

Northern Essex Community College
Board of Trustees Audit and Finance Sub-Committee Minutes
Wednesday, December 1, 2021

Attendees: Trustees Jennifer Borislow, Jeffrey Linehan, Sally O’Rorke, Anita Worden, President Lane Glenn, Michael McCarthy, Anthony DeGregorio, and Linda Buckley, Note-taker

Not Present: William Cox

Chairwoman Jennifer Borislow called the meeting to order at 4:02 pm and the minutes of the November 6 meeting were approved with a motion presented by Trustee Linehan and seconded by Trustee O’Rorke. All were in favor, none opposed.

Updates:

FY2021 Audited Financial Statements (AFC-22-03): The Audit & Finance Sub-Committee accepted the FY2021 audited financial statements and related material and recommended presenting it to the Board of Trustees of Northern Essex Community College for acceptance.

Steve Cohen and Benjamin DeForest of O’Connor and Drew P.C. have conducted the annual audit in accordance with the auditing standards applicable to financial audits contained in *Government Auditing Standards* and have provided the financial statements and management’s Discussion and Analysis. The auditors commended the work and contributions of Michael McCarthy, CFO/COO, Anthony DeGregorio, Director of Fiscal Services/Comptroller, Jeff DiPrima, Assistant Comptroller, and Despina Lambropoulos, Financial Aid Director.

On a Motion presented by Trustee O’Rorke and seconded by Trustee Linehan, the Board unanimously approved the FY2021 Audited Financial Statements, AFC-22-03, as presented.

In the Approved FY2022 Supplemental Budget, QT 1, the Key Assumptions noted by Vice President Michael McCarthy were as follows:

- Tuition & Fees revenue includes the BOT’s approved fee increases; a \$3 per credit fee for College Regular and Allied Health, and a \$5 per credit fee for Early College; which is projected to result in \$257, 450 of additional revenue for the fiscal year
- Based on YTD Enrollment, there was a credit increase of 1,510; related YE projected revenue remains at \$20.3m
- SFA used a discount rate of 42%, consistent with prior years

- Grants & other revenues decreased by \$1.2m; the CARES/HEERF II Student funds were reclassified to Federal CARES/HEERF Revenue
- Salaries & Benefits projections were updated ~\$1.6m for all current YTD approved changes and the FY21 2.5%, & FY22 2.0% NUPS retroactive increases and the FY22 one-time 1.5% bonuses; projected positive variance of \$1.04m driven primarily by current open and posted positions -- 22
- Supplemental YTD approvals to date: salaries & benefits of \$672k and other operating expenses of \$132k; new program revenues increased by \$242k; senior management will continue to review individual requests and prioritize as a leadership team
- Other Operating Expenses decreased by \$420k, primarily driven by the projected decrease in travel and conference fees
- CARES/HEERF II Funding Components: SFA plans to spend \$1.2m: Institutional YTD – committed to spend \$1.4m: Recognized Lost Revenue & Indirect Cost Reimbursement early projection totals \$1.1m. We will seek approval for a no cost expiration extension for CARES/HEERF III to May 2023
- FY22 State Appropriations Funding remains the same for a total of \$30.8m
- FY22 Capital Appropriations Funding Schedule remains at \$1.9m
- **Results in a revised projected FY2022 yearend gain in Net Position of \$2.02m**

With no further business, the meeting was adjourned at 4:45 pm.

Respectfully Submitted by Linda Buckley.

December 15, 2021