



**Northern Essex Community College
Board of Trustees Audit and Finance Sub-Committee Minutes
Wednesday, December 7, 2022**

Attendees: Trustees Jennifer Borislow, Jouel Gomez, Sally O’Rorke, and Evan Silverio, President Lane Glenn, Michael McCarthy, Anthony DeGregorio, and Linda Buckley, Note-taker

Not Present: Lloyd Hamm

Guests: Steve Cohen and Benjamin DeForest of O’Connor and Drew P.C.

Chairwoman Jennifer Borislow called the meeting to order at 4:02 pm. It was noted that the minutes of the October 5, 2022 meeting will be approved at the next meeting.

Updates:

FY2022 Audited Financial Statements (AFC-23-02): 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 Gomez, the Board accepted the NECC FY2022 Audited Financial Statements (AFC-23-02) as presented with three (3) trustee’s approval and one (1) abstention.

In the Approved FY2023 Supplemental Budget, QT 1, the Key Assumptions noted by Vice President Michael McCarthy were as follows:

- Tuition revenue increase of \$154k for QT. 1; projection increase based on the current projected increase for net college credits of 561 for the FY and after the consideration of a projected credit melt factor for the year

- SFA using a discount rate of 42%--consistent with non-CARES/HEERF funding prior years
- Grants & Other Revenues QT. 1 projection remains the same as the Approved Supplemental Budget total
- Salaries & Benefits projections were updated; resulting in a slight net decrease in expenses of \$497k
- Other Operating Expenses decreased by \$450k, driven by the projected decrease in recognized CARES/HEERF funds for FY23; results in Recognized Lost Revenue decreasing by the same amount
- FY23 State Appropriations Funding remains the same for a total of \$31.4m
- FY23 Capital Appropriations Funding Schedule remains at \$2.2m
- **Results in a revised projected FY2023 yearend gain in Net Position of \$842k**

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

Respectfully Submitted by Linda Buckley.

December 15, 2022