Finance Committee Minutes
September 3, 2026

NEC – Ms. Fran Rosenberg, Mr. Larry Fleming, Mr. Kevin Mahoney, Ms. Kathy Mahoney
Committee: Mr. Brian Forget, Dr. Scott Morrison, Mr. Daniel Bauer, Ms. Molly Cohen , Mr. Thomas Geary, Mr. Robidoux

1. **Call to Order :** Mr. Forget called the remote Finance Committee meeting to order at 8:03 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, 2026."

2. **Treasurer's Reports –** Mr. Mahoney provided an update on the Treasurer's Reports for May, June, and July 2026.

   For May, Mr. Mahoney noted that the Consortium paid off its line of credit. Mr. Foget commented that he was very pleased to hear that the line of credit had been paid off and asked whether there was a possibility that it may need to be used again in the future. Mr. Mahoney indicated that it was possible, depending on cash flow needs.

   In reviewing the June report and the close of the fiscal year, Mr. Mahoney reported that NEC finished the year in a strong position in terms of actual results compared with budget. He noted that NEC entered the summer with a favorable cash position.

   For July 2026, Mr. Mahoney reported a strong cash reserve primarily driven by summer tuition collections. This supported the Consortium's summer cash-flow needs, with the cash position remaining at approximately $3 million.

   Mr. Mahoney also noted that there were no changes in banking arrangements. NEC continues to receive a modest interest rate on its money market balances, which serve as working-capital accounts. Treasurer's Reports will continue to be presented on a cash basis rather than an accrual basis, reflecting cash collected rather than amounts billed.

   There were no additional questions from the Committee.

3. **Updates from the CFO and Discussion:** Mr. Fleming reviewed the FY26 year-end financial summary, noting that the figures remain subject to any significant year-end journal entries from the auditors. Total expenses were approximately $33.372 million, approximately $328,000

favorable to budget. NEC also received additional DESE grant funding related to the Recovery High School program.

Transportation expenses totaled approximately $8.8 million. Mr. Fleming noted that the current figures do not fully reflect the personnel costs associated with managing the regional transportation program. Approximately 80% of the Transportation Coordinator position and 50% of the Accounts Receivable position are directly related to transportation operations. Accounts receivable activity has increased significantly as a result of the transportation contract.
Mr. Forget commented that including these costs provides a more accurate picture of the true cost of the program.

The projected FY26 year-end surplus is approximately $847,350, or about 2% of the overall budget, which is closer to the original budget projection.

Ms. Rosenberg reflected on the financial concerns experienced during the winter and expressed appreciation for the mid-year adjustments that allowed NEC to finish the year in a stronger financial position. She thanked Mr. Fleming for his work. She also emphasized that the year-end surplus is not simply “extra money,” but an important resource for NEC’s long-term financial stability and capital needs. The Board will need to vote to transfer the appropriate amount into the Capital Reserve Account.

The Committee discussed the importance of helping new Board members understand NEC’s financial structure, particularly as member districts are also facing significant budget pressures. Mr. Bauer and Mr. Forget agreed that ongoing education and financial context are helpful for Board members. NEC currently has four new Board members, and additional discussion will take place as part of the upcoming strategic planning work.

Mr. Fleming also provided an update on cash flow and the line of credit. Although the line of credit was paid off at year-end, cash flow may become tighter in October and November. If needed, NEC may temporarily use approximately $300,000 or less of the available $1 million line of credit, with the expectation that it would be repaid within approximately two months with minimal interest expense. Mr. Mahoney and Mr. Fleming will continue to closely monitor cash flow.

Mr. Fleming reviewed several capital and facilities priorities. NEC is working with an engineer to assess the Beverly campus parking lots. Preliminary information suggests that much of the work may involve seal coating, and estimates are being developed. The possibility of completing the work on weekends and by Thanksgiving is also being explored.

The Committee discussed the importance of proactive capital planning, with the elevator identified as the highest-priority capital concern. Mr.Bauer noted that elevator repairs can be significantly delayed when replacement parts are unavailable, reinforcing the need to plan ahead.

Dr. Morrison asked for an update on the HVAC project. Mr. Fleming reported that NEC continues to hold retainage while working to resolve outstanding issues. Based on current information, the remaining problem appears to be related to the manufacturer. A further update will be provided at the next Board meeting.

Mr. Forget noted that, despite the financial challenges experienced during the year, NEC paid off its line of credit and ended FY26 in a stronger position. Ms. Rosenberg agreed that beginning the new fiscal year from a positive financial position is beneficial.

Ms. Rosenberg also shared that Northshore Phoenix High School will be operating in its new location. In response to a question from Mr. Bauer, she noted that NEC plans to offer Board members and invited guests an opportunity to tour the new space during the first week of October and may consider holding a future meeting there.

Ms. Rosenberg thanked everyone for their participation. A motion was made to adjourn the meeting

4. **Adjournment –**A motion was made by Dr. Morrison and seconded by Mr. Bauer adjourned the Finance Committee meeting at 8:40 am.
   VOTE: The motion was moved unanimously

Kathy Mahoney

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Kathy Mahoney, Administrative Assistant to Executive Director

Francine H Rosenberg

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Francine Rosenberg, NEC Executive Director