u>

The amounts held by MSCBA are included in the accompanying statements of net position at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Restricted cash and cash equivalents:		
Current	\$ 41,291	\$ 441,675
Noncurrent	596,968	9,928,368
	<u>\$ 638,259</u>	<u>\$ 10,370,043</u>

During fiscal 2016, unexpended MSCBA bond proceeds from prior issuances in the amount of \$1,643,614 were transferred to Phase V for renovations of the Hammond Campus Center Project. From this amount, unexpended proceeds amounted to \$41,291 at June 30, 2016, which are included in the accompanying 2016 statement of net position as current restricted cash and cash equivalents.

During fiscal 2015, unexpended MSCBA bond proceeds from prior issuances in the amount of \$2,100,000 were transferred to Phase V for renovations of the Hammond Campus Center project. From this amount, unexpended proceeds amounted to \$1,017,479 at June 30, 2015, which are included in the accompanying 2015 statement of net position as noncurrent restricted cash and cash equivalents.

The University is required to make annual principal payments on this debt each May 1 commencing in fiscal 2016. The final principal payment is due May 1, 2034. Interest on the debt is payable May 1 and November 1 each year. Interest payments are based on an amortization schedule prepared by MSCBA with interest rates ranging from 3.00% to 5.00% over the term of the debt to maturity. Funds from the debt service reserve fund are expected to be applied to the final payment on the debt. Earnings on the balance in the debt service reserve fund are to be used to defray debt service costs. For the years ended June 30, 2016 and 2015, the effective interest rate on this debt was 4.07% and 4.75%, respectively. The outstanding balance of the Interagency payable was \$10,385,822 and \$10,626,047 at June 30, 2016 and 2015, respectively, including unamortized premium.

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Principal and interest payments due to maturity consist of the following:

For the year ending June 30,	Principal	Interest	Total
2017	\$ 330,000	\$ 431,750	\$ 761,750
2018	340,000	421,850	761,850
2019	350,000	408,250	758,250
2020	365,000	394,250	759,250
2021	385,000	376,000	761,000
2022 - 2026	2,225,000	1,572,000	3,797,000
2027 - 2031	2,840,000	957,250	3,797,250
2032 - 2034	2,070,000	210,500	2,280,500
	8,905,000	4,771,850	13,676,850
Plus: Unamortized premiums	1,480,822	-	1,480,822
Total	<u>\$ 10,385,822</u>	<u>\$ 4,771,850</u>	<u>\$ 15,157,672</u>

The oversight of various capital projects on campus is provided by MSCBA. To fund these projects, the University provides equity contributions, by advancing funds to the MSCBA, which are then held by MSCBA until used for the payment of the capital project costs. During 2012, the University provided equity contributions totaling \$9,136,550 to fund their portion of the total renovation costs of the Hammond Campus Center Project. During 2015, the University provided an equity contribution of \$1,500,000 to fund a part of their portion of the renovation costs of Phase V of the Hammond Campus Center Project. During 2016, the University provided an equity contribution of \$200,000 toward the Southside Chiller Project. As of June 30, 2016, amounts held by MSCBA representing the unexpended portion of the University's contributions totaled \$883,311 related to the Hammond Campus Center Project and \$179,705 related to the Southside Chiller Project, of which \$571,304 is included in current restricted cash and cash equivalents and \$491,712 is included in noncurrent restricted cash and cash equivalents in the accompanying 2016 statement of net position. During July 2016, the University provided the remaining equity contribution of \$972,628 to fund their portion of the renovation costs of Phase V of the Hammond Campus Center Project. As of June 30, 2015, amounts held by MSCBA representing the unexpended portion of the University's contributions totaled \$883,189, of which \$419,591 is included in current restricted cash and cash equivalents and \$463,598 is included in noncurrent restricted cash and cash equivalents in the accompanying 2015 statement of net position.

**Note 13 - FSU Foundation long-term debt**

FSU Foundation's long-term debt consists of the following at June 30, 2016 and 2015:

	2016	2015
First mortgage notes payable	\$ 2,527,993	\$ 2,672,455
Notes payable - bank	553,081	572,464
	3,081,074	3,244,919
Less current portion	175,937	164,043
	<u>\$ 2,905,137</u>	<u>\$ 3,080,876</u>

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The Foundation has a mortgage note payable in the original amount of \$550,000, dated April 16, 2008, with Fidelity Cooperative Bank. The proceeds of the note were used to acquire certain real estate properties on the Fitchburg State University campus. The note is secured by a first mortgage interest in the real estate and related personal property located thereon, and an assignment of leases and rents. Furthermore, any and all deposits held by the lender serve as additional collateral for the loan.

The loan agreement has a term of 20 years and provides for a fixed rate of interest of 5.75% per annum for the first 10 years of the loan term. Thereafter, the interest rate will be fixed at the Federal Home Loan Bank Ten Year Cost of Funds Rate in effect as of the first day of the final 10 years of the term of the loan plus 118 basis points. The loan requires monthly installments of principal and interest of \$3,862. The monthly installments of principal and interest during the final 10 years of the loan term shall be determined based on the interest rate then in effect to provide for the amortization of the then outstanding loan principal over the remaining term of the loan. The note matures on April 16, 2028. The note may be prepaid at any time, in whole or in part, without premium or penalty.

At June 30, 2016 and 2015, the outstanding principal balance of this mortgage note payable amounted to \$401,297 and \$423,463, respectively.

In August 2006, the Foundation Supporting Organization acquired land and a building consisting of 4,179 square feet of office space and 53,429 square feet of warehouse space located in Fitchburg, Massachusetts near the University campus. The entire property has been leased to DCAM on behalf of the University (see Note 22). The University is currently using the property for its print services, maintenance, and shipping and receiving and financial services.

The acquisition and related costs were funded with the proceeds of an offering of tax-exempt revenue bonds, Massachusetts Development Finance Agency Revenue Bonds, FSC Foundation Supporting Organization Issue, Series 2006 (the "bonds"), dated August 1, 2006, in the amount of \$1,900,000, issued by the Massachusetts Development Finance Agency ("MDFA"), pursuant to a Loan and Trust Agreement. People's United Bank, as successor in interest to Chittenden Trust Company, is the bond Trustee. MDFA assigned all of its rights, title, and interest in and to the loan and related loan documents to the bond Trustee as security for repayment of the bonds. The loan is secured by a first mortgage interest in the real estate and related personal property located thereon, and an assignment of leases and rents. Payment and performance of the Foundation Supporting Organization's obligations under the loan agreement have been guaranteed by the Foundation.

The loan agreement has a term of 20 years and provides for a fixed rate of interest of 5.5% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (August 16, 2011, 2016 and 2021) to a fixed rate of interest equal to 80% of the bank's prime rate, but no greater than 1% or less than 1% of the interest rate in effect for the immediately preceding five-year adjustment interval. The interest rate was adjusted to 4.5% per annum on August 16, 2011 pursuant to the provisions of the loan agreement. The loan required monthly installments of principal and interest of \$13,154 through August 16, 2011 and \$12,306 until August 16, 2016. The interest rate was adjusted to 3.5% per annum on August 16, 2016 pursuant to the provisions of the loan agreement. Commencing thereafter, the monthly installments of principal and interest are \$11,739 until the next five-year interval adjustment date of August 16, 2021. The loan matures on August 16, 2026. The loan agreement requires the Foundation Supporting Organization to maintain a Debt Service Coverage Ratio, as defined, of not less than 1.10 to 1 to be measured annually at the end of its fiscal year.

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The mortgage note was issued pursuant to the Loan and Trust Agreement and related loan documents and is subject to and governed by the terms and conditions of those agreements. The loan may be prepaid in accordance with the terms of the Loan and Trust Agreement for prepayment of the bonds as more fully described in the Loan and Trust Agreement.

The loan documents contain cross default provisions with the DCAM lease.

At June 30, 2016 and 2015, the outstanding principal balance of this first mortgage note payable amounted to \$1,199,159 and \$1,289,675, respectively.

Workers' Credit Union ("WCU") provided financing to the Foundation Supporting Organization in the form of a note, dated February 27, 2009, in the amount of \$750,000. The proceeds of the loan were used primarily to repay advances made to the Foundation Supporting Organization by the Foundation for the acquisition of four real estate properties. The note is secured by a first mortgage interest in certain real estate owned by the Foundation Supporting Organization and an assignment of certain leases and rents. The note is also collateralized by all funds held by the lender. At June 30, 2016 and 2015, the Foundation Supporting Organization has total cash balances of \$5,660 and \$4,914, respectively, held at WCU which serve as additional collateral for both WCU loans to the Foundation Supporting Organization (see below).

The mortgage note has a term of 10 years, expiring on February 27, 2019, and provided for a fixed rate of interest of 5.74% per annum. The interest rate was adjusted to 4.99% per annum on June 20, 2013 pursuant to the provisions of a loan modification agreement. The note required monthly installments of principal and interest of \$4,714, through June 20, 2013, based on a 20-year principal amortization. Commencing thereafter, the monthly installments of principal and interest are \$4,422, based on a 20-year principal amortization.

At June 30, 2016 and 2015, the outstanding principal balance of this first mortgage loan amounted to \$622,287 and \$643,630, respectively.

Workers' Credit Union provided financing to the Foundation Supporting Organization in the form of a note, dated February 19, 2010, in the amount of \$300,000. The proceeds of the loan were used to finance the acquisition of a real estate property. The mortgage note had a term of 10 years, expiring on February 19, 2020, and provided for a fixed rate of interest of 6.03% per annum. The interest rate was adjusted to 5.28% per annum on June 20, 2013 pursuant to the provisions of a loan modification agreement. The note required monthly installments of principal and interest of \$1,939, through June 20, 2013, based on a 20-year principal amortization. Commencing thereafter, the monthly installments of principal and interest were \$1,816, based on a 20-year principal amortization. Upon the sale of the property during fiscal 2015, the loan was paid in full.

In June 2013, Rollstone Bank & Trust provided financing to the Foundation Supporting Organization in the form of a note, dated June 19, 2013, in the amount of \$142,000. The proceeds of the loan were used to repay an advance made to the Foundation Supporting Organization by the Foundation in May, 2013 for the acquisition of a real estate property. The mortgage note had a term of 20 years, maturing on June 19, 2033, and provided for a fixed rate of interest of 3.25% per annum. Commencing in July, 2013, the loan required monthly installments of principal and interest of \$809 based on a 20-year principal amortization.

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On December 22, 2014, the Foundation Supporting Organization refinanced its Rollstone Bank & Trust first mortgage note, with an outstanding balance of \$134,314 at the date of the refinancing, with a new note dated December 22, 2014 in the amount of \$240,000. As a result, the Foundation Supporting Organization received additional loan proceeds of \$105,686. The note is secured by a first mortgage interest in the property and an assignment of leases and rents on the property.

The mortgage note has a term of 20 years, maturing on December 22, 2034, and provides for a fixed rate of interest of 3.25% per annum. Commencing in January 2015, the loan requires monthly installments of principal and interest of \$1,367 based on a 20-year principal amortization. The loan agreement requires the Foundation Supporting Organization to maintain a ratio of Cash Flow (after distributions), as defined, to the Current Maturity of Long-Term Debt plus interest, as defined, of not less than 1.0 to 1 for any fiscal year. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

At June 30, 2016 and 2015, the outstanding principal balance of the mortgage note payable amounted to \$226,969 and \$235,713, respectively.

In June 2013, Fidelity Co-Operative Bank provided financing to the Foundation Supporting Organization in the form of a note, dated June 26, 2013, in the amount of \$83,200. The proceeds of the loan were used to repay an advance made to the Foundation Supporting Organization by the Foundation in May 2013 for the acquisition of a real estate property. The note is secured by a first mortgage interest in the property and an assignment of leases and rents.

The mortgage note has a term of 20 years, maturing on June 26, 2033, and provides for a fixed rate of interest of 3.5% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (June 26, 2018, 2023 and 2028) to the Federal Home Loan Bank Boston Classic Advance Five-Year Rate plus 2.75% per annum. Commencing in July, 2013, the loan requires monthly installments of principal and interest of \$376 until the next five-year interval adjustment date of June 26, 2018. The note provides for the payment of a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement.

At June 30, 2016 and 2015, the outstanding principal balance of the mortgage note payable amounted to \$78,281 and \$79,974, respectively.

In May 2007, the Foundation Supporting Organization acquired land and a building consisting of six apartment units and an adjacent parcel of land located in the area surrounding the Fitchburg State University campus. The apartments are being used by the University as additional student housing for which the Foundation Supporting Organization receives residence hall fees.

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The acquisitions were funded with the proceeds of a note payable in the amount of \$680,000, dated April 26, 2007, with Enterprise Bank and Trust Company. The note is secured by investments with an equivalent fair value of approximately \$1,981,000 at June 30, 2016. In addition, payment and performance of the Foundation Supporting Organization's obligations under the loan agreement have been guaranteed by the Foundation.

The promissory note has a term of 30 years, expiring on May 5, 2037, and provides for a fixed rate of interest of 6% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (April 26, 2012, 2017, 2022, 2027 and 2032) to the Federal Home Loan Bank Boston Classic Advance Five-Year Rate plus 1.15% per annum. The rate was adjusted to 2.62% per annum on April 26, 2012 pursuant to the provisions of the loan agreement. The loan required monthly installments of principal and interest of \$4,122 through May 7, 2012. Commencing thereafter, the monthly installments of principal and interest are \$2,875 until the next five-year interval adjustment date of April 26, 2017. The note may be prepaid at any time, in whole or in part, without premium or penalty.

At June 30, 2016 and 2015, the outstanding principal balance of this note payable amounted to \$553,081 and \$572,464, respectively.

Principal funding payments and estimated interest, due to maturity, consist of the following:

For the year ending June 30,	Principal	Interest (1)	Total
2017	\$ 175,937	\$ 120,872	\$ 296,809
2018	183,894	111,781	295,675
2019	742,461	95,157	837,618
2020	172,600	70,011	242,611
2021	179,456	63,155	242,611
2022 - 2026	1,007,335	205,722	1,213,057
2027 - 2031	332,366	64,251	396,617
2032 - 2036	255,688	21,224	276,912
2037	31,337	417	31,754
Total	<u>\$ 3,081,074</u>	<u>\$ 752,590</u>	<u>\$ 3,833,664</u>

(1) The interest rates in effect at June 30, 2016 of 5.75%, 3.5%, 4.99%, 3.25%, and 3.5% on the first mortgage notes payable and 2.62% on the note payable - bank were used to calculate the estimated interest on these debt obligations.

In October 2016, Fidelity Co-Operative Bank provided financing to the Foundation Supporting Organization in the form of a promissory note, dated October 19, 2016, in the amount of \$118,000. The proceeds of the loan were used to reimburse the Foundation Supporting Organization for the acquisition, at a cost of \$119,803, of a real estate property located at 198 Pearl Street in Fitchburg, Massachusetts in February 2016 (see Note 5). The note is secured by a Negative Pledge Agreement on the property.

The promissory note has a term of 10 years, maturing on October 21, 2026, and provides for a fixed rate of interest of 4.11% per annum. Commencing on November 21, 2016, the loan requires monthly installments of principal and interest of \$726 based on a 20-year principal amortization until the maturity

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date, at which time the remaining outstanding principal balance and any accrued interest thereon is due and payable. The note provides for the prepayment of all or a portion of the amount owed without penalty. The business loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the business loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Foundation Supporting Organization.

In November 2016, Enterprise Bank and Trust Company provided financing to the Foundation Supporting Organization in the form of a promissory note, dated November 4, 2016, in the amount of \$280,000. The proceeds of the loan were used for the acquisition, at a cost of \$358,287, of a real estate property located at 689-717 Main Street in Fitchburg, Massachusetts (see Note 5). The note is secured by a first mortgage interest in the property and an assignment of rents on the property.

The promissory note has a term of 10 years, maturing on November 4, 2026, and thereafter is payable on demand. The note provides for a fixed rate of interest of 4.33% per annum for the first ten years of the loan term. Thereafter, the interest rate will be adjusted at ten-year intervals to the Federal Home Loan Bank Boston Classic Advance Ten Year Rate plus 1.95% per annum. Commencing on January 1, 2017, the loan requires monthly installments of principal and interest of \$1,401 based on a 30 year principal amortization schedule. If the note is prepaid in whole or in part during the first 117 months of each fixed rate period for the purpose of refinancing the note with another financial institution, the note provides for a prepayment penalty equal to 3% of any principal reduction. Except for the forgoing, the note may be prepaid in whole or in part without penalty. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Foundation Supporting Organization.

In November 2016, Hometown Bank provided financing to the Foundation Supporting Organization in the form of a commercial note, dated November 8, 2016, in the amount of \$135,000. The proceeds of the loan were used for the acquisition, at a cost of \$183,237, of a real estate property located at 132 Highland Avenue in Fitchburg, Massachusetts (see Note 5). The note is secured by a first mortgage interest in the property and a collateral assignment of rents and leases on the property.

The commercial note has a term of 25 years, maturing on November 8, 2041, and provides for a fixed rate of interest of 4.875% per annum. Commencing on December 8, 2016, the loan requires monthly installments of principal and interest of \$779 based on a 25 year principal amortization schedule with a final payment of all unpaid principal and accrued interest thereon due at maturity. The loan agreement requires the Foundation Supporting Organization to maintain a minimum earnings before interest, taxes, depreciation, amortization and rent to related entities and after distributions of not less than 1.25 times annual principal and interest payments plus dividends to be tested annually.

**Note 14 - FSU Foundation lines of credit**

On April 2, 2015, the Foundation renewed, under substantially the same terms, its existing revolving working capital line of credit agreement with Workers' Credit Union which permits the Foundation to borrow up to \$250,000. Pursuant to the provisions of the line of credit agreement, maximum advances under the line are limited to 70% of the pledged investment collateral unless otherwise approved by the lender. At June 30, 2016, \$250,000 was outstanding on the line of credit. At June 30, 2015, no amount was outstanding on the line of credit. The line of credit provides for interest at the Wall Street Journal Prime Rate, but in no event less than 6% per annum. At June 30, 2016 and 2015, the effective interest rate was 6% per annum. For the years ended June 30, 2016 and 2015, interest expense incurred on

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borrowings under this line of credit amounted to \$4,078 and \$12,834, respectively. The borrowings under the line, during 2016, were advanced to the Foundation Supporting Organization. There were no new borrowings under the line during 2015. The interest expense incurred on the borrowings has been reflected as an expense on the books of the Foundation Supporting Organization. Borrowings are secured by investments with equivalent fair value of approximately \$7,209,000. The line of credit is also collateralized by all funds held by the lender. At June 30, 2016, the Foundation has total cash balances of \$57,903 held by the lender. The line of credit agreement expires on March 17, 2017. The Foundation may prepay outstanding revolving loans under the agreement in whole or in part at any time without premium or penalty.

On August 18, 2016, the Foundation Supporting Organization entered into a demand, unsecured revolving line of credit agreement with Rollstone Bank and Trust which permits the Foundation Supporting Organization to borrow up to \$250,000. The line of credit provides for interest at the Wall Street Journal Prime Rate (currently 3.5%) less .25%. The line of credit agreement expires on August 18, 2017. The Foundation Supporting Organization may prepay outstanding revolving loans under the agreement in whole or in part at any time without premium or penalty. The line of credit agreement contains, among other covenants, the maintenance of a debt service coverage ratio, as defined, of at least 1.00 to 1. In addition, the agreement provides that the line of credit be brought to a zero balance for 30 consecutive days annually during the term of the agreement. As of November 15, 2016, the Foundation Supporting Organization has made borrowings of \$110,000 under the line of credit agreement.

**Note 15 - Long-term liabilities**

Long-term liability activity of the University for the year ended June 30, 2016 included the following:

	Totals June 30, 2015	Additions	Reductions	Totals June 30, 2016	
				Ending Balance	Current Portion
Interagency payables	\$ 62,606,680	\$ -	\$ 2,892,156	\$ 59,714,524	\$ 3,132,683
Total	62,606,680	-	2,892,156	59,714,524	3,132,683
Other liabilities:					
Workers' compensation	584,996	50,423	127,529	507,890	110,720
Compensated absences	5,279,407	3,541,261	3,366,175	5,454,493	3,447,051
Loan payable - federal financial assistance	1,989,199	40,252	11,588	2,017,863	-
Net pension liability	5,078,817	4,916,275	-	9,995,092	-
Total other liabilities	12,932,419	8,548,211	3,505,292	17,975,338	3,557,771
Long term obligations	\$ 75,539,099	\$ 8,548,211	\$ 6,397,448	\$ 77,689,862	\$ 6,690,454

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Long-term liability activity of the University for the year ended June 30, 2015 included the following:

	Totals June 30, 2014	Additions	Reductions	Totals June 30, 2015	
				Ending Balance	Current Portion
Interagency payables	\$ 54,388,217	\$ 10,669,502	\$ 2,451,039	\$ 62,606,680	\$ 2,866,416
Total	54,388,217	10,669,502	2,451,039	62,606,680	2,866,416
Other liabilities:					
Workers' compensation	697,874	24,603	137,481	584,996	127,529
Compensated absences	5,046,917	3,469,380	3,236,890	5,279,407	3,366,175
Loan payable - federal financial assistance	1,958,082	44,745	13,628	1,989,199	-
Net pension liability	6,192,668	-	1,113,851	5,078,817	-
Total other liabilities	13,895,541	3,538,728	4,501,850	12,932,419	3,493,704
Long-term obligations	\$ 68,283,758	\$ 14,208,230	\$ 6,952,889	\$ 75,539,099	\$ 6,360,120

Long-term liability activity of FSU Foundation for the year ended June 30, 2016 included the following:

	Totals June 30, 2015	Additions	Reductions	Totals June 30, 2016	
				Ending Balance	Current Portion
First mortgage notes payable	\$ 2,672,455	\$ -	\$ 144,462	\$ 2,527,993	\$ 155,893
Notes payable - bank	572,464	-	19,383	553,081	20,044
Long-term obligations	\$ 3,244,919	\$ -	\$ 163,845	\$ 3,081,074	\$ 175,937

Long-term liability activity of FSU Foundation for the year ended June 30, 2015 included the following:

	Totals June 30, 2014	Additions	Reductions	Totals June 30, 2015	
				Ending Balance	Current Portion
First mortgage notes payable	\$ 2,977,001	\$ 105,686	\$ 410,232	\$ 2,672,455	\$ 144,563
Notes payable - bank	591,459	-	18,995	572,464	19,480
Long-term obligations	\$ 3,568,460	\$ 105,686	\$ 429,227	\$ 3,244,919	\$ 164,043

### Note 16 - Net position

Unrestricted net position is comprised of net position that is not subject to externally imposed stipulations; however, they may be subject to internal restrictions. For example, unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Certain unrestricted net position is internally designated for academic and research programs and initiatives, and graduate and continuing education programs. Designated unrestricted net position was \$12,270,991 and \$8,630,721 at June 30, 2016 and 2015, respectively. Undesignated unrestricted net position was \$5,653,720 and \$9,167,623 at June 30, 2016 and 2015, respectively.

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At June 30, 2016 and 2015, the net investment in capital assets amount of \$115,713,366 and \$113,647,096, respectively, includes the effect of deferring the recognition of revenue from the installment payments associated with the dining facilities service concession arrangement. At June 30, 2016 and 2015, \$1,971,471 and \$2,101,214, respectively, of the balance of the deferred inflow of resources has been included, as a reduction, in the calculation of net investment in capital assets. This amount will be recognized as revenue and increase the net investment in capital assets net position over the remaining term of the arrangement.

**Note 17 - Net position restricted by enabling legislation**

Fitchburg State University Foundation, Inc.'s consolidated statements of net position as of June 30, 2016 and 2015 reflect a restricted net position of \$14,268,192 and \$14,477,603, respectively. Of these amounts, \$2,357,931 for each year, are restricted by enabling legislation for the State Matching Funds Program.

**Note 18 - Operating expenses**

The University's operating expenses for the years ended June 30, 2016 and 2015, on a natural classification basis, are comprised of the following:

	2016	2015
Salaries		
Faculty	\$ 22,119,459	\$ 20,683,948
Exempt wages	3,464,132	3,488,458
Non-exempt wages	19,376,358	18,397,240
Benefits	12,476,766	9,831,968
Scholarships	1,839,701	1,676,028
Utilities	4,045,190	4,433,424
Supplies and other services	18,483,850	20,095,037
Depreciation	9,087,710	8,525,149
Total operating expenses	\$ 90,893,166	\$ 87,131,252

**Note 19 - State controlled accounts**

Certain significant costs and benefits associated with the operations of the University are appropriated, expended, controlled, and reported by the Commonwealth through non-University line items in the Commonwealth's budget. Under generally accepted accounting principles, such transactions must be recorded in the financial statements of the University. These transactions include payments by the Commonwealth for the employer's share of funding the Massachusetts State Employees' Retirement System and for the employer's share of health care premiums.

The estimated amounts of funding attributable for the Commonwealth's retirement system contribution and the employer's share of health care premiums for the years ended June 30, 2016, 2015 and 2014 were as follows (see State appropriations under Note 23):

	2016	2015	2014
Commonwealth's retirement system contributions	\$ 3,144,412	\$ 3,396,962	\$ 2,509,629
Employers share of health care premium	\$ 5,675,058	\$ 4,793,591	\$ 5,012,146

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**Note 20 - Retirement plan**

Substantially all of the University's full-time employees are covered by the Massachusetts State Employees' Retirement System ("MSERS"). MSERS, a public employee retirement system ("PERS"), is a cost-sharing multi-employer defined benefit plan that is administered by the Massachusetts State Retirement Board and covers substantially all non-student employees. The Commonwealth does not issue separately audited financial statements for the plan. The financial position and results of operations of the plan are incorporated into the Commonwealth's financial statements, a copy of which may be obtained from the Office of the State Comptroller, Commonwealth of Massachusetts, One Ashburton Place, Room 901, Boston, MA 02108.

MSERS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws ("MGL") establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MSERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MSERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for MSERS vary depending on the most recent date of membership:

Hire Date	% of Compensation
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to June 30, 1996	8% of regular compensation
July 1, 1996 to present	9% of regular compensation
1979 to present	An additional 2% of regular compensation in excess of \$30,000

The University is not required to contribute from its appropriation allocation or other University funds to MSERS for employees compensated from State appropriations. For University employees covered by MSERS but compensated from a trust fund or other source, the University is required to contribute an amount determined as a percentage of compensation in accordance with a fringe benefit rate established by the State. The total amount of current funding by the State related to the University's employees during 2016, 2015 and 2014 was \$3,144,412, \$3,396,962, and \$2,509,629, respectively.

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Annual covered payroll was approximately 67%, 70% and 69% of annual total payroll for the University in 2016, 2015 and 2014, respectively.

At June 30, 2016 and 2015, the University reported a liability of \$9,995,092 and \$5,078,817, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of January 1, 2015 and 2014, respectively, and the State's total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability was based on an effective contribution methodology which allocates total contributions amongst the employers in a consistent manner based on an employer's share of total covered payroll. At June 30, 2016, the University's proportion was 0.0878% which was an increase of 0.0194% from its proportion measured as of June 30, 2015. At June 30, 2015, the University's proportion was .0684%, which was a decrease of 0.0011% from its proportion measured as of June 30, 2014.

For the years ended June 30, 2016 and 2015, the University recognized pension expense of \$3,512,341 and \$3,075,700, respectively. At June 30, 2016, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Changes of assumptions	\$ 1,730,945	\$ -
Net difference between projected and actual earnings on pension plan investments	-	287,217
Difference between expected and actual experience	197,569	-
Changes in proportion due to internal allocation	1,415,804	63,613
Changes in proportion from Commonwealth	-	7,673
University contributions subsequent to the measurement date	655,160	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 3,999,478</u>	<u>\$ 358,503</u>

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\$655,160 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 577,231
2018	577,231
2019	577,231
2020	903,591
2021	350,531
	_____
Total	\$ 2,985,815

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015. This valuation used the following assumptions:

1. 7.5% investment rate of return (8.0% for the year ended June 30, 2014), (b) 3.5% interest rate credited to the annuity savings fund and (c) 3.0% cost of living increase per year.
2. Salary increases are based on analyses of past experience but range from 3.5% to 9.0% depending on group and length of service.
3. In May 2015, Chapter 19 of the Acts of 2015 created an Early Retirement Incentive ("ERI") for certain members of MSERS who upon election of the ERI retired effective June 30, 2015. As a result, the total pension liability of MSERS has increased by approximately \$230 million as of June 30, 2015.
4. Mortality rates were as follows:
  - (i) Pre-retirement - reflects RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct) which is a change from RP - 2000 Employees Table projected 20 years with Scale AA (gender distinct).
  - (ii) Post-retirement - reflects RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct) which is a change from Healthy Annuitant Table projected 15 years with Scale AA (gender distinct).
  - (iii) Disability - the mortality rate is assumed to be in accordance with the RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2015 (gender distinct) which is a change from the mortality rate assumed to be in accordance with the RP - 2000 Healthy Annuitant table projected 5 years with Scale AA (gender distinct) set forward 3 years for males.

Investment assets of MSERS are with the Pension Reserves Investment Trust ("PRIT") Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	
		<u>2015</u>	<u>2014</u>
Global equity	40.00%	6.90%	7.20%
Core fixed income	13.00%	2.40%	2.50%
Private equity	10.00%	8.50%	8.80%
Real estate	10.00%	6.50%	6.30%
Value added fixed income	10.00%	5.80%	6.30%
Portfolio completion strategies	4.00%	5.50%	N/A
Hedge funds	9.00%	5.80%	5.50%
Timber/natural resources	4.00%	6.60%	5.00%
Total	<u>100.00%</u>		

The discount rate used to measure the total pension liability for the measurement years ended June 30, 2015 and 2014 was 7.5% and 8.0%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the University's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.5% and 8.0%, respectively, for the measurement years ended June 30, 2015 and 2014, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5% and 7.0%) or 1-percentage-point higher (8.5% and 9.0%) than the current rate:

<u>Measurement Year Ended</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
June 30, 2014	\$ 7,379,623	\$ 5,078,817	\$ 3,128,390
June 30, 2015	13,586,495	9,995,092	6,897,300

Detailed information about the pension plan's fiduciary net position is available in the Commonwealth's financial statements.

**Note 21 - Fringe benefits for current employees and post-employment obligations - pension and non-pension**

The University participates in the Commonwealth's Fringe Benefit programs, including active employee and post - employment health insurance, unemployment, pension, and workers' compensation benefits. Health insurance and pension costs for active employees and retirees are paid through a fringe benefit rate charged to the University by the Commonwealth.

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On-behalf payments of fringe benefits for benefited employees on the Commonwealth's payroll are recognized as revenues and expenses in the University's financial statements in each of the fiscal years presented.

**Post-employment other than pensions**

In addition to providing pension benefits, under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities, and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care benefit costs which is comparable to contributions required from employees. The Commonwealth is reimbursed for the cost of benefits to retirees of the eligible authorities and non-state agencies.

The Commonwealth's Group Insurance Commission ("GIC") was established by the Legislature in 1955 to provide and administer health insurance and other benefits to the Commonwealth's employees and retirees, and their dependents and survivors. The GIC also covers housing and redevelopment authorities' personnel, certain authorities and other offline agencies, retired municipal teachers from certain cities and towns and a small amount of municipalities as an agent multiple employer program, accounted for as an agency fund activity of the Commonwealth, not the University.

The GIC administers a plan included within the State Retire Benefits Trust Fund, an irrevocable trust. Any assets accumulated in excess of liabilities to pay premiums or benefits or administrative expenses are retained in that fund. The GIC's administrative costs are financed through Commonwealth appropriations and employee investment returns. The Legislature determines employees' and retirees' contribution ratios.

The GIC does not issue separately audited financial statements. The financial position and results of operations of the plan are incorporated in the Commonwealth's financial statements, a copy of which may be obtained from the Office of the State Comptroller, Commonwealth of Massachusetts, One Ashburton Place, Room 901, Boston, MA 02108.

The GIC is a quasi-independent state agency governed by an eleven-member body (the "Commission") appointed by the Governor. The GIC is located administratively within the Executive Office of Administration and Finance, and is responsible for providing health insurance and other benefits to the Commonwealth's employees and retirees and their survivors and dependents. During the fiscal years ended on June 30, 2016 and 2015, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans. The GIC also administered carve-outs for the pharmacy benefit and mental health and substance abuse benefits for certain of its health plans. In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage for employees not covered by collective bargaining, a retiree discount vision plan and retiree dental plan, and finally, a pre-tax health care spending account and dependent care assistance program (for active employees only).

The amount of funding by the University related to benefits other than pensions for the years ended June 30, 2016, 2015 and 2014 were \$11,720,616, \$10,426,669, and \$9,796,325, respectively, which equaled the required contributions each year charged to it through the Commonwealth's fringe benefit recovery program.

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**Notes to Financial Statements**  
**June 30, 2016 and 2015**

**Note 22 - Lease and license agreements**

As disclosed in Note 13, the Foundation Supporting Organization entered into a long-term operating lease agreement with DCAM on behalf of the University. The lease commenced on August 16, 2006. The lease is for a term of 10 years and provides for base rent of \$165,000 per year, payable in monthly installments of \$13,750, for the entire lease term. The University is also responsible for the payment of normal operating, maintenance and repair costs associated with its use of the property. The lease expired on August 16, 2016. The Foundation Supporting Organization and DCAM are operating under the same terms and conditions as the expired lease agreement for the operation and use of the property while the parties negotiate a new lease agreement. For the years ended June 30, 2016 and 2015, rental income for the Foundation Supporting Organization amounted to \$165,000 in each year. The rental income is reflected in revenue from sales and services of educational departments in the accompanying statements of revenues, expenses and changes in net position. The corresponding rent expense of the University is reflected in operations and maintenance of plant. Future minimum rental income to be received on this lease for the year ending June 30, 2017 is \$20,625.

On August 6, 2008, the Foundation Supporting Organization entered into a 10-year operating lease agreement with an unrelated third party for 2,350 square feet of office space located in Fitchburg, Massachusetts. The lease commenced on November 1, 2008 and shall expire on October 31, 2018. The space is being used by Fitchburg State University as office and classroom space for its Center for Professional Studies. The lease provided for a base annual rent of \$17,625 for each of the first three years of the lease term, payable in monthly installments of \$1,469. Beginning with the fourth year of the lease there will be a 7.5% increase at the commencement of each three-year period of the lease term, including the continuous period of any extensions thereof. On November 1, 2011, the base annual rent increased to \$18,947 for the next three-year period of the lease term payable in monthly installments of \$1,579. On July 1, 2014, the Foundation Supporting Organization entered into an amended operating lease agreement with the unrelated third party adding 20 parking spaces for use in conjunction with the above mentioned office space and extending the lease term through June 30, 2019. The amended lease provides for a base annual rent of \$28,495 for each of the first three years of the lease term, payable biannually in installments of \$14,247. On July 1, 2017, the annual rent on the lease shall increase by 7.5% to \$30,632. The Foundation Supporting Organization may extend the initial term of the lease, under the same terms and conditions, for successive periods of one year provided it is not then in default of the lease terms and it gives proper notice. The Foundation Supporting Organization may cancel the lease at any time with the payment of two months' base rent as a termination charge. The Foundation Supporting Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2016 and 2015, rent expense amounted to \$28,495 and \$28,494, respectively.

The following is a schedule of future minimum rental payments under this operating lease agreement:

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$ 28,495
2018	30,632
2019	<u>30,632</u>
	<u>\$ 89,759</u>

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On February 1, 2013, the Foundation Supporting Organization entered into a 10-year operating lease agreement with the above noted unrelated third party for an additional 1,424 square feet of office space located in Fitchburg, Massachusetts. The lease commenced on February 1, 2013 and shall expire on January 31, 2023. The space is being used by Fitchburg State University for additional office and classroom space. The lease provides for a base annual rent of \$5,696 payable in monthly installments of \$475. The Foundation Supporting Organization may extend the initial term of the lease, under the same terms and conditions, for successive periods of one year provided it is not then in default of the lease terms and it gives proper notice. The Foundation Supporting Organization may cancel the lease at any time after February 1, 2014 with the payment of two months' base rent as a termination charge. The Foundation Supporting Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2016 and 2015, rent expense amounted to \$5,696 in each year.

The following is a schedule of future minimum rental payments under this operating lease agreement:

Year ending June 30,	Amount
2017	\$ 5,696
2018	5,696
2019	5,696
2020	5,696
2021	5,696
2022 - 2023	9,019
	\$ 37,499

On June 25, 2015, the Foundation Supporting Organization entered into an operating lease agreement with an unrelated third party for a building containing residential suites designed for used as a dormitory for college students. The lease commenced on August 1, 2015 and expired on May 31, 2016. The lease provided for annual rent of \$220,000 to be paid in two installments of \$110,000 each on August 1, 2015 and January 1, 2016. In July 2016, the Foundation Supporting Organization extended the initial term of the lease under the same terms and conditions for the period of August 1, 2016 through May 31, 2017. Subject to availability, the Foundation Supporting Organization may extend the term of the lease, under the same terms and conditions, for the periods June 1, 2017 through July 31, 2017 and August 1, 2017 through May 31, 2018. For the year ended June 30, 2016, rent expense amounted to \$220,000.

The Foundation Supporting Organization and the University are parties to License Agreements whereby the Foundation Supporting Organization granted to the University irrevocable and exclusive licenses to occupy, manage, maintain and operate certain property owned by the Foundation Supporting Organization. The License Agreements provide for initial terms of one year and automatic annual renewals thereafter. The License Agreements provide for annual license fees payable, in arrears, in four equal quarterly installments. All costs to operate and maintain the property, including any capital improvements made thereto, shall be borne by the University. The License Agreements may be terminated by either party upon the expiration of the initial term of the agreements and any subsequent renewal term with the giving of proper notice. In addition, the University may terminate the agreements at any time with the giving of proper notice. For the years ended June 30, 2016 and 2015, license fee income for the Foundation Supporting Organization amounted to \$108,167 and \$235,833, respectively. The license fee income is reflected in revenue from sales and services of educational

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**Notes to Financial Statements**  
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departments in the accompanying statements of revenue, expenses and changes in net position. The corresponding license fee expense of the University is reflected in operations and maintenance of plant.

**Note 23 - Management Accounting and Reporting System**

Section 15C of Chapter 15A of the Massachusetts General Laws requires Commonwealth Colleges and Universities to report activity of campus based funds to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, Massachusetts Management Accounting and Reporting System ("MMARS") on the statutory basis of accounting. The statutory basis of accounting is a modified accrual basis of accounting and differs from the information included in these financial statements. The amounts reported on MMARS meet the guidelines of the Comptroller's Guide for Higher Education Audited Financial Statements.

**State appropriations**

The University's State appropriations are comprised of the following for the years ended June 30, 2016 and 2015:

	2016	2015
Gross State appropriations	\$ 29,181,716	\$ 29,868,863
Add: Fringe benefits for benefited employees on the Commonwealth payroll	8,819,470	8,190,553
Less: Day school tuition remitted to the Commonwealth and included in tuition and fee revenue	(769,177)	(953,550)
Net State appropriations	\$ 37,232,009	\$ 37,105,866

\$37,159,087 and \$36,120,466 represent appropriations for maintenance and payroll during 2016 and 2015, respectively, \$72,922 and \$908,318 represent appropriations for capital improvements for 2016 and 2015, respectively, and \$0 and \$77,082 represent appropriations for other noncapital appropriations for 2016 and 2015, respectively. These amounts are presented separately in the accompanying statements of revenues, expenses and changes in net position.

Day school tuition receipts and transfers have been recorded in an agency fund during the year and had no material balance outstanding at June 30, 2016 and 2015.

**Note 24 - Risk management**

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Commonwealth is self-insured. In addition, the University maintains commercial insurance coverage for certain of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The separate insurance policies maintained by the University consist of Director and Officer's liability, automobile liability, and a foreign package policy. There were no significant reductions in insurance coverage from coverage in the prior year. The costs of settled claims have not exceeded policy coverage in any of the past three years.

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The University also participates in the Commonwealth's self-insured programs for employee workers' compensation, health care and other insurance. The Commonwealth assesses the costs of workers' compensation and unemployment insurance to the University based on the University's actual experience (see Note 7). The Commonwealth manages workers' compensation as part of its general operations. No separate fund for workers' compensation is provided for in Massachusetts General Laws. The Commonwealth assesses the costs of health care insurance to the University through a fringe benefit rate and the liability for such coverage is borne by the Commonwealth. The Commonwealth's Group Insurance Commission manages health insurance and other benefits for the Commonwealth's active and retired employees (see Note 21).

Massachusetts General Laws limit the risk assumed by the Commonwealth for claims of personal injury or property damages to \$100,000 per occurrence, in most circumstances.

**Note 25 - Commitments and contingencies**

Pending or threatened lawsuits against governmental agencies arise in the ordinary course of operations. In the opinion of the University's administration, the ultimate resolution of any legal actions at this date will not result in a material loss to the University since most of any obligation is expected to be paid from state appropriated funds.

The University receives significant financial assistance from federal and state agencies in the form of grants. Expenditure of funds under these programs require compliance with the grant agreements and are subject to audit by representatives of these federal and state agencies. Any disallowed expenditures resulting from such audits become a liability of the University. In the opinion of management, such liabilities, if any, are not expected to materially affect the financial condition of the University.

The University participates in the Massachusetts College Savings Prepaid Tuition Program. This program allows participants to pay in advance (against a bond) for future tuition at the cost of tuition at the time of the bond purchase, increased by changes in the Consumer Price Index plus 2%. The University is obligated to accept as payment of tuition the amount determined by this program without regard to the standard tuition rate in effect at the time of the individual's enrollment at the University. The effect of this program cannot be determined as it is contingent on future tuition increases and the bond purchasers who attend the University.

The University can perform capital projects that are funded and controlled by another State agency. These projects would be paid from funds appropriated and under the control of DCAM. The Projects generally consist of renovations and improvements and have been recorded in the respective accounts.

On September 23, 2016, the University entered into a Master Lease-Purchase Agreement (the "Master Lease") with a financial institution in the amount of \$1,261,206 related to the installation of wireless network equipment (the "Equipment"). The Master Lease is secured by the Equipment. The Master Lease has a term of five years and requires semi-annual payments of \$132,483 commencing on March 23, 2017 and continuing through September 23, 2021. The University may elect to prepay the Master Lease with 30 days written notice at any time after the first 12 months of the Master Lease Term (the "Lock-Out Period").

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**Note 26 - McKay Agreement**

The University has an agreement with the City of Fitchburg, whereby the City can use the McKay building to provide elementary education to local residents on a year to year basis. The University receives quarterly payments from the City to reimburse the University for its share of payroll and related operating expenses (the "McKay School expenditures"). Reimbursements received for the years ended June 30, 2016 and 2015 were \$819,487 each year. These reimbursements are included in the Sales and Services of Educational Departments revenue amount and the McKay School expenditures are included in the appropriate categories under Operating Expenses in the accompanying statements of revenues, expenses and changes in net position.

**Note 27 - Civic Center**

In August 2006, the University and the City of Fitchburg entered into a Memorandum of Understanding in which the University would assume responsibility for the operations, management and maintenance of the George R. Wallace, Jr. Civic Center and the Alice G. Wallace Planetarium (collectively, the "Civic Center"). The Civic Center includes two skating rinks and the adjoining planetarium. The Commonwealth of Massachusetts acting by and through DCAM on behalf of the University entered into a lease agreement for the Civic Center with the City of Fitchburg and the Board of Trustees of the Civic Center. The lease commenced on October 1, 2007 and is for a term of 99 years. The lease provided for an initial nominal rent payment and is otherwise a net lease. Pursuant to the terms of the lease, the University has complete authority, at its sole discretion, to do all such acts and deeds as it deems reasonably necessary to manage, maintain and operate the Civic Center for the permitted uses specified in the lease agreement. The University is responsible for payment, from net revenues generated by its operation of the Civic Center, of all costs associated with the maintenance and operation of the Civic Center, and certain other payments as specified in the lease agreement. DCAM, at the instruction of the University and with 60 days prior written notice, may terminate the lease in the event that the University, in its sole discretion, determines that continuation of the lease is not in the interest of the University.

During fiscal 2007, the University commenced initial management, maintenance and operations activities at the Civic Center in anticipation of the lease agreement being executed. The Commonwealth of Massachusetts Legislature appropriated an aggregate amount of \$2,500,000 for repairs and upgrades to the Civic Center. During fiscal 2008, the University made repairs and upgrades to the Civic Center for an aggregate cost of \$2,477,381. The University engaged the services of a professional management company, Facilities Management Corporation ("FMC"), to assist with management, maintenance and operations activities of the ice-skating rink program at the Civic Center. The initial management contract expired on December 31, 2008.

On February 1, 2009, the Commonwealth of Massachusetts acting by and through its Division of Capital Asset Management and Maintenance on behalf of the University entered into a sublease agreement with FMC for a term of 25 years commencing on the date of the agreement. The sublease agreement is a net lease and, accordingly, FMC is responsible for all costs associated with the operations, management, and maintenance of the sublease premises as well as repairs and required capital improvements. The sublease premises consist of the facilities and related equipment associated with the operation of a public ice-skating rink program. The planetarium is not part of the sublease premises and it is not currently operational. FMC is also responsible for certain other payments for and on behalf of the University related to obligations in existence at the date the University initially assumed management of the Civic Center. During the term of the sublease agreement, FMC is required to pay

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the University monthly percentage rent based upon the actual gross revenues from its operations, as defined. During each of the first 10 years of the sublease term, no percentage rent is required.

Thereafter, for each of the years 11 through 25, percentage rent at the rate of 1% of actual gross revenues shall be due and payable on a monthly basis. However, in no event shall the aggregate amount of percentage rent paid by FMC during the sublease term be less than \$107,155.

The University, officials of the City of Fitchburg, and the Board of Trustees of the Civic Center believe that their collective efforts will return the Civic Center to a vibrant place where the citizenries of the City of Fitchburg and its surrounding cities and towns can enjoy athletic, educational and cultural activities.

## **Supplementary Information**

**Fitchburg State University**  
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**Schedule of the University's Proportionate Share  
of the Net Pension Liability and Schedule of University Contributions  
June 30, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
University's proportion of the net pension liability (asset)	0.0878%	0.0684%	0.0695%
University's proportionate share of the net pension liability (asset)	\$ 9,995,092	\$ 5,078,817	\$ 6,192,668
University's covered-employee payroll	\$ 28,636,295	\$ 28,475,564	\$ 27,038,219
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.90%	17.84%	22.90%
Plan fiduciary net position as a percentage of the total pension liability	67.87%	76.32%	70.31%

\* The amounts presented for each fiscal year were determined as of 6/30.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,144,412	\$ 3,396,962	\$ 2,509,629
Contributions in relation to the contractually required contribution	\$ (3,144,412)	\$ (3,396,962)	\$ (2,509,629)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered-employee payroll	\$ 28,636,295	\$ 28,475,564	\$ 27,038,219
Contributions as a percentage of covered-employee payroll	10.98%	11.93%	9.28%

Note: This schedule is intended to present 10 years of data. Additional years will be presented when available.

See Independent Auditor's Report on Page 2.

**Fitchburg State University**  
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**Notes to Required Supplementary Information**  
**Year Ended June 30, 2016**

**Note 1 - Changes in benefit terms and assumptions**

Changes in benefit terms

In May 2015, Chapter 19 of the Acts of 2015 created an Early Retirement Incentive ("ERI") for certain members of MSERS who upon election of the ERI retired effective June 30, 2015. As a result, the total pension liability of MSERS has increased by approximately \$230 million as of June 30, 2015.

Changes in assumptions

The investment rate of return changed to 7.5% from 8%.

The mortality assumptions changed as follows:

- Pre-retirement - was changed to reflect the RP - 2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct) from RP - 2000 Employees table projected 20 years with Scale AA (gender distinct).
- Post-retirement - was changed to reflect the RP - 2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct) from RP - 2000 Healthy Annuitant table projected 15 years with Scale AA (gender distinct).
- Disability - was changed to the mortality rate assumed to be accordance with the RP - 2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2015 (gender distinct) from the mortality rate assumed to be in accordance with the RP - 2000 Healthy Annuitant table projected 5 years with Scale AA (gender distinct) set forward 3 years for males.

The discount rate used to measure the total pension liability changed to 7.5% from 8%.

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**Residence Hall Fund and Residence Hall Damage Fund Activity**  
**June 30, 2016**

The University's Residence Hall Fund and Residence Hall Damage Fund non-classified Statements of Net Position at June 30, 2016 are as follows:

Statements of Net Position

	<u>Residence Hall Fund</u>	<u>Residence Hall Damage Fund</u>
<b>Assets:</b>		
Cash	\$ 1,310,268	\$ 106,010
Cash held by State Treasurer	56,122	-
Investments	1,048,559	81,352
Prepaid expenses	3,337	-
Accounts receivable, net	<u>72,157</u>	<u>15,136</u>
 Total assets	 <u>2,490,443</u>	 <u>202,498</u>
 <b>Liabilities:</b>		
Accounts payable	67,171	-
Deposits	251,925	-
Salaries payable	54,163	-
Compensated absences	<u>132,150</u>	<u>-</u>
 Total liabilities	 <u>505,409</u>	 <u>-</u>
 Net position	 <u>\$ 1,985,034</u>	 <u>\$ 202,498</u>

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**Residence Hall Fund and Residence Hall Damage Fund Activity**  
**June 30, 2016**

The University's Residence Hall Fund and Residence Hall Damage Fund Statements of Revenues, Expenses and Changes in Net Position (presented in accordance with the Commonwealth of Massachusetts' Expenditure Classification plan) for the year ended June 30, 2016 are as follows:

	Residence Hall Fund	Residence Hall Damage Fund
<b>Revenues</b>		
Student fees	\$ 9,050,202	\$ -
Interest	22,565	1,137
Investment income (loss)	(19,998)	(1,008)
Commissions	47,208	-
Rentals	65,336	-
Room damage assessments	-	40,252
Miscellaneous	31,787	-
<b>Total revenues</b>	<b>9,197,100</b>	<b>40,381</b>
<b>Expenses</b>		
Regular employee compensation	1,197,606	-
Regular employee related expenses	8,014	-
Special employee/contract services	119,312	-
Pension and insurance	373,769	-
Facility operating supplies and related expenses	44,603	-
Administrative expenses	15,023	-
Energy and space rental	1,291,112	-
Consultant services	4,954	-
Operational services	20,558	-
Equipment purchases	19,007	-
Equipment lease - purchase, lease, rent, repair	9,567	-
Construction and improvements	430,581	7,764
Benefit program	30,447	-
Loans and special payments	5,231,200	-
Other - bad debt expense (recovery)	8,218	39
Information technology expenses	12,381	-
<b>Total expenses</b>	<b>8,816,352</b>	<b>7,803</b>
<b>Transfers (in)/out</b>		
Interdepartmental rental income	(94,154)	-
Printing	2,565	-
<b>Total transfers</b>	<b>(91,589)</b>	<b>-</b>
<b>Total expenses and transfers</b>	<b>8,724,763</b>	<b>7,803</b>
Increase (decrease) in net position	472,337	32,578
Net position - beginning of year	1,512,697	169,920
<b>Net position - end of year</b>	<b>\$ 1,985,034</b>	<b>\$ 202,498</b>

The above Statements of Revenues, Expenses and Changes in Net Position do not include an allocation of the current year charge for workers' compensation as estimated by the Commonwealth's actuarial review. It is not practical to allocate any such amount to any specific trust fund.

See Independent Auditor's Report on Page 2.

**Supplementary Information and Reports  
Required by the Uniform Guidance**

Independent Auditor's Report on Supplementary Information  
Required by the Uniform Guidance

To the Board of Trustees  
Fitchburg State University

We have audited the financial statements of the business-type activities and the discretely presented component unit of Fitchburg State University (a department of the Commonwealth of Massachusetts) as of and for the year ended June 30, 2016, which collectively comprise Fitchburg State University's basic financial statements, and our report thereon dated November 15, 2016, which included emphasis of matter paragraphs and which appears on page 3, expressed unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the 2016 financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is not a required part of the 2016 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 financial statements or to the 2016 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 2016 financial statements as a whole.



Boston, Massachusetts  
November 15, 2016

**Fitchburg State University**  
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**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2016**

<u>Federal Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass through to Subrecipients</u>	<u>Federal Expenditures</u>
National Endowment for the Humanities			
Direct Programs			
Promotion of the Humanities - Office of Digital Humanities	45.169	-	\$ 4,158
Subtotal Direct Programs			<u>4,158</u>
Total National Endowment for the Humanities			<u>\$ 4,158</u>
U.S. Department of Education			
Direct Programs			
English Language Acquisition State Grants	84.365	-	\$ 516,884
<u>TRIO Cluster:</u>			
TRIO - Student Support Services	84.042	-	249,145
TRIO - Upward Bound	84.047	-	<u>388,160</u>
Total TRIO Cluster			<u>637,305</u>
<u>Student Financial Assistance Cluster:</u>			
Federal Supplemental Educational Opportunity Grants	84.007	-	245,510
Federal Work-Study Program	84.033	-	226,584
Federal Perkins Loan Program	84.038	-	1,750,185
Federal Pell Grant Program	84.063	-	6,219,897
Federal Direct Student Loans	84.268	-	22,050,726
Nursing Student Loans	93.364	-	<u>468,844</u>
Total Student Financial Assistance Cluster			<u>30,961,746</u>
Subtotal Direct Programs			<u>32,115,935</u>
Total U.S. Department of Education			<u>\$ 32,115,935</u>
Total Federal Expenditures			<u>\$ 32,120,093</u>

See Independent Auditor's Report on Supplementary Information on Page 85 and Notes to Schedule of Expenditures of Federal Awards.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2016**

**Note 1 - Basis of presentation**

The accompanying Schedule of Expenditures of Federal Awards ("SEFA" or "Schedule") includes the federal award activity of Fitchburg State University (the "University"), under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

**Note 2 - Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Fitchburg State University has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3 - Matching costs**

Matching costs, i.e., the nonfederal share of certain program costs, are not included in the accompanying Schedule.

**Note 4 - Relationship to federal financial reports**

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule.

**Note 5 - Federal Direct Student Loans ("FDL")**

The Schedule includes FDL ("CFDA 84.268") which are made directly by the U.S. Department of Education to individual students.

**Note 6 - Federal Perkins Loan Program**

The Federal Perkins Loan Program ("CFDA 84.038") is administered by Fitchburg State University. Fiscal year 2016 activity included loan funds disbursed of \$164,830. The outstanding liability to the federal government under this loan program at June 30, 2016 totaled \$1,606,367.

**Note 7 - Nursing Student Loans**

The Nursing Student Loan Program ("CFDA 93.364") is administered by Fitchburg State University. Fiscal year 2016 activity included loan funds disbursed of \$65,000. The outstanding liability to the federal government under this loan program at June 30, 2016 totaled \$411,496.

Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees  
Fitchburg State University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Fitchburg State University (the "University") (a department of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 15, 2016, which included emphasis of matter paragraphs as indicated on page 3.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Boston, Massachusetts  
November 15, 2016

Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees  
Fitchburg State University

Report on Compliance for Each Major Federal Program

We have audited Fitchburg State University's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fitchburg State University's major federal programs for the year ended June 30, 2016. Fitchburg State University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Fitchburg State University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fitchburg State University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Fitchburg State University's compliance.

*Opinion on Each Major Federal Program*

In our opinion, Fitchburg State University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

*Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to this matter.

Fitchburg State University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Fitchburg State University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### Report on Internal Control over Compliance

Management of Fitchburg State University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Fitchburg State University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fitchburg State University's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Boston, Massachusetts  
November 15, 2016

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2016**

**A. Summary of auditor's results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Fitchburg State University were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies related to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of Fitchburg State University, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs for Fitchburg State University expressed an unmodified opinion on all major federal programs.
6. There is one audit finding (Finding 2016-001) required to be reported in accordance with 2 CFR Section 200.516(a) in this Schedule.
7. The programs tested as major programs were:

<u>Agency</u>	<u>Title</u>	<u>CFDA #</u>
<u>Student Financial Assistance Cluster:</u>		
U.S. Department of Education	Federal Supplemental Educational Opportunity Grants	84.007
U.S. Department of Education	Federal Work-Study Program	84.033
U.S. Department of Education	Federal Perkins Loan Program	84.038
U.S. Department of Education	Federal Pell Grant Program	84.063
U.S. Department of Education	Federal Direct Student Loans	84.268
U.S. Department of Health and Human Services	Nursing Student Loans	93.364

8. The threshold for distinguishing between Type A and B Programs was \$750,000.
9. Fitchburg State University was determined to be a low-risk auditee.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2016**

**B. Findings - audit of financial statements**

None

**C. Findings and questioned costs - audit of major federal award programs**

See Finding 2016-001 on the schedule of findings and questioned costs.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2016**

**Federal Work Study Program (84.033)**  
**Federal Award Number: P033A131863**  
**U.S. Department of Education**  
**Finding Reference: 2016-001**

**Award Year: 2016**

**Criteria:**

In administering its Federal Work Study Program ("FWS"), an institution shall establish and maintain an internal control system of checks and balances that insures that no office can both authorize payments and disburse funds to students (34CFR 675.19 (a)).

The institution must also establish and maintain program and fiscal records that; (i) Include a certification by the student's supervisor, an official of the institution or off-campus agency, that each student has worked and earned the amount being paid. The certification must include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence, or the total hours worked per day; (ii) Include a payroll voucher containing sufficient information to support all payroll disbursements; (iii) Include a noncash contribution record to document any payment of the institution's share of the student's earnings in the form of services and equipment (see Sec 675.27(a)); and (iv) Are reconciled at least monthly (34 CFR 675.19 (b)(2)).

**Condition:**

Our audit procedures included tests for proper authorization, supporting documentation, accuracy, completeness, timeliness, and adherence to award specifications and campus policies. In our sample of 5 students, we noted 2 instances of noncompliance. Due to an error in the time entry system one student was paid for 9.25 additional hours of Federal Work Study which was not corrected by management until August 2016. The second student was hired as an employee of the University for the Fall semester of 2015, but was paid from Federal Work Study funds.

**Cause:**

Fitchburg State University did not adequately monitor its policies and procedures governing the Federal Work Study Program requirements of time entry and proper assignment of work study funds.

**Effect:**

The University is not in compliance with U.S. Department of Education regulations.

**Questioned Costs:**

\$185

**Auditor's Recommendation:**

We recommend that Fitchburg State University emphasize to Federal Work Study supervisors the importance of more careful review of the student's timesheets. We also recommend that Fitchburg State University emphasize to the payroll department the importance of validating and making proper distribution of work study funds.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2016**

**Views of Responsible Officials and Corrective Actions:**

The University agrees with the finding. Monies were immediately returned to the Federal Work Study program. The University will stress to Federal Work Study supervisors that it is their responsibility to report accurate timesheets. The payroll office will ensure the accuracy of timesheets and payroll authorizations for the Federal Work Study program.

**Contact:** Denise Brindle  
Director of Financial Aid

**Implementation dates:** Fall, 2016.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Summary Schedule of Prior Year Audit Findings**  
**Year Ended June 30, 2016**

The University has completed corrective action on the finding noted below from the OMB Circular A-133 Single Audit report for the year ended June 30, 2015.

**Federal Work Study Program (84.033)**  
**Federal Award Number: P033A131863**  
**U.S. Department of Education**  
**Finding Reference: 2015-001**

**Award Year: 2015**

**Condition:**

In a sample of 5 students, 3 instances were noted in which student time sheets were not specific as to the time of day that was worked and therefore there was no way to determine if the student worked during a scheduled class.

**Current Status:**

The University had previously recognized a potential issue regarding the recording of shift start and end times. As a result, a remedy had been implemented prior to this finding. Effective the start of the 2015-2016 academic year, all FWS employees and supervisors were required to utilize the electronic SSTA timesheets which incorporates a mandatory "punch" style of reporting. "Punch" timesheets require that start and end times be reported for each shift. No similar findings were noted in the 2016 audit.



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**FSU Foundation Supporting Organization, Inc.**

**Financial Statements  
and Independent Auditor's Report**

**June 30, 2016 and 2015**

**FSU Foundation Supporting Organization, Inc.**

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## Independent Auditor's Report

To the Board of Directors  
FSU Foundation Supporting Organization, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of FSU Foundation Supporting Organization, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FSU Foundation Supporting Organization, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016 on our consideration of FSU Foundation Supporting Organization, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2016. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FSU Foundation Supporting Organization, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

Boston, Massachusetts  
November 15, 2016

**FSU Foundation Supporting Organization, Inc.****Statements of Financial Position  
June 30, 2016 and 2015**

	<u>Assets</u>	
	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 127,169	\$ 37,559
Accounts receivable	1,650	70,000
Prepaid expenses and other current assets	17,000	291
Property and equipment, net of accumulated depreciation	5,541,126	5,542,740
Deferred financing costs, net of accumulated amortization of \$31,466 and \$27,996, respectively	<u>27,268</u>	<u>30,738</u>
Total assets	<u>\$ 5,714,213</u>	<u>\$ 5,681,328</u>
	<u>Liabilities and Net Assets</u>	
Accounts payable, trade	\$ 4,753	\$ 1,541
Due to affiliates	250,000	44,386
Accrued interest payable	5,435	5,953
Note payable - bank	553,081	572,464
First mortgage notes payable	<u>2,126,696</u>	<u>2,248,992</u>
Total liabilities	<u>2,939,965</u>	<u>2,873,336</u>
Net assets		
Unrestricted	<u>2,774,248</u>	<u>2,807,992</u>
Total net assets	<u>2,774,248</u>	<u>2,807,992</u>
Total liabilities and net assets	<u>\$ 5,714,213</u>	<u>\$ 5,681,328</u>

See Notes to Financial Statements.

**FSU Foundation Supporting Organization, Inc.****Statements of Activities  
Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Revenue and support		
Program revenues		
Rental income	\$ 165,000	\$ 165,000
Residence hall income	478,962	224,540
License fee income	108,167	235,833
Contribution income	-	497,500
Contribution in kind income	8,154	8,200
Gain on sale of land and buildings, net	-	594,795
Interest income	1,239	1,689
	<u>761,522</u>	<u>1,727,557</u>
Total revenue, gain and support		
Expenses and losses		
Program services		
Utilities	24,915	22,971
Repairs and maintenance	48,518	49,100
Rent	254,191	34,190
Real estate and other taxes	787	4,926
Professional services	5,586	9,083
Insurance	57,436	52,430
Supplies and equipment	4,215	5,132
Landscaping	20,605	6,190
Miscellaneous other	1,400	1,400
Interest	116,774	141,996
Depreciation and amortization	132,929	115,204
Impairment loss (Note 3)	98,446	31,218
	<u>765,802</u>	<u>473,840</u>
Total expenses		
Management and general		
Affiliate personnel costs	8,154	8,200
Professional services	15,700	11,638
Miscellaneous other	5,610	5,275
	<u>29,464</u>	<u>25,113</u>
Total expenses		
	<u>795,266</u>	<u>498,953</u>
Total expenses		
Increase (decrease) in net assets	(33,744)	1,228,604
Net assets at beginning of year	<u>2,807,992</u>	<u>1,579,388</u>
Net assets at end of year	<u>\$ 2,774,248</u>	<u>\$ 2,807,992</u>

See Notes to Financial Statements.

**FSU Foundation Supporting Organization, Inc.****Statements of Cash Flows  
Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (33,744)	\$ 1,228,604
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Gain on sale of land and buildings	-	(594,795)
Impairment loss	98,446	31,218
Depreciation	129,459	111,734
Amortization of deferred financing costs	3,470	3,470
Changes in assets and liabilities		
(Increase) decrease in assets		
Accounts receivable	(1,650)	3,795
Prepaid expenses and other current assets	291	(291)
Increase (decrease) in liabilities		
Accounts payable, trade	3,212	(1,581)
Due to affiliates	(5,272)	5,272
Accrued interest payable	(518)	(2,332)
	<u>193,694</u>	<u>785,094</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Payments for property and equipment	(226,291)	(968,078)
Proceeds from sale of land and buildings	70,000	891,200
Deposits for purchases of property	(17,000)	3,000
	<u>(173,291)</u>	<u>(73,878)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds of first mortgage notes payable	-	105,686
Payments on first mortgage notes payable	(122,296)	(389,247)
Payments on note payable - bank	(19,383)	(18,995)
Advances from affiliates	250,000	-
Payments on advances from affiliates	(39,114)	(385,000)
	<u>69,207</u>	<u>(687,556)</u>
Net cash provided by (used in) financing activities		
Net increase in cash and cash equivalents	89,610	23,660
Cash and cash equivalents, beginning of year	<u>37,559</u>	<u>13,899</u>
Cash and cash equivalents, end of year	<u>\$ 127,169</u>	<u>\$ 37,559</u>

See Notes to Financial Statements.

**FSU Foundation Supporting Organization, Inc.**

**Notes to Financial Statements  
June 30, 2016 and 2015**

**Note 1 - Organization and summary of significant accounting policies**

**Organization**

FSU Foundation Supporting Organization, Inc. (the "Organization") was organized on October 29, 1999 to be a supporting organization operated, supervised and controlled for the exclusive benefit of Fitchburg State University Foundation, Inc. (the "Foundation") and all of its educational and charitable activities. As of June 30, 2016, the Organization's sole program activity has been to acquire, hold, operate and lease real estate and related improvements for the benefit of the Foundation and Fitchburg State University (the "University").

**Summary of significant accounting policies**

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Method of accounting**

The financial statements of the Organization have been prepared on the accrual basis, whereby income is recorded when earned and expenses recorded when incurred in the appropriate accounting period.

**Basis of presentation**

The financial statements of the Organization are presented in accordance with guidance issued by the Financial Accounting Standards Board ("FASB") for the presentation of financial statements of not-for-profit-entities. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Permanently restricted net assets are required to be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets. Temporarily restricted net assets have donor-imposed restrictions that require the Organization to use the assets pursuant to those restrictions or that expire by the passage of time. Unrestricted and Board-designated net assets are those that are neither permanently nor temporarily restricted by donor-imposed restrictions. As of June 30, 2016 and 2015, the Organization's net assets are not subject to donor-imposed restrictions; accordingly, all of the net assets are accounted for as unrestricted net assets.

**Revenue recognition**

**Contributions**

Contributions are recognized when the donor makes a promise to give, that is, in substance, unconditional. Unconditional promises to give are reported at net realizable value if at the time the promise is made, collection is expected to be received in one year or less. Unconditional promises to give that are expected to be collected in more than one year are reported at fair value using present value techniques and a discount rate determined by management of the Organization. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions in the form of property and equipment and other assets are recorded at fair value on the date the donation is received.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**FSU Foundation Supporting Organization, Inc.**

**Notes to Financial Statements  
June 30, 2016 and 2015**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Rental and license fee income**

Renting and leasing operations consist of leasing commercial space under a long-term lease agreement with the Commonwealth of Massachusetts acting by and through its Division of Capital Asset Management and Maintenance ("DCAM") on behalf of Fitchburg State University. In addition, the Organization granted Fitchburg State University an exclusive license to occupy, manage, maintain and operate certain other property owned by the Organization pursuant to License Agreements with initial terms of one year and automatic annual renewals thereafter. Rental and license fee income are recognized under the operating method as the rentals and license fees become due. Rental and license fee payments received in advance are deferred until earned.

**Residence hall income**

Residence hall fees are recognized when earned.

**Accounts receivable**

Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual account balances. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**Property and equipment**

Property and equipment are recorded at cost, if purchased or constructed and, if donated, at fair value at the time of the donation. Property and equipment are depreciated on the straight-line method over their estimated useful lives of 40 years for buildings, 20 years for building and land improvements, and 10 years for furniture and fixtures. Depreciation commences when the asset is placed in service.

Generally, all additions and improvements with an individual cost or, if donated, fair value in excess of \$5,000 are capitalized to property and equipment.

**Impairment of long-lived assets**

The Organization's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that such assets may be impaired. An evaluation is performed by obtaining a market appraisal or by measuring the estimated future undiscounted cash flows (without interest charges) associated with the asset to the asset's carrying amount to determine if a write-down to fair value is required. If an impairment is present, the assets are reported at the lower of carrying value or fair value.

**Deferred financing costs**

Deferred financing costs consist of costs incurred to obtain the first mortgage notes payable. These costs are being amortized on a straight-line basis over the terms of the related debt, which approximates the effective yield method. Estimated amortization expense for each of the next five years is \$3,470 per year.

**FSU Foundation Supporting Organization, Inc.**

**Notes to Financial Statements  
June 30, 2016 and 2015**

**Statement of cash flows**

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Income taxes**

The Organization is classified by the Internal Revenue Service as a "publicly supported organization" exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization had no unrelated business income for the years ended June 30, 2016 and 2015. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will significantly change within 12 months of June 30, 2016. Any changes in tax positions will be recorded when the ultimate outcome becomes known. Accrued interest and penalties associated with uncertain tax positions are recognized as a part of interest expense and miscellaneous other expenses, respectively, in the accompanying statements of activities. The Organization has no accrued interest and penalties associated with uncertain tax positions at June 30, 2016 and 2015 and none were incurred during the years then ended. The Organization's income tax returns are subject to examination by taxing authorities generally for the years ended June 30, 2013, 2014 and 2015.

**Functional allocation of expenses**

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**Reclassifications**

Certain reclassifications have been made to the fiscal 2015 financial statements to conform to the fiscal 2016 presentation.

**Subsequent events**

The Organization has evaluated subsequent events through November 15, 2016, which is the date these financial statements were available to be issued.

**Note 2 - Cash and cash equivalents**

The Organization maintains its operating cash and cash equivalent balances in several accounts in three banks. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to these cash and cash equivalent balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash and cash equivalent balances at June 30, 2016 and 2015.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
June 30, 2016 and 2015****Note 3 - Property and equipment**

Property and equipment at June 30, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Real estate under lease		
Land	\$ 402,663	\$ 402,663
Building	1,557,724	1,557,724
Building improvements	<u>100,452</u>	<u>100,452</u>
	<u>2,060,839</u>	<u>2,060,839</u>
Real estate used for student housing		
Land	253,555	253,555
Building	434,225	434,225
Building improvements	<u>28,600</u>	<u>28,600</u>
	<u>716,380</u>	<u>716,380</u>
Real estate used for faculty and staff housing		
Land	18,766	18,766
Building	<u>82,099</u>	<u>82,099</u>
	<u>100,865</u>	<u>100,865</u>
Other		
Land	1,760,791	1,739,434
Building	383,549	383,549
Land improvements	158,127	131,506
Building improvements	1,069,436	991,692
Furniture and fixtures	<u>28,446</u>	<u>26,323</u>
	<u>3,400,349</u>	<u>3,272,504</u>
	6,278,433	6,150,588
Less accumulated depreciation	<u>737,307</u>	<u>607,848</u>
Property and equipment, net	<u>\$ 5,541,126</u>	<u>\$ 5,542,740</u>

Accumulated depreciation on real estate under lease amounted to \$428,981 and \$385,015 at June 30, 2016 and 2015, respectively. Accumulated depreciation on real estate used for student housing amounted to \$108,377 and \$96,091 at June 30, 2016 and 2015, respectively. Accumulated depreciation on real estate used for faculty and staff housing amounted to \$3,079 and \$1,026 at June 30, 2016 and 2015, respectively.

In fiscal 2016, the Organization acquired a property in close proximity to the Fitchburg State University campus consistent with the Organization's mission and the University's strategic plan which includes campus expansion. The property, which includes land and a building, was purchased for an aggregate cost of \$119,803 (see Note 4). The Organization intends to raze the building and create green space.

**FSU Foundation Supporting Organization, Inc.**

**Notes to Financial Statements  
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As a result of its decision to raze the building, management determined, in accordance with the requirements of FASB accounting guidance, that the property was impaired and was written down to its fair value of \$21,357. The impairment charge (a noncash accounting charge) to operations in the amount of \$98,446 had no impact on the Organization's fiscal 2016 cash flow or its ability to generate cash flow in the future.

The fair value of the property was measured using significant unobservable inputs (Level 3) pursuant to the FASB's guidance on fair value measurements. The fair value of the property was determined based upon the property assessment value at the purchase date.

During fiscal 2015, the Organization acquired two properties in close proximity to the Fitchburg State University campus. The properties, including land only, were acquired for a cost of \$100,940 and \$51,218, respectively. The land acquired for \$100,940 was sold to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University during fiscal year 2015 (see below). The land acquired for \$51,218 is being used as green space.

In May 2015, the Organization obtained an appraisal of the property acquired for \$51,218. As a result of the appraisal, management determined, in accordance with the requirements of FASB accounting guidance, that the property was impaired and was written down to its fair value of \$20,000. The impairment charge (a noncash accounting charge) to operations in the amount of \$31,218 had no impact on the Organization's fiscal 2015 cash flow or its ability to generate cash flow in the future.

The fair value of the property was measured using significant unobservable inputs (Level 3) pursuant to the FASB's guidance on fair value measurements. The fair value of the property was determined based upon the appraisal.

During fiscal 2015, the Organization sold land acquired during the fiscal year at a cost of \$100,940. The property was sold to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University. The property was sold for \$70,000. A loss of \$30,940 was recorded from the sale of the property and recognized in the accompanying 2015 statement of activities.

During fiscal 2014, two properties, each of which includes land and a building, were purchased for an aggregate cost of \$100,865 and \$133,065, respectively. During fiscal 2015, these two properties were sold to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University (see below).

The Organization received a letter of intent from DCAM, dated August 29, 2014, to purchase one of the two properties referred to above under negotiations to be sold in fiscal 2014 and recorded on the books of the Organization at June 30, 2014 in the amount of \$133,065. DCAM agreed to pay the Organization \$69,600 subject to the satisfaction of certain State publication requirements and the execution of a mutually acceptable Purchase and Sale Agreement. As a result of DCAM's offer, management determined, in accordance with the requirements of FASB accounting guidance, that the property was impaired and should be written down to \$69,600 at June 30, 2014. During fiscal 2015, the property was sold for \$69,600.

The second of the two properties referred to above under negotiations to be sold in fiscal 2014 was sold during fiscal 2015 to the Commonwealth of Massachusetts acting by and through DCAM on behalf of Fitchburg State University. The property was recorded on the books of the Organization at \$100,865 and was sold for \$56,600. A loss of \$44,265 was recorded from the sale of the property and recognized in the accompanying 2015 statement of activities.

**FSU Foundation Supporting Organization, Inc.**

**Notes to Financial Statements  
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In December 2013, the Organization entered into a Purchase and Sale Agreement, as last amended on August 25, 2014, to sell a certain parcel of land to an unrelated third party (the "Buyer") in exchange for \$800,000 in cash. The land is located at 161 - 181 Main Street in Fitchburg, Massachusetts and was secured by a first mortgage loan provided by Workers' Credit Union. The loan was paid in full upon the sale of the property in fiscal 2015 (see Note 4). The land was being used as green space and had a carrying value of \$130,000. During fiscal 2015, the Organization sold the land for \$800,000. A gain of \$670,000 was recorded from the sale of the property and recognized in the accompanying 2015 statement of activities.

**Note 4 - First mortgage notes payable**

**Massachusetts Development Finance Agency ("MDFA")**

In August 2006, the Organization acquired land and a building consisting of 4,179 square feet of office space and 53,429 square feet of warehouse space located in Fitchburg, Massachusetts near the University campus. The entire property has been leased to DCAM on behalf of the University (see Note 6). The University is currently using the property for its print services, maintenance, shipping and receiving and financial services.

The acquisition and related costs were funded with the proceeds of an offering of tax-exempt revenue bonds, Massachusetts Development Finance Agency Revenue Bonds, FSC Foundation Supporting Organization Issue, Series 2006 (the "bonds"), dated August 1, 2006, in the amount of \$1,900,000, issued by the MDFA, pursuant to a Loan and Trust Agreement. People's United Bank, as successor in interest to Chittenden Trust Company, is the bond Trustee. MDFA assigned all of its rights, title, and interest in and to the loan and related loan documents to the bond Trustee as security for repayment of the bonds. The loan is secured by a first mortgage interest in the real estate and related personal property located thereon, and an assignment of leases and rents. Payment and performance of the Organization's obligations under the loan agreement have been guaranteed by the Foundation.

The loan agreement has a term of 20 years and provides for a fixed rate of interest of 5.5% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (August 16, 2011, 2016 and 2021) to a fixed rate of interest equal to 80% of the bank's prime rate, but no greater than 1% or less than 1% of the interest rate in effect for the immediately preceding five-year adjustment interval. The interest rate was adjusted to 4.5% per annum on August 16, 2011 pursuant to the provisions of the loan agreement. The loan required monthly installments of principal and interest of \$13,154 through August 16, 2011 and \$12,306 until August 16, 2016. The interest rate was adjusted to 3.5% per annum on August 16, 2016 pursuant to the provisions of the loan agreement. Commencing thereafter, the monthly installments of principal and interest are \$11,739 until the next five-year interval adjustment date of August 16, 2021. The loan matures on August 16, 2026. The loan agreement requires the Organization to maintain a Debt Service Coverage Ratio, as defined, of not less than 1.10 to 1 to be measured annually at the end of its fiscal year.

The mortgage note was issued pursuant to the Loan and Trust Agreement and related loan documents and is subject to and governed by the terms and conditions of those agreements. The loan may be prepaid in accordance with the terms of the Loan and Trust Agreement for prepayment of the bonds as more fully described in the Loan and Trust Agreement.

The loan documents contain cross default provisions with the DCAM lease.

As of June 30, 2016 and 2015, the outstanding principal balance of the mortgage loan amounted to \$1,199,159 and \$1,289,675, respectively.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
June 30, 2016 and 2015**

Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rates in effect at June 30, 2016 and August 16, 2016, are estimated to be as follows:

Year	Amount
2017	\$ 98,976
2018	103,466
2019	107,198
2020	110,984
2021	115,067
Thereafter	663,468

**Workers' Credit Union ("WCU")**

Workers' Credit Union ("WCU") provided financing to the Organization in the form of a note, dated February 27, 2009, in the amount of \$750,000. The proceeds of the loan were used primarily to repay advances made to the Organization by the Foundation for the acquisition of four real estate properties. The note is secured by a first mortgage interest in certain real estate owned by the Organization and an assignment of certain related leases and rents. The note is also collateralized by all funds held by the lender. At June 30, 2016 and 2015, the Organization has total cash balances of \$5,660 and \$4,914, respectively, held at WCU which serve as additional collateral for both WCU loans.

The mortgage note has a term of 10 years, expiring on February 27, 2019, and provided for a fixed rate of interest of 5.74% per annum. The interest rate was adjusted to 4.99% per annum on June 20, 2013 pursuant to the provisions of a loan modification agreement. The note required monthly installments of principal and interest of \$4,714, through June 20, 2013, based on a 20-year principal amortization. Commencing thereafter, the monthly installments of principal and interest are \$4,422 based on a 20-year principal amortization.

As of June 30, 2016 and 2015, the outstanding principal balance of the mortgage loan amounted to \$622,287 and \$643,630, respectively.

Aggregate principal maturities on the loan for each of the remaining three years are as follows:

Year	Amount
2017	\$ 22,527
2018	23,677
2019	576,083

Workers' Credit Union provided financing to the Organization in the form of a note, dated February 19, 2010, in the amount of \$300,000. The proceeds of the loan were used to finance the acquisition of a real estate property located at 161-181 Main Street in Fitchburg, Massachusetts (see Note 3). The mortgage note had a term of 10 years, expiring on February 19, 2020, and provided for a fixed rate of interest of 6.03% per annum. The interest rate was adjusted to 5.28% per annum on June 20, 2013 pursuant to the provisions of a loan modification agreement. The note required monthly installments of principal and interest of \$1,939, through June 20, 2013, based on a 20-year principal amortization. Commencing thereafter, the monthly installments of principal and interest were \$1,816 based on a 20-year principal amortization.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
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Upon the sale of the property located at 161 - 181 Main Street during fiscal 2015, the loan was paid in full (see Note 3).

**Rollstone Bank & Trust**

In June 2013, Rollstone Bank & Trust provided financing to the Organization in the form of a note, dated June 19, 2013, in the amount of \$142,000. The proceeds of the loan were used to repay an advance made to the Organization by the Foundation in May, 2013 for the acquisition, at a cost of \$172,483, of a real estate property located at 131 Highland Avenue in Fitchburg, Massachusetts. The mortgage note had a term of 20 years, maturing on June 19, 2033, and provided for a fixed rate of interest of 3.25% per annum. Commencing in July 2013, the loan required monthly installments of principal and interest of \$809 based on a 20-year principal amortization.

On December 22, 2014, the Organization refinanced its Rollstone Bank & Trust first mortgage note, with an outstanding balance of \$134,314, with a new note dated December 22, 2014 in the amount of \$240,000. As a result, the Organization received additional loan proceeds of \$105,686. The note is secured by a first mortgage interest in the property and an assignment of leases and rents on the property.

The mortgage note has a term of 20 years, maturing on December 22, 2034, and provides for a fixed rate of interest of 3.25% per annum. Commencing in January 2015, the loan requires monthly installments of principal and interest of \$1,367 based on a 20-year principal amortization. The loan agreement requires the Organization to maintain a ratio of Cash Flow (after distributions), as defined, to the Current Maturity of Long-Term Debt plus interest, as defined, of not less than 1.0 to 1 for any fiscal year. The loan agreement also contains, among other covenants, restrictions relating to future borrowings, capital expenditures by lease or purchase, distributions, making of advances or loans to other parties, making of investments, and sale, lease or transfer of assets, except as provided for and as more fully described in the loan agreement.

As of June 30, 2016 and 2015, the outstanding principal balance of the mortgage loan amounted to \$226,969 and \$235,713, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter at June 30, 2016, are as follows:

Year	Amount
2017	\$ 9,058
2018	9,361
2019	9,674
2020	9,980
2021	10,331
Thereafter	178,565

**Fidelity Co-Operative Bank**

In June 2013, Fidelity Co-Operative Bank provided financing to the Organization in the form of a note, dated June 26, 2013, in the amount of \$83,200. The proceeds of the loan were used to repay an advance made to the Organization by the Foundation in May 2013 for the acquisition, at a cost of \$144,975, of a real estate property located at 340 Highland Avenue in Fitchburg, Massachusetts. The note is secured by a first mortgage interest in the property and an assignment of leases and rents on the property.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
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The mortgage note has a term of 20 years, maturing on June 26, 2033, and provides for a fixed rate of interest of 3.5% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (June 26, 2018, 2023 and 2028) to the Federal Home Loan Bank Boston Classic Advance Five Year Rate plus 2.75% per annum. Commencing in July 2013, the loan requires monthly installments of principal and interest of \$376 until the next five-year interval adjustment date of June 26, 2018. The note provides for the payment of a prepayment penalty if the loan is paid prior to maturity. The amount of the penalty shall be a specified percentage of the amount prepaid with such percentage ranging from 5% if paid before the loan's first anniversary and decreasing by 1% per year to 1% if paid before the loan's fifth anniversary. The prepayment penalty will reset as defined above at each five-year anniversary date of the note. The loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the loan agreement.

As of June 30, 2016 and 2015, the outstanding principal balance of the mortgage loan amounted to \$78,281 and \$79,974, respectively.

Aggregate principal maturities on the loan for each of the next five years and thereafter, using the interest rate in effect at June 30, 2016, are estimated to be as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 1,762
2018	1,826
2019	1,892
2020	1,953
2021	2,030
Thereafter	68,818

**Fidelity Co-Operative Bank**

In October 2016, Fidelity Co-Operative Bank provided financing to the Organization in the form of a promissory note, dated October 19, 2016, in the amount of \$118,000. The proceeds of the loan were used to reimburse the Organization for the acquisition, at a cost of \$119,803, of a real estate property located at 198 Pearl Street in Fitchburg, Massachusetts in February 2016 (see Note 3). The note is secured by a Negative Pledge Agreement on the property.

The promissory note has a term of 10 years, maturing on October 21, 2026, and provides for a fixed rate of interest of 4.11% per annum. Commencing on November 21, 2016, the loan requires monthly installments of principal and interest of \$726 based on a 20-year principal amortization until the maturity date, at which time the remaining outstanding principal balance and any accrued interest thereon is due and payable. The note provides for the prepayment of all or a portion of the amount owed without penalty. The business loan agreement contains, among other covenants, restrictions relating to future borrowings, making of advances or loans to other parties, sale, lease or transfer of assets, and the granting of further security interests, except as provided for and as more fully described in the business loan agreement. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Organization.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
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Aggregate principal maturities on the loan for each of the next five years and thereafter are estimated to be as follows:

Year	Amount
2017	\$ 2,536
2018	3,973
2019	4,142
2020	4,306
2021	4,501
Thereafter	98,542

**Enterprise Bank and Trust Company**

In November 2016, Enterprise Bank and Trust Company provided financing to the Organization in the form of a promissory note, dated November 4, 2016, in the amount of \$280,000. The proceeds of the loan were used for the acquisition, at a cost of \$358,287, of a real estate property located at 689-717 Main Street in Fitchburg, Massachusetts (see Note 10). The note is secured by a first mortgage interest in the property and an assignment of rents on the property.

The promissory note has a term of 10 years, maturing on November 4, 2026, and thereafter is payable on demand. The note provides for a fixed rate of interest of 4.33% per annum for the first ten years of the loan term. Thereafter, the interest rate will be adjusted at ten-year intervals to the Federal Home Loan Bank Boston Classic Advance Ten Year Rate plus 1.95% per annum. Commencing on January 1, 2017, the loan requires monthly installments of principal and interest of \$1,401 based on a 30 year principal amortization schedule. If the note is prepaid in whole or in part during the first 117 months of each fixed rate period for the purpose of refinancing the note with another financial institution, the note provides for a prepayment penalty equal to 3% of any principal reduction. Except for the forgoing, the note may be prepaid in whole or in part without penalty. The loan is cross-defaulted and cross-collateralized with any and all other loans made by the lender to the Organization.

Aggregate principal maturities on the loan for each of the next five years and thereafter are estimated to be as follows:

Year	Amount
2017	\$ 2,255
2018	4,712
2019	4,923
2020	5,143
2021	5,374
Thereafter	257,593

**Hometown Bank**

In November 2016, Hometown Bank provided financing to the Organization in the form of a commercial note, dated November 8, 2016, in the amount of \$135,000. The proceeds of the loan were used for the acquisition, at a cost of \$183,237, of a real estate property located at 132 Highland Avenue in Fitchburg, Massachusetts (see Note 10). The note is secured by a first mortgage interest in the property and a collateral assignment of rents and leases on the property.

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The commercial note has a term of 25 years, maturing on November 8, 2041, and provides for a fixed rate of interest of 4.875% per annum. Commencing on December 8, 2016, the loan requires monthly installments of principal and interest of \$779 based on a 25 year principal amortization schedule with a final payment of all unpaid principal and accrued interest thereon due at maturity. The loan agreement requires the Organization to maintain a minimum earnings before interest, taxes, depreciation, amortization and rent to related entities and after distributions of not less than 1.25 times annual principal and interest payments plus dividends to be tested annually.

Aggregate principal maturities on the loan for each of the next five years and thereafter are estimated to be as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 1,637
2018	2,916
2019	3,061
2020	3,214
2021	3,374
Thereafter	120,798

**Note 5 - Note payable - bank**

In May 2007, the Organization acquired land and a building consisting of six apartment units at a total cost of \$504,479, including related acquisition costs. The Organization also acquired an adjacent parcel of land at a cost of \$183,301. The properties are located in the area surrounding the Fitchburg State University campus. The apartments are being used by the University as additional student housing for which the Organization receives residence hall fees.

The acquisitions were funded with the proceeds of a note payable in the amount of \$680,000, dated April 26, 2007, with Enterprise Bank and Trust Company. The note is secured by investments owned by the Foundation with a fair value of approximately \$1,981,000 and \$2,017,000 at June 30, 2016 and 2015, respectively. In addition, payment and performance of the Organization's obligations under the loan agreement have been guaranteed by the Foundation.

The promissory note has a term of 30 years, expiring on May 5, 2037, and provides for a fixed rate of interest of 6% per annum for the first five years of the loan term. Thereafter, the interest rate will be adjusted at five-year intervals (April 26, 2012, 2017, 2022, 2027 and 2032) to the Federal Home Loan Bank Boston Classic Advance Five Year Rate plus 1.15% per annum. The interest rate was adjusted to 2.62% per annum on April 26, 2012 pursuant to the provisions of the loan agreement. The loan required monthly installments of principal and interest of \$4,122 through May 7, 2012. Commencing thereafter, the monthly installments of principal and interest are \$2,875 until the next five year interval adjustment date of April 26, 2017. The note may be prepaid at any time, in whole or in part, without premium or penalty.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
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Aggregate principal maturities on the loan for each of the next five years, using the interest rate in effect at June 30, 2016, are estimated to be as follows:

Year	Amount
2017	\$ 20,044
2018	20,583
2019	21,137
2020	21,670
2021	22,288
Thereafter	447,359

**Note 6 - Lease and license agreements**

As disclosed in Note 4, the Organization entered into a long-term operating lease agreement with DCAM on behalf of the University. The lease commenced on August 16, 2006. The lease is for a term of 10 years and provides for base rent of \$165,000 per year, payable in monthly installments of \$13,750, for the entire lease term. The University is also responsible for the payment of normal operating, maintenance and repair costs associated with its use of the property. The lease expired on August 16, 2016. The Organization and DCAM are operating under the same terms and conditions as the expired lease agreement for the operation and use of the property while the parties negotiate a new lease agreement. For the years ended June 30, 2016 and 2015, rental income amounted to \$165,000 in each year. Future minimum rental income to be received on this lease for the year ending June 30, 2017 is \$20,625.

On August 6, 2008, the Organization entered into a 10-year operating lease agreement with an unrelated third party for 2,350 square feet of office space located in Fitchburg, Massachusetts. The lease commenced on November 1, 2008 and expires on October 31, 2018. The space is being used by Fitchburg State University as office and classroom space for its Center for Professional Studies. The lease provided for a base annual rent of \$17,625 for each of the first three years of the lease term, payable in monthly installments of \$1,469. Beginning with the fourth year of the lease, there will be a 7.5% increase at the commencement of each three-year period of the lease term, including the continuous period of any extensions thereof. On November 1, 2011, the base annual rent increased to \$18,947 for the next three-year period of the lease term, payable in monthly installments of \$1,579. On July 1, 2014, the Organization entered into an amended operating lease agreement with the unrelated third party adding 20 parking spaces for use in conjunction with the above mentioned office space and extending the lease term through June 30, 2019. The amended lease provides for a base annual rent of \$28,495 for each of the first three years of the lease term, payable biannually in installments of \$14,247. On July 1, 2017, the annual rent on the lease shall increase by 7.5% to \$30,632. The Organization may extend the initial term of the lease, under the same terms and conditions, for successive periods of one year, provided it is not then in default of the lease terms and it gives proper notice. The Organization may cancel the lease at any time with the payment of two months' base rent as a termination charge. The Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2016 and 2015, rent expense amounted to \$28,495 and \$28,494, respectively.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
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The following is a schedule of future minimum rental payments under this operating lease agreement:

Year ending June 30,	Amount
2017	\$ 28,495
2018	30,632
2019	30,632
	<u>\$ 89,759</u>

On February 1, 2013, the Organization entered into a 10-year operating lease agreement with the above noted unrelated third party for an additional 1,424 square feet of office space located in Fitchburg, Massachusetts. The lease commenced on February 1, 2013 and shall expire on January 31, 2023. The space is being used by Fitchburg State University for additional office and classroom space. The lease provides for a base annual rent of \$5,696 payable in monthly installments of \$475. The Organization may extend the initial term of the lease, under the same terms and conditions, for successive periods of one year, provided it is not then in default of the lease terms and it gives proper notice. The Organization may cancel the lease at any time after February 1, 2014 with the payment of two months base rent as a termination charge. The Organization is also responsible for the payment of normal operating, maintenance and repair costs associated with the use of the property. For the years ended June 30, 2016 and 2015, rent expense amounted to \$5,696 in each year.

The following is a schedule of future minimum rental payments under this operating lease agreement:

Year ending June 30,	Amount
2017	\$ 5,696
2018	5,696
2019	5,696
2020	5,696
2021	5,696
Later years	9,019
	<u>\$ 37,499</u>

On June 25, 2015, the Organization entered into an operating lease agreement with an unrelated third party for a building containing residential suites designed for use as a dormitory for college students. The lease commenced on August 1, 2015 and expired on May 31, 2016. The lease provided for annual rent of \$220,000 to be paid in two installments of \$110,000 each on August 1, 2015 and January 1, 2016. In July 2016, the Organization extended the initial term of the lease under the same terms and conditions for the period August 1, 2016 through May 31, 2017. Subject to availability, the Organization may extend the term of the lease, under the same terms and conditions for the periods June 1, 2017 through July 31, 2017 and August 1, 2017 through May 31, 2018. For the year ended June 30, 2016, rent expense amounted to \$220,000.

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
June 30, 2016 and 2015**

The Organization and the University are parties to License Agreements whereby the Organization granted to the University irrevocable and exclusive licenses to occupy, manage, maintain and operate certain property owned by the Organization. The License Agreements provide for initial terms of one year and automatic annual renewals thereafter. The License Agreements provide for annual license fees payable, in arrears, in 4 equal quarterly installments. All costs to operate and maintain the property, including any capital improvements made thereto, shall be borne by the University. The License Agreements may be terminated by either party upon the expiration of the initial term of the agreements and any subsequent renewal term with the giving of proper notice. In addition, the University may terminate the agreements at any time with the giving of proper notice. For the years ended June 30, 2016 and 2015, license fee income amounted to \$108,167 and \$235,833, respectively.

**Note 7 - Line of credit**

On August 18, 2016, the Organization entered into a demand unsecured revolving line of credit agreement with Rollstone Bank and Trust which permits the Organization to borrow up to \$250,000. The line of credit provides for interest at the Wall Street Journal Prime Rate (currently 3.5%) less .25%. The line of credit agreement expires on August 18, 2017. The Organization may prepay outstanding revolving loans under the agreement in whole or in part at any time without premium or penalty. The line of credit agreement contains, among other covenants, the maintenance of a debt service coverage rate, as defined, of at least 1.00 to 1. In addition, the agreement provides that the line of credit be brought to a zero balance for 30 consecutive days annually during the term of the agreement. As of November 15, 2016, the Organization has made borrowings of \$110,000 under the line of credit agreement.

**Note 8 - Transactions with related parties**

Fitchburg State University and the Foundation render certain administrative services to the Organization. For the years ended June 30, 2016 and 2015, these services with a value of \$8,154 and \$8,200, respectively, have been recognized as contribution in kind income in the accompanying statements of activities in accordance with FASB guidance.

Repairs and maintenance expense in the accompanying 2016 and 2015 statements of activities includes \$31,787 and \$29,564, respectively, paid to Fitchburg State University for maintenance services provided to the Organization for the real estate used for student housing.

From time to time, the Foundation makes advances to the Organization to assist with the financing of its acquisitions of real estate properties located in Fitchburg, Massachusetts. The advances are noninterest-bearing except to the extent that they are funded from the proceeds of draws on the Foundation's working capital line of credit. In those instances, the Foundation charges interest to the Organization at a rate equivalent to the Foundation's borrowing rate on its working capital line of credit agreement. At June 30, 2016 and 2015, the effective interest rate was 6% per annum. Interest expense incurred by the Organization on advances amounted to \$4,079 and \$12,834 in fiscal 2016 and 2015, respectively. Accrued interest payable to the Foundation at June 30, 2016 and 2015 amounted to \$1,250 and \$0, respectively. During fiscal 2016, the Foundation made advances of \$250,000 to the Organization and the Organization repaid advances in the amount of \$39,114. During fiscal 2015, the Organization repaid advances in the amount of \$285,000. As of June 30, 2016 and 2015, outstanding advances payable to the Foundation amounted to \$250,000 and \$39,114, respectively. The outstanding advances do not have any specified repayment provisions and due dates.

In July 2016, the Foundation made an advance in the amount of \$75,000 to the Organization (see Note 10).

**FSU Foundation Supporting Organization, Inc.****Notes to Financial Statements  
June 30, 2016 and 2015**

During fiscal 2014, the University made a noninterest-bearing advance to the Organization in the amount of \$100,000 to fund a portion of the rehabilitation costs of the campus residence for the University President (see Note 3). The advance was repaid during fiscal 2015. The outstanding advance did not have any specified repayment provisions and due date.

During fiscal 2015, the Organization received a donation of \$497,500 from the Foundation to fund the remaining renovations on the property located at 131 Highland Avenue in Fitchburg, Massachusetts. This donation has been recognized as contribution income in the accompanying fiscal 2015 statement of activities.

As of June 30, 2016, the Organization has miscellaneous accounts receivable in the amount of \$1,650 from the University, which are reflected as accounts receivable in the accompanying 2016 statement of financial position.

As of June 30, 2015, the Organization has miscellaneous payables in the amount of \$5,272 to the University, which are included in due to affiliates in the accompanying 2015 statement of financial position.

**Note 9 - Supplemental cash flows information**

	<u>2016</u>	<u>2015</u>
Cash paid for interest during the year	<u>\$ 117,292</u>	<u>\$ 144,328</u>

Schedule of noncash investing and financing activities:

	<u>2016</u>	<u>2015</u>
Acquisition of property and equipment	\$ 226,291	\$ 841,003
Accounts payable thereon		
Beginning of year	-	127,075
End of year	<u>-</u>	<u>-</u>
Cash paid for property and equipment	<u>\$ 226,291</u>	<u>\$ 968,078</u>

During fiscal 2015, the Organization sold certain of its land and buildings with an aggregate net book value of \$401,405 for \$996,200 resulting in an aggregate gain of \$594,795. Sales proceeds of \$70,000 were receivable as of June 30, 2015 and were received in July 2015.

**Note 10 - Property purchase commitments and closings**

On February 3, 2016, the Organization entered into a purchase and sale agreement for the purchase of a property, including land and a building, for a price of \$350,000. The Organization made a deposit of \$10,000 on the property during fiscal 2016 which is included in prepaid expenses and other current assets in the accompanying 2016 statement of financial position. The Organization intends to use the property for academic support and a theater renovation. On November 4, 2016, the Organization closed on this acquisition at a total cost of \$358,287. The acquisition was financed, in part, with a mortgage note on the property in the amount of \$280,000 (see Note 4).

**FSU Foundation Supporting Organization, Inc.**

**Notes to Financial Statements  
June 30, 2016 and 2015**

On May 5, 2016, the Organization entered into a purchase and sale agreement for the purchase of a property, including land and a building, for a price of \$140,000. The Organization made a deposit of \$3,000 on the property during fiscal 2016 which is included in prepaid expenses and other current assets in the accompanying 2016 statement of financial position. The Organization intends to raze the building and create green space. On July 12, 2016, the Organization closed on this acquisition at a total cost of \$141,515.

On June 10, 2016, the Organization entered into a purchase and sale agreement for the purchase of a property, including land and building, for a price of \$80,000. The Organization made a deposit of \$4,000 on the property during fiscal 2016 which is included in prepaid expenses and other current assets in the accompanying 2016 statement of financial position. The Organization intends to raze the building and create green space. On July 14, 2016, the Organization closed on this acquisition at a total cost of \$81,275.

The July acquisitions were funded with operating cash of the Organization in the amount of \$147,790 and the proceeds of an advance in the amount of \$75,000 from the Foundation.

On July 26, 2016 the Organization entered into a purchase and sale agreement for the purchase of a property, including land and building, for a price of \$180,000. The Organization intends to use this property for faculty housing. On November 8, 2016, the Organization closed on this acquisition at a total cost of \$183,237. The acquisition was financed, in part, with a mortgage note on the property in the amount of \$135,000 (see Note 4).

Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
FSU Foundation Supporting Organization, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of FSU Foundation Supporting Organization, Inc., which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2016.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered FSU Foundation Supporting Organization, Inc.'s internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FSU Foundation Supporting Organization, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of FSU Foundation Supporting Organization, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether FSU Foundation Supporting Organization, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Boston, Massachusetts  
November 15, 2016



Independent Member of Nexia International

[cohnreznick.com](http://cohnreznick.com)

November 15, 2016

Dr. Richard S. Lapidus,  
President  
Fitchburg State University  
160 Pearl Street  
Fitchburg, MA 01420

Dear President Lapidus:

This letter serves to confirm that CohnReznick LLP did not issue a separate management letter in connection with its audits of the financial statements of Fitchburg State University, Fitchburg State University Foundation, Inc. and FSU Foundation Supporting Organization, Inc. for the fiscal year ended June 30, 2016.

If I can be of any further assistance, please do not hesitate to call me.

Sincerely yours,

COHNREZNICK LLP

A handwritten signature in black ink that reads "Jay J. Kaufman". The signature is written in a cursive, flowing style.

Jay J. Kaufman, CPA  
Partner



**Commission on Institutions of Higher Education**  
**New England Association of Schools and Colleges**  
**3 Burlington Woods Drive, Suite 100 • Burlington, MA**  
**01803**  
**phone: (781)-425-7785 • fax: (781) 425-1001**  
**<https://cihe.neasc.org>**

**INTERIM REPORT FORMS**  
**Revised April 2016; Effective July 1, 2016**

**General instructions:**

Data First forms provide evidence to support the institution's comprehensive self-study. Each of the 34 forms is on a separate spreadsheet of this Excel workbook. Much of the information requested is readily available on audited financial statements (e.g., 7.2-7.5), yearly IPEDS surveys (7.1, 8.1), College Scorecard (5.3), National Student Clearinghouse reports (8.2), and other institutional reports and publications. Institutions that do not submit IPEDS or participate in the Clearinghouse should contact Commission staff for guidance about how to complete these sections of the forms.

When entering financial data, please round to the nearest thousand. If your institution tabulates data in a different way from what is requested on the form, clearly explain your methodology on the form and report the data in the way that is consistent with your institution's normal practices.

In the following forms, the column "**Current Year**" refers to the year in which the report is submitted to the Commission. On the Revenues and Expenses form, please make sure the information is consistently presented from year to year, including the "Current Year" and the "Next Year Forward" columns. For example, if depreciation is allocated in the "Most Recently Completed Year" column, it should also be allocated in the "Current Year" column.

Cells shaded **green** indicate where data should be entered. Cells with a dash ("-") or a zero (\$) indicate where figures will be calculated automatically based on data entered in other cells.

**Interim Report forms are protected** to ensure that they are not inadvertently changed, and cells containing certain formulas are locked. However, you are encouraged to **add rows to insert additional information as needed or adjust column widths**. To do so, unprotect the spreadsheet by selecting the "Protection" option from the "Tools" menu. **The required password is "ark" (lower case, no quotation marks).**

**Instructions and definitions are embedded in each form.** To see the instructions, move the mouse on top of red boxes with a **?**. This version of the Interim Report forms has been formatted to print the forms only. If you wish to print the forms with their accompanying instructions, you can find a specially formatted version of Interim Report forms on the Commission website: <https://cihe.neasc.org>.

Additional guidance about completing the forms for Standard 8, *Educational Effectiveness*, can be found in the Statement on Student Achievement and Success Data Forms, available on the CIHE website.

If you have questions about completing the Interim Report forms, please call a member of the Commission staff for assistance.

## INTERIM REPORT FORMS GENERAL INFORMATION

Institution Name:

OPE ID:

		<b>Annual Audit</b>	
		Certified:	Qualified
Financial Results for Year Ending:	?		
	?	06/30	Yes/No
	?	2016	Unqualified
	?	2015	Yes
?	2014	Unqualified	Unqualified

Fiscal Year Ends on:  (month/day)

Budget / Plans

Current Year	2017
Next Year	2018

Contact Person:

Title:	Associate Vice President of Academic Affairs
Telephone No:	978-665-3653
E-mail address	ccanney@fitchburgstate.edu

**Standard 1: Mission and Purposes**

Attach a copy of the current mission statement.

Document	Website Location	Date Approved by the Governing Board
Institutional Mission Statement	<a href="http://www.fitchburgstate.edu/about-us/university-mission-vision-and-values/">http://www.fitchburgstate.edu/about-us/university-mission-vision-and-values/</a>	12/8/09

**Standard 2: Planning and Evaluation**

<b>PLANNING</b>			
Strategic Plans	Year approved by governing board	Effective Dates	Website location
Immediately prior Strategic Plan	2009	2009-2014	<a href="http://www.fitchburgstate.edu/offices/administration/presidents-office/strategic-plan-2009-2014/">http://www.fitchburgstate.edu/offices/administration/presidents-office/strategic-plan-2009-2014/</a>
Current Strategic Plan	2015	2015-2020	<a href="http://www.fitchburgstate.edu/about-us/strategic-planning/">http://www.fitchburgstate.edu/about-us/strategic-planning/</a>
Next Strategic Plan		NA	
<b>Other institution-wide plans*</b>			
Other institution-wide plans*	Year completed	Effective Dates	Website location
Master plan		2007	<a href="http://www.fitchburgstate.edu/uploads/files/CapitalPlanningMaintenance/MasterPlan.pdf">http://www.fitchburgstate.edu/uploads/files/CapitalPlanningMaintenance/MasterPlan.pdf</a>
Academic plan		2011-2014	<a href="http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/2013_Academic_Plan/Copy_of_Academic_Plan_with_goals- Jan 2014 spreadsheet.pdf">http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/2013_Academic_Plan/Copy_of_Academic_Plan_with_goals- Jan 2014 spreadsheet.pdf</a>
Financial plan			
Technology plan		2010-2016	<a href="http://www.fitchburgstate.edu/uploads/files/Technology/policies_InformationTechnologyStrategicPlan_June2016.pdf">http://www.fitchburgstate.edu/uploads/files/Technology/policies_InformationTechnologyStrategicPlan_June2016.pdf</a>
Enrollment plan			
Development plan			

Appendix D. Interim Report Forms

Plans for major units (e.g., departments, library)\*

?	Library		2011-2014	<a href="http://www.fitchburgstate.edu/academics/library/about-us/strategic-plan/">http://www.fitchburgstate.edu/academics/library/about-us/strategic-plan/</a>

**EVALUATION**

**Academic program review**

Program review system (colleges and departments). System last updated:

Program review schedule (e.g., every 5 years)

Website location	
?	9/2/2014
	Every five years
<a href="http://www.fitchburgstate.edu/uploads/files/Assessment/AUC16-2015_Proposed_Program_Review_Cycle-Amended.pdf">http://www.fitchburgstate.edu/uploads/files/Assessment/AUC16-2015_Proposed_Program_Review_Cycle-Amended.pdf</a>	

\*Insert additional rows, as appropriate.

**Standard 3: Organization and Governance  
(Board and Internal Governance)**

Please attach to this form:

- 1) A copy of the institution's organization chart(s).

If there is a "sponsoring entity," such as a church or religious congregation, a state system, or a corporation, describe and document the relationship with the accredited institution.

Name of the sponsoring entity	Dept of Higher Ed
Website location of documentation of relationship	<a href="http://www.mass.edu/">http://www.mass.edu/</a>

**Governing Board**

	<b>Website location</b>
By-laws	<a href="http://www.fitchburgstate.edu/uploads/files/BoardOfTrustees/BYLAWS_000.pdf">http://www.fitchburgstate.edu/uploads/files/BoardOfTrustees/BYLAWS_000.pdf</a>
Board members' names and affiliations	<a href="http://www.fitchburgstate.edu/offices/administration/board-of-trustees/members/">http://www.fitchburgstate.edu/offices/administration/board-of-trustees/members/</a>

Please enter any explanatory notes in the box below

**Standard 3: Organization and Governance  
(Locations and Modalities)**

**Campuses, Branches and Locations Currently in Operation (See definitions in comment boxes)**

*(Insert additional rows as appropriate.)*

	Location (City, State/Country)	Date Initiated	Enrollment*		
			2 years prior (FY 2014)	1 year prior (FY 2015)	Current year (FY 2016)
?	Main campus	1 8 9 4	10,580	10,652	11,163
?	Other principal campuses		0	0	0
?	Branch campuses (US)		0	0	0
	Adult and Community Education of Martha's Vineyard, Catherine Leahy Brine Educational Consultants, Collaborative for Educational Services, Lowell Public Schools, MAVA (Massachusetts Association of Vocational Administrators, Teachers 21		219	194	240
?	Other instructional locations (US)		0	0	0
?	Branch campuses (overseas)		0	0	0
?	Other instructional locations (overseas)		0	0	0

Appendix D. Interim Report Forms

**Educational modalities**

	Number of programs	Date First Initiated	Enrollment*		
			2 years prior (FY2014)	1 year prior (FY 2015)	Current year (FY 2016)
Distance Learning Programs					
Programs 50-99% on-line	3	9/1/07	34	51	125
Programs 100% on-line	7	9/1/08	243	265	252
 Correspondence Education	0		0	0	0
Low-Residency Programs	0		0	0	0
Competency-based Programs	0		0	0	0
Dual Enrollment Programs	4		136	117	124
Contractual Arrangements involving the award of credit	39		4,166	4,469	4,303

\*Enter the annual unduplicated headcount for each of the years specified below.

Please enter any explanatory notes in the box below

100% Online programs include M.S.: Forensic Nursing, B.S: Nursing (RN to B.S.N), B.S. Business Administration (Management) M.B.A., Graduate Certificate Forensic Nursing, Undergraduate Certificate Web Development, Undergraduate Certificate Business Administration  
 50-99% Online Programs include Graduate Certificate Behavior Analyst, M.Ed. Special Education, Graduate Certificate: Reading Specialist;  
 "Other instructional locations" includes locations where degrees offered.  
 "Contractual arrangements involving the award of credit" includes all locations where courses offered for Fitchburg State credit. Dual Enrollment programs: Fitchburg High School, Sizer Charter School (Fitchburg), Commonwealth Dual Enrollment Program, Traditional Dual Enrollment

**Standard 4: The Academic Program  
(Summary - Degree-Seeking Enrollment and Degrees)**

Fall Enrollment\* by location and modality, as of Census Date

Degree Level/ Location & Modality	Associate's	Bachelor's	Master's	Clinical doctorates (e.g., Pharm.D., DPT, DNP)	Professional doctorates (e.g., Ed.D., Psy.D., D.B.A.)	M.D., J.D., DDS	Ph.D.	Total Degree-Seeking
Main Campus FT	0	3,397	77	0	0	0	0	3,474
Main Campus PT	0	490	335	0	0	0	0	825
Other Principal Campus FT	0	0	0	0	0	0	0	0
Other Principal Campus PT	0	0	0	0	0	0	0	0
Branch campuses FT	0	0	0	0	0	0	0	0
Branch campuses PT	0	0	0	0	0	0	0	0
Other Locations FT	0	0	49	0	0	0	0	49
Other Locations PT	0	0	176	0	0	0	0	176
Overseas Locations FT	0	0	0	0	0	0	0	0
Overseas Locations PT	0	0	0	0	0	0	0	0
Distance education FT	0	15	38	0	0	0	0	53
Distance education PT	0	65	245	0	0	0	0	310
Correspondence FT	0	0	0	0	0	0	0	0
Correspondence PT	0	0	0	0	0	0	0	0
Low-Residency FT	0	0	0	0	0	0	0	0
Low-Residency PT	0	0	0	0	0	0	0	0
Unduplicated Headcount Total	0	3,967	920	0	0	0	0	4,887
Total FTE		3,561.00	413.58	NA	NA	NA	NA	3,974.58
Enter FTE definition:	NA	15 credits	12 credits	NA	NA	NA	NA	
Degrees Awarded, Most Recent Year	0	759	370	0	0	0	0	1,129

## Appendix D. Interim Report Forms

Notes:

- 1) Enrollment numbers should include all students in the named categories, including students in continuing education and students enrolled through any contractual relationship.
- 2) Each student should be recorded in only one category, e.g., students enrolled in low-residency programs housed on the main campus should be recorded only in the category "low-residency programs."
- 3) Please refer to form 3.2, "Locations and Modalities," for definitions of locations and instructional modalities.

\* For programs not taught in the fall, report an analogous term's enrollment as of its Census Date.

Please enter any explanatory notes in the box below

**Standard 4: The Academic Program**  
**(Summary - Non-degree seeking Enrollment and Awards)**

Fall Enrollment\* by location and modality, as of Census Date

Degree Level/ Location & Modality	Title IV-Eligible Certificates: Students Seeking Certificates	Non-Matriculated Students	Visiting Students	Total Non-degree-Seeking	Total degree-seeking (from previous page)	Grand total
Main Campus FT	0	23	0	23	3,474	3,497
Main Campus PT	10	399	0	409	835	1,244
Other Principal Campus FT	0	0	0	0	0	0
Other Principal Campus PT	0	0	0	0	0	0
Branch campuses FT	0	0	0	0	0	0
Branch campuses PT	0	0	0	0	0	0
Other Locations FT	0	32	0	32	49	81
Other Locations PT	0	1,360	0	1,360	176	1,536
Overseas Locations FT	0	0	0	0	0	0
Overseas Locations FT	0	0	0	0	0	0
Distance education FT	0	0	0	0	53	53
Distance education PT	0	0	0	0	310	310
Correspondence FT	0	0	0	0	0	0
Correspondence PT	0	0	0	0	0	0
Low-Residency FT	0	0	0	0	0	0
Low-Residency PT	0	0	0	0	0	0
<b>Unduplicated Headcount Total</b>	10	1,814	0	1,824	4,897	6,721
<b>Total FTE</b>	3.25	500.00	NA	470	3,974.58	4,485.75
<b>Enter FTE definition:</b>	12 credits	Undergraduates: 15 Graduates: 12	NA		NA	#VALUE!
<b>Certificates Awarded, Most Recent Year</b>	2					

## Appendix D. Interim Report Forms

Notes:

- 1) Enrollment numbers should include all students in the named categories, including students in continuing education and students enrolled through any contractual relationship.
- 2) Each student should be recorded in only one category, e.g., students enrolled in low-residency programs housed on the main campus should be recorded only in the category "low-residency programs."
- 3) Please refer to form 3.2, "Locations and Modalities," for definitions of locations and instructional modalities.

\* For programs not taught in the fall, report an analogous term's enrollment as of its Census Date.

Please enter any explanatory notes in the box below

**Standard 4: The Academic Program**  
**Headcount by UNDERGRADUATE Program Type (All students)**

For Fall Term, as of Census Date

**Certificate**  
**Associate**  
**Baccalaureate**  
**Total Undergraduate**

3 Years Prior (Fall 2013)	2 Years Prior (Fall 2014)	1 Year Prior (Fall 2015)	-	Current Year* (Fall 2016)	Next Year Forward (goal) (Fall 2017)
13	17	16		10	10
0	0	0		0	0
4043	4006	4032		3967	4000
4,056	4,023	4,048		3,977	4,010

4.2

**Standard 4: The Academic Program**  
**Headcount by GRADUATE Program Type (All students)**

For Fall Term, as of Census Date

**Master's**  
**Doctorate**  
**First Professional**  
**Other**  
**Total Graduate**

3 Years Prior (Fall 2013)	2 Years Prior (Fall 2014)	1 Year Prior (Fall 2015)	-	Current Year* (Fall 2016)	Next Year Forward (goal) (Fall 2017)
766	798	850		920	980
0	0	0		0	0
0	0	0		0	0
23	32	34		26	30
789	830	884		946	1,010

4.3

**Standard 4: The Academic Program  
(Credit Hours Generated at Undergraduate and Graduate Levels) (All students)**



	3 Years Prior (Fall 2013)	2 Years Prior (Fall 2014)	1 Year Prior (Fall 2015)	-	Current Year* (Fall 2016)	Next Year Forward (goal) (Fall 2017)
Undergraduate	<u>54332</u>	<u>53964</u>	<u>54885</u>	-	<u>54,230</u>	<u>54,360</u>
Graduate	<u>9599</u>	<u>10256</u>	<u>9516</u>	-	<u>10,440</u>	<u>10,530</u>
<b>Total</b>	<b>62,937</b>	<b>63,931</b>	<b>64,220</b>		<b>64,401</b>	<b>0</b>

4.4

**Standard 4: The Academic Program  
(Information Literacy sessions)**

	FY 2013	FY2014	FY2015	FY2016
Main campus				
Sessions embedded in a class	9	15	10	19
Free-standing sessions	188	172	130	174
Branch/other locations				
Sessions embedded in a class	0	3	5	7
Free-standing sessions	10	9	7	6
Online sessions	4	12	15	14
<b>URL of Information Literacy Reports</b>	N/A			

Please enter any explanatory notes in the box below

- \*Headcounts include only degree-seeking students
- \*Credit Hours Generated includes all (both degree-seeking and non-degree-seeking) students.
- \*Master's Headcount includes Certificate of Advanced Graduate Study (C.A.G.S.).
- \*Graduate Headcount "Other" is Postbaccalaureate Certificates

**Standard 5: Students**  
**(Admissions, Fall Term)**

Complete this form for each distinct student body identified by the institution (see Standard 5.1)

?

Credit Seeking Students Only - Including Continuing Education

	3 Years Prior (FY 2014)	2 Years Prior (FY 2015)	1 Year Prior (FY 2016)	Current Year (FY 2017)	Goal (specify year) (FY 2018)
<b>Freshmen - Undergraduate</b>	?				
Completed Applications	3,819	3,820	4,001	3,567	4,000
Applications Accepted	2,835	2,762	2,991	2,663	2,950
Applicants Enrolled	801	727	790	763	800
% Accepted of Applied	74.2%	72.3%	74.8%	74.7%	73.8%
% Enrolled of Accepted	28.3%	26.3%	26.4%	28.7%	27.1%
Percent Change Year over Year					
Completed Applications	7.40%	0.0%	4.7%	-10.8%	12.1%
Applications Accepted	8.10%	-2.6%	8.3%	-11.0%	10.8%
Applicants Enrolled	5.20%	-9.2%	8.7%	-3.4%	4.8%
Average of statistical indicator of aptitude of enrollees: (define below)	?				
<b>Transfers - Undergraduate</b>	?				
Completed Applications	745	737	637	657	750
Applications Accepted	687	664	574	611	680
Applications Enrolled	398	377	323	377	350
% Accepted of Applied	92.2%	90.1%	90.1%	93.0%	90.7%
% Enrolled of Accepted	57.9%	56.8%	56.3%	61.7%	51.5%
<b>Master's Degree</b>	?				
Completed Applications	249	351	329	387	450
Applications Accepted	235	296	316	382	400
Applications Enrolled	176	221	241	247	290
% Accepted of Applied	94.4%	84.3%	96.0%	98.7%	88.9%
% Enrolled of Accepted	74.9%	74.7%	76.3%	64.7%	72.5%
<b>First Professional Degree</b>	?				
Completed Applications	0	0	0	0	
Applications Accepted	0	0	0	0	
Applications Enrolled	0	0	0	0	
% Accepted of Applied	-	-	-	-	-
% Enrolled of Accepted	-	-	-	-	-

Appendix D. Interim Report Forms

**Doctoral Degree**

2

Completed Applications	0	0	0	0	
Applications Accepted	0	0	0	0	
Applications Enrolled	0	0	0	0	
% Accepted of Applied	-	-	-	-	-
% Enrolled of Accepted	-	-	-	-	-

Please enter any explanatory notes in the box below

HEIRS (Commonwealth of Massachusetts) Applicants/admitted/enrolled data available December 15, 2016.

**Standard 5: Students  
(Enrollment, Fall Term)**

Complete this form for each distinct student body identified by the institution (see Standard 5.1)



Credit-Seeking Students Only - Including Continuing Education

		2 Years	1 Year	Current	Current	Goal
		Prior	Prior	Year	Year	(specify
		(FY 2014)	(FY 2015)	(FY 2016)	(FY 2017)	year)
						(FY 2018)
<b>UNDERGRADUATE</b>						
First Year	Full-Time Headcount	847	890	825	848	875
	Part-Time Headcount	175	219	224	183	205
	Total Headcount	1,022	1,109	1,049	1,031	1,080
	Total FTE	876	910	876	900	910
Second Year	Full-Time Headcount	783	686	747	755	780
	Part-Time Headcount	76	68	95	61	60
	Total Headcount	859	754	842	816	840
	Total FTE	786	690	755	757	770
Third Year	Full-Time Headcount	754	773	873	702	810
	Part-Time Headcount	135	127	182	114	120
	Total Headcount	889	900	1,055	816	930
	Total FTE	782	803	919	729	820
Fourth Year	Full-Time Headcount	1,035	1,117	998	1,106	980
	Part-Time Headcount	407	390	291	372	270
	Total Headcount	1,442	1,507	1,289	1,478	1,250
	Total FTE	1,154	1,226	1,081	1,220	1,020
Unclassified	Full-Time Headcount	0	0			
	Part-Time Headcount	0	0			
	Total Headcount	0	0			
	Total FTE	0	0			
Total Undergraduate Students						
	Full-Time Headcount	3,419	3,466	3,443	3,411	3,445
	Part-Time Headcount	793	804	792	730	655
	Total Headcount	4,212	4,270	4,235	4,141	4,100
	Total FTE	3,598	3,659	3,631	3,606	3,520
	% Change FTE Undergraduate	-	1.7%	-0.8%	-0.7%	
<b>GRADUATE</b>						
	Full-Time Headcount	219	217	194	218	230
	Part-Time Headcount	2,943	2,937	2,805	2,850	2,900
	Total Headcount	3,162	3,154	2,999	3,068	3,130
	Total FTE	1,005	1,001	968	998	1,025
	% Change FTE Graduate	#VALUE!	-0.4%	-3.3%	3.1%	
<b>GRAND TOTAL</b>						
	Grand Total Headcount	7,374	7,424	7,234	7,209	
	Grand Total FTE	4,603	4,660	4,599	4,604	
	% Change Grand Total FTE	-	1.2%	-1.3%	0.1%	

## Appendix D. Interim Report Forms

Please enter any explanatory notes in the box below

### Standard 5: Students (Financial Aid, Debt, Developmental Courses)

Complete this form for each distinct student body identified by the institution (see Standard 5.1)

Where does the institution describe the students it seeks to serve?

Three-year Cohort Default Rate  
Three-year Loan repayment rate  
(from College Scorecard)

(FY 2011)	(FY 2012)	(FY 2013)
7.8	5.6	4.9
n/a	n/a	85%

Student Financial Aid

	3 Years Prior	2 Years Prior	Most Recently Completed Year	Current Year	Goal (specify year)
	(FY 2014)	(FY 2015)	(FY 2016)	(FY 2017)	(FY 2018)
	2013-14	2014-15	2015-16	2016-17(est)	2017-18(projection)
Total Federal Aid	\$26,709,585	\$27,972,756	\$28,596,566	\$29,600,000	\$30,800,000
Grants	\$6,062,008	\$6,612,153	\$6,451,618	\$6,600,000	\$6,800,000
Loans	\$20,647,577	\$21,360,603	\$22,144,948	\$23,000,000	\$24,000,000
Work Study	\$234,111	\$200,879	\$240,863	\$260,000	\$260,000
Total State Aid	\$3,475,211	\$3,665,273	\$3,651,722	\$370,000	\$380,000
Total Institutional Aid	\$2,971,319	\$3,068,773	\$3,008,976	\$3,050,000	\$3,050,000
Grants	\$2,971,319	\$3,068,773	\$3,008,976	\$3,050,000	\$3,050,000
Loans	\$0	\$0	\$0	\$0	\$0
Total Private Aid	\$4,295,640	\$4,480,645	\$4,993,842	\$5,480,000	\$5,980,000
Grants	\$546,445	\$589,069	\$580,090	\$580,000	\$580,000
Loans	\$3,749,195	\$3,891,576	\$4,413,752	\$4,900,000	\$5,400,000

**Student Debt**

Percent of students graduating with debt (include all students who graduated in this calculation)

Undergraduates	75%	77%	80%	82%	85%
Graduates	29%	29%	33%	34%	36%
First professional students	n/a	n/a	n/a	n/a	na/

For students with debt:

Average amount of debt for students leaving the institution with a degree

Undergraduates	\$26,726	\$27,954	\$28,249	\$29,000	\$31,000
Graduates	\$32,963	\$31,330	\$38,399	\$39,000	\$41,000
First professional students	n/a	n/a	n/a	n/a	n/a

Average amount of debt for students leaving the institution without a degree

Undergraduates					
Graduate Students					
First professional students	n/a	n/a	n/a	n/a	n/a

Appendix D. Interim Report Forms

**Percent of First-year students in Developmental Courses (courses for which no credit toward a degree is granted)**

English as a Second/Other Language					
English (reading, writing, communication skills)	2%	2%	2%		
Math	38%	40%	42%		
Other					

Please enter any explanatory notes in the box below

**Standard 6: Teaching, Learning, and Scholarship**  
**(Faculty by Category and Rank; Academic Staff by Category, Fall Term)**

3 Years Prior	2 Years Prior	1 Year Prior	Current Year
(FY 2013 )	(FY 2014 )	(FY 2015 )	(FY 2016 )

**? Number of Faculty by category**

Full-time	184	192	193	204
Part-time Benefitted	3	5	5	5
Adjunct = Part Time Day	95	87	100	99
Clinical				
Research				
Visiting				
Other; specify below:				
GCE	94	66	67	57
<b>Total</b>	<b>376</b>	<b>350</b>	<b>365</b>	<b>365</b>

**Percentage of Courses taught by full-time faculty**

--	--	--	--	--

**? Number of Faculty by rank, if applicable**

Professor	70	72	66	72
Associate	51	54	57	54
Assistant	58	59	62	71
Instructor	5	7	8	7
Other; specify below:				
<b>Total</b>	<b>184</b>	<b>192</b>	<b>193</b>	<b>204</b>

**? Number of Academic Staff by category**

Librarians	6	6	6	6
Advisors				
Instructional Designers				
Other; specify below:				
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

## Appendix D. Interim Report Forms

Please enter any explanatory notes in the box below

\*Total includes all part time and full time faculty teaching for Graduate Continuing Education.

**Standard 6: Teaching, Learning, and Scholarship**

**(Appointments, Tenure, Departures, Retirements, Teaching Load Full Academic Year)**

3 Years Prior		2 Years Prior		1 Year Prior		Current Year	
(FY 2013 )		(FY 2014 )		(FY 2015 )		(FY 2016 )	
FT	PT	FT	PT	FT	PT	FT	PT

**? Number of Faculty Appointed**

Professor							
Associate						1	
Assistant	18	12		19		26	
Instructor	7	9	3	7	3	4	
No rank							
Other							
Total	25	21	3	26	3	31	0

**? Number of Faculty in Tenured Positions**

Professor	69	71		65		72	
Associate	49	51		57		54	
Assistant	7	5		5		1	
Instructor	0	0		0		0	
No rank							
Other							
Total	125	127	0	127	0	127	0

**? Number of Faculty Departing**

Professor	1						
Associate		2					
Assistant	1	4		3		5	
Instructor		1		2		1	
No rank							
Other							
Total	2	7	0	5	0	6	0

**? Number of Faculty Retiring**

Professor	3	5		5		5	
Associate	1			1		1	
Assistant		1					
Instructor							
No rank							
Other							
Total	4	6	0	6	0	6	0

Please enter any explanatory notes in the box below

Appendix D. Interim Report Forms

**Standard 7: Institutional Resources**  
**(Headcount of Employees by Occupational Category)**

For each of the occupational categories below, enter the data reported on the IPEDS Human Resources Survey (Parts B and D1) for each of the years listed.

If your institution does not submit IPEDS, visit this link for information about how to complete this form:

[https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package\\_1\\_43.pdf](https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package_1_43.pdf)

	3 Years Prior			2 Years Prior			1 Year Prior			Current Year		
	(FY 2013 )			(FY 2014 )			(FY 2015 )			(FY 2016 )		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total
Instructional Staff	184	192	376	192	158	350	193	172	365	204	161	365
Research Staff	0	0	0	0	0	0	0	0	0	0	0	0
Public Service Staff	0	0	0	0	0	0	0	0	0	0	0	0
Librarians	6	0	6	6	0	6	4	0	4	6	0	6
Library Technicians	5	0	5	5	5	10	5	8	13	5	5	10
Archivists, Curators, Museum staff	0	0	0	0	0	0	0	0	0	0	0	0
Student and Academic Affairs	32	5	37	32	8	40	32	14	46	37	23	60
Management Occupations	99	4	103	110	8	118	56	1	57	58	0	58
Business and Financial Operations	4	1	5	4	1	5	11	0	11	11	1	12
Computer, Engineering and Science	18	0	18	16	0	16	19	4	23	20	0	20
Community, Social Service, Legal, Arts, Design, Entertainment, Sports, and Media	6	1	7	6	21	27	10	46	56	13	42	55
Healthcare Practitioners and Technical	2	1	3	2	1	3	3	1	4	4	0	4
Service Occupations	66	45	111	67	1	68	71	2	73	73	0	73
Sales and Related Occupations	0	0	0	0	0	0	0	0	0	0	0	0
Office and Administrative Support	78	25	103	74	33	107	78	25	103	90	14	104
Natural Resources, Construction, Maintenance	16	1	17	17	1	18	17	0	17	19	0	19
Production, Transportation, Material Moving	10	0	10	11	0	11	12	1	13	11	0	11

Total	526	275	801	542	237	779	511	274	785	551	246	797
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Please enter any explanatory notes in the box below

We have provided the data for FY13, FY14, FY15 and FY16.

**Standard 7: Institutional Resources**  
**(Statement of Financial Position/Statement of Net Assets)**

Fiscal Year ends - month & day: ( 6 /30 )		2 Years Prior (FY 2014 )	1 Year Prior (FY 2015 )	Most Recent Year 2016	Percent Change 2 yrs-1 yr prior      1 yr- most recent	
<b>ASSETS (in 000s)</b>						
?	Cash and Short Term Investments	\$17,731,192	\$21,602,275	\$23,289,220	21.8%	7.8%
?	Cash held by State Treasurer	\$2,883,286	\$3,335,245	\$1,740,997	15.7%	-47.8%
?	Deposits held by State Treasurer				-	-
?	Accounts Receivable, Net	\$1,900,160	\$2,243,432	\$1,603,326	18.1%	-28.5%
?	Contributions Receivable, Net				-	-
?	Inventory and Prepaid Expenses	\$482,775	\$445,806	\$509,570	-7.7%	14.3%
?	Long-Term Investments	\$19,371,295	\$17,439,745	\$16,995,947	-10.0%	-2.5%
?	Loans to Students	\$1,999,008	\$2,020,568	\$1,996,700	1.1%	-1.2%
?	Funds held under bond agreement	\$17,844,436	\$17,018,024	\$4,746,579	-4.6%	-72.1%
?	Property, plants, and equipment, net	\$151,559,802	\$163,847,460	\$174,997,882	8.1%	6.8%
?	Other Assets		\$606,819	\$3,999,478	-	559.1%
	<b>Total Assets</b>	<b>\$213,771,954</b>	<b>\$228,559,374</b>	<b>\$229,879,699</b>	6.9%	0.6%
<b>LIABILITIES (in 000s)</b>						
?	Accounts payable and accrued liabilities	\$9,308,346	\$9,659,767	\$7,053,717	3.8%	-27.0%
?	Deferred revenue & refundable advances	\$1,310,023	\$1,252,078	\$1,299,781	-4.4%	3.8%
?	Due to state	\$70,490	\$78,008	\$71,810	10.7%	-7.9%
?	Due to affiliates				-	-
?	Annuity and life income obligations				-	-
?	Amounts held on behalf of others	\$11,990,996	\$10,986,110	\$16,004,880	-8.4%	45.7%
?	Long-term investments	\$54,388,217	\$62,606,680	\$59,714,524	15.1%	-4.6%
?	Refundable government advances	\$1,958,082	\$1,989,199	\$2,017,863	1.6%	1.4%
?	Other long-term liabilities	\$2,016,360	\$3,402,230	\$2,381,846	68.7%	-30.0%

Appendix D. Interim Report Forms

	<b>Total Liabilities</b>	<b>\$81,042,514</b>	<b>\$89,974,072</b>	<b>\$88,544,421</b>	11.0%	-1.6%
	<b>NET ASSETS (in 000s)</b>					
	INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 110,513,323	\$ 113,647,096	\$ 115,713,366	2.8%	1.8%
	RESTRICTED:				-	-
	NONEXPENDABLE					
	SCHOLARSHIPS & FELLOWSHIPS	\$ 474,297	\$ 480,227	\$ 467,162	1.3%	-2.7%
	EXPENDABLE					
	SCHOLARSHIPS & FELLOWSHIPS	\$ 564,023	\$ 530,065	\$ 492,879	-6.0%	-7.0%
	LOANS	\$ 265,902	\$ 269,986	\$ 273,806	1.5%	1.4%
	CAPITAL PROJECTS	\$ 1,209,826	\$ 1,498,585	\$ 1,455,397	23.9%	-2.9%
	DEBT SERVICE	\$ 3,638,796	\$ 4,360,069	\$ 5,007,027	19.8%	14.8%
	OTHER	\$ 930	\$ 930	\$ 930	0.0%	0.0%
	Unrestricted net assets				-	-
	Institutional	\$16,062,343	\$17,798,344	\$17,924,711	10.8%	0.7%
?	Foundation	\$4,796,895	\$5,654,767	\$5,311,277	17.9%	-6.1%
	<b>Total</b>	<b>\$20,859,238</b>	<b>\$23,453,111</b>	<b>\$23,235,988</b>	12.4%	-0.9%
	Temporarily restricted net assets					
	Institutional				-	-
?	Foundation	\$5,006,444	\$5,223,211	\$4,765,321	4.3%	-8.8%
	<b>Total</b>	<b>\$5,006,444</b>	<b>\$5,223,211</b>	<b>\$4,765,321</b>	4.3%	-8.8%
	Permanently restricted net assets					
	Institutional				-	-
?	Foundation	\$8,936,622	\$9,262,680	\$9,505,236	3.6%	2.6%
	<b>Total</b>	<b>\$8,936,622</b>	<b>\$9,262,680</b>	<b>\$9,505,236</b>	3.6%	2.6%
	<b>Total Net Assets</b>	<b>\$151,469,401</b>	<b>\$ 158,725,960</b>	<b>\$160,917,112</b>	4.8%	1.4%
	<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>\$232,511,915</b>	<b>\$248,700,032</b>	<b>\$249,461,533</b>	7.0%	0.3%

Appendix D. Interim Report Forms

Please enter any explanatory notes in the box below

**Standard 7: Institutional Resources  
(Statement of Revenues and Expenses)**

Fiscal Year ends - month& day: ( 6 / 30 )	3 Years Prior (FY2014)	2 Years Prior (FY2015)	Most Recently Completed Year (FY 2016)	Current Year (FY 2017)	Next Year Forward (FY 2018)
<b>OPERATING REVENUES (in 000s)</b>					
? Tuition and fees	\$40,406,069	\$41,716,961	\$44,135,990	\$46,579,120	\$47,976,494
? Room and board					
? Less: Financial aid	-\$7,461,594	-\$7,901,604	-\$7,728,440	-\$8,000,000	-\$8,000,000
Net student fees	\$32,944,475	\$33,815,357	\$36,407,550	\$38,579,120	\$39,976,494
? Government grants and contracts	\$7,867,447	\$8,431,815	\$8,243,711	\$7,887,000	\$7,900,000
? Private gifts, grants and contracts	\$172,999	\$68,430	\$182,630	\$213,000	\$300,000
? Other auxiliary enterprises	\$8,806,774	\$9,278,149	\$9,269,731	\$10,141,780	\$10,650,000
Endowment income used in operations					
? Other revenue (specify): Sales & Service	\$1,141,719	\$1,138,903	\$1,273,739	\$1,426,221	\$1,426,000
Other revenue (specify): Commissions, Miscellaneous	\$799,322	\$831,648	\$982,443	\$998,678	\$1,000,000
Net assets released from restrictions					
<b>Total Operating Revenues</b>	<b>\$51,732,736</b>	<b>\$53,564,302</b>	<b>\$56,359,804</b>	<b>\$59,245,799</b>	<b>\$61,252,494</b>
<b>OPERATING EXPENSES (in 000s)</b>					
? Instruction	\$31,734,485	\$32,048,719	\$33,729,305	\$33,950,000	\$35,308,000
? Research	\$2,346	\$1,191	\$2,445	\$2,440	\$2,500
? Public Service	\$548,735	\$395,305	\$479,045	\$482,000	\$496,460
? Academic Support	\$4,864,473	\$5,477,624	\$6,087,539	\$6,094,000	\$6,276,820
? Student Services	\$9,194,763	\$9,745,125	\$9,646,259	\$9,650,000	\$9,939,500
? Institutional Support	\$7,664,431	\$8,080,755	\$9,974,494	\$9,980,000	\$10,279,400
Fundraising and alumni relations					

Appendix D. Interim Report Forms

?	Operation, maintenance of plant (if not allocated)	\$11,376,771	\$12,115,929	\$11,223,190	\$11,572,000	\$11,919,160
?	Scholarships and fellowships (cash refunded by public institution)	\$1,688,642	\$1,647,595	\$1,809,254	\$1,850,000	\$1,850,000
?	Auxiliary enterprises	\$8,769,718	\$9,093,860	\$8,853,925	\$10,200,000	\$10,650,000
?	Depreciation (if not allocated)	\$7,209,319	\$8,525,149	\$9,087,710	\$9,700,000	\$10,000,000
?	Other expenses (specify):					
	Other expenses (specify):					
	<b>Total operating expenditures</b>	<b>\$83,053,683</b>	<b>\$87,131,252</b>	<b>\$90,893,166</b>	<b>\$93,480,440</b>	<b>\$96,721,840</b>
	<b>Change in net assets from operations</b>	<b>-\$31,320,947</b>	<b>-\$33,566,950</b>	<b>-\$34,533,362</b>	<b>-\$34,234,641</b>	<b>\$35,469,346</b>
	<b>NON OPERATING REVENUES (in 000s)</b>					
?	State appropriations (net)	\$34,027,571	\$36,197,548	\$37,159,087	\$38,861,709	\$39,000,000
?	Investment return	\$1,987,935	\$190,986	-\$2,611	\$300,000	\$500,000
?	Interest expense (public institutions)	-\$933,777	-\$1,092,563	-\$1,418,683	-\$2,210,000	-\$1,819,351
	Gifts, bequests and contributions not used in operations	\$300	\$50	\$176,510	\$100	\$100
?	Other (specify): Debt issuance costs	-\$67,815	-\$72,534		-\$45,000	
	Other (specify):					
	Other (specify):					
	<b>Net non-operating revenues</b>	<b>\$35,014,214</b>	<b>\$35,223,487</b>	<b>\$35,914,303</b>	<b>\$36,906,809</b>	<b>\$37,680,749</b>
	<b>Income before other revenues, expenses, gains, or losses</b>	<b>\$3,693,267</b>	<b>\$1,656,537</b>	<b>\$1,380,941</b>	<b>\$2,672,168</b>	<b>\$2,211,403</b>
?	Capital appropriations (public institutions)	\$836,048	\$908,318	\$72,922		
?	Other (specify): Capital grants	\$12,361,251	\$3,841,367	\$1,296,113		
?	Other (specify): Transfer (to)/from state agencies	-\$120,036	-\$550,360	-\$550		
	<b>TOTAL INCREASE/DECREASE IN NET ASSETS</b>	<b>\$16,770,530</b>	<b>\$5,855,862</b>	<b>\$2,749,426</b>	<b>\$2,672,168</b>	<b>\$2,211,403</b>

**Standard 7: Institutional Resources  
(Statement of Debt)**

FISCAL YEAR ENDS month & day ( 6 /30 )		3 Years Prior (FY2014)	2 Years Prior (FY2015)	Most Recently Completed Year (FY 2016)	Current Year (FY 2017)	Next Year Forward (FY 2018)
	<b>Debt</b>					
	Beginning balance	\$44,053,967	\$54,388,217	\$62,606,680	\$59,714,524	\$62,015,836
	Additions	\$12,235,614	\$10,669,502		\$5,261,206	
	<b>?</b> Reductions	(\$1,901,364)	(\$2,451,039)	(\$2,892,156)	(\$2,959,894)	(\$2,970,252)
	Ending balance	<b>\$54,388,217</b>	<b>\$62,606,680</b>	<b>\$59,714,524</b>	<b>\$62,015,836</b>	<b>\$59,045,584</b>
	Interest paid during fiscal year	\$1,601,522	\$2,054,377	\$2,386,885	\$2,210,000	\$1,819,351
	Current Portion	\$2,367,969	\$2,866,416	\$3,132,683	\$2,970,252	\$3,520,899
	<b>Bond Rating</b>	N/A	N/A	N/A	N/A	N/A

**Debt Covenants:** (1) Describe interest rate, schedule, and structure of payments; and (2) indicate whether the debt covenants are being met.

Interest rates range from 1% - 5%. Payments are semi annual. Debt maturity ranges from 2023 - 2033. All covenants have been met.

**Line(s) of Credit:** List the institutions line(s) of credit and their uses.

N/A

**Future borrowing plans (please describe)**

**Please enter any explanatory notes in the box below**

**Standard 7: Institutional Resources  
(Supplemental Data)**

FISCAL YEAR ENDS month & day ( 6/30)	3 Years Prior (FY2014)	2 Years Prior (FY2015)	Most Recently Completed Year (FY 2016)	Current Year (FY 2017)	Next Year Forward (FY 2018)
<b>NET ASSETS</b>					
Net assets beginning of year	\$115,958,910	\$132,729,440	\$138,585,302	\$141,335,278	\$144,007,446
Total increase/decrease in net assets	\$16,770,530	\$5,855,862	\$2,749,976	\$2,672,168	\$2,211,403
Net assets end of year	<b>\$132,729,440</b>	<b>\$138,585,302</b>	<b>\$141,335,278</b>	<b>\$144,007,446</b>	<b>\$146,218,849</b>
<b>FINANCIAL AID</b>					
Source of funds					
Unrestricted institutional	\$2,793,271	\$2,753,593	\$2,777,385	\$2,800,000	\$2,800,000
Federal, state and private grants	\$6,342,546	\$6,763,156	\$6,723,809	\$7,013,500	\$7,013,500
Restricted funds	\$14,420	\$32,450	\$36,500	\$36,500	\$36,500
Total	<b>\$9,150,237</b>	<b>\$9,549,199</b>	<b>\$9,537,694</b>	<b>\$9,850,000</b>	<b>\$9,850,000</b>
% Discount of tuition and fees	81.5%	82.7%	81.0%	81.7%	81.7%
% Unrestricted discount	37.4%	34.8%	35.9%	36.0%	36.0%
<b>FEDERAL FINANCIAL RESPONSIBILITY COMPOSITE SCORE</b>					
<p><b>Please indicate your institution's endowment spending policy:</b> The institution spends current period interest &amp; dividends based on donor restrictions.</p>					

Please enter any explanatory notes in the box below

**Standard 8: Educational Effectiveness  
(Undergraduate Retention and Graduation Rates)**

Student Success Measures/ Prior Performance and Goals		3 Years Prior	2 Years Prior	1 Year Prior	Curre nt Year	Next Year Forwa rd (goal)
		(FY 2012)	(FY 2013)	(FY 2014)	(FY 2015)	(FY 2016)
<b>IPEDS <u>Retention</u> Data</b>						
Associate degree students						
Bachelors degree students		73%	75%	78%	77%	75%
<b>?</b>	<b>IPEDS <u>Graduation</u> Data (150% of time)</b>					
Associate degree students						
Bachelors degree students		52%	47%	51%	*51%	53%
<b>?</b>	<b>IPEDS <u>Outcomes Measures</u> Data</b>					
<b>First-time, full time students</b>						
Awarded a degree within six years		52%	47%	51%	*51%	53%
Awarded a degree within eight years		53%	51%	51%	*52%	53%
Not awarded within eight years but still enrolled		2%	2%	2%	2%	2%
<b>First-time, part-time students</b>						
Awarded a degree within six years		22%	13%	63%	*0%	33%
Awarded a degree within eight years		0%	25%	44%	*25%	33%
Not awarded within eight years but still enrolled		0%	0%	0%	*0%	0%
<b>Non-first-time, full-time students</b>						
Awarded a degree within six years		62%	61%	66%	*65%	63%
Awarded a degree within eight years		59%	61%	65%	*62%	63%
Not awarded within eight years but still enrolled		3%	3%	1%	*3%	2%
<b>Non-first-time, part-time students</b>						
Awarded a degree within six years		49%	45%	46%	*36%	45%
Awarded a degree within eight years		40%	45%	55%	*52%	45%
Not awarded within eight years but still enrolled		10%	7%	0%	*1%	0%
<b>?</b>	<b>Other Undergraduate Retention/Persistence Rates (Add definitions/methodology in #1 below)</b>					
1						
2						
3						
4						
5						

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?	Other Undergraduate Graduation Rates (Add definitions/methodology in # 2 below)					
1	Transfer out students:Transfer students (Student Achievement Measure)	NA	66%	74%	72%	
2	Transfer out students:Freshman students (Student Achievement Measure)	NA	61%	63%	66%	
3						
4						
5						
<b>Definition and Methodology Explanations</b>						
1	N for First-time, part-time students < 10.					
2	*IPEDS retention data for FY2016 and IPEDS graduation data for FY 2015 are not yet available.					

**Note: complete this form for each distinct student body identified by the institution (See Standard 8.1)**

**Standard 8: Educational Effectiveness  
(Student Success and Progress Rates and Other Measures of Student Success)**

	Bachelor Cohort Entering		Associate Cohort Entering	
	6 years ago	4 years ago	6 years ago	4 years ago
<b>Category of Student/Outcome Measure</b>				
<b>First-time, Full-time Students</b>				
Degree from original institution	52%	36%		
Not graduated, still enrolled at original institution	3%	24%		
Degree from a different institution	14%	7%		
Transferred to a different institution	8%	7%		
Not graduated, never transferred, no longer enrolled	23%	26%		
<b>First-time, Part-time Students</b>				
Degree from original institution	50%	0%		
Not graduated, still enrolled at original institution	50%	11%		
Degree from a different institution	0%	0%		
Transferred to a different institution	0%	1%		
Not graduated, never transferred, no longer enrolled	0%	88%		
<b>Non-first-time, Full-time Students</b>				
Degree from original institution	65%	58%		
Not graduated, still enrolled at original institution	4%	12%		
Degree from a different institution	12%	7%		
Transferred to a different institution	5%	4%		
Not graduated, never transferred, no longer enrolled	14%	19%		
<b>Non-first-time, Part-time Students</b>				
Degree from original institution	38%	33%		
Not graduated, still enrolled at original institution	8%	20%		
Degree from a different institution	10%	7%		
Transferred to a different institution	7%	11%		
Not graduated, never transferred, no longer enrolled	37%	29%		

**Measures of Student Achievement and Success/Institutional Performance and Goals**

3 Years Prior (FY 2 )	2 Years Prior (FY2 )	1 Year Prior (FY 2 )	Current Year (FY 2 )	Next Year Forward (goal) (FY 2 )
-----------------------------------	----------------------------------	-------------------------------	-------------------------------	-------------------------------------------------

Success of students pursuing higher degrees (add more rows as needed; add definitions/methodology in #1 below)

1					
2					
3					
4					

Other measures of student success and achievement, including success of graduates in pursuing mission-related paths (e.g., Peace Corps, public service, global citizenship, leadership, spiritual formation) and success of graduates in fields for which they were not explicitly prepared (add more rows as needed; add definitions/methodology in #2 below)

1					
2					
3					
4					

**Definition and Methodology Explanations**

**\*First-time, Part-time Students N < 10**

1	
2	

**Standard 8: Educational Effectiveness  
(Licensure Passage and Job Placement Rates and  
Completion and Placement Rates for Short-Term Vocational Training Programs)**

	3-Years Prior	2 Years Prior	1 Year Prior	Most Recent Year
	(FY 2012)	(FY 2013)	(FY 2014)	(FY 2015)

<b>? State Licensure Examination Passage Rates</b>									
	Name of exam	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed
1	Massachusetts Test for Ed. Licensure	147	147	125	125	117	117	101	101
2									
3									
4									
5									

<b>? National Licensure Passage Rates</b>									
	Name of exam	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed
1	Nat. Council of State Boards of Nurs.	59	58	54	51	43	40	61	59
2									
3									
4									
5									

<b>? Job Placement Rates</b>										
	Major/time period	*	# of grads	# with jobs						
1										
2										
3										
4										
5										

\* Check this box if the program reported is subject to "gainful employment" requirements.

Web location of gainful employment report (if applicable)

**Completion and Placement Rates for Short-Term Vocational Training Programs for which students are eligible for Federal Financial Aid**

3 Years Prior	2 Years Prior	1 Year Prior	Current Year	Next Year Forward (goal)
(FY 2 )	(FY2 )	(FY 2 )	(FY 2 )	(FY 2 )

<b>? Completion Rates</b>									
1									
2									
3									
4									
5									

Appendix D. Interim Report Forms

**?** Placement Rates

1					
2					
3					
4					
5					

Please enter any explanatory notes in the box below

**Standard 8: Educational Effectiveness  
(Graduate Programs, Distance Education, Off-Campus Locations)**

Student Success Measures/ Prior Performance and Goals	3 Years Prior (FY 2013)	2 Years Prior (FY2014)	1 Year Prior (FY 2015)	Current Year (FY 2016)	Next Year Forward (goal) (FY 2017)
<b>?</b> <b>Master's Programs (Add definitions/methodology in #1 below)</b>					
Retention rates first-to-second year	83%	82%	79%	77%	79%
Graduation rates @ 150% time	87%	84%	83%	84%	85%
Average time to degree	4	4	4	4	4
Other measures, specify:					
<b>?</b> <b>Doctoral Programs (Add definitions/methodology in #2 below)</b>					
Retention rates first-to-second year					
Graduation rates @ 150% time					
Average time to degree					
Other measures, specify:					
<b>?</b> <b>First Professional Programs (Add definitions/methodology in #3 below)</b>					
Retention rates first-to-second year					
Graduation rates @ 150% time					
Average time to degree					
Other measures, specify:					
<b>Distance Education (Add definitions/methodology in #4 below)</b>					
Course completion rates	89%	91%	90%	90%	90%
Retention rates	71%	82%	57%	60%	67%
Graduation rates			82%	80%	81%
Other measures, specify:					
<b>Branch Campus and Instructional Locations (Add definitions/methodology in #5 below)</b>					
Course completion rates	97%	98%	98%	97%	98%
Retention rates	83%	50%	51%	87%	70%
Graduation rates	92%	92%	93%	92%	93%
Other measures, specify:					

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### Definition and Methodology Explanations

1	*Distance Education and additional locations Retention Rates and Graduation Rates (entering cohorts) N < 25
2	*Master's Programs Graduation Rate 150% = 6 years
3	*Master's Programs Time to degree from first course
4	*Master's Programs Retention Rate includes Distance Education and additional locations (also reported separately)
5	*Master's Programs Graduation Rates includes Distance Education and additional locations (also reported separately)

**Standard 9: Integrity, Transparency, and Public Disclosure  
(Integrity)**

Policies	Last Updated	Website location where policy is posted	Responsible Office or Committee
Academic honesty	2011	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>	Student and Academic Life
	2016	<a href="http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf">http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf</a>	Academic Affairs
Intellectual property rights	2016	<a href="http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf">http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf</a>	Academic Affairs
	2014	<a href="http://mscaunion.org/contract/">http://mscaunion.org/contract/</a>	Human Resources/MS CA Union
Conflict of interest	2013	<a href="http://www.fitchburgstate.edu/uploads/files/HumanResources/SummaryoftheConflictofInterestLawforStateEmployeesV5-13.pdf">http://www.fitchburgstate.edu/uploads/files/HumanResources/SummaryoftheConflictofInterestLawforStateEmployeesV5-13.pdf</a>	Human Resources
	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/training/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/training/</a>	Human Resources
Privacy rights	2011	<a href="http://www.fitchburgstate.edu/offices/student-services/registrar/student-records/ferpa/">http://www.fitchburgstate.edu/offices/student-services/registrar/student-records/ferpa/</a>	Registrar
		<a href="http://www.fitchburgstate.edu/campus-life/student-services/counseling-services/privacy-policy/">http://www.fitchburgstate.edu/campus-life/student-services/counseling-services/privacy-policy/</a>	Student and Academic Life
Fairness for students	2011	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>	Student and Academic Life
	2011	<a href="http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/">http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/</a>	Human Resources

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Fairness for faculty	2011	<a href="http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/">http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/</a>	Human Resources
	2016	<a href="http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf">http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf</a>	Academic Affairs
	2011	<a href="http://www.fitchburgstate.edu/uploads/files/Human_Resources/employeepolicies_web.pdf">http://www.fitchburgstate.edu/uploads/files/Human_Resources/employeepolicies_web.pdf</a>	Human Resources
	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/equity-and-diversity-committee/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/equity-and-diversity-committee/</a>	Human Resources
	2014	<a href="http://mscaunion.org/contract/">http://mscaunion.org/contract/</a>	Human Resources/MS CA Union
Fairness for staff	2011	<a href="http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/">http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/</a>	Human Resources
	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/equity-and-diversity-committee/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/equity-and-diversity-committee/</a>	Human Resources
	2011	<a href="http://www.fitchburgstate.edu/uploads/files/Human_Resources/employeepolicies_web.pdf">http://www.fitchburgstate.edu/uploads/files/Human_Resources/employeepolicies_web.pdf</a>	Human Resources
	2014	<a href="http://www.afscme1067.org/contract/">http://www.afscme1067.org/contract/</a>	Human Resources/AFSCME Union
Academic freedom	2016	<a href="http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf">http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf</a>	Academic Affairs
Research	2016	<a href="http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf">http://www.fitchburgstate.edu/uploads/files/AcademicAffairs/Faculty%20Handbook%20Final%20with%20cover.pdf</a>	Academic Affairs
Title IX	2011	<a href="http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/">http://www.fitchburgstate.edu/about-us/equal-opportunity-diversity-and-affirmative-action-title-ix/</a>	Human Resources

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Other; specify			

**Non-discrimination policies**

Recruitment and admissions	2011	<a href="http://www.fitchburgstate.edu/admissions/applying">http://www.fitchburgstate.edu/admissions/applying</a>	Admissions
Employment	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/policies/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/policies/</a>	Human Resources
Evaluation	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/</a>	Human Resources
	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/hrforms/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/hrforms/</a>	Human Resources
Disciplinary action	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/</a>	Human Resources
Advancement	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/</a>	Human Resources
Other; specify			

**Resolution of grievances**

Students	2011	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>	Student and Academic Life
Faculty	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/</a>	Human Resources
Staff	2011	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/collectivebargaining/</a>	Human Resources
Other; specify			

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Other	Last Updated	Website location or Publication	Responsible Office or Committee

Please enter any explanatory notes in the box below

**Standard 9: Integrity, Transparency, and Public Disclosure  
(Transparency)**

Information	Website location and/or Relevant Publication(s)
How can inquiries be made about the institution? Where can questions be addressed?	<a href="http://www.fitchburgstate.edu/about-us/contact-us/">http://www.fitchburgstate.edu/about-us/contact-us/</a>
Notice of availability of publications and of audited financial statement or fair summary	<a href="http://www.fitchburgstate.edu/offices/administration/vpfaa/">http://www.fitchburgstate.edu/offices/administration/vpfaa/</a>
Processes for admissions	<a href="http://www.fitchburgstate.edu/admissions/">http://www.fitchburgstate.edu/admissions/</a>
Processes for employment	<a href="http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/">http://www.fitchburgstate.edu/offices/administration/human-resources-payroll/</a>
Processes for grading	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Processes for assessment	<a href="http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/office-of-assessment/">http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/office-of-assessment/</a>
Processes for student discipline	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>
Processes for consideration of complaints and appeals	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentAcademicLife/Student-Handbook.pdf">http://www.fitchburgstate.edu/uploads/files/StudentAcademicLife/Student-Handbook.pdf</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>

List below the statements or promises made regarding program excellence, learning outcomes, success in placement, and achievements of graduates or faculty and indicate where valid documentation can be found.	
Statement/Promise	Website location and/or publication where valid documentation can be found

Date of last review of:	
Print publications	
Digital publications	

Please enter any explanatory notes in the box below

**Standard 9: Integrity, Transparency, and Public Disclosure  
(Public Disclosure)**

Information	Website location
Institutional catalog	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Obligations and responsibilities of students and the institution	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentAcademicLife/Student-Handbook.pdf">www.fitchburgstate.edu/uploads/files/StudentAcademicLife/Student-Handbook.pdf</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Conduct-Policy.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Conduct-Policy.pdf</a>
Information on admission and attendance	<a href="http://www.fitchburgstate.edu/admissions/">http://www.fitchburgstate.edu/admissions/</a>
	<a href="https://survey.fitchburgstate.edu/TakeSurvey.aspx?SurveyID=m14M187">https://survey.fitchburgstate.edu/TakeSurvey.aspx?SurveyID=m14M187</a>
	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-academic-life/office-of-student-academic-life-deans-office/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-academic-life/office-of-student-academic-life-deans-office/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Conduct-Policy.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Conduct-Policy.pdf</a>
Institutional mission and objectives	<a href="http://www.fitchburgstate.edu/about-us/university-mission-vision-and-values/">http://www.fitchburgstate.edu/about-us/university-mission-vision-and-values/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Expected educational outcomes	<a href="http://www.fitchburgstate.edu/about-us/university-mission-vision-and-values/">http://www.fitchburgstate.edu/about-us/university-mission-vision-and-values/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Status as public or independent institution; status as not-for-profit or for-profit; religious affiliation	<a href="http://www.fitchburgstate.edu/offices/administration/vpfaa/">http://www.fitchburgstate.edu/offices/administration/vpfaa/</a>
Requirements, procedures and policies re: admissions	<a href="http://www.fitchburgstate.edu/admissions/undergraduate/accepted-students/">http://www.fitchburgstate.edu/admissions/undergraduate/accepted-students/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Requirements, procedures and policies re: transfer credit	<a href="http://www.fitchburgstate.edu/admissions/undergraduate/requirements/transfer/">http://www.fitchburgstate.edu/admissions/undergraduate/requirements/transfer/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
A list of institutions with which the institution has an articulation agreement	<a href="http://www.fitchburgstate.edu/admissions/undergraduate/requirements/transfer/articulation-agreements/">http://www.fitchburgstate.edu/admissions/undergraduate/requirements/transfer/articulation-agreements/</a>
Student fees, charges and refund policies	<a href="http://www.fitchburgstate.edu/offices/student-services/student-accounts/undergraduate-day-tuition-fees/">http://www.fitchburgstate.edu/offices/student-services/student-accounts/undergraduate-day-tuition-fees/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>

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Rules and regulations for student conduct	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Procedures for student appeals and complaints	<a href="http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/">http://www.fitchburgstate.edu/campus-life/student-services/office-of-student-conduct-mediation-education/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Other information re: attending or withdrawing from the institution	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf</a>
Academic programs	<a href="http://www.fitchburgstate.edu/academics/">http://www.fitchburgstate.edu/academics/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Courses currently offered	<a href="http://web4.fitchburgstate.edu/apex/?p=127:7:17319856557744">http://web4.fitchburgstate.edu/apex/?p=127:7:17319856557744</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Other available educational opportunities	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/academics/international-education/study-abroad/">http://www.fitchburgstate.edu/academics/international-education/study-abroad/</a>
	<a href="http://www.fitchburgstate.edu/academics/extendedcampus-profdevctr/">http://www.fitchburgstate.edu/academics/extendedcampus-profdevctr/</a>
	<a href="http://www.fitchburgstate.edu/academics/online-learning/">http://www.fitchburgstate.edu/academics/online-learning/</a>
	<a href="http://www.fitchburgstate.edu/academics/honors-program/">http://www.fitchburgstate.edu/academics/honors-program/</a>
Other academic policies and procedures	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf</a>
	<a href="http://www.fitchburgstate.edu/academics/">http://www.fitchburgstate.edu/academics/</a>
Requirements for degrees and other forms of academic recognition	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/academics/">http://www.fitchburgstate.edu/academics/</a>
	<a href="http://www.fitchburgstate.edu/academics/academic-support/academic-advising-center/four-year-plans-of-study-by-major/">http://www.fitchburgstate.edu/academics/academic-support/academic-advising-center/four-year-plans-of-study-by-major/</a>
List of continuing faculty, indicating department or program affiliation, degrees held, and institutions granting them	<a href="http://catalog.fitchburgstate.edu/content.php?catoid=22&amp;navoid=1385">http://catalog.fitchburgstate.edu/content.php?catoid=22&amp;navoid=1385</a>
	<a href="http://www.fitchburgstate.edu/offices/academic-offices/academic-affairs/part-time-day-faculty/">http://www.fitchburgstate.edu/offices/academic-offices/academic-affairs/part-time-day-faculty/</a>

## Appendix D. Interim Report Forms

Names and positions of administrative officers	<a href="http://catalog.fitchburgstate.edu/content.php?catoid=22&amp;navoid=1385#Trustees and Administrators">http://catalog.fitchburgstate.edu/content.php?catoid=22&amp;navoid=1385#Trustees and Administrators</a>
	<a href="http://www.fitchburgstate.edu/offices/administration/">http://www.fitchburgstate.edu/offices/administration/</a>
Names, principal affiliations of governing board members	<a href="http://www.fitchburgstate.edu/offices/administration/board-of-trustees/members/">http://www.fitchburgstate.edu/offices/administration/board-of-trustees/members/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Locations and programs available at branch campuses, other instructional locations, and overseas operations at which students can enroll for a degree, along with a description of programs and services available at each location	<a href="http://www.fitchburgstate.edu/academics/extendedcampus-profdevctr/">http://www.fitchburgstate.edu/academics/extendedcampus-profdevctr/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/academics/online-learning/">http://www.fitchburgstate.edu/academics/online-learning/</a>
Programs, courses, services, and personnel not available in any given academic year.	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Size and characteristics of the student body	<a href="http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/">http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/</a>
Description of the campus setting	<a href="http://www.fitchburgstate.edu/offices/capital-planning-maintenance/">http://www.fitchburgstate.edu/offices/capital-planning-maintenance/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Availability of academic and other support services	<a href="http://www.fitchburgstate.edu/offices-services-directory/academic-success-center/">http://www.fitchburgstate.edu/offices-services-directory/academic-success-center/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
	<a href="http://www.fitchburgstate.edu/campus-life/student-services/health-services/">http://www.fitchburgstate.edu/campus-life/student-services/health-services/</a>
	<a href="http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf">http://www.fitchburgstate.edu/uploads/files/StudentConduct/Student-Handbook.pdf</a>
Range of co-curricular and non-academic opportunities available to students	<a href="http://www.fitchburgstate.edu/campus-life/get-involved/osd/">http://www.fitchburgstate.edu/campus-life/get-involved/osd/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Institutional learning and physical resources from which a student can reasonably be expected to benefit	<a href="http://www.fitchburgstate.edu/academics/library/">http://www.fitchburgstate.edu/academics/library/</a>
	<a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a>
Institutional goals for students' education	<a href="http://www.fitchburgstate.edu/about-us/strategic-planning/">http://www.fitchburgstate.edu/about-us/strategic-planning/</a>

## Appendix D. Interim Report Forms

<p>Success of students in achieving institutional goals including rates of retention and graduation and other measure of student success appropriate to institutional mission. Passage rates for licensure exams, as appropriate</p>	<p><a href="http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/">http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/</a></p>
<p>Total cost of education and net price, including availability of financial aid and typical length of study</p>	<p><a href="http://www.fitchburgstate.edu/offices/student-services/financial-aid-office/">http://www.fitchburgstate.edu/offices/student-services/financial-aid-office/</a></p>
	<p><a href="http://www.fitchburgstate.edu/offices/student-services/student-accounts/costs/">http://www.fitchburgstate.edu/offices/student-services/student-accounts/costs/</a></p>
	<p><a href="http://www.fitchburgstate.edu/offices/student-services/student-accounts/">http://www.fitchburgstate.edu/offices/student-services/student-accounts/</a></p>
	<p><a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a></p>
<p>Expected amount of student debt upon graduation and loan payment rates</p>	<p><a href="http://www.fitchburgstate.edu/offices/student-services/financial-aid-office/">http://www.fitchburgstate.edu/offices/student-services/financial-aid-office/</a></p>
<p>Statement about accreditation</p>	<p><a href="http://www.fitchburgstate.edu/about-us/accreditation/">http://www.fitchburgstate.edu/about-us/accreditation/</a></p>
	<p><a href="http://www.fitchburgstate.edu/offices/academic-offices/academic-affairs/">http://www.fitchburgstate.edu/offices/academic-offices/academic-affairs/</a></p>
	<p><a href="http://catalog.fitchburgstate.edu/">http://catalog.fitchburgstate.edu/</a></p>

## E-SERIES FORMS: MAKING ASSESSMENT MORE EXPLICIT

### OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Where are the learning outcomes for this level/program published? (please specify) Include URLs where appropriate.	(2) Other than GPA, what data/ evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(3) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(4) What changes have been made as a result of using the data/evidence?	(5) Date of most recent program review (for general education and each degree program)
At the institutional level:	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a> (Note that Fitchburg State has yet to formally adopt institutional learning outcomes that are separate from the general education program learning outcomes, but has been treating the general education learning outcomes as institutional outcomes for the purposes of assessment.)	Fitchburg State University conducts embedded assessment of student artifacts from both general education and majors coursework using modified AAC&U LEAP VALUE rubrics, and as part of the Multi-State Collaborative for Learning Outcomes assessment (MSC) unmodified LEAP VALUE rubrics scored by faculty from other institutions with a focus on capturing data from early on in student's careers in LA&S courses as well as once they have reached the more advanced coursework in their program of study. In addition, Fitchburg State University has been administering the National Survey of Student Engagement (NSSE) for undergraduate students, and a Graduating Student Survey for both undergraduate and	This evidence is interpreted annually by the Director of Assessment in direct consultation with the faculty who supplied the artifacts of student work for rubric assessment, providing feedback to Academic Affairs on NSSE data, and to individual departments undergoing program reviews on the Graduating Student Surveys. Data from these assessments are further interpreted by the faculty through workshops provided at September, January or May Development Days, and Graduating Student Survey and NSSE data were utilized in Strategic Planning meetings.	The process of assessing data as part of the MSC was first piloted in the 2014-15 Academic Year with the first round of data becoming available from the MSC in the summer of 2015 and additional data forthcoming fall 2015. This data was compared to the ongoing general education assessment data, graduating student survey data and NSSE data that helped inform the Strategic Planning Process. In particular, the Strategic Plan stressed the importance of strengthening student learning in areas of weakness identified on NSSE	Strategic Planning process completed in 2014

		graduate students to gather indirect measures of student learning.		including Interdisciplinary Learning, Civic Learning, Ethical Reasoning, Intercultural Learning, and Written and Oral Communication	
For general education if an undergraduate institution:	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Fitchburg State University conducts embedded assessment of student artifacts from both general education and majors coursework using modified AAC&U LEAP VALUE rubrics, and as part of the Multi-State Collaborative for Learning Outcomes assessment (MSC) unmodified LEAP VALUE rubrics scored by faculty from other institutions with a focus on capturing data from early on in student's careers in LA&S courses as well as once they have reached the more advanced coursework in their program of study. AS part of the LA&S Self Study, t Graduating Student Survey data and NSSE data are also reviewed to explore whether students are meeting the learning outcomes.	This evidence is interpreted each semester by the Director of Assessment in direct consultation with the Liberal Arts and Sciences Council who have scored the artifacts of student work. Data from these assessments are further interpreted by the faculty through workshops provided at September, January or May Development Day and led by members of the LA&S Council.	The LA&S Council Self-study identified weaknesses in the areas of Use of Evidence in Written Communication and Citizenship through Critical Analysis of Events, stating a clear position in Citizenship through Critical Analysis of Events, and Interpretation and Explanation of Data in Problem Solving. In addition, there were substantial gaps in the ability to find evidence for creative work in Aesthetic Appreciation, consistent evidence of Ethical Reasoning, sensitivity to cultures and communities or civic engagement in Citizenship and the ability to see applications to new situations in Problem Solving.	LA&S Program Review completed in 2015

				Therefore the LA&S Self-study has recommended revisions to the LA&S curriculum to provide additional learning outcomes such as Information Literacy, Civic Engagement, Global Learning and Intercultural Knowledge and Competence and to better align the structure of the LA&S curriculum to insure that both existing and new LA&S outcomes are being met. These recommendations along with a potential curricular revision have been brought to the entire faculty for feedback and the LA&S council is currently developing a final proposal for revisions to the program.	
List each degree program: 1. Biology	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	As part of a process of redesigning their assessment system and improving their curriculum the Biology program conducted a curriculum mapping project. The Assessment Committee used the BioCore Guide of the	The collection, interpretation and distribution of assessment data is the responsibility of the Biology and Chemistry Assessment Committee. The assessment	Approximately 89% (33/37) of the BioCore learning outcomes were covered in the four core Biology courses. Evolution and Information flow received more coverage than	2013

		<p>AAAS published in 2014 as the basis to create a faculty survey to determine where we teach these topics, and to what degree. We clarified a few items in the BioCore table, deleted a few rows that seemed repetitive, and split some rows so that our survey only asked about a single topic in each row. We then presented this survey to the faculty who teach the four core biology courses required of all majors (General Biology I and II, Genetics, and Ecology). Faculty rated the coverage of each learning outcome in their course as follows:</p> <ul style="list-style-type: none"> <li>0 -Not covered</li> <li>1- Several Minutes</li> <li>2 - Part of a lecture/lab</li> <li>3 - Most of a lecture/lab</li> <li>4 - Several lectures/labs</li> <li>5 - Several weeks of lecture/lab</li> </ul> <p>The Biology program has also piloted participation in the Multi-State Collaborative for Learning Outcomes assessment, with their student work being assessed for Critical Thinking skills.</p>	<p>committee averaged the coverage (ratings) from different professors. This average served as a curriculum map showing where, and to what extent, the Biology program teaches the BioCore concepts. The committee is now using that data to develop a test to assess these learning outcomes in the capstone course.</p>	<p>Structure/function Transformations of matter and energy. The weakest coverage was in physiology and developmental biology. The program is considering changes to the four core Biology courses that should also address some of these outcomes, but is prioritizing developing a test for the capstone course that will assess these learning outcomes, to get direct evidence of student strengths and weaknesses in these areas. In the broader areas of AAAS Core Competencies and Disciplinary Practices, the department is still discussing how best to assess these having explored using projects in the capstone course, but found that the data was insufficient. In addition, data has just come in this year on student Critical Thinking for the Multi-State Collaborative on</p>	
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				Learning Outcomes Assessment, and has not been discussed yet. The Biology and Chemistry Assessment Committee is exploring whether common assessment strategies can be used across the two programs to assess these types of Core Competencies and Disciplinary Practices.	
2. Business Administration	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	The Business Administration program collects data at the program level using two direct (case study and business simulation project) and two in-direct measures for the undergraduate program (internship survey and exit survey). They also collect concentration-specific data.	The Business Administration Department annually collects, documents, analyzes, and implements courses of action for improving learning outcomes for which performance targets were not met.	In the marketing concentration, the learning outcome that Students will be able to demonstrate knowledge of and competencies in performing the basic activities of managers in an organizational setting was not met for both the direct measures (case study and business simulation project), though they were met for the indirect measures (internship survey and student exit survey). As a result, Group activities were added to BSAD 3200 (Principles of Management) that	2014

				<p>reinforced the key terms, tools, and techniques used in management. In the Marketing Concentration, the learning outcome that students will be able to demonstrate knowledge and competencies in fundamental marketing concepts, theories, and principles in areas of marketing policy, market and consumer behavior, product distribution, promotion, and pricing was not met for one of the direct measures (business simulation project). As a result, Applications of the business simulation project were included in the capstone course to provide more examples of the fundamental marketing concepts. Finally, for the accounting concentration, the learning outcome that students will be able to understand how to calculate, record, and provide financial information about the reporting entity</p>	
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				that is useful to its present and potential equity investors, its lenders, and other creditors to assist them in making decisions about providing resources to the entity was not met for the two direct measures. As a result courses were modified so that this learning outcome was reinforced and tested in exams, including the final exams, in all the financial classes that preceded the capstone course (e.g., BSAD 2010, 2020, and 3010, etc.). The department has reviewed and identified additional areas of concern in the most recent review and faculty are discussing how best to address these.	
3. Chemistry	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	The Chemistry major was re-established at Fitchburg State University in 2013. As part of establishing the program they committed to learning outcomes assessment with a focus on collecting data from students using embedded assessments in the capstone Senior Seminar.	The Biology and Chemistry Assessment Committee will review the proposed embedded assessments for the capstone Senior Seminar, and share findings with the Department of	The program has yet to collect and review assessment data. The Biology and Chemistry Assessment Committee is exploring whether common assessment	NA created 2013

		They anticipate their first graduating class and associated learning outcomes data in 2017.	Biology and Chemistry	strategies can be used across the two programs to assess Core Competencies and shared Disciplinary Practices.	
4. Communications Media	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	The Communications Media program uses data from their Internship Portfolio Defense along with data from the Internship review forms completed by a faculty member and their site supervisor.	One member of the student's concentration along with the internship coordinator review each student's internship portfolio. The internship coordinator compiles the results of the performance appraisals and shares them with the department.	Feedback on student learning outcomes from from Internships have provided critical information for revising the curriculum. For example Graphic Design went through major curriculum redesign that involved folding the courses from an existing interactive track, into graphic design based on evidence from internships indicating that the graphic design students did not have sufficient web design skills necessary for most current graphic design work. Web design is now a required course for all the classes starting from intro level through advanced. In a similar fashion evidence from student internships helped shape the merging of separate film and video	2014

				concentrations into a single film/video concentration based on the need for students to be able to demonstrate video skills in most current work.	
5. Computer Information Systems 6. Computer Science	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Both the Computer Information Systems and Computer Science programs are overseen by the Computer Science Department, and are accredited by ABET. They use the same assessment system. Component grades from embedded assignments in coursework are used to assess student learning outcomes. Students must also complete a survey at the end of each semester. In addition, they have an industry advisory board that provides feedback on their graduates' ability to meet the necessary learning outcomes. The department has also conducted a curriculum mapping analysis to identify gaps in their curriculum.	The individual faculty administering the assessments collect and analyze the data, and the department curriculum committee analyzes and reviews the data periodically.	They have improved their coverage of outcomes by assigned assessments in a variety of formats (including tests, essays, projects, and surveys). They also developed a standard reporting form for faculty to use which includes reflection on assessment results and actions taken as a result of the assessments. Faculty have made individual changes to their courses to address gaps in student learning outcomes. Perhaps most critically, they have developed a new course focused on Ethical issues in their fields that is required of both the CIS and Computer Science programs.	2014
7. Criminal Justice	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Used a rubric to assess papers from the Senior Colloquium and from Data Analysis. Collect supervisor feedback on	The Criminal Justice curriculum committee meets monthly. They are responsible for	They found poor performance on student papers. They moved to a single paper for	2015 (annual status report)

		<p>interns. Conduct exit surveys of graduating seniors and alumni five years out from graduation. Conducted curriculum mapping of learning outcomes onto courses. The Police preparation track includes comprehensive capstone testing of all students as well. The Criminal Justice program is also considering how participation in the Multi-State Collaborative for Learning Outcomes Assessment could help support their assessment efforts, by sharing their student papers from an introductory Criminal Justice Course and the Colloquium for assessment in this 11 state initiative. This could be part of a proposal they have put forward to assess incoming students as well as students in the colloquium using mutually agreed upon assignment prompts.</p>	<p>analyzing the evidence and implementing necessary curricular changes.</p>	<p>assessment to provide added focus on the development of writing skills rather than writing volume. From student work in data analysis they found most students do not understand the difference between independent and dependent variables or causation and correlation. They introduced an additional course in their sequence: research methods I and II. They had also done a curriculum matrix analysis for accreditation and had found that some of the required knowledge and skills were not being covered in their courses for both tracks so they revised their curriculum to include them. They have recently developed a new Police preparation track with capstone testing of all students. While the program is too new to have applied the results of these assessments, they</p>	
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				are currently revising their assessment system, exploring longitudinal assessment through embedded assignments in freshmen and senior level courses.	
8. Early Childhood Education	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, Teacher Work Sample Rubric, and Candidate Assessment of Performance for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.	The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.	The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review. In addition, lesson plan rubric scores fell below the benchmark prompting review of lesson planning instruction across the education unit. Students are introduced to the	2013

			<p><u>lesson plan components</u> in class, week 4 of Foundations through:</p> <p>a. Participatory Modeling: <i>students experience</i> a first grade math lesson in class; a <i>debriefing</i> occurs where students <i>make connections</i> with the written lesson plan and what they experienced.</p> <p>b. FSU <i>students create</i> a programmatic/pre-practicum specific lesson plan, in a content area, focusing on the work of one educational theorist. This is done in pairs</p> <p>c. <i>Students present</i> a portion of that lesson plan in class noting the connection with their theorist.</p> <p>d. <i>After the presentation - Debriefing</i> occurs with specific feedback from instructor and peers.</p> <p>e. Revisions are made and lesson plans are uploaded onto TK-20. FSU students now have a</p>	
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				base line to draw upon and improve upon as they experience content driven methodology courses in their programs.	
9. Earth Systems Science	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	<p>Students in both Earth Systems Science and Geographic Science and Technology are evaluated in the same manner. Both programs are overseen by the Department of Earth and Geographic Science. Embedded assessments in upper division courses include proficiency quizzes that require students to demonstrate mastery of content knowledge and some skills. In addition, most of these courses require students to generate manuscripts synthesizing findings in the primary literature related to a topic in earth systems science. They often must present their findings orally as well.</p> <p>The Earth Systems Science program has also participated in the Multi-State Collaborative for Learning Outcomes Assessment, providing artifacts of student work for assessment.</p>	Initial interpretation of student learning outcomes is conducted by the course instructor. The assessment committee reviews the assessment instruments used by instructors and will review the data from these assessments and share with the department.	<p>Students' learning of GIS seemed to be limited by basic computer skills, rather than the GIS software itself. To remedy this, two changes were made:</p> <ul style="list-style-type: none"> <li>-The level of the course was changed from 3000 to 4000</li> <li>-A prerequisite has been added – students can complete one of five courses that have been identified for their ability to prepare students in basic computer skills. Those include: GEOG2400 (Computer App in Geo), GEOG3120 (Computer Cartography), GEOG4400 (Urban Geography), CSC1100 (Computer Applications), CSC1300 (Intro to Spreadsheets and Databases). In addition, through the assessment process, the faculty</li> </ul>	2015

				<p>have found that students were not consistently taking the upper-level courses intended to support and assess the learning outcomes. At a preliminary level, the department has updated its advising to insure students take these courses. However, they are also in the process of revising the Earth Science major to an Environmental Earth Science major and in the process revising the required courses to insure students are exposed to all of the learning outcomes.</p> <p>Because, the results of the Multi-State Collaborative on Learning Outcomes assessment have just become available this year, the faculty are still considering how to best use these outcomes in their assessment process to improve teaching and learning.</p>	
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<p>10. Economics</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>They use a common rubric to assess student work at the “principles” stage during the course Principles in Economics, at the intermediate stage in the courses Intermediate Microeconomics, Intermediate Macroeconomics, International Economics, and International Finance, and at the final stage in any other upper level elective. They also conduct exit surveys to assess student perceptions about their knowledge and skills from the program.</p>	<p>One of the economists takes responsibility for heading up assessment and collects and analyzes the data with the cooperation of the other economists.</p>	<p>While assessment data has suggested that students are effectively progressing in their learning outcomes across the curriculum, concerns about the consistency with which the assessment has been administered and the variability of upper level electives students select, has led in part to a move to design and implement a capstone with Senior Portfolio that will become a way of assessing student.</p>	<p>2016</p>
<p>11. Elementary Education</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, Teacher Work Sample Rubric, and Candidate Assessment of Performance for the work</p>	<p>The Program Quality and Impact Committee reviews the prior year’s assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.</p>	<p>The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all</p>	<p>2013</p>

		<p>completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.</p>		<p>education course descriptions were revised culminating this year-long review. In addition, in the Elementary Education program there were concerns about students skills in reflection. In response an action plan was developed to:</p> <ol style="list-style-type: none"> <li>1. Provide students with information/article regarding writing reflectively. University Supervisors will debrief on the article with candidates. Supervisors will stress the need to write about personal connections and beliefs to teaching practices and student success in the OSI setting.</li> <li>2. Have Teacher candidates submit a written reflection to their University Supervisor every other week</li> <li>3. Provide descriptive feedback to teacher candidates regarding their reflective writing.</li> </ol>	
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<p>12. English Studies</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>In the senior English Capstone course, Senior Portfolio review has been used to assess all students' ability to differentiate between and analyze a variety of genres. In addition, the senior portfolio has been used to assess specific objectives for students in the literature and professional writing tracks. In recent years, the English Studies program has also begun to assess artifacts of student work from their Sophomore gateway course, Approaches to English Studies. Finally, the English Studies program has also participated in the pilot Multi-State Collaborative for Learning Outcomes Assessment, submitting their student work for review in the area of Written Communication.</p>	<p>The assessment committee meets monthly and in the fall they review student work from the Approaches to English Studies Gateway Course and in the Spring they assess student portfolios using the departmental rubric. The committee summarizes and discusses the data and shares their summary with the department as a whole.</p>	<p>They found that the theater track students were not as strong in analysis of other genres, and students in professional writing were not as strong in that area or in poetry. While they have yet to implement any major changes to the professional writing track in response to this data, they have modified the theater track and it has been incorporated into the Communications media department. They have seen an increase in N/A rankings for one or another of the genres in their portfolio in many cases. In response, they've required the capstone course of all students to make the assembly of the student portfolio and their collection of data more strongly emphasized. The English Department has also begun to assess the lower level course, Approaches to English in order to monitor their</p>	<p>2012</p>
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				<p>impact on student learning from an earlier point. Their assessment of gateway and senior students has revealed that students have been improving in documentation of sources. This is likely the result of a greater emphasis on information literacy including bringing librarians into the classroom. This emphasis is also reflected in their new Written Communication rubric, adapted and modified from the AAC&amp;U rubric to increase the emphasis on information literacy. Multi-State Collaborative for Learning Outcomes Assessment data were collected from one of the English courses with a heavy emphasis on information literacy. Fitchburg State students in this course performed above the 11-state average in this area as well as others on the AAC&amp;U Written Communication rubric, suggesting</p>
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				positive results from these efforts.	
<p>13. Exercise and Sports Science</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Curriculum Mapping was used to determine alignment of outcomes with their courses. They are currently assessing program goals of competency in health related fitness testing. Students in exercise testing and prescription have 2 faculty observe them while they are going through the battery of fitness tests. They are also assessing exercise programming for healthy populations in the course Strength and Conditioning, in which students select the kind of program they want to put together. In the past they have done assessments of verbal and written communication and will do so again in the future.</p>	<p>They don't have a separate assessment committee. The whole department discusses these matters. Two faculty assess each artifact. Department Meetings are every couple of weeks, and assessment is discussed at many of those meetings. Results of assessments are shared at department meetings.</p>	<p>The faculty designed a research methods course for Exercise and Sports Science majors to address, among other things, the poor information literacy skills of our students. The faculty also found that Evaluating ethical reasoning was much more challenging than we had anticipated. We attempted to use the LA&amp;S rubric for ethical reasoning with an assignment from our Senior Seminar course. After struggling through several pieces of student work, we determined that the assignment did not match up well with the rubric. We also realized that we weren't exactly sure what it was that we wanted our students to be able to do in terms of ethical reasoning or where in the curriculum, other than Senior Seminar, ethical reasoning was being explicitly taught or even</p>	<p>2011</p>

				addressed. We decided to make this a topic of discussion for September's department meeting to get a better handle on what the faculty think students should know and how/where we are teaching those things. This will also help us write a rubric that is more appropriate for our departmental assessment.	
14. Game Design	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	The Game Design major was created at Fitchburg State University in 2013. As part of establishing the program they committed to learning outcomes assessment with a focus on collecting data from students using embedded assessments in the capstone course. As the program has grown over the past few years, it has become clear that the most appropriate way to structure a capstone experience is through an experiential learning course, Game Lab Studio. This course was first piloted in the summer of 2016 with evidence of student learning evaluated by faculty and a group of industry professionals. This assessment process will be continued and	A designated Game Design faculty member will be reviewing the proposed embedded assessments for the capstone Game Lab Studio with the Director of Assessment, and share findings with the Game Design faculty. Ongoing assessment through the Game Lab Studio projects will be reviewed annually by the Game Design faculty.	While this program has yet to formally collect and review assessment data, it has been gathering evidence to properly structure its assessment process. Game Design had initially envisioned students completing internships similar to those provided as part of the Communications Media degree. However, they found that it was difficult to use this approach to provide sufficient opportunities to assess student learning. Therefore they developed the new course Game	NA created 2013

		refined in the first regular offering of the course Spring 2017.		Lab Studio in which students will work for an entire semester, building their own games. This approach was piloted over the summer with industry professionals coming in to consult with students and faculty. Industry professionals and Communications Media and Game Design faculty play-tested the games, as an initial test of the potential for learning outcomes assessment. Based on the success of this pilot the Game Design Studio will now run in the same way during the regular semester.	
15. Geographic Science and Technology	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Students in both Earth Systems Science and Geographic Science and Technology are evaluated in the same manner. Both programs are overseen by the Department of Earth and Geographic Science. Embedded assessments in upper division courses include proficiency quizzes that require students to demonstrate mastery of content knowledge and some	Initial interpretation of student learning outcomes is conducted by the course instructor. The assessment committee reviews the assessment instruments used by instructors and will review the data from these assessments and share with the department.	Students' learning of GIS seemed to be limited by basic computer skills, rather than the GIS software itself. To remedy this, two changes were made: -The level of the course was changed from 3000 to 4000 -A prerequisite has been added – students can	2015

		<p>skills. In addition, most of these courses require students to generate manuscripts synthesizing findings in the primary literature related to a topic in earth systems science. They often must present their findings orally as well.</p>		<p>complete one of five courses that have been identified for their ability to prepare students in basic computer skills. Those include: GEOG2400 (Computer App in Geo), GEOG3120 (Computer Cartography), GEOG4400 (Urban Geography), CSC1100 (Computer Applications), CSC1300 (Intro to Spreadsheets and Databases). In addition, through the assessment process, the faculty have found that students were not consistently taking the upper-level courses intended to support and assess the learning outcomes. At a preliminary level, the department has updated its advising to insure students take these courses. In addition, the courses for the major have been revised to increase the focus on computer and technology skills overall. As an example the course</p>	
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				Cartography has been revised as a Computer Cartography course as part of the overall increased emphasis on computer-based spatial analysis.	
16. History	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	In HIST 4500 They use a Senior Seminar Research Paper Rubric to assess their History outcomes and the HIST 4500 Exit Survey as an indirect measure of student learning outcomes.	The research papers are assessed by the course instructor and the data from the rubrics and surveys are compiled by the assessment coordinator. Historians in the Department of Economics, History and Political Science all meet to analyze the data each spring.	Based on poor performance in some outcomes they have made a number of curricular changes. They are revising History 2000 Historical Methods and adding a course emphasizing critical reading and analysis of historiography to enhance students' ability to identify theses, supporting evidence, organization, counterarguments, and historiographical traditions in scholarly articles and monographs as well as digital media. This creates a two-semester sequence for history majors in their second year: HIST 2000 Reading Historical Landscapes and HIST 2001 Constructing History.	2012

<p>17. Human Services</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Evaluation of Competencies in Case Management Practicum and Internship.                  Supervisor’s Evaluation of competencies in the Internship.                  Community-Based Human Services Agency Survey, Graduate Survey, Student Survey.                  Conducted a curriculum mapping analysis of all the human services courses. For all core courses with practicum attached students need to get at least a 2.5 on practicum part. In the event a student is not meeting the requirements, a Human Services Review committee then meets with the student and the review extends beyond their GPA. This can include a corrective action plan or dismissal.</p>	<p>Human services curriculum committee meets monthly and looks at the results. There is also a human services advisory board that meets every semester.</p>	<p>Data from the wide variety of assessment tools used by the Human Services program have been used in a variety of ways to inform improvements in teaching and learning. Just a few among the many efforts to respond to the data include continuing to model and encourage professional demeanor in courses, reviewing relevant communication skills, including assertion training and negotiating in the Case Management course, increasing Role Plays in Case Management Class so students can practice skills, and increasing Case Management class time discussing client issues as presented at practicum sites.</p>	<p>2016</p>
<p>18. Industrial Technology</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>The Industrial Technology program is currently using curriculum mapping to determine how well their courses are preparing students to for the learning outcomes they have identified. In addition, they have been</p>	<p>The curriculum committee is responsible for developing and assessing learning outcomes, and the responsibility is divided among the faculty based on the</p>	<p>Since the last NEASC review they have developed a set of shared learning outcomes for the program. Using these learning outcomes they have</p>	<p>In progress</p>

		<p>continuing to pilot different methods for directly assessing these learning outcomes, including portfolios of student work in their Architectural Technology concentration.</p>	<p>concentration in which they work.</p>	<p>been able to identify where lower and higher level outcomes are being addressed in their curriculum. They have also mapped their outcomes with ABET standards and identified some omissions such as Economics, or System Theory and potential weaknesses in the areas of Quality, Law and Regulations. They have established a meeting with the Center for Teaching and Learning to create a plan for constituent focus groups to further explore these potential curricular concerns. In the process of reviewing learning outcomes in their curriculum a decision was made for Theater Technology to leave the major, in part because the primary focus in terms of learning objectives for the Theater Technology concentration have more to do with art and artistic aspects</p>	
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				of design than with engineering technology.	
19. Interdisciplinary Studies	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Student projects from the interdisciplinary capstone course are assessed for mastery of learning outcomes. The program has also done individual course outcomes assessment and evaluation for minors. In addition, undergraduates in the Interdisciplinary Studies concentrations for the Education programs are assessed through the Massachusetts Test for Educator Licensure.	The capstone faculty sponsor assesses the capstone project and course instructors assess individual course outcomes. The data is shared with the IDIS coordinator who is responsible for developing proposals to be reviewed by discipline-specific committees and the Humanities curriculum committee.	Substantial changes were made to the Interdisciplinary Studies curriculum in order to better achieve the learning outcomes within the interdisciplinary capstone course. Evidence from this course suggested students were not well-prepared so both the core courses and the capstone itself were revised.	2015
20. Mathematics	<a href="http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/office-of-assessment/office-of-assessment-documents/">http://www.fitchburgstate.edu/offices/grants-research/institutional-research-and-planning/office-of-assessment/office-of-assessment-documents/</a>	The Mathematics Department has engaged in a variety of assessment efforts. They have consistently conducted assessment of course embedded student work that is aligned with the department's technology goal as well as their proof-writing and presentations goals through oral and poster presentations. They have also piloted assessment of the reading and writing mathematically outcome. Finally, they have used exit interviews of all graduating majors to review the program.	The departmental assessment subcommittee analyzes and interprets student data each semester. The summarized results are shared with the department as a whole at department meetings.	The exit interviews with graduating seniors have been used as the discussion points for departmental "Discussions on Teaching" and faculty have adopted new strategies in their courses as a result. In addition, in the past the labs used in Calculus I and II have been updated since they began the review of the Technology outcome. In some labs they have become more explicit about what students must write with regard to	2012

				technology. In addition, some labs have been modified to be more open-ended. In addition, each of the rubrics have been refined based on their initial use with student work.	
21. Middle School Education	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, Teacher Work Sample Rubric, and Candidate Assessment of Performance for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.	The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.	The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review.	2013

<p>22. Nursing</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Student performance on the Nursing licensure examination is monitored regularly. This includes a detailed NCLEX performance report. In addition, students are required to take the Health Education Systems Information Exams (HESI) at the sophomore, junior and senior level to insure that students are meeting the outcomes of the department. Finally, students complete surveys in TK20 to self report their achievements in terms of the program's terminal outcomes, grade level outcomes and specific course outcomes. They also conduct clinical evaluations during sophomore and junior year and students complete a senior portfolio in which they document how they have met the terminal outcomes. The department also administers alumni and employer surveys.</p>	<p>The Nursing Program Evaluation Committee consisting of faculty uses the Program Evaluation Map to manage the review of student learning outcomes. The Program Evaluation Map identifies the faculty members responsible for developing reports on each component of the assessment system on a schedule determined by the program evaluation map. Individual faculty or department of nursing committees generate continuous quality improvement reports in accordance with the Program Evaluation Map requirements and these reports are reviewed by all the faculty of the program at the annual program evaluation workshop.</p>	<p>In the past, Nursing surveys in TK20 revealed that students reported poor understanding of ethics. In response, the curriculum committee implemented an ethics book requirement and a required course in philosophy of human nature or contemporary ethical problems. They have begun to map ethics content in nursing courses along with analyzing further data from student surveys. The program underwent further curriculum mapping because they had revised their terminal outcomes to conform with the new Commission on Collegiate Nursing Education Essentials of Baccalaureate Education for Professional Nursing Practice. They have since revised many of their courses to address these terminal outcomes and engaged in an ongoing process of</p>	<p>2015</p>
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				<p>course review and revision using assessment data. For example, they conducted a data analysis and made modifications based on evidence from their Preceptor and Learning Experience Evaluation forms. The UG Curriculum Committee has also discussed and formulated plans to address other outcomes not meeting the established benchmarks.</p>	
<p>23. Occupational/Vocational Education</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Currently the program only uses employer focus groups to evaluate the skills of students after they leave the program. They are discussing implementing a portfolio-based assessment into the practicum as well.</p>	<p>The Massachusetts Association of Vocational Administrators meets quarterly with the program chair to review learning goals and outcomes. In addition the Department of Elementary and Secondary Education Teacher Licensure for Career and Tech Education committee meets approximately 2 times each year to review with the program chair, the quality of the program.</p>	<p>They have removed the computerized curriculum management course and substituted OSHA training course or Math for the Vocational Learner based on evidence from employers, that students needed to better prepared in these areas. The Massachusetts Association of Vocational Administrators representing employers in the field stressed the value of having teachers be licensed</p>	<p>In progress</p>

				with OSHA cards. In addition, the Department of Education recognized the need to improve math performance of vocational students on standardized tests. The Math for Vocational Educators course was developed to show how they can integrate math into their technical curriculum.	
24. Political Science	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Students complete a reflective portfolio as part of the senior seminar course that describes how their work satisfies the outcomes. The artifacts in the portfolio are assessed by all of the faculty who teach Political Science. They have recently revised the rubrics to better collect data on their learning outcomes.	All of the political scientists meet in the spring semester to analyze the data. Following the completion of the senior seminar course, the Political Scientists each individually review the portfolios and score each student's portfolio according to the established rubrics. They then meet several times to discuss what has been learned from the process and to plan to address issues that arise.	In response to poor student knowledge about comparative political institutions and processes, they will be requiring Introduction to Comparative Politics. They have also implemented a required internship so students have opportunities for applying political science to the real world.	2013
25. Psychological Science	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	They implemented the ETS field test in Psychology as an assessment of student learning outcomes prior to their program review. The ETS was administered in the History and Systems	The program has formed an assessment committee responsible for assessing the new curriculum.	Because the portfolio analysis was not providing the data they needed, they made the switch to the ETS major field test in Psychology	2014

		<p>course. As an additional component of their program review they completed curriculum mapping of the APA guidelines and their own related learning outcomes. The 2014 self-study led to major curricular changes in their program. These are just now being implemented along with appropriate assessment strategies. They are moving in the direction of requiring embedded assessment of student learning in the new required courses.</p>		<p>along with a rubric assessment of student research projects. They have developed a new curriculum of content courses that follow APA guidelines. This was in response to their curriculum analysis which revealed the need to strengthen the scientific focus and training in their coursework, and help students better understand the relevance of scientific inquiry to all courses. As part of this revision, they created a 1 credit research lab that goes along with the foundation courses, to strengthen the link between content in class and scientific process. They also eliminated the course Experimental Psychology. Evidence from papers in Experimental Psychology had found weaknesses in the APA standards of Scientific Inquiry and Critical</p>	
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				Thinking. This was further supported by student surveys and ETS data. The goal of their curricular revision is to insure these skills of Scientific Inquiry and Critical Thinking are integrated throughout the curriculum and no longer isolated to a single Experimental Psychology course.	
26. Sociology	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Conduct course embedded assessments of student learning outcomes using student work from some courses and overall student grades from others. In addition, they use graduating student surveys and alumni surveys to evaluate student learning outcomes.	The Sociology curriculum committee meets once or twice a month and reviews assessment data.	They continue to develop the assessment system and have suggested the need to strengthen their assessment in conjunction with a new capstone course for Sociology majors. Furthermore, particular concerns about student quantitative skills have led them to propose a new quantitative skills course requirement for Sociology majors.	2015
27. Special Education	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission	The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October,	The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST	2013

		<p>to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, Teacher Work Sample Rubric, and Candidate Assessment of Performance for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.</p>	<p>the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.</p>	<p>indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review. In addition, concerns about student ability to write measurable learning objectives led to a plan to model the creation of lesson objectives using ABCD structure.</p>	
<p>28. Technology Education</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, Teacher Work Sample Rubric, and Candidate Assessment of</p>	<p>The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.</p>	<p>The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1,</p>	<p>In progress</p>

		<p>Performance for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.</p>		<p>2016. Nearly all education course descriptions were revised culminating this year-long review. In addition, based on MTEL exam data, the program has begun the process of changing the curriculum by proposing to remove the required design course, and in its place require an upper level class on mechanical and plumbing systems to improve their preparation for the MTEL exams.</p>	
<p>29. MA Biology</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>MA Biology student’s understanding of Biological inquiry and specific research methodologies are assessed through a research proposal developed in Seminar in Biology and a final research paper prepared in the course Research in Biology. Furthermore their understandings of the intersection between Biology, society and social issues are evaluated through an oral presentation in the course Bioethics.</p>	<p>Individual faculty for the courses Seminar in Biology, Research in Biology, and Bioethics evaluate student work products. These same faculty members are standing members of the Graduate Curriculum Committee that evaluates the findings and makes curricular recommendations.</p>	<p>The MA Biology program has experienced very low enrollment and the Graduate Curriculum Committee has been reluctant to modify the curriculum based on such a small sample size of students. However, limitations in student research presentations suggest the need to provide more explicit instruction in research design and quantitative analysis.</p>	<p>2013</p>

<p>30. MA English Studies</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Currently they assess graduate students at three key points during the course of their study. Students are assessed at the 15-hour stage, whereby students are required to commit to either the MA or MAT. For the majority of those students pursuing the MA degree, they either complete the program by fulfilling 33 required credit hours and an exit exam or by completing 27 credit hours and writing a master's thesis for an additional six credits. While the thesis provides a valuable tool for assessing student learning, it does not provide data on all students because not all of the students complete the thesis. Therefore, data on the non-thesis track students is captured using the exit exam.</p>	<p>Results of the thesis are reviewed by 3-member thesis committees. Two faculty members are also assigned to design and administer the exit exam. Results are reported back to and evaluated by the Graduate Program Chair and Graduate Curriculum Committee.</p>	<p>In the past, students who did not complete the thesis, were only assessed through an alumni survey. Low response rates for the alumni survey and the limitations of this form of indirect evidence led the program to implement the exit examination. Going forward, this will be used alongside thesis evaluations to inform any necessary curricular changes based on assessed student learning.</p>	<p>2012</p>
<p>31. MA History</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>MA students must either produce a thesis or pass an oral comprehensive exam.</p> <p>MA students completing the thesis track are required to produce a thesis at the end of their studies, through which they demonstrate their advanced knowledge of history, the ability to analyze and interpret historical evidence, as well as their command of</p>	<p>The thesis committee for each student is responsible for assessing the thesis and oral defense.</p> <p>The oral exam committee for each student is responsible for assessing the oral exam.</p> <p>The Graduate Curriculum</p>	<p>The Graduate programs in History have been experiencing declining enrollments. As a result, the department closed the MAT History program, which served as a companion program to the MA History for the purposes of learning outcomes assessment. While</p>	<p>2012</p>

		<p>process of writing history at a high level. Their knowledge, intellectual ability, and verbal facility are further tested at an oral defense of their thesis.</p> <p>MA students completing the non-thesis track are required to pass a comprehensive exit oral exam, through which they demonstrate their advanced knowledge in three different historical areas acquired through coursework.</p>	<p>Committee discusses any issues related to student performance on these assessments and makes recommendations for curricular change</p>	<p>the MA History remains open the department is holding off on making any curricular changes based on a small sample size of students completing the internship and oral examination.</p>	
32. MAT English	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Students majoring in the MAT Program are required to engage in pedagogical research projects as part of the fulfillment of the degree requirement. This action research project is evaluated to assess whether candidates meet the programs learning outcomes. In addition, as in all programs in the Education Unit, students complete exit surveys, and surveys are conducted of alumni and local school personnel.</p>	<p>Assessment data are evaluated by the graduate program chair and in any necessary program changes are developed in consultation with the graduate curriculum committee.</p>	<p>In an effort to more effectively evaluate student learning outcomes, the MAT English program removed the Internship option from the program. All students now demonstrate their pedagogical knowledge, skills and dispositions through the action research project.</p>	2012
33. MBA Accounting 34. MBA Human Resources Management 35. MBA Management	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>The Business Administration program collects data at the program level using two direct (case study and business simulation project) and two in-direct measures for the graduate program (internship survey and exit survey).</p>	<p>The Business Administration Department annually collects, documents, analyzes, and implements courses of action for improving learning outcomes for which</p>	<p>Based on the data collected through the program review process they updated courses in advertising to better meet student needs in the marketing concentration. They also added new</p>	2014

		They also collect specialization-specific data.	performance targets were not met.	elements of ethical and international perspectives into departmental courses, and considered making the internship mandatory. Their ongoing assessment of their curriculum at the graduate level has revealed weaknesses on individual learning outcomes in individual years such as 2013-14 and 2015-15. However, given the small sample size of students going through the program in a given year, they have delayed making changes until more data was gathered. For the most recent 2015-16 assessment all learning outcomes met their planned benchmarks, so no additional program changes have been recommended at this point.	
36. MS Applied Communication	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	All students complete the capstone requirement through either a thesis or practicum. In either case there is an assessment of how well the students were able to integrate the concepts into either	The graduate program chair and graduate curriculum committee share responsibility for developing this plan and reviewing results.	Based on evidence from the capstone internships and thesis projects, the MS in Applied Communication is in the process of removing their specialization	2014

		<p>original research or professional work.</p>		<p>concentrations, such as the Health Communication concentration. This is part of a program-wide effort to insure that throughout the curriculum, students better learn to integrate the practical and the theoretical aspects of communication. Rather than choosing individual Communication applications in which to focus, in each course students are expected to learn the application of the theory to a professional setting that is most appropriate for their professional goals.</p>	
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<p>37. MS in Computer Science</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>The Master of Science in Computer Science program is reviewed in conjunction with the undergraduate program through the Industry Advisory Board and the Graduate Curriculum Committee to identify learning outcomes. They are currently working with the Director of Assessment to finalize an outcomes assessment plan.</p>	<p>The graduate program chair and graduate curriculum committee share responsibility for developing the plan and reviewing results.</p>	<p>The program review conducted as part of the Computer Science and Computer Information Systems ABET accreditation, suggested that faculty teaching both graduate and undergraduate courses, might have their teaching performance negatively impacted by an excessive teaching load. As a result the program has restricted each faculty member to teaching 1 graduate course per semester.</p>	<p>2014</p>
<p>38. MS Counseling – Mental Health Counseling</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>The Master of Science in Counseling program has developed a learning outcomes assessment plan that utilizes Internship evaluations to gather data on whether students are meeting the program learning outcomes which include Candidate Disposition assessments from internship supervisors and instructors, the Counselor Work Sample rubric, and the Pre-service Performance Assessment.</p>	<p>The Graduate Counseling Committee meets throughout the year to review the prior year’s assessment data and make recommendations. The graduate program chair and graduate curriculum committee share responsibility for developing the plan and reviewing results.</p>	<p>Past assessment results indicated that the area of DSM IV diagnosis was scored progressively lower each year it was assessed over the past 5 years, although with no student scoring below a 4, which indicates a competent, above average rating. Since the switch to the DSM-5 occurred in 2013, and there was considerable controversy and uncertainty about</p>	<p>2014</p>

				the changes, it is possible that some of this rating could be due to field-specific issues. This item will be monitored in the future and this information was shared with faculty to ensure to emphasize this content in the future.	
39. MS Counseling – School Counseling	) <a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest. In addition, in the Practicum, candidates are evaluated using Candidate Disposition Forms, Counselor Work Sample Rubric, and Pre-service Performance Assessment for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.	The Graduate Counseling Committee meets throughout the year to review the prior year’s assessment data and make recommendations. The Program Quality and Impact Committee reviews the prior year’s assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.	Reviews of past assessment results suggested some concerns about student competence and familiarity using assessment testing results and understanding childhood disorders. As a result, starting in 2016, all school counseling students are required to take a course in psychopathology. In addition, faculty are committed to the integration of more assessment content into existing coursework.	2014
40. MS Nursing – Forensic Nursing	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Students complete surveys in TK20 to self report their achievements in terms of the program’s	The graduate program chair and graduate curriculum committee share	The Forensic Nursing program recently underwent curriculum revision	2015

		terminal outcomes, grade level outcomes and specific course outcomes in each of the courses within this program. In addition, the program conducts comprehensive curricular mapping to insure the terminal outcomes are met by the courses in the curriculum.	responsibility for developing the plan and reviewing results.	to better align with the curricular standards. As part of this revision the terminal outcomes were mapped to each course, and the program has begun reviewing student survey data on an annual basis to evaluate the extent to which each course is meeting these terminal outcomes.	
41. MEd Arts Education	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	Program learning outcomes are evaluated through a project that assesses impact of an intervention on student learning conducted as part of the culminating capstone course: implementation of best practices.	The graduate program chair and graduate curriculum committee share responsibility for developing the plan and reviewing results.	In the past, the only capstone for this program was an individually designed project in the course Arts Presentation. While students must still complete this course, the program has now added the capstone: implementation of best practices to better assess students ability to evaluate their impact of their teaching interventions in the arts on student learning in the classroom.	2015

<p>42. Med Curriculum and Teaching</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Student outcomes are assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.</p>	<p>The graduate program chair and graduate curriculum committee share responsibility for developing the plan and reviewing results.</p>	<p>The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review.</p>	<p>2013</p>
<p>43. Med Early Childhood Education</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the</p>	<p>The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review,</p>	<p>The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level.</p>	<p>2013</p>

		<p>Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, and Candidate Assessment of Performance for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.</p>	<p>interpret, and determine action steps. Annual spring retreats include a status review of action steps.</p>	<p>The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review. In addition, poor ratings for Math and Science within the program spurred considerations of how to develop improved, revised coursework related to Science and Math.</p>	
<p>44. Med Educational Leadership and Management 45. MEd Educational Leadership and Management: School Principal 46. MEd Educational Leadership and Management: Supervisor/Director</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission. In addition, all candidates are evaluated on a series of PAL tasks. Student outcomes are also assessed on the Preservice Performance Assessment, 500 hours of practicum experiences, through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued</p>	<p>The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.</p>	<p>The EDLM programs were all revised to meet new standards and incorporate the PAL tasks. Student dissatisfaction with their preparation in a variety of learning outcomes as represented on student surveys likely resulted from confusion about the program changes and led to a plan to utilize the orientation program to communicate about the revisions to the program, the Stage Reviews to provide clarity about their</p>	<p>2014</p>

		alignment with both National and State teaching standards.		programs of study, and to develop a program handbook that would better clarify how the new program was meeting these outcomes.	
47. MEd Elementary Education	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, and Candidate Assessment of Performance for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.	The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.	The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review. In addition concerns about teacher candidates ability to plan effective vocabulary instruction led to a plan to model research based vocabulary instruction	2013

				throughout the Sheltered English Immersion course.	
48. MEd Middle School Education	<a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a>	All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, and Candidate Assessment of Performance for the work completed during the Practicum. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their curriculum for continued alignment with both National and State teaching standards.	The Program Quality and Impact Committee reviews the prior year's assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.	The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review. The Middle School Education program in particular was substantially revised to address new standards. In addition, concerns about how to improve teaching in terms of vocabulary led to a plan to model different ways of introducing vocabulary in the graduate program of study.	2013

<p>49. MEd Occupational Education</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Currently the program only uses employer focus groups to evaluate the skills of students after they leave the program. They are discussing implementing a portfolio-based assessment into the seminar as well.</p>	<p>The Massachusetts Association of Vocational Administrators meets quarterly with the program chair to review learning goals and outcomes. In addition the Department of Elementary and Secondary Education Teacher Licensure for Career and Tech Education committee meets approximately 2 times each year to review with the program chair, the quality of the program.</p>	<p>They have found that students exhibit weaknesses in research and statistical analysis within the program. As a result, they have recommended all students take Research and Statistics in Occupational Education early in the program and also allow students to take the course Seminar: Research in Educational Leadership as an alternative way to strengthen their skills.</p>	<p>In progress</p>
<p>50. MEd Science Education</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>Students are evaluated through Lesson Plan Rubrics for work completed in Methods in Teaching Science and through an Action Research Project. Student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly reviewed their curriculum for continued alignment with both National and State teaching standards.</p>	<p>The graduate program chair and graduate curriculum committee share responsibility for developing the plan and reviewing results.</p>	<p>The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were</p>	<p>2013</p>

				revised culminating this year-long review.	
<p>51. MEd Special Education: Guided Studies – Dyslexia Specialist                      52. MEd Special Education: Guided Studies – Individualized Concentration                      53. MEd Special Education: Guided Studies – Professional Concentration                      54. MEd Special Education: Moderate Disabilities                      55. MEd Special Education: Reading Specialist                      56. MEd Special Education: Severe Disabilities</p>	<p><a href="http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/">http://www.fitchburgstate.edu/offices-services-directory/institutional-research-and-planning/office-of-assessment/documents/</a></p>	<p>These Special Education degrees include initial licensure, professional licensure and non-licensure programs. For the initial licensure programs All candidates must receive passing scores on the Massachusetts Test of Educator Licensure Communication and Literacy Subtest as well as any additional test(s) for the license they are seeking prior to admission to the teaching Practicum. In addition, in the Practicum, candidates are evaluated using the Practicum Observation Report Forms, Lesson Plan Rubrics, Candidate Disposition Forms, Teacher Work Sample Rubric, and Candidate Assessment of Performance for the work completed during the Practicum. For initial licensure programs, professional licensure programs and non-licensure programs, student outcomes are also assessed through graduating student surveys, alumni surveys and constituent surveys. In addition, like each education program, they regularly review their</p>	<p>The Program Quality and Impact Committee reviews the prior year’s assessment data prior to presentation to program chairs, coordinators, and faculty. In October, the faculty is presented their prior assessment data with historical trends. The faculty review, interpret, and determine action steps. Annual spring retreats include a status review of action steps.</p>	<p>The ESE released new Professional Standards for Teachers that required all programs to determine where in their courses specific PST indicators were covered, either at the Introductory, Practice, or Demonstrate level. The ESE requires that this alignment be specific and implemented in the course description by September 1, 2016. Nearly all education course descriptions were revised culminating this year-long review. In addition for the Moderate Disabilities program in particular, concerns from lesson plans about how to motivate students led to a plan to model creation of a lesson plan with the focus on providing a source of motivation at least 2x during the semester, and to disseminate</p>	<p>2013</p>

		<p>curriculum for continued alignment with both National and State teaching standards.</p>		<p>findings regarding importance of building in source of motivation to all graduate faculty members teaching lesson plans in the severe graduate program.</p>	
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Institutions selecting E1a should also include E1b.

**Note:** Please see the Statement on Student Achievement and Success Data Forms (available on the CIHE website: <https://cihe.neasc.org>) for more information about completing these forms.

### OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.).*	(6) Date and nature of next scheduled review.
Computing Accreditation Commission, ABET, Inc. Computer Science Program	8/25/16	Minimal coverage of professional, ethical, legal, security and social issues was identified in the interim report, and satisfactorily addressed through a one-credit course, ethical issues in computer science. Faculty load -Issues all resolved	Documentation of program mission, goals, outcomes, policies, curriculum, etc. Fiscal, physical, and academic resources Administrative and Faculty qualifications and teaching load Student learning outcomes and aligned courses and teaching practices	Full Review 2020
Computing Accreditation Commission, ABET, Inc. Computer Information Systems Program	8/25/16	Minimal coverage of professional, ethical, legal, security and social issues was identified in the interim report, and satisfactorily addressed through a one-credit course, ethical issues in computer science. Faculty load Faculty expertise -Issues all resolved	Documentation of program mission, goals, outcomes, policies, curriculum, etc. Fiscal, physical, and academic resources	Full Review 2020

			Administrative and Faculty qualifications and teaching load Student learning outcomes and aligned courses and teaching practices	
Commission on Collegiate Nursing Education	11/27/15	<p>Documents and publications are accurate. A process is used to notify constituents about changes in documents and publications. (Masters only)</p> <p>Preceptors, when used by the program as an extension of faculty, are academically and experientially qualified for their role in assisting in the achievement of the mission, goals, and expected student outcomes. (Masters only)</p> <p>Curricula are developed, implemented, and revised to reflect relevant professional nursing standards and guidelines, which are clearly evident within the curriculum and within the expected student outcomes (individual and aggregate). (Masters only)</p> <p>Curriculum and teaching-learning practices are evaluated at regularly scheduled intervals to foster ongoing improvement.</p> <p>Program completion rates demonstrate program effectiveness.</p> <p>Licensure and Certification passing rates</p> <p>Employment rates demonstrate program effectiveness. (Masters only)</p> <p>Program outcomes demonstrate program effectiveness. (Masters only)</p> <p>Faculty outcomes, individually and in the aggregate, demonstrate program effectiveness.</p>	<p>Documentation of program mission, goals, outcomes, policies, curriculum, etc.</p> <p>Fiscal, physical, and academic resources</p> <p>Administrative and Faculty qualifications</p> <p>Student learning outcomes and aligned courses and teaching practices</p> <p>Documentation of evaluation of courses and faculty</p> <p>Program Completion rates</p> <p>Licensure passing rates</p> <p>Alumni employment rates</p>	Full Review 2026

		Data analysis is used to foster ongoing program improvement.		
The Council for Standards in Human Service Education	June 2016	Minor and only recommendation: Clarify Learning Objectives in Management of Case Process.	Documentation of program mission, goals, outcomes, policies, curriculum, etc. Fiscal, physical, and academic resources Administrative and Faculty qualifications Student learning outcomes and aligned courses and teaching practices. Explicit philosophical statement and clearly defined knowledge base. Community assessment processes Graduation rates Average Academic Achievement Admissions standards	Spring 2021
International Assembly for Collegiate Business Education	July 2014	None	Documentation of program mission, goals, outcomes,	July 2019

			<p>policies, curriculum, etc.                  Fiscal, physical, and academic resources                  Administrative and Faculty qualifications                  Student learning outcomes and aligned courses and teaching practices                  The website path to public notification of accreditation by the IACBE                  The website path to public disclosure of student learning assessment results</p>	
<p>The National Council for Accreditation of Council for the Accreditation of Educator Preparation CAEP/NCATE</p> <p>Department of Elementary and Secondary Education (DESE)</p>	<p>November 2013</p>	<p>CAEP/NCATE</p> <ol style="list-style-type: none"> <li>1. Candidates have limited opportunities to work with diverse faculty.</li> <li>2. Candidates have limited opportunities to work with diverse peers.</li> <li>3. The unit does not systematically ensure that all initial and advanced candidates have field experiences and clinical practice with P-12 students from different socioeconomic groups, diverse ethnic/racial groups, English language learners, and students with disabilities.</li> </ol> <p>DESE</p>	<p><u>CAEP Standards:</u>                  Standard 1:                  Content and Pedagogical Knowledge – key indicators include MTEL pass rates and student learning outcomes data</p> <p>Standard 2:                  Clinical Partnerships and</p>	<p>Full Review Spring 2021</p>

		<p>Ensure programmatic requirements are accurate. Candidates completing two licensure programs (marketed as dual licensure programs), e.g. School Guidance Counselor (Levels: PreK-8 and 5-12), must complete the programmatic requirements for both licensure programs. This includes the practicum hours, e.g. candidates must complete two 450 hour practica (900 hours total).</p>	<p>Practice – key indicators include constituent survey results</p> <p>Standard 3: Candidate Quality, Recruitment, and Selectivity- key indicators include candidate diversity</p> <p>Standard 4: Program Impact – key indicators include Teacher Work Sample</p> <p>Standard 5: Provider Quality Assurance and Continuous Improvement – key indicators include documentation of use of student learning outcomes data.</p> <p><u>ESE Program Approval Domain Criteria:</u></p> <ol style="list-style-type: none"> <li>1. The Organization</li> <li>2. Partnerships</li> </ol>	
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			3. Continuous Improvement 4. The Candidate 5. Field Based Experiences 6. Instruction	

\*Record results of key performance indicators in form S3.

Institutions selecting E1b should also include E1a.