



**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE**

**Wednesday, October 7, 2015
President's Office Conference Room**

Members in attendance

Denise Marshall, Chair
JD Chesloff, via teleconference
Will Dudley
Buffy Lord

Others in attendance

Jim Clemmer, Interim President
Denise Richardello, Executive Vice President
Laura Brown, Director of Fiscal Affairs
Dan Colonno, Interim Director of Public Safety
Cathy Holbrook, Vice President of Student Affairs
Chuck Kimberling, Director of Facilities
Curt King, Chief Information Officer
Ginger Menard, Clerk

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

Trustee Marshall called the meeting was called to order at 9:01 a.m.

Campus Safety Report

Interim Public Safety Director Dan Colonno provided an update on MCLA's annual security and fire safety report, also known as the Clery report, a federally mandated annual report. This report reflects statistics on campus property only and not the neighborhoods surrounding campus.

Changes in the report this year include more specific categories and definitions related to sexual offenses. Colonno noted that liquor and drug law violations were down as a result of a concerted

effort on education, prevention, and enforcement that has been employed. Additionally, Public Safety has been working in conjunction with Student Affairs to educate students on safety protocols and their shared responsibility in community safety. This report reflects the College's commitment to keep the MCLA campus community safe. A discussion of the report and the data followed.

FY15 Audit Review

David DiIulis of O'Connor & Drew provided the Committee with a report on the FY 2015 audit. The audit provides an unmodified opinion of the College's financial position. He noted that there were no Material Weaknesses or Significant Deficiencies identified within the report. He extended his thanks to Laurie Brown and the entire Administration & Finance staff as this has been an especially challenging audit year due to state policy changes.

Mr. DiIulis reviewed a prepared document on required communications with the committee that outlined the Auditors' responsibilities as well as accounting policies and the various steps taken during the audit. Of note this year is the implementation of GASB 68 that requires each State University to assume a share of the net pension obligation for the Massachusetts State Employee's Retirement System. Though it does not directly impact cash balances it is now included as a net liability on the College's financial statements. The amount allocated to the College was based on an audit of the State's retirement system by KPMG.

Also affecting the financial statements this year was the Governor's 9C cuts for the College. When funds were transferred to satisfy this requirement the State appropriation was recognized as non-operating revenue, as usual, and as such recognized a non-operating expense for the 9C payment.

Mr. DiIulis then reviewed in detail the audited financial statements and footnotes for the year ending June 30, 2015 including changes due to the implementation of GASB 68 such as two new account lines, "Deferred Outflows of Resources" and "Deferred Inflows of Resources" on the Statement of Net Position (page 13), an added footnote on pensions (page 21), and additional schedules on pages 43, 44, and 45. Another change is the referencing of a single year in the "Notes to the Financial Statements" (2015) rather than two years as a result of KPMG's audit only encompassing a two year period rather than three.

A general discussion with questions on the financial statements followed. Mr. DiIulis noted that one change in law which could significantly affect next year is GASB 75 which would require the assumption of liability for OPEB (Other Postemployment Benefits).

Trustee Marshall reminded the Committee that upon review and acceptance of the Fiscal Affairs Committee, the audit will be advanced to the full Board for acceptance at the October 22 Board of Trustees meeting. Mr. DiIulis will be in attendance. Once accepted by the board, the audit will be filed with the state Comptroller.

Upon a motion duly made and seconded, it was

VOTED: Unanimously to accept and advance the FY 2015 audited financial statements to the full board for acceptance at the October 22nd Board of Trustees meeting.

Project and IT Updates

Director of Facilities Chuck Kimberling provided an update on DCAMM funded projects including the replacement of the Campus Center elevator, update to the fire alarm at Eldridge Hall, and updates to the fire alarm along with exterior masonry work at Freel Library.

We are awaiting word from DCAMM regarding funding for other projects, studies are being conducted on additional potential projects, and we are working with National Grid to explore the possibility of installing another Cogenerator in the Feigenbaum Center for Science & Innovation.

Chief Information Officer Curt King provided an update on the projects completed as part of the recent three year IT plan. Much of this work was possible because of investments made by the Board of Trustees and the College is now in a much stronger place in terms of technology and infrastructure.

Phase 4 of the network plan should be completed by 2016. A new IT plan is in process and will target areas involving communication, accommodating the newest technology, and how can we communicate in the most efficient and timely manner. Information Security is another critical issue that must continually be addressed. We are also looking to have the most evergreen tech environment possible.

Other

Interim President Clemmer provided a brief update on collective bargaining. A supplemental budget has been sent to the Senate and we are awaiting word on what is included and, if passed, how the funds will be allocated.

There being no further business to come before the Committee, the meeting was adjourned at 10:32 a.m.