



**Northern Essex Community College**  
**Board of Trustees Audit and Finance Sub-Committee Minutes**  
**Wednesday, October 5, 2022**

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

The meeting was called to order at 4:02 pm by Chairwoman Jennifer Borislow.

The minutes of the May 4, 2022 meeting were approved with a motion presented by Trustee Linehan and seconded by Trustee Cox.

The Audit and Finance Sub-committee recommended that the Board of Trustees approve the FY2023 Supplemental Operating Budget of \$70,513,379, with a motion presented by Trustee Linehan and seconded by Trustee Cox.

This revised Operating Budget of \$70,513,379 is based upon the college fee rate increases of Regular and Allied Health courses, along with the final state support of \$31,361,560; Net Tuition & Fees down \$861k; Grants & Other Revenues increased by \$2.05m; Salaries & Benefits reflect all current approved positions and the net impact of all the various units’ salaries increases, including reduced expenses of \$709k, primarily driven by reduced instruction costs; other Operating Expenses increased by \$3.2m, primarily driven by the increase in CARES/HEERF Institutional spend and the increase in grant operating expenditures. These factors resulted in a projected FY23 yearend gain in Net Position of \$200,423.

Michael McCarthy, Chief Financial and Operations Officer, noted the following:

- Tuition & fees revenue includes the BOT's approved fee increase; a \$3.00 per credit fee for College Regular and Allied Health which resulted in \$155,000 of additional revenue. Yearend actual total credits were 5,443 under forecast; resulting in a decrease in revenue of \$643,797.
- Enrollment Credits: final actual credits after all adjustments for withdrawals, etc., totaled 52,047 versus a plan of 57,490 for a decrease of 5,443 or 9.47%.
- SFA using a discount rate of 42%--consistent with prior years --Grants & Other Revenues yearend totalled \$18.6m versus our forecast of \$19.4m.

- Salaries & Benefits are actual expenses incurred-waiting for final benefits calculations for the State Comptroller's Office.
- Other Operating Expenses actuals represent an increase of \$1.15m, primarily driven by the increase in CARES/HEERF Institutional spend for FY22.
- CARES/HEERF Funding Components: Federal Cares Revenue is greater than forecast by \$2.9m; increase driven by Recognized Loss Revenue & Indirect of \$1.9m and \$1.0m of additional spending.
- FY22 State Appropriations Funding totaled \$30.8 million.
- FY22 Capital Appropriations Funding Schedule projected at \$1.9m; waiting for final recognized amount from the state.
- Results in a projected FY2022 yearend gain in Net Position of \$2.2m, before final yearend audit adjustments.

With no further issues, the meeting was adjourned at 4:44 pm.

Respectfully submitted by Linda Buckley.

October 12, 2022