

**MINUTES OF THE AUDIT & FINANCE COMMITTEE OF  
THE BOARD OF DIRECTORS OF  
MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION  
September 17, 2024  
By Zoom Link**

The Audit & Finance Committee (the “Committee”) of the Board of Directors of Maryland Technology Development Corporation (“TEDCO”) convened at 9:31 a.m. on September 17, 2024, via a Zoom video conferencing link provided for that purpose. A quorum was present given that 6 members out of the total 6 members of the Committee attended the meeting.

**Committee Members Present:**

Jeff Rhoda, Chair  
Eben Smith,  
Kevin Anderson  
Rondall Allen  
Andrew Serafini  
William Roberts

**Representatives, TEDCO Staff, Board Members Present:**

Troy LeMaile-Stovall, CEO  
Terry Rauh, Staff  
Geysse Gonzalez, Staff Liaison to the Committee  
Ann Pulley, Staff  
Leah Franklin, Staff

**Guests Present**

Paul Shifrin, Director, SC&H accounting firm  
Kim Miller, Director, SC&H accounting firm  
Matt Hottman, Audit Manager SC&H accounting firm  
Jerel Registre, Chief of Staff, Department of Commerce

**Assistant Attorney Generals Present:**

Jigita Patel, Office of the Attorney General (“OAG”)

**MINUTES OF THE OPEN SESSION:**

The meeting was called to order by Mr. Rhoda at 9:31 a.m.

**I. Discussion and Update: Presentation of Draft Audited Consolidated Financial Statements for the Years Ended June 30, 2024, and 2023 for TEDCO and Maryland Innovation Opportunity Fund I, LLC (“MIOF1”)**

Mr. Shifrin provided an overview of TEDCO’s financial audit for the years ended June 30, 2024 and 2023, as follows:

- The audit was performed in accordance with generally accepted accounting standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
- Unqualified Opinion: TEDCO’s consolidated financial statements for the year ending June 30, 2024 and 2023, its position, and operations presents fairly, in all material respects.

- In the statement of net position, the following items were noted:
  - Cash and cash equivalents increased from approximately \$61 million in 2023 to \$80 million in 2024, mainly due to the timing of the deployment of the funds.
  - Note receivables increased by approximately \$10 million from 2023 due to an increase in TEDCO's investment in convertible notes.
  - Restricted cash was depleted due to the funding commitments and deployment thereof.
  - A right to use asset and corresponding lease liability was added as a result of the new office space.
- In the statement of revenues, expenses, and changes in net positions, the following items were noted:
  - Operating revenues are lower in 2024 than in 2023 due to significant deployment of SSBCI funds to companies.
  - Operating expenses are higher due to the addition of new programs and an increase in bad debt expense.
  - An increase in investment earnings due to unrealized gains as a result of a positive market condition.
- Change in Accounting Principle: TEDCO adopted a new accounting guidance GASB Statement No. 100, Accounting Changes and Error Corrections.
- Clarification was provided on how to classify various categories of incoming funding, i.e. possible funding from private sector/industry.
- TEDCO's internal control over financial reporting is appropriate, however, no opinion is expressed on the effectiveness of internal control.
- It was recommended that TEDCO should update its investment valuations more frequently than its current practice.

Ms. Miller provided an overview of MIOF1's financial audit for years ended June 30, 2024 and 2023, as follows:

- The audit was performed in accordance with generally accepted accounting standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
- Unqualified Opinion: MIOF1 consolidated financial statements for the year ending June 30, 2024, and 2023, its position, and operations presents fairly, in all material respects.
- Brief update regarding statements of assets, liabilities and member' equity.

## **II. Action Items:**

- a. Upon a motion duly made and seconded, the Committee unanimously approved to recommend to TEDCO's Board to approve TEDCO's audited consolidated financial statements for the years ended June 30, 2024, and 2023 as presented by SC&H.
- b. Upon a motion duly made and seconded, the Committee unanimously approved to recommend to TEDCO's Board to approve MIOF1's audited consolidated financial statements for the years ended June 30, 2024, and 2023 as presented by SC&H.
- c. Upon a motion duly made and seconded, the May 16, 2024, Audit and Finance Committee Minutes were unanimously approved in the form presented to the members prior to this meeting.

**III. Adjournment:** Given no further business or discussion, the meeting was adjourned at 10:16 a.m.