



**ROCKVILLE ECONOMIC DEVELOPMENT, INC.
FINANCE COMMITTEE
MINUTES**

October 12, 2021, 5:30 p.m.
VIA Zoom Meeting

Committee Attendees: Susan Prince, Todd Pearson, Bridget Donnell Newton, Nancy Regelin, Angela Chaney

Not Present: Jennifer Hester

Staff: Cindy Rivarde, Rhonda Devan, Walter Mannherz

Visitors: Keith Jennings and Kaitlin Deimler (Snyder Cohen), Judy Rudolph (Citizen)

1. Presentation by Snyder Cohn – Draft Audit Report for FY2021 – Keith Jennings

Mr. Jennings presented the draft audit report. He noted it was an unmodified audit opinion. Revenue is up \$500,000+ due to the PPP funds and the CARES Act funds. Receivables are down by \$90,000 due to the timing for receipt of grant funds. The website costs are noted and are being capitalized. The PPP loan is showing as a liability until it is forgiven. Vault is working on the loan forgiveness. Net assets are up \$200,000 and a restricted fund balance of \$319,000 was carried over as of the end of June 2021. The footnotes indicate the pending SBA audit for SBA FY2019 as open. Mr. Jennings noted that the internal controls are good, and that Vault has done a good job in transitioning from the prior firm by cleaning up the accounting in preparation for the audit and implementing policies and adopting Bill.com.

ACTION: Bridget Donnell Newton moved to accept the Audit and move it to the Board, which was seconded by Todd Pearson. The motion passed unanimously.

2. CEO/CFO report

a. Review of Draft Budget Request for FY2023 and Metrics (Due October 15).

Ms. Rivarde presented the budget document proposed to be sent to the City for FY2023. The requested funds are the same as last year with the exception of requesting an additional \$50,000 for the MOVE/Expansion incentive program; \$150,000 for branding commercial districts/sectors as a one-time project, adding \$25,000 for tourism efforts, and approximately \$18,000 for increased operating costs such as benefits and rent. The Committee was supportive of submitting the proposed budget.

b. Proposed FY 2022 Budget Modifications with proposal to move \$60,000 to reserves.

Ms. Devan presented the budget modification. She noted that the PPP funds have been allocated and the additional \$100,000 grant through MCEDC has been incorporated. A donation of \$250,000 from the Washington Football Team is noted, but funds are planned to be pushed to the next fiscal year. After application of the additional funds, it is proposed that \$60,000 would be put in reserves.

ACTION: Todd Pearson moved acceptance of the Budget Modification and moving it forward to the full Board, which was seconded by Angela Chaney. The motion passed unanimously.

3. CFO/Treasurer report

a. First Quarter Close.

Ms. Devan noted that Vault typically handles the first quarter for financials while preparing for the prior year audit, and then will present monthly financials for the rest of the fiscal year.

b. SBA FY2019 Audit.

Ms. Devan noted that Vault submitted a packet in response to the audit requests and feels that it more clearly shows how federal funds were used and that the required match was made. We are waiting for their response.

c. Bill.com.

Ms. Rivarde reported that REDI has moved to Bill.com. Ms. Prince expressed a desire to walk through the system so she could be comfortable with controls. Mr. Pearson indicated that Bill.com is not changing controls or policies and should make accounting more streamlined and easier to track.

4. Discussion of Banking

The Committee discussed moving the MWBC operating account to Capital Bank. They would like to look at moving the reserve fund to another bank other than Capital Bank so that there is more than one banking relationships. There was not a current suggestion as to which bank, although Eagle Bank previously held a REDI account.

ACTION: Todd Pearson made a motion to move the MWBC Operating Account to Capital Bank, which Nancy Regelin seconded. The motion passed unanimously. The Committee will discuss where to move reserves at their next meeting.

5. Upcoming Items

- a. Preparation of 990 – Snyder Cohen will now work on this
- b. Investment Policy – Vault will work on this.
- c. Consider more integrate payroll solution – Vault to make proposal.

6. Other Business

The Mayor requested more information about the Washington Football Team donation as well as the programming with a Chik-Fil-A presenter (franchisee). She raised a concern about ethical considerations for sponsor organizations.

Next Meeting: November 9, 2021, 5:30 p.m. via Zoom.