



(APPROVED)

**Salem State University Assistance Corporation
Board of Directors Meeting Minutes
September 16, 2024**

Present In-Person Meeting: Mike Wheeler, John Keenan, Beth Debski, Helen Corbett, Beth Haran, Anthony Nickas. Guests: Laura Swanson, Kim Crowley and David Dilulis, Withum.

The Annual SSUAC Board Meeting was called to order by Chairman Wheeler at 8:03am.

Chairman Wheeler asked for a motion to approve the July 23, 2024 Board meeting minutes. A motion was made by Beth Debski and seconded by John Keenan to approve the Minutes of July 23, 2024. All in favor, none opposed.

Chairman Wheeler recognized auditor Dave Dilulis from Withum to present the FY24 audited financial statements for the year ending on June 30, 2024. Dilulis presented the Financial Highlights, Statements of Net Position, Activities, Changes in Net Position and Cash Flows and changes made during FY24. Dilulis reported no disagreements with management, no difficulties encountered while conducting the audit and no evidence of fraud.

Dilulis notified the Board of a material weakness finding pertaining to an internal control deficiency related to the Audit firms input of SSUAC lease information into their GASB87 lease software and SSUAC's oversight of that input. He reported that SSUAC provides his audit firm with the SSUAC lease schedules and his firm enters that information into their GASB87 Leases Software which generates lease income reports.

Dilulis reported that while they were conducting the FY24 audit, they discovered his firm had entered an incorrect timeline into the lease software when preparing the prior year's FY23 audited financials. As a result, the FY23 lease income was overstated by \$168,000 due to this data entry error.

Dilulis stated this error was adjusted in the FY24 fiscal year financials as a Prior Period Adjustment and did not require any adjustments to the FY23 audited financials or negatively impacted the FY24 audited financials.

Dilulis reported that while the error was conducted by his firm, a process was not in place for SSUAC to review their input resulting in the material weakness finding. He stated, moving forward, his audit staff will provide SSUAC with the journal entries reports related to the GASB87 leases for SSUAC staff to review these reports to ensure the accuracy of the lease journal entries and conduct a secondary review of audit firms input.

A motion was made by Anthony Nickas and seconded by John Keenan to approve the FY24 audited financials. All in favor, none opposed.

Chairman Wheeler reminded the Board that the September meeting is the Annual Meeting of SSUAC. Swanson informed the Board that she had asked SSUAC corporate counsel to review the Conflict of Interest Policy and Affirmation Statement as they had not been reviewed since approved in 2011. She reported the attorney determined no updates were necessary. A motion was made by Beth Haran and seconded by Anthony Nickas to approve the 2024 Conflict of Interest Policy and Affirmation Statement. Chairman Wheeler asked Board Members to review, sign and return the Conflict of Interest Form.

Chairman Wheeler asked for a motion to nominate and elect SSUAC officers since the last time an election was held was on September 21, 2020. He reminded the Board that the SSUAC Board Chair is appointed by the Salem State Board of Trustees. A motion was made by Beth Haran and seconded by Helen Corbett to elect John Keenan as Vice Chair, Beth Debski as Secretary/Clerk and SSUAC attorney Mark Elefante as Secretary/Clerk. All in favor, none opposed.

Swanson reported that Chairman Wheeler had signed the Loan Commitment Letter with Rockland Trust for a second mortgage in the amount of \$400,000 along with an increase in the Line of Credit from \$50,000 to \$100,000. She stated it was a 10-year mortgage, amortized over 20 years with a balloon payment in year ten. Swanson reported they had received the Mass Save Rebate Confirmation Letter reflecting a rebate amount of \$187,700 for the six new HVAC units scheduled to be replaced in the fall.

Swanson presented the year to date financials and credit card statements. She reported the total-year-to-date income was over budget by approximately \$1,800 and the year-to-date expenses were over budget by approximately \$2,300. She stated there was a year-to-date Net Ordinary Loss in the amount of approximately \$22,000, primarily due to three payrolls in August. Swanson reported they were waiting for confirmation from Salem State University of their FY25 support.

Chairman Wheeler reported the Enterprise Center Foundation Board of Directors would be holding their Annual Meeting after SSUAC's meeting adjourned. He stated the SSUAC Board of Directors appoints the Directors for the Enterprise Center Foundation. A motion was made by Beth Haran and seconded by Anthony Nickas to appoint Anthony Nickas, Mike Wheeler, Beth Debski and Louise Leduc Kennedy to serve as Directors for the Enterprise Center Foundation. All in favor, not opposed.

President Keenan provided the Board with a Salem State University update. He reported the University received a unanimous gift in the amount of 10 million dollars. He stated that enrollment was up and the University expected to reach HSI status within the next year.

Swanson reported that over the summer they explored several vacancy replacement opportunities which included meeting with an architect regarding costs associated with reconfiguring larger vacant spaces and with Mass Development to better understand their funding opportunities. Swanson reported one new tenant joined the Enterprise Center and two existing tenants rented additional office spaces. She stated there were no significant repairs since the last Board meeting.

Swanson informed the Board of a major change in the commercial insurance policy related to wind/hail/hurricane coverage. She stated the previous policy had no deductible for this type of damage, however, the new policy changed to 2% deductible of the entire value of the impacted building. She reported that Salem State requested a wind deductible buyback proposal for secondary coverage but due to the cost of the additional policy they would not be purchasing the secondary coverage.

Swanson reported she delayed submitting a Final FY25 budget because of a number of uncertainties that included the finalization/closing of the second mortgage, potential tenants for the larger vacant spaces and confirmation of SSU support. She stated she expected to submit a final budget at the November Board Meeting if more definitive information is provided prior to that meeting.

Swanson reported that in FY24 and in partnership with the North Shore Alliance, there were a total of 40 programs (30 in-person workshops and 10 webinars) offered. These programs resulted in approximately 1,600 registrations with registrants coming from 88 different Massachusetts communities and representative of 23 of the Alliance 30 communities.

Swanson stated they were in the process of finalizing the Fall program schedule which included continued partnership with SCORE and Northeast Legal Aid. She stated they would be offering another non-profit series along with program topics covering marketing, social media and business financials. Swanson reported that due to the saturation of women focused programs during the fall season they have postponed the Million Dollar Women's Symposium until early 2025 to ensure maximum participation and attendance.

Swanson reported the Enterprise Center would be hosting two Salem State University Art and Design events for the academic year and that she served on a Shark Tank Panel for occupational therapy students presenting their business plans.

Swanson reported the Enterprise Center Foundation Board would be holding its Annual Meeting in September and the accountants were preparing the year-end financial tax filings due November 15, 2024.

Swanson reported the Alliance had submitted its FY24 REDO Final REDO Grant report in July. She stated the major initiatives included Small Business Workshops and Webinar series, Alliance Policymaker Series, Minority Owned Regional Business Snapshot Report, Future of Work Talent Retention of College Graduates in the Region Report, four-part Offshore Wind initiative, Resource Showcase for Minority and Diverse Owned Businesses, Priority Development Site Listing video and updated community photo library and continued promotion the online Small Business Diversity Directory.

Swanson reported the FY 25 REDO Grant RFP had not yet been released. She stated recent communications indicated the REDO Program was now being administered by the Community Programs and Resource Office (CPRO) instead of MOBD. Swanson reported CPRO is in the process of finalizing the program guidelines and was hopeful the RFP would be released within the next month. Swanson reported the Alliance Board would be discussing the FY25 priority initiatives at their September Board meeting.

Chairman Wheeler facilitated a Board discussion pertaining to the vacant Board member seats appointed by the Governor and Salem State University. Swanson stated she would follow-up with Salem State regarding their Board appointment.

Chairman Wheeler asked if there was any new business. There was none. A motion to adjourn the meeting was made by Beth Haran and seconded by Helen Corbett. All in favor, not opposed. The meeting adjourned at 9:27 a.m.