

APPROVED MINUTES

MEETING

of the

FINANCE AND AUDIT COMMITTEE

of the

MASSACHUSETTS TECHNOLOGY PARK CORPORATION

March 21, 2024

Zoom Videoconference

The Massachusetts Technology Collaborative (“Mass Tech Collaborative” or “Mass Tech”) Finance and Audit Committee (“F&A”) Meeting was held on March 21, 2024, via Zoom videoconference, pursuant to notice duly given to the Directors and publicly posted on the Mass Tech website with corresponding notice provided to the Office of the Secretary of State and the Executive Office for Administration and Finance.

The following Finance and Audit Committee Members were present and participated: Joseph Dorant, Nate Walton, and Julie Chen.

The following Mass Tech Collaborative staff were present: Carolyn Kirk, Marc Leonetti, Mary Creamer, Brianna Wehrs, Rachael Stachowiak, and Paula Foley.

The following RSM staff were present: Valerie Colimon, Philip King, and Dan Bonnette.

Mr. Dorant noted the presence of a quorum and called the meeting of the Finance and Audit Committee to order at 4:04 p.m.

Agenda Item I Approval of Minutes

Following a period of brief discussion and upon a motion duly made and seconded, it was unanimously and without abstention VOTED by roll call:

The Finance and Audit Committee of the Massachusetts Technology Collaborative Board of Directors hereby adopts the Draft Minutes of the meeting of the Finance and Audit Committee held on June 22, 2023, by Zoom videoconference as the formal Minutes thereof.

Agenda Item II FY23 Financial Statement Audit Discussion with RSM

The Committee declined the opportunity to meet independently from Mass Tech management, then Mr. Dorant asked RSM to begin the audit discussion. First, Mr. Bonnette apologized for the lateness of the Audit Report. He explained that RSM had experienced some unexpected staffing issues which contributed to the delay in today's presentation. Ms. Colimon then provided an overview of the Audit Report including a discussion of the audit strategy. Ms. Colimon explained that the audit team identified a material weakness in one area that required issuance of a restatement. This issue, explained Ms. Colimon, pertained to revenue recognition of a funding agreement that should have occurred in FY22 rather than FY23. Ms. Colimon stated that Mass Tech indicated it has taken corrective action and modified its procedures. Ms. Colimon indicated that there were no financial statement compliance matters nor any federal award findings or questioned costs regarding internal controls or compliance under the Uniform Guidance report.

Mr. King then provided a summary of the significant accounting estimates used in the audit as well as additional background and recommendations on the restated matter. Ms. Colimon concluded the presentation by emphasizing the independence and professional judgment of the auditors in completing and submitting the Audit Report provided to Mass Tech on February 15, 2024.

Following a brief discussion, Ms. Colimon, Mr. King, and Mr. Bonnette left the meeting at 4:29 p.m.

Mr. Dorant then asked Chief Financial Officer ("CFO") Mr. Marc Leonetti to provide a financial update.

Agenda Item III Financial Update through January 2024

Mr. Leonetti provided an overview of Mass Tech's Consolidated Income Statement for the period ending January 31, 2024. He noted that Mass Tech has experienced shifts in revenues and expenditures over the course of the fiscal year and that these shifts are due to program development, approval, and implementation. Although Mass Tech is meeting program roll out timeframes, Mr. Leonetti indicated that internal and external factors can impact the program work. For example, the Personnel category is running under budget given that positions were filled later than expected or not at all. In addition, Financial Assistance Expenditures are also running under budget given that certain expected program expenses, such as the Massachusetts Broadband Institute's American Rescue Plan Act ("ARPA") and the Center for Advanced Manufacturing's M2I2 and MMAP grant awards, have been delayed. On the revenue side, Mr. Leonetti indicated that state bond funding is over budget, while other state revenue and federal funding are under budget. Mr. Leonetti stated that while some revenues and expenditures may occur beyond the fiscal year, he does not expect this to result in a loss of overall funding.

Mr. Leonetti concluded his presentation by thanking former CFO Ms. Lisa Erlandson who is retiring from Mass Tech after more than thirty (30) years of service, and Ms. Mary Creamer, for all of their hard work in managing Mass Tech finances over the years.

Having determined that there was no other business to discuss, Mr. Dorant adjourned the meeting at 4:42 p.m.

A TRUE COPY ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – June 22, 2023, Finance and Audit Committee Meeting
2. FY23 Financial Statement Audit Discussion with RSM (presentation)
3. Financial Update through January 2024 (presentation)