



ROCKVILLE ECONOMIC DEVELOPMENT, INC.
FINANCE COMMITTEE
MINUTES

July 9, 2024, 5:30 p.m.

Hybrid Meeting – REDI office/Zoom

Committee Attendees: Todd Pearson, Bei Ma, Susan Prince, Nancy Regelin, Monique Ashton

Absent: Angela Chaney

Staff: Cindy Rivarde, Rhonda Devan, Danette Nguyen, Amanda Bosland, Richelle Wilson

1. CEO/CFO/Treasurer report

- a. Financials (through June – End of Year). Mr. Pearson went through updated Financials through June. Total cash on hand is \$1,285,161 including unrestricted, restricted, and reserve funds. There is enough unrestricted cash to cover 7 months of expenses. Expenses are in line with IRS expectations for non-profits at 87% programming and 13% administrative. Eighty-nine percent of expected revenue has been received or accrued. Currently there are \$1,948,618 in assets and \$751,469 in liabilities on the balance sheet. Some of the items discussed include:
 - i. The new cash flow chart that Ms. Prince suggested shows the importance of having a cushion for REDI funds as cash flow can be below the zero-line depending on timing of receipt of funds. This is particularly true with regard to the MWBC program, so the committee discussed the need to maintain a cushion like the football funds.
 - ii. While the MWBC program looks like it lost funding this year, because of timing of funds for FY24 being received in FY23, there was in actually a positive balance at the end of the year. Ms. Devan added a carryover funds line below the line of the Statement of Financial Activity for clarity. Mr. Pearson noted that non-profit accounting does not allow fund accounting (like the government does) so there is a challenge in tracking revenue/expenses for programs over fiscal years. This is complicated by the fact that REDI administers 2 federal grants each with a different fiscal year. The BSU grant ends at the end of July and the Core grant at the end of September.
 - iii. It is estimated that there may be approximately \$25,000 in funding available to move to reserves. This decision will not be made until after the SnyderCohn audit is concluded.
 - iv. The revenue projection was not met in large part because of MCEDC's failure to fund the expected \$60,000 at the end of the year. They funded \$10,000 due to their reduced budget for FY25. REDI was able to adjust expenses earlier in the year when learning that Prince George's County was not funding the expected \$45,000 by eliminating the part time business consultant position.
 - v. The year end close is fairly complete, and we are ready to kick off the audit with SnyderCohn.

- b. FY 25 Proposed Budget. Mr. Pearson noted that he had gone over the budget projections with Ms. Devan and that he is comfortable with the draft budget. It was noted that it was recommended that we be conservative in hiring additional positions for MWBC. Therefore, there is a plan to hire an Associate Business Consultant and an Associate Program Manager this summer, but to hold off on the second Associate Business Consultant until recurring revenue is secured. The additional revenue from Howard County (\$38,500), the State (\$38,500) and Bowie (\$140,000) will allow hiring of the new Associate Program Manager position.

The Committee recommended moving the draft budget to the Board for approval.

- c. Grants and Funding.
- i. Federal Earmarks – the MWBC Shop Local program is moving onto the Appropriations Committee for consideration. The request is \$775,000, and determination is expected in the Fall.
 - ii. The City of Bowie awarded \$140,000 for FY25 for a Shop Local location in Bowie Town Center and hiring staff to support counseling and training.
 - iii. Howard County EDA agreed to fund \$38,500 towards personnel and other costs to operate the two shop local locations in Howard County (Savage Mill and Old Ellicott City). This will allow us to bring on an additional employee. Special Secretary Maria Martinez and her husband are personally providing the free space in Old Ellicott City, and the State agreed to match the HCEDA's funding for operations. The new cohorts moved into these locations July 1.
 - iv. Frederick County increased its contribution to the operation of MWBC services there to \$66,000. They are also funding \$10,000 to do a one-month pilot Shop Local on one of the main streets in the County (not the City of Frederick).
 - v. Prince George's County is still considering an application for \$45,000 – but this funding has not been included in the proposed budget.
 - vi. It was noted that overhead is being included in grants and that MWBC is now contributing towards general administration costs and overhead.
- d. SBA FY 2019 and FY2022 audit – Continue to be pending.

2. Other Business
None.