

BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE

OPEN SESSION
REPORT SUMMARY

Date of Meeting: February 5, 2021

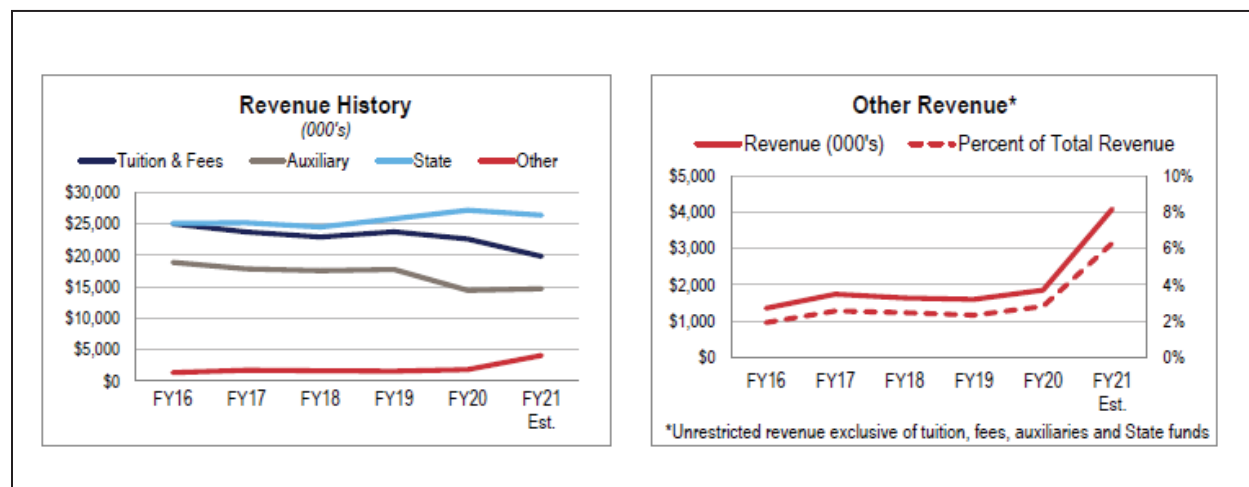
Date of Next Meeting: May 14, 2021

Committee Chair: John Wobensmith '93

Committee Members: Anirban Basu, Board Chair Lex Birney, Susan Dyer, Faculty Finance Delegate Liza Gijanto, Sven Holmes, President Tuajuanda Jordan, Harry Weitzel, Ray Wernecke, William Seale

Staff Member: Paul Pusecker

Dashboard Metrics



Executive Summary

FY21 Financial Results to Date

Overall, actual revenue collections are 67% of the budgeted level, with auxiliary enterprises trailing expectations due to the lower than expected counts on campus resulting from the impact of the COVID-10 pandemic. Actual expenditures for FY21 are approximately 45% of budgeted expectations. All programs of expenditures fall within expectations for current-to-prior year comparison. Note that debt service payments (expenses) will be approximately \$900K higher this year versus last year with the removal of the prior year savings due to our refinancing action.

Higher Education Emergency Relief Fund II (HEERF II)

The Higher Education Emergency Relief Fund II (HEERF II) passed in December 2020 is authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021

(CRRSAA). In total, the CRRSAA authorizes \$81.88 billion in support for education, in addition to the \$30.75 billion the former Secretary of Education provided last spring through the Coronavirus Aid, Recovery, and Economic Security (CARES) Act, Public Law 116-136. St. Mary's College of Maryland will receive supplemental HEERF II funding in the amount of \$1,716,025. From this total, we are required to provide \$586,878 in direct aid to needy students, similar to what was required from the initial CARES Act funding. The \$1,129,147 balance may be used to defray institutional expenses resulting from the pandemic.

Reportable Procurement Items

Information regarding reportable procurement items is included in the meeting materials.

Cash Reconciliation at Year-End Update

The College's financial statements auditor, Clifton, Larson, Allen, LLP (CLA), issued a management letter with a finding that noted the lack of a reconciliation between the main cash account on the College's financial system to the cash reported on the State financial system. Reconciliation between the two systems is now complete for the fiscal year ending June 30, 2020. This reconciliation methodology and process has been reviewed by the lead auditor at CLA and he finds this procedure completely acceptable for audit purposes. As of January 15, 2021, College accounting staff continues to refine the reconciliation procedures to be completed each month going forward.

FY21 COVID-19 Mitigations Expenses to Date

The College continues to closely monitor and track all FY21 COVID-19 related expenses for potential reimbursements. An accounting of COVID-19 related expenses is included in the meeting material. The College expects that the total FY21 COVID-19 mitigation expenses will exceed \$1M, partially due to increased frequency of surveillance testing for all students, faculty, and staff, the NCAA requirement that all athletes must be tested twice weekly, and additional purchases required to ensure campus mitigation efforts and safety.

Joint Investment Activities

An overview of the St. Mary's College of Maryland Foundation and the St. Mary's College of Maryland Endowment and Quasi Endowment portfolios are included in the meeting materials.

Dashboards

Current College dashboards are included in the meeting materials.

Action Item(s) related to specific strategic plan goals as appropriate:

II.A. FY22 Tuition, Fees, Room and Board Rates

The Finance, Investment, and Audit Committee will be asked to authorize student rates for tuition and fees for FY22 (academic year 2021-2022) to remain equal to FY21 rates (0% increases for each rate category) and to approve a 2% increase for rates for room and board. This action is applicable for Maryland resident undergraduate students, non-resident undergraduate students, DC resident undergraduate students, and for MAT students.



**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 5, 2021**

**OPEN SESSION
AGENDA**

- I. DISCUSSION ITEMS (None)**
- II. ACTION ITEMS**
 - A.** FY22 Tuition, Fees, Room, and Board Rates
- III. INFORMATION ITEMS**
 - A.** FY21 Financial Results to Date
 - B.** Higher Education Emergency Relief Fund (HEERF II)
 - C.** Reportable Procurement Items
 - D.** Cash Reconciliation at Year-End - Audit Update
 - E.** FY21 COVID-19 Mitigation Expenses to Date
 - F.** Joint Investment Activities
 - G.** Dashboards
 - H.** Minutes (Meeting of October 16, 2020)

A portion of this meeting will be held in closed session.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 05, 2021
ACTION ITEM II.A.
FY22 TUITION, FEES, ROOM AND BOARD RATES**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends that the Board of Trustees authorize student rates for tuition and fees for FY22 (academic year 2021-2022) to remain equal to FY21 rates (0% increases for each rate category). Further, the Finance, Investment, and Audit Committee recommends that the Board of Trustees authorize an increase of 2% for room and board (dining) rates for FY22. This action is applicable for Maryland resident undergraduate students, for non-resident undergraduate students, for DC resident undergraduate students, and for MAT students.

RATIONALE

The Board of Trustees is the authorizing body for setting student tuition, fees, room, and board rates. The objective of not increasing tuition and fees for FY22 is to encourage affordable enrollment growth and start to close the tuition price gap between St. Mary's College of Maryland and the University of Maryland, College Park. This action will result in holding tuition and fees flat for two consecutive years.

Total Charges for FY22:

- In-state students tuition, fees, room, and board = \$28,993
- Out-of-state students tuition, fees, room, and board = \$45,069
- DC resident students tuition, fees, room, and board = \$38,993
- Graduate MAT program costs = \$21,236

Academic Year 2021/2022 Student Rates
Annual, Unless Noted

	Academic Year 20-21 FY21	0% Academic Year 21-22 FY22
Description		
Tuition: Full-time, In-State	12,116	12,116
DC Resident	22,116	22,116
Tuition: Full-time, Out-of-State	28,192	28,192
Tuition Overload, Undergrad > 19 Credits	200	200
Tuition: Graduate MAT (includes summer credits)	16,530	16,530
Room: Residence Hall, Double Occupancy	7,850	8,007
Room: Residence Hall, Triple Occupancy	7,850	8,007
Room: Suite	8,406	8,574
Room: Suite - Single	8,880	9,058
Room: Residence Hall, Single Occupancy	8,880	9,058
Room: Apartment Style Single	9,420	9,609
Room: Apartment Style Double	9,278	9,464
Room: Townhouse	9,618	9,810
Platinum: Anytime Dining, 64 guest passes, \$800 dining dollars	6,215	6,340
Gold: Anytime Dining, 40 guest passes, \$600 dining dollars	5,980	6,100
Silver: Anytime Dining, 24 guest passes, \$400 dining dollars	5,745	5,862
250 Meal Credits, \$600 Dining Dollars	3,955	4,034
150 Meal Credits, \$600 Dining Dollars	2,925	2,984
Flex Plan: 20 Meal Credits, \$800 Dining Dollars	1,240	1,265
Mandatory Fee: Full-Time Resident and Non-Resident	3,008	3,008
Program Fee: Graduate MAT	1,698	1,698
Annual Full-time Student Charges		
In-State, Commuter (Tuition/Fees)	15,124	15,124
In-State, Residence Hall (Tuition/Fees/Room/Board) *1	28,719	28,993
In-State, First-Year Residence Hall (Tuition/Fees/Room/Board) *2	28,719	28,993
DC Resident, First-Year Residence Hall (Tuition/Fees/Room/Board)	38,719	38,993
Out-of-State, Commuter (Tuition/Fees)	31,200	31,200
Out-of-State, Residence Hall (Tuition/Fees/Room/Board) *1	44,795	45,069
Out-of-State, First-Year Residence Hall (Tuition/Fees/Room/Board) *2	44,795	45,069
Tuition & Fees, In-State Residence Hall	15,124	15,124
Tuition & Fees, Out-of-State Residence Hall	31,200	31,200
MAT Graduate Student Program Cost: Tuition + Mandatory Fee + Program Fee	21,236	21,236

Note *1: Using Silver Board Plans

Note *2: Using Silver Board Plan, students must choose a Platinum / Gold / Silver plan

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 05, 2021
INFORMATION ITEM III.A.
FY21 FINANCIAL RESULTS TO DATE**

Overall, actual revenue collections are 67% of the budgeted level, with auxiliary enterprises trailing expectations due to the lower than expected counts on campus resulting from the impact of the COVID-10 pandemic. Actual expenditures for FY21 are approximately 45% of budgeted expectations. All programs of expenditures fall within expectations for current-to-prior year comparison. Note that debt service payments (expenses) will be approximately \$900K higher this year versus last year with the removal of the prior year savings due to our refinancing action.

See attachments for additional detail.

	<u>Category</u>	<u>Status</u>	<u>YTD Budget to Actual</u>	<u>Remarks</u>
REVENUE				
	State Appropriation		\$26.4M/\$14.1M = 54%	Approximately 1/2 of annualized General Fund Grant
	Tuition		\$19.8/\$18.8M = 95%	\$1M less than budget, reflects decrease in overall student counts due to pandemic
	Fees		\$3.3/\$3.6M = 110%	Awaiting transfer to SGA, plant
	Sales & Services		\$200K/\$0 = 0%	Due to pandemic, no events, no external facilities use
	Investment Income		\$205K/\$41K	Significant drop in interest rate return
	Auxiliary Enterprises		16.0M/\$12.0M = 74%	Trailing expectations due to lower than expected student counts on campus
	<u>Additions to Fund Balance</u>		<u>\$6.8M</u>	<u>Contingency carried forward - PPP</u>
	Overall Revenue		72.9M/\$48.6M = 67%	Within historical expectations, minus auxiliary enterprise
EXPENSES				
	Operating (supply/expense)		\$15.8/\$7.2M = 46%	Department/unit expenses down, pandemic impact
	Utilities		\$3.2M/\$1.1M = 33%	Awaiting billing, costs down but in line with expectation
	Debt Service		\$3.1M/\$2.6M = 87%	Within expectations, final payment due in spring
	Dining Services		\$4.4M/\$1.7M = 38%	Expense down due to lower counts, corresponding revenue also down (see auxiliary revenue)
	Bookstore Operations		\$941K/\$342K = 36%	Expense down due to pandemic, limited hours
	Scholarships/Tuition Waivers		\$7.8M/\$3.8M = 49%	Completely in line with budget
	<u>Personnel Wages/Benefits</u>		<u>\$36.7M/\$15.9M = 43%</u>	<u>Completely in line with budget</u>
	Overall Expense		\$72.1M/\$32.7M = 45%	Within expectations

Tracking, no issues
Acceptable, but monitor periodically
Concern, monitor closely

St. Mary's College of Maryland

Fiscal Results to date

Current Fund Unrestricted

December 31, 2020

	Budget	Actual	Prior Year	Actual vs. Budget	Actual vs. Prior
State Appropriation	26,382,161	14,115,559	12,902,435	53.5%	109.4%
Tuition	19,818,735	18,840,942	18,520,984	95.1%	101.7%
Fees	3,253,496	3,584,337	3,831,455	110.2%	93.6%
Sales & Services	200,900	(1,200)	403,233	-0.6%	-0.3%
Investment Income	205,000	41,383	219,250	20.2%	18.9%
Foundation Unrestricted Support	75,000	-	-	0.0%	0.0%
Other Revenue	254,400	119,561	139,660	47.0%	85.6%
Auxiliary Enterprises	16,042,849	11,903,990	16,118,964	74.2%	73.9%
Additions to Fund Balance	6,756,697	-	-	0.0%	0.0%
A Revenues	72,989,237	48,604,571	52,135,979	66.6%	93.2%
Operating (supply/expense, non-personnel)	15,788,336	7,197,787	7,442,534	45.6%	96.7%
Utilities	3,171,170	1,050,007	1,358,548	33.1%	77.3%
Institutional Expense	184,182	101,686	172,006	55.2%	59.1%
Debt Service	3,054,717	2,649,346	1,946,792	86.7%	136.1%
Dining Services	4,416,345	1,666,002	2,012,075	37.7%	82.8%
Bookstore Operations	941,928	342,442	473,385	36.4%	72.3%
Waivers	647,181	276,637	269,127	42.7%	102.8%
Scholarships	7,200,000	3,554,678	3,473,974	49.4%	102.3%
Operating Expenses	35,403,859	16,838,586	17,148,441	47.6%	98.2%
Wages	26,188,994	11,340,657	10,414,848	43.3%	108.9%
Benefits	10,547,619	4,541,208	4,292,221	43.1%	105.8%
Payroll	36,736,613	15,881,865	14,707,069	43.2%	108.0%
Overall - Total Expenditures	72,140,472	32,720,451	31,855,509	45.4%	102.7%
Overall - Summary (Revenues - Expenditures)	848,766	15,884,120	20,280,470		

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 05, 2021
ACTION ITEM III.B.
HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF II)**

The Higher Education Emergency Relief Fund II (HEERF II) is authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Public Law 116-260, was signed into law by the former president on December 27, 2020. In total, the CRRSAA authorizes \$81.88 billion in support for education, in addition to the \$30.75 billion the former Secretary of Education provided last spring through the Coronavirus Aid, Recovery, and Economic Security (CARES) Act, Public Law 116-136.

St. Mary's College of Maryland will receive supplemental HEERF II funding in the amount of \$1,716,025. From this total, we are required to provide \$586,878 in direct aid to needy students, similar to what was required from the initial CARES Act funding. The \$1,129,147 balance may be used to defray institutional expenses resulting from the pandemic.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 5, 2021
INFORMATION ITEM III.C.
REPORTABLE PROCUREMENT ITEMS**

Payee	Description	Amount
Advance Construction	IDIQ Contracts for Carpentry and Painting Services*	\$250,000
Earn Contractors	IDIQ Contracts for Carpentry and Painting Services*	\$250,000
Colossal Contractors	IDIQ Contracts for Carpentry and Painting Services*	\$250,000

*Three Indefinite Delivery Indefinite Quantity (IDIQ) contracts were solicited and awarded to three firms under the State's IDIQ process for future small project and maintenance work on campus.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 05, 2021
INFORMATION ITEM III.D.
CASH RECONCILIATION AT YEAR-END – AUDIT UPDATE**

The College's financial statements auditor, Clifton, Larson, Allen, LLP (CLA), issued a management letter with a finding that noted the lack of a reconciliation between the main cash account on the College's financial system to the cash reported on the State financial system.

Reconciliation between the two systems is now complete for the fiscal year ending June 30, 2020. Page one of the appendix details this reconciliation by walking between the cash total listed by the State for both the fiscal period of June 30, 2020 and the fiscal period of adjustment to the College's cash total.

Within the supporting documents, the June 30, 2020 period shows a value for vouchers payable, as well as several deposits in transit, which are general fund grant and COVID-19 reimbursement funds that were not recorded by the State until August, but had been credited to the prior fiscal year. Moving from June to the adjustment category, the vouchers payable number remains and the deposits that were in transit clear, leaving a variance of only \$245.25 between cash reported on the College's financial system and the State's financial system.

This reconciliation methodology and process has been reviewed by the lead auditor at CLA, who found this procedure completely acceptable for audit purposes.

As of January 15, 2021, College accounting staff continues to refine the reconciliation procedures that will be completed each month.

St. Mary's College of Maryland
FY20 Cash Reconciliation

		FY20		
		Fiscal Period on State System		
	Ref #	June	Adjustment	
<u>A</u>	Cash per GAD report @ 6/30/2020	<u>#5</u>	\$20,798,883.43	\$22,324,700.67
	Vouchers payable @ 6/30	539,807.50	539,807.50	Represents vouchers payable number per state as of June 30, payments the college has already included in expenses and reduced from cash but GAD has not yet reviewed and cut checks for. When they cut the check the cash is removed from the Treasurers figure.
	"Deposit" in transit	1,444,698.00		COVID expense reimbursment from State, we recorded revenue in August and increase to cash, as of June 30 it was not in the treasurer's cash figure.
	"Deposit" in transit 8/6/2020	69,629.00		Final COLA general fund grant from state, we recorded revenue in August and increase to cash, as of June 30 it was not in the treasurer's cash figure.
<u>B</u>	Adjusted 'Bank' Balance 8/12/2020	22,853,017.93	22,864,508.17	
<u>C</u>	Cash per CARS @ 6/30/2020	22,864,753.42	22,864,753.42	
	Difference	11,735.49	245.25	
<u>D</u>	Cash per GAD		22,324,700.67	
	Vouchers payable @ 6/30		539,807.50	Vouchers Payable represents expenditures transmitted to the state but the check has not yet been issued
<u>E</u>	Total		22,864,508.17	
	Variance CARS to GAD		245.25	

B**St. Mary's College of Maryland**

State RSTARS accounting system reports

Components of Vouchers Payable, Comptroller Object 1211

Vouchers Payable represents expenditures transmitted to the state but the check has not yet been issued

State Fund	College Fund	Transaction Code	Description	Opening Balance	Vouchers Payable		Ending Balance	Reference #
					Debits	Credits		
40	110	240	Claims Payable - Rev. refund			475.75		
40	110	242	Claims payable not encumbered			902,740.58		
40	110	247	Claims Payable disb. Of Deposit			614.45		
40	110	453	Disburse Account receivable			15,269.31		
40	110	700	Payment Liquidation - Expense		521,979.32			
40	110	701	Payment Liquidation - Revenue		2,970.00			
40	110	702	Payment Liquidation - Payables		20,704.58			
40	110	704	Fedwire expenditure liquidation		26,569.90			
40	110	730	Liability offset capture - expense		2,176.96			
40	110	736	Liability offset capture - Revenue		103.25			
40	110			136,160.92	574,504.01	919,100.09	480,757.00	1
43	120	242	Claims payable not encumbered			52,537.61		
43	120	700	Payment Liquidation - Expense		10,403.41			
				-	10,403.41	52,537.61	42,134.20	2
48	155	242	Claims payable not encumbered			21,479.40		
48	155	700	Payment Liquidation - Expense		6,837.25			
				2,252.25	6,837.25	21,479.40	16,894.40	3
49	170	242	Claims payable not encumbered			50,322.00		
49	170	700	Payment Liquidation - Expense		50,300.00			
				-	50,300.00	50,322.00	22.00	4
							539,807.60	

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 5, 2021
INFORMATION ITEM III.E.
COVID-19 MITIGATION EXPENSES TO DATE**

The College continues to closely monitor and track all FY21 COVID-19 related expenses for potential reimbursements. As of December 31, 2020, the following items were reported as COVID-19 costs that have been funded using College operating funds:

FY21 Expenditures - Related to COVID-19	Actual Receipts/Invoices
PPE Supplies	\$ 14,435
Technology (Distance Learning & Remote Work)	\$ 673,389
On Campus Student Enhancements (Classrooms & Outdoor Spaces)	\$ 7,512
Additional Personnel Due to COVID	\$ 159,294
Cleaning & Sanitizing Supplies	\$ 30,180
Postage	\$ 123
COVID Campus Wide Signage	\$ 25,024
COVID Surveillance Testing	\$ 15,960
Increased Costs Due to COVID-19 as of 12/31/2020	\$ 925,916

We expect that the total FY21 COVID-19 mitigation expenses will exceed \$1M, partially due to the increased frequency of surveillance testing for all students, faculty, and staff, the NCAA requirement that all athletes must be tested twice weekly, and additional purchases required to ensure campus mitigation efforts and safety.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 5, 2021
INFORMATION ITEM III.F.
JOINT INVESTMENT ACTIVITIES**

The Joint Investment and Advisory Committee met on November 18, 2020 to review financial information on the Foundation and College endowments. See attached for information related to the Foundation and College investments.

St. Mary's College of Maryland Foundation

As of December 31, 2020, the total market value of the Foundation's endowment is \$ 37.6M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$36.7M), the Student Investment Group (SIG) account (\$651K), and WesBanco shares (\$237K).

Of the endowment managed by JP Morgan, the fiscal year-to-date increase in market value of \$4.6M includes \$729K in contributions, \$319K in income, \$4.3M increase in investment value and \$704K of withdrawals. The overall rate of return current fiscal year-to-date is 14%. Attached is the consolidated investment statement.

St. Mary's College of Maryland Endowment and Quasi Endowment

The College holds investments totaling \$4.7M consisting of Endowment and Quasi-Endowment. \$3.7M are funds functioning as endowment (Quasi) and \$1M represents the Blackistone Endowment.

Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$4.46M as of December 31, 2020. Funds are currently invested in a mix of fixed income instruments and equities. The overall rate of return is 8.86% on an annualized basis.

The remaining \$0.25M of College endowment is currently held in a cash investment pool by the State Treasurer.

St Mary's College of Maryland Foundation, Inc
Consolidated Investment Statement
for the period July 1, 2020 to December 31, 2020

	<u>Beginning Market Value</u> <u>7/1/2020</u>	<u>Ending Market Value</u> <u>12/31/2020</u>
<u>JP Morgan Portfolio</u>		
Endowed Accounts	32,104,011	36,686,023
Gift Annuity	990,292	1,180,008
Current Funds	3,632,827	3,666,021
Total Investment Accounts Market Value	36,727,130	41,532,052
Endowed Funds Allocated Spending Account	808	809
Gift Annuity Cash Account	8,490	9,153
SGA Investment ***	412,372	651,430
Total JP Morgan Portfolio	37,148,800	42,193,443
<u>Other Assets</u>		
Perpetual Trust, PNC	1,440,088	1,674,780
WesBanco shares ***	160,490	236,744
<u>Cash</u>		
Checking Account	768,431	1,077,381
Endowment Spending Account	969,542	960,099
<u>Total</u>	40,487,350	46,142,448

*** In addition to the JP Morgan Portfolio, the Foundation Endowment includes the WesBanco Shares & the SGA investment

*** The College holds a quasi-endowment in addition to the above funds

St. Mary's College of Maryland
Endowment Fund
As of 12/31/2020

	<u>6/30/2020 Balance</u>		<u>31-Dec-20</u>	Annualized return
Legg Mason / 1919 Investments - Cash & Equivalents	153,565.62		208,998.21	Cash
Legg Mason / 1919 Investments - Fixed Income	2,496,503.06	Fixed & Cash	2,537,016.86	
Legg Mason / 1919 Investments - Equity Portfolio	<u>1,431,760.08</u>		<u>1,720,030.13</u>	
	4,081,828.76		4,466,045.20	18.83%
Cash with Treasurer	<u>253,154.40</u>		<u>253,154.40</u>	Cash
Investable Total	<u>4,334,983.16</u>		<u>4,719,199.60</u>	8.86%
Other Investments	<u>977.50</u>		<u>977.50</u>	
Total Investments 6/30/2020	<u><u>4,335,960.66</u></u>		<u><u>4,720,177.10</u></u>	

Asset Allocation *				
	Current	Lower	Target	Upper
Domestic Equities	33%	20%	30%	50%
International Equities	6%	0%	5%	10%
Fixed Income	57%	50%	60%	70%
Cash	<u>5%</u>	<u>30%</u>	<u>5%</u>	<u>15%</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>145%</u>

Note: Asset Allocation per Board of Trustees approved Investment Policy February 2, 2018

	<u>Unaudited as of 8/11/2020</u>		Annual	
<u>Components of Endowment Fund:</u>	6/30/2019	6/30/2020	Return	7/31/2020
Restricted Non-expendable	1,000,117.00	1,000,117.00		1,000,117.00
Restricted Expendable	19,894.00	19,894.00		19,894.00
Board Designated	<u>3,122,254.01</u>	<u>3,315,949.66</u>		<u>3,700,166.10</u>
Total	<u><u>4,142,265.01</u></u>	<u><u>4,335,960.66</u></u>	4.68%	<u><u>4,720,177.10</u></u>

8.86%

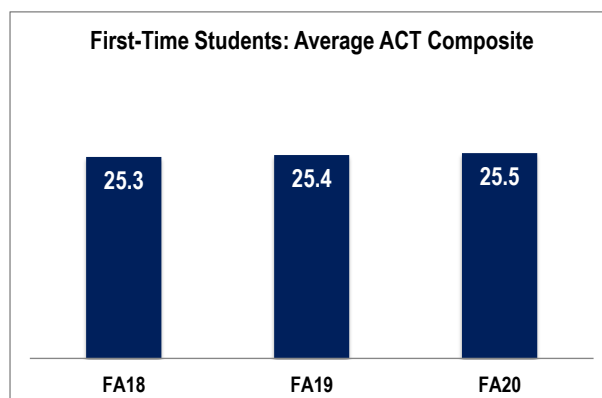
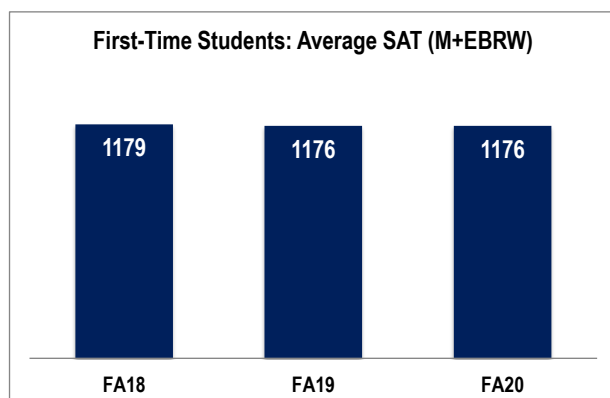
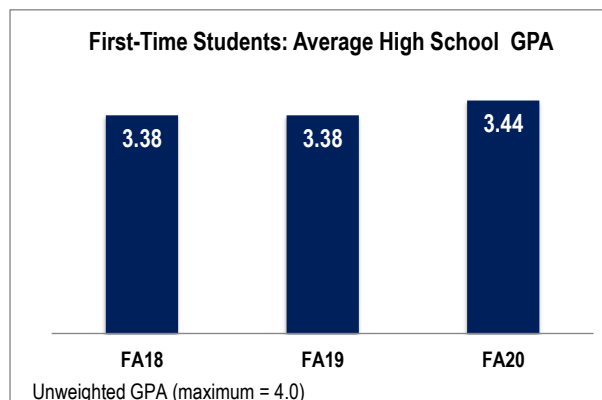
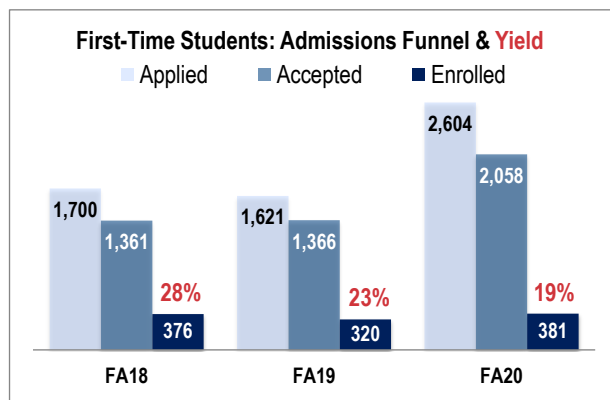
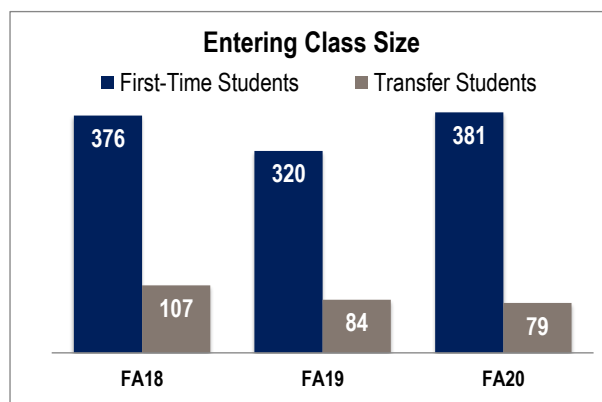
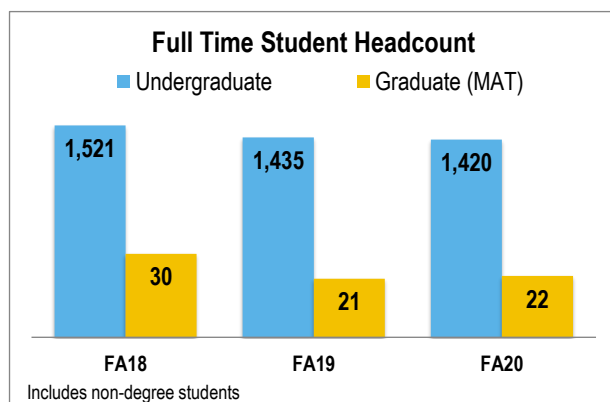
**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF FEBRUARY 5, 2021
INFORMATION ITEM III.G.
DASHBOARDS**

The current dashboards follow.

Board of Trustees Dashboard - February 2021

Student Characteristics in Enrollment **

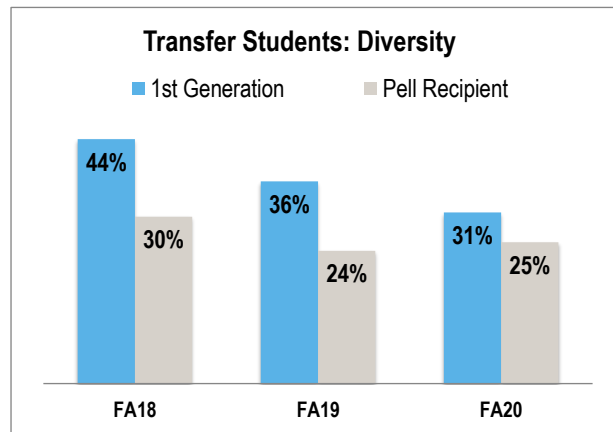
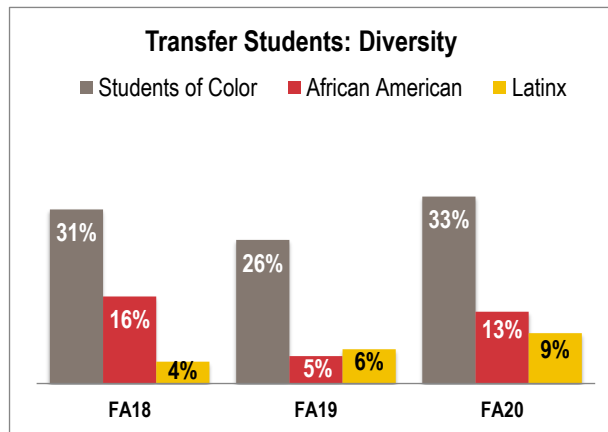
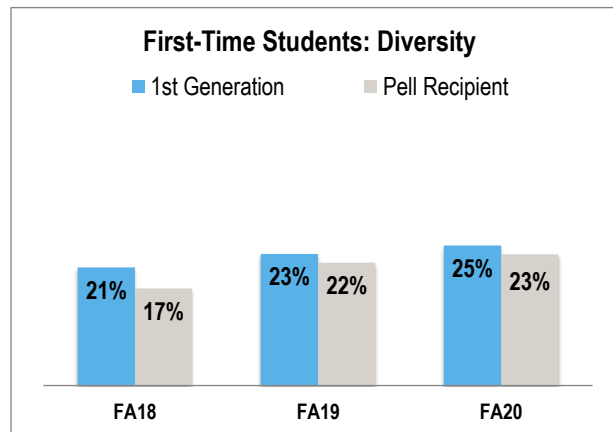
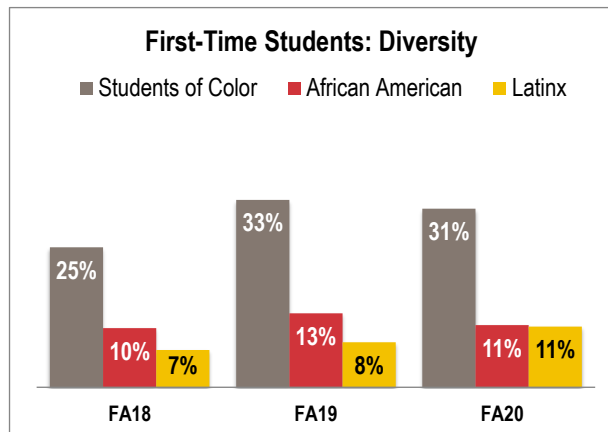
Fall 2020 figures based on final census (freeze) data, 9/14/2020



Board of Trustees Dashboard - February 2021

Student Characteristics in Enrollment **

Fall 2020 figures based on final census (freeze) data, 9/14/2020

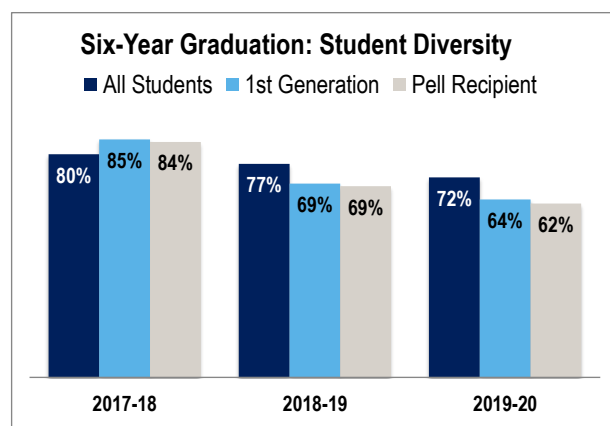
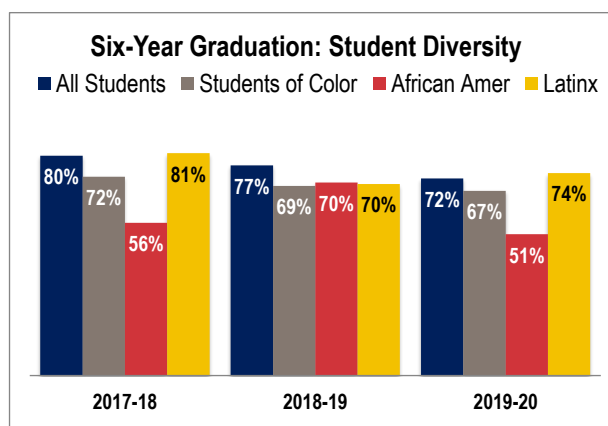
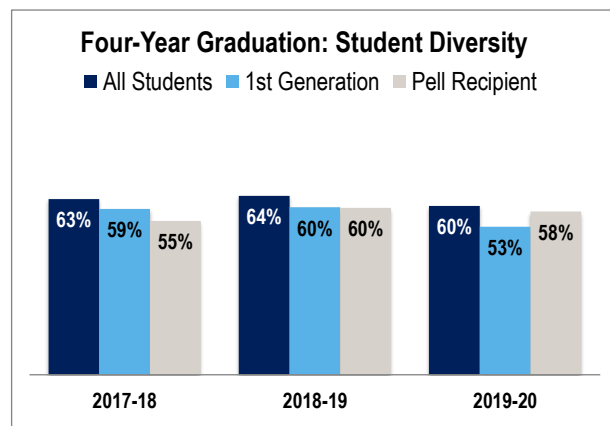
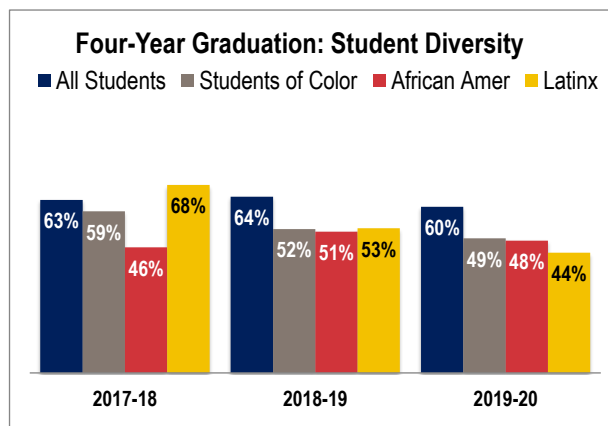
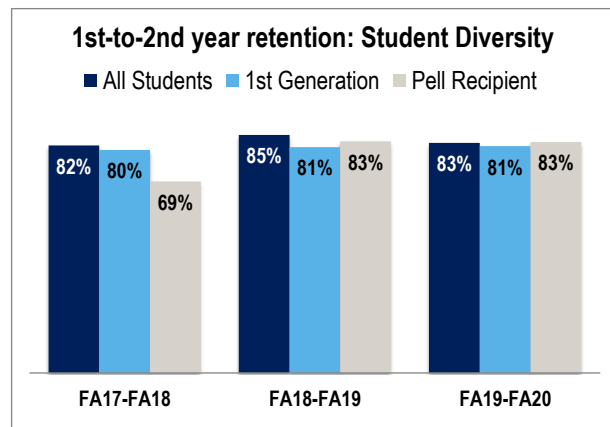
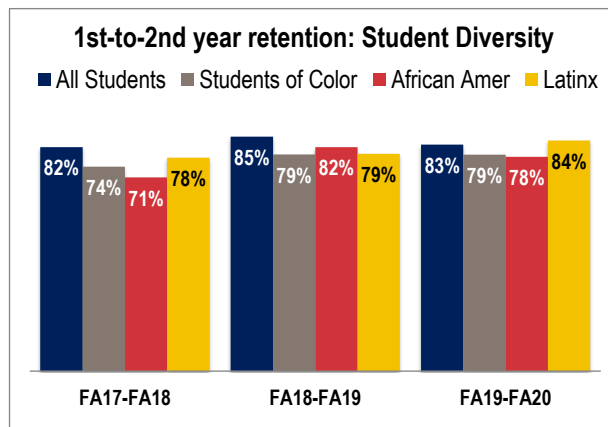


** Goals were temporarily removed for all measures. Revised goals will be established during the strategic planning process.

Board of Trustees Dashboard - February 2021

Student Retention and Persistence (First-Time Students) **

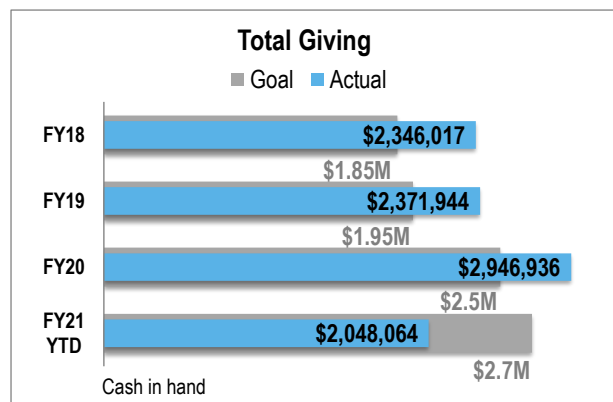
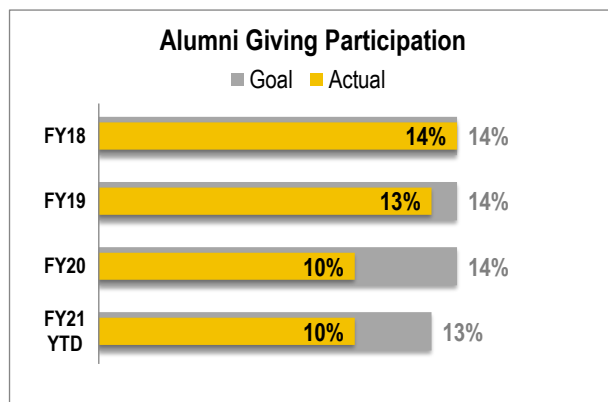
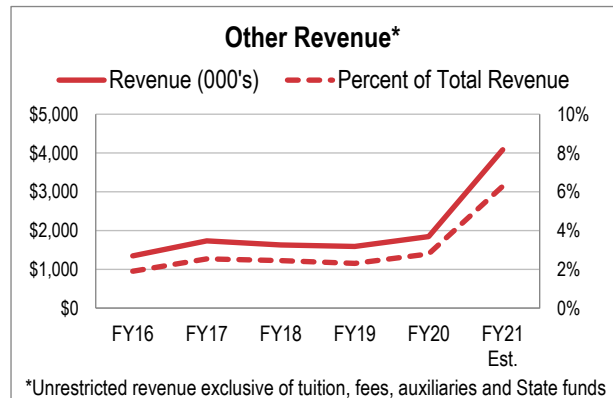
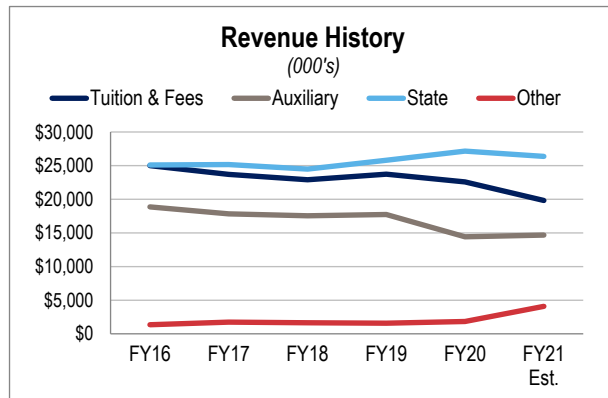
Fall 2020 figures based on final census (freeze) data, 9/14/2020



** Goals were temporarily removed for all measures. Revised goals will be established during the strategic planning process.

Board of Trustees Dashboard - February 2021

Revenue and Fundraising



**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
MINUTES**

Date of Meeting: October 16, 2020

Status of Minutes: Approved November 3, 2020

Finance, Investment, and Audit Committee Members Present: Committee Chair John Wobensmith '93, Anirban Basu, Board Chair Lex Birney, Susan Dyer, Faculty Representative Liza Gijanto, Sven Holmes, President Tuajuanda Jordan, William Seale, Harry Weitzel, Ray Wernecke

Committee Members Absent: None

Staff Member: Paul Pusecker

Others Present: Nicolas Abrams '99, Betsy Barreto, Alice Bonner '03, Allison Boyle, Fatima Bouzid '22, Peter Bruns, Donny Bryan '73, Kelsey Bush, Paula Collins, Carolyn Curry, Michael Dougherty, Peg Duchesne '77, Judy Fillius '79, Mary Grube, Chapman Grumbles (Jefferies, LLC), Gail Harmon, David Hautanen, Glen Ives, Lindsay Jamieson, Bridget Marshall, Shana Meyer, Dan Pindell '10, Laura Powell (Jefferies, LLC), Jennifer Sivak, Danielle Troyan '92, Christopher True, Harry Weitzel, Ray Wernecke, Michael Wick, Anna Yates, Derek Young

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the open session meeting to order at 1:41 p.m. The meeting took place via videoconference.

Discussion Items

FY20 Operating Budget Closing and Status of Financial Statement Audit

FY20 preliminary and un-audited results are final. The current fund unrestricted revenues of \$65.988M were lower than expenditures and transfers, totaling \$66.225M, a deficit of \$237K. The year-end operating result is approximately \$2.7M better than the expected \$2.98M loss.

The financial statement results on an accrual basis are a \$2.5M loss before state capital investment and a gain of \$7.17M overall. The change in accrual basis results are due to depreciation expense, a non-cash pension expenditure of \$243K, and other non-cash changes.

Review and adjustments for year-end activity are complete. The entrance interview with audit firm Clifton Larsen Allen, LLP took place in June 2020 and fieldwork began in August. The College received final drafts of the financial statements on October 5, 2020. The audited statements will be brought to the Finance, Investment, and Audit Committee for review and approval in December 2020.

Information Items

CFU FY21 Results to Date

Revenue collections are at 35% of the budgeted level, with auxiliary enterprises trailing expectations, due to lower than expected counts on campus resulting from the impact of COVID-19. Expenditures in FY21 are running 10.4% higher than the equivalent period last year.

COVID-19 Mitigation Expenses (Costs and Recoverables)

The Federal CARES Act provided financial resources to the State of Maryland, a portion of which was used to subsidize COVID-19 pandemic related expenses incurred in FY20 by public higher education institutions. The College received \$1.394M in CARES Act funding to offset some of the expenses incurred from the pandemic, which included \$398K to support public safety costs (salary and benefits) for the period March 1, 2020 to June 30, 2020.

Action Items

II.A. Revision of the FY21 Current Fund (Operating) Unrestricted Budget

The revision incorporates a carry-forward authorization for approximately \$1.9 in encumbered, unexpended funds as of June 30, 2020 and reflects a reduction in expected sales and services auxiliary revenue of \$1.4M from the Board-approved FY21 budget. The \$14.7M auxiliary revenue total accurately reflects the actual billable room and board charges, and factors in the credits that students will receive for the staggered start of the fall semester. A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

II.B. Reconciliation of the FY21 Plant Fund (Capital) Budget

Five major projects with a value greater than \$200K continue with a balance remaining of \$1.95M. Projects with a value greater than \$200K require explicit Board of Trustees approval. Additional projects with a value less than \$200K have a remaining balance of \$1.27M. FY20 plant fund activity was reconciled to the end of the fiscal year and new projects that were approved in May 2020 were added. The FY21 active project budget totals \$3.2M. The projected unencumbered plant fund balance is \$1.35M. A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

II.C. Part-Time Student Credit Cost Increase

The part-time per credit hour cost will increase from \$200 to \$300 for Maryland and District of Columbia residents and to \$450 for out-of-state residents. The mandatory fees charge will be 50% of the amount that is charged to full-time students. The changes will become effective on July 1, 2021. The new charge structure will bring St. Mary's College's tuition and mandatory fee charges for part-time students in close alignment with our University System of Maryland peers. A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

II.D. Approval of the 2020 Performance Accountability Report

The Performance Accountability Report, required by the State of Maryland, assesses the College's progress on a variety of goals and objectives, including academics, enrollment, retention and graduation, financial aid, and student outcomes. The report provides data on specific metrics as well as a narrative describing strengths and challenges. Maryland law requires institutions to submit their PAR to the Maryland Higher Education Commission for review, and final submission

to the Governor and General Assembly. The report was brought forward for action with endorsement from the Academic Affairs and Campus Life Committees.

A motion to approve the action item was made by Committee Chair John Wobensmith '93. The motion was seconded and the action was approved unanimously.

The meeting adjourned at 2:06 p.m.

**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
MINUTES**

Date of Meeting: December 15, 2020

Status of Minutes: Approved February 1, 2021

Finance, Investment, and Audit Committee Members Present: Committee Chair John Wobensmith '93, Anirban Basu, Board Chair Lex Birney, Susan Dyer, Faculty Representative Liza Gijanto, Sven Holmes, President Tuajuanda Jordan, Harry Weitzel

Committee Members Absent: William Seale, Ray Wernecke

Staff Member: Paul Pusecker

Others Present: Nicolas Abrams '99, Alice Bonner '03, Michael Bruckler, Peter Bruns, Donny Bryan '73, Paula Collins, Mike Dougherty, Judy Fillius '79, Gail Harmon, Glen Ives, Gabriel Mbomeh, Remi Omisore, Jenny Sivak, Chris True, Anna Yates

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the open session meeting to order at 1:03 p.m. The meeting took place via videoconference.

Vice President for Business and CFO Paul Pusecker stated that the Committee would receive a detailed presentation from Remi Omisore, principal for the firm Clifton, Allen, Larsen, LLC, during the meeting. The presentation would include information about the audit process, the audit results, and the College's financial statements.

Mr. Omisore reported that the audit produced no instances of fraud and no material weakness in internal controls. The audit firm noted two deficiencies. The first one dealt with the reconciliation of cash activity and the other involved revenue recognition of grant funds. Both deficiencies will be addressed and corrected. The audit firm will issue an unmodified opinion letter indicating that the financial statements fairly represent, in all material respects, the financial position of the College. Mr. Omisore also stated that he received full cooperation from the management and that no significant changes to journal entries were noted. The audit included an assessment of the control environment and an evaluation of key processes, all of which were found to be effective in both design and operation.

At 1:29 p.m., Committee Chair Wobensmith '93 asked for a motion to close the session in accordance with Title 10, Subtitle 3 of the General Provisions Article (the Open Meetings Act) to discuss the audit report and financial statements with a representative from Clifton, Larsen, Allen LLP.

The closed session adjourned at 1:52 p.m. and the open session of the Finance, Investment, and Audit Committee meeting resumed at 1:53 p.m.

Action Items

I.A. Acceptance of the FY20 Auditors' Report and Audited Financial Statements

Statements reflecting the financial transactions and position of the College for the period July 1, 2019 through June 30, 2020 were prepared in accordance with generally accepted accounting principles, reflecting the GASB 34 & 35 reporting requirements. The independent firm of Clifton, Larsen, Allen, LLP, whose report and opinion are included in the document, has audited these statements. A motion to approve the action item was made by John Wobensmith '93. The motion was seconded and approved unanimously.

The meeting adjourned at 1:54 p.m.