



Finance & Audit Committee Meeting

October 26, 2023

Via Zoom

Meeting Minutes

The following Committee members were present:

Jennifer Hsin, Chair - Clark Enterprises
Kevin Beverly, Chair, Board of Directors
Marilyn Balcombe, Councilmember

The following Committee member was absent:

Alberto Lacaze, Robotic Research

The following attendees were present, consistent with the requirements of the Open Meetings Act and in accordance with the Corporation's Bylaws:

Bill Tompkins, President & CEO
Stacey Hardy, VP of Operations
Julia Brailovsky, Sr. Accountant, DeLeon & Stang
Sandra Magwood, Executive Support & Human Resources Coordinator
Chris Griffin, Partner, CohnReznick
Marcela Giron, Manager, CohnReznick

Ms. Hsin called the meeting to order at 2:05 pm. A quorum of the Directors was present. Ms. Magwood was designated to take the minutes.

Approval of Minutes

Mr. Beverly moved to approve the minutes from the June 2, 2023 meeting. Councilmember Balcombe seconded the motion. The motion passed unanimously.

Review and Approval of Draft FY23 Financial Statements

Mr. Griffin presented MCEDC's audited financial statement for the period ending June 30, 2023. Mr. Griffin reported that MCEDC received an unmodified, clean opinion, with no material weaknesses or significant deficiencies.

Mr. Griffin discussed the impact of a new accounting pronouncement on the presentation of the financial statements. ASU 2016-02, Leases ("Topic 842"), requires lessees to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. As a result, the financial statements reflect a decrease of \$413,123 in deferred rent, which has been reclassified as a right-of-use asset.

Mr. Griffin also highlighted the treatment of income and expenses related to MCEDC's administration of the ACE Loan Fund in partnership with the Latino Economic Development Center (LEDC). Mr. Griffin noted that amounts transferred to LEDC for loans (originated) by LEDC are reflected as "programmatic investment assets" on the statements of financial position.

Mr. Griffin noted that MCEDC received financial support from Maryland Department of Commerce for its role as fund manager of the ACE Loan Fund of up to 8% of grant funds awarded. For the year ended June 30, 2023, \$120,000 was recognized by MCEDC for its fund manager services and is reported as a component of contributions on the statements of activities.

Members of the staff departed the meeting at 2:36 pm to allow the Committee to meet with the auditors without staff present.

Adjournment

The meeting was adjourned at 2:49 pm.