



Finance Committee Minutes

October 16, 2024

NEC – Ms. Fran Rosenberg, Mr. Larry Fleming, Mr. Kevin Mahoney, Ms. Kathy Mahoney
Committee: Mr. Brian Forget, Dr. Mike Harvey, Dr. Evonne Alvarez, Dr. Stephen Zrike
Guest: Daniel E. Schaffner, CPA, Fritz DeGuglielmo LLC

- I. **Call to Order** - Mr. Forget called the remote Finance Committee meeting to order at 8:02 am and stated This Open Meeting of the NEC Board of Directors is being conducted remotely consistent with Governor Healey’s extension of the temporary provisions pertaining to the Open Meeting Law to March 31, 2025.
- II. **Treasurer's Report (August & September 2024):** Mr. Mahoney reviewed the Treasurer's Reports for both August and September. The current cash position is not as strong as desired, but this was anticipated due to the nature of the capital project and how revenue is billed and paid in these months. In addition, it seems that some receivables have been slower than usual. Although cash flow is tighter than preferred, Mr. Mahoney is not concerned and sees no red flags at this time.
There were follow-up questions regarding accounts receivable and the status of outstanding payments, along with the timeline for project completion. Mr. Mahoney also noted that we do have a million-dollar line of credit, although he does not believe it will be necessary to use it.
- III. **Audit and UFR Report:** Mr. Schaffner reviewed the draft financial statements for FY24, noting that the process, led by Mr. Fleming in his first year, went smoothly with no findings or delays. He noted that the deficit was due to the timing of the HVAC project. The cover letter indicated no issues, new accounting standards, or significant changes, and followed the standard format with an unmodified opinion.

The Management’s Discussion and Analysis (MDNA) highlighted a decrease due to a prepaid adjustment and timing issue from a cash flow perspective. The plan was to fully utilize the capital fund, with \$146,000 allocated for board-approved capital projects. Any funds returned must also receive board approval.

Summarizing the audit, there were no internal control issues. M. Schaffner advised that NEC closely monitor the capital budget and cash flow. His recommendation was to stay on top of enrollment and consider expense cuts if necessary. He referenced problems in other collaboratives, where large capital projects were not adequately supported by operations. He emphasized keeping the board informed throughout the year.

The final general fund number will be ready for board approval next week. The UFR (Uniform Financial Report) is expected to be completed tomorrow and shared with members before the full board meeting next week.

Mr. Forget expressed his gratitude to Mr. Schaffner for reviewing and explaining the full audit report. He acknowledged that the financial situation is tighter than desired and highlighted that the board is well aware of the associated risks, staying closely attuned to the financial challenges.

The plan is for Mr. Schaffner to present the audited financial statements and UFR next week and the board meeting. While the audit shows a deficit, it's not seen as an emergency situation.

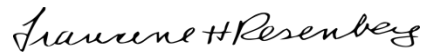
Ms. Rosenberg thanked Mr. Fleming, Mr. Schaffner, and the Board for their support in funding the major HVAC project. She acknowledged their financial commitment made last year and expressed appreciation for the Board's careful attention to detail, emphasizing how their efforts ultimately benefit and protect the services provided to everyone involved.

IV. Adjournment –A motion was made to adjourn the meeting by Dr. Zrike and seconded by Dr. Harvey at 8:43 am.

VOTE: The motion was moved unanimously



Kathy Mahoney, Administrative Assistant to Executive Director



Francine Rosenberg, NEC Executive Director