



**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
October 15, 2018
87 Blackinton St., North Adams, MA 01247**

Members in attendance

Susan Gold, Chair
JD Chesloff, via phone

Members absent

John Barrett

Others in attendance

Denise Marshall, Board Chair
Dr. James Birge, President
Larry Behan, Vice President, Administration & Finance
Curt Cellana, Accounting Manager
David DiIulis, O'Connor & Drew P.C.
Lisa Lescarbeau, Clerk

Trustee Gold called the meeting to order at 9:30 a.m.

FY18 Audit

Vice President Behan introduced David DiIulis of O'Connor & Drew P.C.

David DiIulis of O'Connor & Drew provided the Committee with a report on the FY 2018 audit. The resulting unqualified opinion of 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 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. He explained that GASB Statement 75, regarding liability for postemployment benefits other than pensions, which impacts the College's net position, is included in this report for the first time. An additional GASB Statement 87 regarding a reporting of leases will begin after December 15, 2019.

Mr. DiIulis then reviewed the Management's Discussion and Analysis (MD&A) as well as the Audited Financial Statements and Footnotes for the year ending June 30, 2018. The committee reviewed note 13 on "Related Party Transactions" and did not have any edits or additions. Mr. DiIulis also shared that the figures in note 16 on "Pensions" were extracted from the KPMG statewide audit. Those increases are primarily due to changes in the actuarial and demographic profiles of the College's workforce. Note 2 discusses the implementation of newly effective accounting standard GASB 75, and Note 11 highlights the OPEB impact on long term liabilities. Mr. DiIulis will revisit Note 14, Related Party Transactions, for accuracy.

Trustees discussed the Federal Perkins Loans Program and actions for MCLA to consider with regard to these loans.

Trustees discussed OPEB and its impact on state universities and colleges. Mr. Behan noted that he will continue to look to the state for guidance on MCLA's financial statements with regard GASB 75. As well, Mr. Behan will clarify the language in the MD&A regarding total net position.

Trustee Gold called for a vote to accept the FY 2018 audit for advancement to the full Board at the October 25 meeting.

Upon a motion duly made and seconded, it was:

VOTED: Unanimously to accept and advance the FY 2018 audited financial statements to the full board for acceptance at the October 25 Board of Trustees meeting.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 10:30 a.m.