



**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
September 15, 2020
Murdock Hall Room 208
Audio/Video Conference**

Members in attendance

Karen Kowalczyk, Chair
John Barrett
Denise Marshall
Mohan Boodram, Board Chair

Others in attendance

Dr. James Birge, President
Curt Cellana, Director Fiscal Affairs
Lisa Lescarbeau, Clerk

Upon establishing a quorum of the Fiscal Affairs Committee present, Trustee Kowalczyk called the meeting to order at 8:32 a.m.

FY20 Reporting

Mr. Cellana provided an overview of the FY20 fiscal reporting. Net revenue was -\$722k against a budget of \$8k. The revenue deficit was the results of refunds given to students as the college pivoted to a remote learning environment.

Mr. Cellana provided explanations clarifying the revenue and expenses lines. With regard to IT expenses, he stated that this includes capital expenses. The expense line special employee comp - CC consists of part-time and student workers, and adjunct faculty. Miscellaneous revenue includes revenue from Aramark.

Mr. Cellana provided an overview of the \$3mm funding received from Aramark for renovations made to the Centennial Room and explained the accounting process used to record this revenue. This revenue is reported on an accrual basis in the College's audited financial reporting.

FY21 Budget

Mr. Cellana reviewed the two-months actual financial report provided to Trustees. The College is operating on budget at this time. There has been a slight increase in enrollment as compared to budget, an increase in payer mix, and an increase of out of state students, which are largely negated by the loss of residential students. At the time the FY21 budget was developed, the meal plans were in flux. At this point in time, the Aramark contract has been resolved and revenue and expenses here will offset.

Campus Center Renovation Project

Mr. Cellana reviewed the financials relative to the campus center renovation project noting that the project had been completed under budget by \$1.2mm. Of this amount, \$1mm is the MSCBA bond that had been approved by the Board of Trustees in April 2019. At this time, MSCBA has not gone to market for this bond, and President Birge led a discussion of whether or not this long-term debt should be accrued as it is no longer needed as originally proposed. Following a discussion of the pros including the current low rate environment, and the cons including the impact of additional debt on the college's financial health, it was agreed that the bond would be placed on hold until the MSCBA notifies MCLA that it will go to market for the offering. At that point, a final decision will be made either at a subsequent Board of Trustees meeting or a meeting of the Executive Committee of the Board.

Small Repairs Capital Project

MCLA was awarded \$975k to be used for small repair capital projects that can be completed by June 30, 2021, one of which is the Freel Library roof. These funds were supplemental to FY20.

Audits

There are currently two audits being conducted. The State audit is a follow-up to the one conducted three years ago. The only areas being reviewed are fixed assets, procurement cards, and internal controls related to both. While this audit is taking longer than expected, no issues or concerns have arisen as of this date.

O'Connor and Drew are nearing the completion of the annual internal audit. There have been no concerns expressed to-date, and the MD&A will be finalized once notified by O'Connor and Drew of their completion.

Other Business

Trustees and staff discussed the College's financial reporting statements, and the accrual/cash accounting process. Trustee Kowalczyk requested a chart of accounts for revenue and expenses (codes AA, BB, CC etc.) to help develop a better understanding of the College's financial operations. Mr. Cellana will meet with Trustee Kowalczyk at a future date to discuss reports she would like to see presented at Fiscal Affairs Committee meetings.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 9:40 a.m.