



Montgomery County Economic Development Corporation  
Audit & Finance Committee Meeting Minutes  
October 11, 2019  
MCEDC  
1801 Rockville Pike, Suite 320  
Rockville, MD 20852

The following Committee members were present:

Carmen Larsen, Aquas, Inc. – Treasurer  
Kevin Beverly, President & CEO, Social & Scientific Systems (joined via phone at 2:38 pm)  
Elana Fine, Chief Operating Officer, VWG Wealth Management (joined via phone at 2:37 pm)  
Tien Wong, CEO, Lore Systems, Tech 2000, Opus8, Inc.

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

Julia Brailovsky, Senior Accountant, DeLeon & Stang  
Al DeLeon, Partner, DeLeon & Stang  
Chris Griffin, Partner, CohnReznick  
Stacey Hardy, VP of Operations, MCEDC  
Bill Tompkins, Executive Vice President & COO, MCEDC

*The meeting was called to order at 2:11 pm. A quorum of the Committee members was achieved at 2:37 pm.*

Mr. Griffin presented an overview of the draft audited financial statements for the period ending June 30, 2019 and noted that he expects to issue an unmodified opinion.

Mr. Griffin discussed key changes to the accounting standard which impact the way that nonprofit organizations present their financial statements. Mr. Griffin noted that MCEDC's statements now include a breakdown of functional expenses and reflect two classes of net assets (with donor restriction and without donor restriction) as opposed to three (unrestricted, temporarily restricted, and permanently restricted). The new presentation also includes the disclosure of board designated assets and a footnote to denote the liquidity and availability of resources that can be used for operations one year from the balance sheet date.

Mr. Griffin presented the Required Communications letter and Management Letter for discussion. During the presentation, Mr. Griffin noted an outstanding issue related to the total recorded for accrued expenses. DeLeon & Stang agreed to work with CohnReznick to review the total and to confirm the appropriate accrual amount. Mr. Griffin and Mr. DeLeon discussed strategies for management to consider to ensure the strength of internal controls and established accounting procedures.

Ms. Larsen moved to recommend the draft audited financial statements to the Board for approval, pending confirmation of the amount of accrued expenses. Mr. Wong seconded the motion. Mr. Beverly abstained from the motion. The motion passed.

Mr. Griffin noted that CohnReznick will proceed with the preparation of MCEDC's 990 form. The initial filing deadline is November 15, but can be extended until May if necessary.

### **Approval of Minutes**

Ms. Larsen moved to approve the minutes from the May 30 meeting. Mr. Wong seconded the motion. The motion passed unanimously.

### **Financial Management Calendar**

Ms. Hardy reviewed the financial management calendar for the remainder of the year and noted upcoming deadlines and responsibilities.

### **Adjournment**

The meeting was adjourned at 3:02 pm.