



## **BOARD OF TRUSTEES MEETING**

October 13, 2022

Murdock Hall, Room 208

375 Church St, North Adams, MA

### **The following Trustees were present:**

John Barrett III\*

Mohan Boodram

Brenda Burdick

Jean Clarke-Mitchell\*

Taylor Hope

Frederick Keator

Karen Kowalczyk

Denise Marshall

Robert Reilly\*

Franklyn Reynolds\*

Kathleen Therrien

### **MCLA Staff in attendance:**

Lisa Lescarbeau, Clerk

Gina Puc, VP, Strategic Initiatives and Enrollment Management

Richard Glejzer, VP, Academic Affairs

Patrick Connelly, Dean for Title IX, Equal Opportunity, and Student Wellness

Jerome Socoloff, Co-Chair of NECHE Standard 3 Committee

David DiIulis, O'Connor & Drew, P. C.

\*Denotes remote participation

As allowed by executive order of the Governor of Massachusetts, in compliance with the provisions of Massachusetts General Laws, Chapter 30 and 15A, Section 9, and with a quorum present in-person and via audio/video-conference, the Board of Trustees of Massachusetts College of Liberal Arts met on October 13, 2022 with Board Chair Burdick presiding.

Chair Burdick called the meeting to order at 5:02 p.m. and introduced new trustee, Jean Clarke-Mitchell. Gavels were presented to past Chairs Denise Marshall and Mohan Boodram in recognition for their service to the Board of Trustees.

President Birge presented Trustee Boodram a Bow-Tie pin in honor of his service as Chair of the Board of Trustees during the past two years.

Chair Burdick reviewed the use of a consent agenda. Upon motion duly made and seconded, with no further discussion and upon roll call vote, it was unanimously:

**VOTED:** to adopt the use of a consent agenda at this and all future meetings of MCLA's Board of Trustees.

Chair Burdick reviewed the items in the consent agenda as presented, and asked if there were items in the meeting materials that members wish to be removed and discussed individually. Hearing none, Chair Burdick then asked for corrections to the minutes as provided from the prior meetings listed on the agenda as item 2a, and other reports listed as item 2b. Hearing no corrections, upon motion duly made and seconded, following a roll-call vote, it was unanimously:

**VOTED:** to approve the consent agenda as presented.

Chair Burdick next re-introduced Trustee Taylor Hope extended thanks to her for accepting the role of Student Trustee.

### **Committee Action Items**

Chair Burdick presented the sole item, report of the external auditor, requiring action by the Board of Trustees, as heard by the Fiscal Affairs Committee at their meeting of October 12, 2022

Mr. DiIulis of O'Connor & Drew provided the Trustees with a report on the FY 2022 audit. He reviewed a prepared document on required communications outlining the auditors' responsibilities as well as accounting policies and the various steps taken during the audit.

The resulting unmodified opinion on the College's financial statements shows that there are no Material Weaknesses or Significant Deficiencies identified within the report. There were no findings in either the accounting practices or internal control procedures.

Mr. DiIulis stated the firm's independence with respect to the College within the meaning of the pronouncements of the Independence Standards Board, GASB, and under Rule 101 of the AICPA Code of Professional Conduct.

Mr. DiIulis reviewed management's responsibility highlighting the implementation of newly effective accounting standard GASB 87, Leases. This change in accounting principle is described in detail in Note 2 of the Financial Statements of the audit report. This change resulted in the grossing up of the College's balance sheet liabilities by \$17.2m for the right to use lease asset.

Accounting for significant transactions were reviewed and include the following items:

- Recorded right of use (ROU) asset and offsetting lease liability of \$17.2M as of July 1, 2021, with largest component of this being the MSCBA lease related to College dormitories with a ROU asset and liability of \$16M.
- Correction of an error of \$1.6M for DCAMM funds previously reported as capital appropriations which should be reflected as notes payable.
- Issuance of new bonds through MSCBA with proceeds of \$1M to reimburse the College for expenses related to the fitness center renovation.

- Refund by MSCBA of the College's 2012C bonds resulting in an economic gain of approximately \$52K.
- One-time adjustment for \$70K related to depreciation expense.

There were no transactions entered into during the year for which there is a lack of authoritative guidance or consensus, and all significant transactions have been recognized in the financial statements in the proper period.

There were no disagreements with management, no major issues discussed with management prior to retention, no difficulties encountered in performing the audit, no uncorrected misstatements and no other findings or issues that are significant or relevant to be communicated to those charged with governance.

Significant written communications between the auditor and management include the engagement letter, and a management representation letter that will be signed following approval by the Board of Trustees.

No pervasive financial statement fraud risks were identified.

Mr. DiIulis provided an overview of the College's financial statements as provided in the audit report. He noted that the opinion has been moved to the second paragraph of the Independent Auditors' Report as required by new reporting standards. Pages 4-11 of the report are Management Discussion and Analysis which are consistent with audit findings.

Due to the implementation of GASB 87 the data provided is for a single year and will return to a year-over-year comparison next year.

Highlights of the Statement of Net Position include:

- Total assets and deferred outflows of resources: \$104.5M
- Total liabilities: \$33.7M
- Total net position:\$60M; a net-position increase of \$370K

Highlights of the Statements of Cash Flow include:

- Cash flow increase of \$2.6M

Mr. DiIulis noted that Other Post Employment Benefits (OPEB) decreased by \$1.3M. A summary of the College's CARES and HEERF monies are summarized on page 20 showing the College spent \$3.8M during FY22 and has \$1.9M available for FY23.

Note 3 provides a summary of a correction of an error as stated prior in this meeting. DCAMM funding was previously reported as capital appropriations and was corrected to be reflected as a note payable.

Mr. DiIulis quickly reviewed the content titles of the remaining pages of the report noting that the report on internal controls is clean.

With regard to questions and discussion of the debt related to lease liability MSCBA lease rate of 35.6% as reported in the audit and if that amount should 3.56%, it was noted that, upon further review, this rate is stated in other locations of the report as 35.6% as reported by MSCBA to O'Connor & Drew. Management will confirm the correct number following this meeting of the Board.

Upon motion duly made and seconded, with no further discussion and upon a roll call vote, it was unanimously:

**VOTED:** to accept the fiscal year 2022 report of the external auditor, O'Connor and Drew P.C., with confirmation of the correct MSCBA lease rate.

President Birge provide a brief overview of the NECHE accreditation process that has begun with the self-study of the College. Vice Presidents Puc and Glejzer presented information specific to NECHE's standard 3 regarding governance of the College. The Standard 3 Committee membership includes Trustee Boodram.

VPs Puc and Glejzer began their presentation with a review of the organization chart for the NECHE visit. The Operations Team has been working ahead of the rest of campus in preparation for the self-study. CANVAS will be used as the primary systems tool for data sharing and collection. The Steering Committee has met several times and individual standards teams have been established with most having met at least once to-date. Overall, 74 members of the College community will participate in the NECHE review process. Standards Committee reports are to be complete in early fall for submission to the College's one voice editor, who will compile the College's final self-study report for campus review in Spring 2023. Additional updates will be provided to committees of the board of trustees as appropriate. As well, a full review of the NECHE process beyond just Standard 3, will be provided at the January 27 Board Retreat.

President Birge introduced Dean Connelly who presented the Trustees annually required training for Title IX and Equal Opportunity (EO) Plan. Topics reviewed include the Massachusetts Campus Sexual Assault Law, new NCAA Title IX reporting requirements, EO Plan and Title IX information, and Trustees responsibility in reporting an incident.

President Birge provided a brief update on campus opening, which he reported as having been successful. Courses have returned to nearly all in-person with students residing on campus. A mask optional policy was implemented and the College continues to offer antigen tests for self-testing.

While most students, faculty and staff are excited to be back on campus and in-person, some still have underlying dis-ease as COVID concerns linger for some individuals. Students are struggling

a little more than usual, but was expected. Self-destructive behaviors have been seen among the student population, and support and resources are offered and available to all campus community members.

In terms of a return to the familiar, student travel courses will resume next semester to Peru, South Africa, Japan, and Belize. Administration will watch carefully for virus concerns in these areas.

US News and World (USN) report has once again ranked MCLA as a top 10 public liberal arts with a ranking at #7, in the top 10% of all liberal arts institutions ranked #130 nationally, and for social mobility at #33 among public and private liberal institutions. In the latter category, only two other public institutions rank higher than MCLA, and all others that rank higher are private institutions. This is also the highest ranking on social mobility in Massachusetts among all public and private institutions. Billboards highlighting these ranks are planned throughout the region, and will include the official badges from USN and calls to action.

Trustee Frederick and Mrs. Renee Keator have offered a \$5K match for funds to support the College's food security program for students that will run between October 23 and November 23. Communications will be forthcoming for trustees, campus community members, and alum regarding the matching grant challenge. President Birge expressed sincere thanks to Mr. and Mrs. Keator for their generosity.

President Birge shared that there is a position for an administrative assistant open in the President's Office as Ms. Carrie Schadler accepted a position in the Education Department.

Chair Burdick asked Trustees to complete and return the confidentiality and disclosure documents provided with the board materials. In response to questions regarding the forms provided, it was stated that these forms have not changed and have been in use for numerous years. President Birge will investigate their use and provide feedback to the Trustees.

Chair Burdick commented on recent Committee meetings she has participated in and expressed her appreciation for the Faculty presentations at the Academic Affairs Committee. It is a rare opportunity to meet and hear from the College's diverse talent and she strongly recommends attendance at this particular session where tenure candidates present their work, teachings, and research.

## **Adjournment**

With no other business being brought before the meeting, upon a motion duly made and seconded, it was unanimously:

**VOTED:** to adjourn the meeting at 6:37 p.m.