

APPROVED MINUTES

MEETING

of the

FINANCE AND AUDIT COMMITTEE

of the

MASSACHUSETTS TECHNOLOGY PARK CORPORATION

June 11, 2025
Videoconference

The Massachusetts Technology Collaborative (“Mass Tech Collaborative” or “Mass Tech”) Finance and Audit (“F&A”) Committee Meeting was held on June 11, 2025, via 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 remotely: Joseph Dorant and Jeffrey Stein.

The following Mass Tech Collaborative staff were present: Marc Leonetti, Mary Creamer, Jennifer Saubermann, Brianna Wehrs, Rachel Stachowiak, and Paula Foley.

Also present were Matthew Hunt and Stephanie Jackson from CliftonLarsonAllen (“CLA”).

Mr. Dorant noted the presence of a quorum and called the meeting of the Finance and Audit Committee to order at 10:00 a.m.

Agenda Item I Approval of Minutes (motion item)

Upon a motion duly made and seconded, it was unanimously and without abstention VOTED by roll call vote:

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 December 19, 2024, by Zoom videoconference as the formal Minutes thereof.

Agenda Item II Auditor Selection (motion item)

Mass Tech Chief Financial Officer Marc Leonetti began the discussion by providing an overview of the process Mass Tech undertook to select a public accounting firm to perform the annual audits of Mass Tech's financial statements for fiscal years ("FYs") 2025, 2026 and 2027. Mr. Leonetti explained that Mass Tech first issued a Request for Proposals ("RFP"), and then a selection committee reviewed the four (4) RFP responses. Based on this review, Mr. Leonetti indicated, the selection committee determined that CLA was the best candidate to perform the services, based on factors including CLA's state and local government experience, OMB Uniform Guidance experience, dedication to communication and proactive leadership, commitment to maintaining the same audit team throughout the engagement, and CLA's competitive fixed pricing proposal.

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

The Finance and Audit Committee of the Massachusetts Technology Collaborative Board of Directors hereby ratifies the selection of CliftonLarsonAllen to perform the annual financial audit of the financial statements of the Massachusetts Technology Collaborative, awarded under Request for Proposals for Audit Services (RFP No. 2025-GA-04).

Mr. Hunt and Ms. Jackson from CLA joined the meeting at 10:10 a.m., after the conclusion of the audit selection process discussion and vote.

Agenda Item III FY25 Pre-Audit Discussion with CliftonLarsonAllen (CLA)

Mr. Hunt kicked off the presentation by introducing himself and Ms. Jackson, and explaining his role as Signing Director, and Ms. Jackson's role as Engagement Manager. Mr. Hunt also indicated that a third CLA team member – Joseph DeAngelis – would also be involved in the FY25 audit. Mr. Hunt explained that CLA has extensive experience conducting audits of government agencies, specifically state agencies similar to Mass Tech, such as Massachusetts Life Sciences Center and Massachusetts Clean Energy Center. Mr. Hunt then turned the discussion over to Ms. Jackson who explained the planned audit process and indicated the areas, such as internal controls, revenue recognition, and identification of significant account balances, which CLA will examine during the audit. Ms. Jackson explained that preliminary field-work for the audit began in early June with the primary field-work to be undertaken in August and September. CLA's issuance of financial statements, explained Ms. Jackson, will occur in October. Ms. Jackson wrapped up the presentation by explaining the differing roles and responsibilities of Governance, Management, and Independent Auditor, and explaining recent GASB changes that would be included in CLA's FY25 audit.

Following a brief discussion, Mr. Hunt and Ms. Jackson left the meeting at 10:42 a.m.

Agenda Item IV FY26 Budget Review (motion item)

Mr. Leonetti then turned to a discussion of Mass Tech's FY26 budget. Mr. Leonetti indicated that Mass Tech is seeking the F&A Committee's endorsement of the proposed budget and a recommendation that the budget be approved by the Executive Committee at its meeting later this

month. Mr. Leonetti then explained the major differences between the FY25 and FY26 budgets, including that Mass Tech's FY26 Revenues are projected to be significantly higher than FY25, including \$201.9 million in federal funding and \$66.4 million in capital bond fund revenue. In addition, Mr. Leonetti explained, the expected Financial Assistance Expenditures for FY26 are also significantly higher than FY25, coming in at \$285.7 million in FY26 versus \$90.5 million in FY25. In addition, indicated Mr. Leonetti, Mass Tech personnel costs continue to increase, with 101 FTEs expected at the end of FY26. This requires, explained Mr. Leonetti, a personnel budget of \$16.1 million for the coming fiscal year.

Mr. Leonetti then discussed key trends during the period of FY22 – FY26, including total revenue to total operating expense, revenue by division, revenue sources, headcount, and turnover. Mr. Leonetti noted that FY26 is expected to be the peak of Mass Tech's federal funding revenue, and that post-FY26, federal funding is considered at risk. This expected decrease, explained Mr. Leonetti, may necessitate headcount reductions or shifting personnel to other areas. Mr. Leonetti then provided an overview of FY25 award activity by division, tech sector, and affected geographies.

Then Mr. Leonetti tuned to a detailed overview of the FY26 budget and explained that the primary sources of funds that support Mass Tech's budget are: (1) state budget appropriations; (2) funding from the state's capital plan; (3) federally funded programs; and (4) the Workforce Investment Trust Fund (and other state revenue). Mr. Leonetti explained that Mass Tech balances its budget by cross-charging to annual operating, capital, and federal funds, which allows Mass Tech to support the additional personnel needed due to the growth in program delivery. He then turned to a discussion of the FY26 budget of each division of Mass Tech and discussed each division's core operating priorities for FY26, detailing the budgets and plans of the Innovation Institute, Massachusetts AI Hub, Massachusetts eHealth Institute, Center for Advanced Manufacturing, Massachusetts Broadband Institute, MassCyberCenter, and the Northeast Microelectronics Coalition, as well as the Mass Tech's central office and program support department, and Mass Tech's CapEx and planned capital improvements.

In closing, Mr. Leonetti presented Mass Tech's Consolidated P&L, which showed a total revenue for FY26 of \$288,606,658 and total expenses for FY26 of \$316,732,969. This will result, indicated Mr. Leonetti, in an adjusted net change to Mass Tech's Fund Balance of \$-25,387,737.

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

The Finance & Audit Committee of the Board of Directors of the Massachusetts Technology Park Corporation ("Mass Tech Collaborative Board"), acting pursuant to the authority delegated by the Mass Tech Collaborative Board, does hereby recommend that the Executive Committee of the Mass Tech Collaborative Board approve the Fiscal Year 2026 budget in a form that substantially comports with all material elements of the budget as presented to the Committee.

Having determined that there was no other business to discuss, Mr. Dorant adjourned the meeting at 11:21 a.m.

A TRUE COPY ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – December 19, 2024, Finance and Audit Committee Meeting (motion item)
2. Auditor Selection (motion item)
2. Pre-Audit Discussion (presentation)
3. FY26 Budget Review (motion item)