APPROVED MINUTES

MEETING

of the

FINANCE AND AUDIT COMMITTEE

of the

MASSACHUSETTS TECHNOLOGY PARK CORPORATION

June 11, 2026
Videoconference

The Massachusetts Technology Collaborative ("Mass Tech Collaborative" or "Mass Tech") Finance and Audit ("F&A") Committee Meeting was held on June 11, 2026, 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, Jeffrey Stein, and Maeghan Silverberg Welford.

The following Board member was present: Bran Shim.

The following Mass Tech Collaborative staff were present: Carolyn Kirk, Marc Leonetti, Jennifer Saubermann, Brianna Wehrs, Rachael Stachowiak, Kevin O'Brien, Holly Lucas, Michelle Sweet, and Paula Foley.

Also present were Matthew Hunt and Stephanie Jackson from CliftonLarsonAllen ("CLA") and Ketav Patel, Chief Financial Officer of the Massachusetts Executive Office of Economic Development ("EOED").

Mr. Dorant noted the presence of a quorum and called the meeting of the Finance and Audit Committee to order at 9:32 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 November 19, 2025, by videoconference as the formal Minutes thereof.

Agenda Item II FY26 Pre-Audit Discussion with CliftonLarsonAllen (CLA)

Mr. Dorant introduced the auditors, Mr. Matthew Hunt and Ms. Stephanie Jackson from CLA, who led the presentation on the Fiscal Year 2026 ("FY26") audit planning. Ms. Jackson outlined the scope and deliverables of CLA's engagement for the FY26 audit, which will include the following: 1) expression of an opinion on MassTech's financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"); 2) expression of an opinion on major federal programs under the Single Audit; 3) issuance of a report on internal controls to ensure compliance with Government Auditing Standards ("GAS"); and 4) a final governance communication (presented at an exit conference) at the conclusion of the audit to present results and required communications.

Ms. Jackson identified two (2) anticipated non-audit services: proposal of adjusting journal entries and new GASB Standard implementation assistance. For both of these categories, explained Ms. Jackson, CLA would propose entries to MassTech management or assist in implementing new standards, but MassTech would retain full responsibility for reviewing, approving, and recording any such entries. In response to a question from Mr. Stein, Ms. Jackson clarified that non-audit services of this nature are standard components of the audit process but do not constitute audit procedures in the formal sense.

Ms. Jackson then identified two (2) risks present in any audit engagement: improper revenue recognition and management override of controls. She noted that preliminary work to date has not identified any risks beyond these standard audit risks. Ms. Jackson then described in detail two (2) new GASB standards taking effect for FY26 that will be part of the audit: GASB 103 (Financial Reporting Model Improvements) and GASB 104 (Disclosures for Capital Assets). She noted that CLA will work with MassTech on both GASB 103 and GASB 104 implementation. She then turned to discussion of the audit team which will be identical to the FY25 team, which she described as beneficial for audit continuity and efficiency.

Ms. Jackson explained that CLA's audit approach will be "risk-based," and will consist of the following phases: 1) assessment of internal controls and revenue recognition; 2) review of significant estimates; 3) identification of significant account balances; and 4) schedule of expenditures of federal awards. In response to a question from Mr. Stein, CLA explained that the federal OMB will issue a Compliance Supplement which will inform the Single Audit. Although it has not yet been released, CLA did not believe it would be delayed as it was the prior year. In response to Ms. Jackson's question to MassTech management whether any significant transactions were expected, Mr. Leonetti noted that he would soon be departing MassTech and a new Chief Financial Officer ("CFO") would be taking over. In addition, Ms. Kirk indicated the importance of staying closely coordinated with EOED regarding revenue recognition issues, noting that changes to the terms of revenue agreements can have direct audit implications. Mr. Ketav Patel acknowledged the point and confirmed that there is no current intention at EOED to retroactively change existing agreements. On behalf of EOED, Mr. Patel committed to working with the incoming MassTech CFO to ensure revenue recognition is handled consistently and that the audit record remains clean. In response to a question from Mr. Stein about Mr. Leonetti's comment regarding a new CFO, Ms. Kirk explained that Mr. Leonetti had given his notice and MassTech Collaborative launched a search for a new CFO. Ms. Kirk indicated that there will be some overlap between Mr. Leonetti and the new CFO, to assist with the transition. Ms. Jackson noted that due to turnover of MassTech Collaborative's Controller and now the CFO it could cause delay of the audit, but they will make every effort to keep the timeline on track. Mr. Leonetti responded that the finance team is committed to a timely audit.

Wrapping up her presentation of the audit plan, Ms. Jackson detailed the audit timeline and the responsibilities of each party in the audit process. Ms. Silverberg Welford then noted that, based on her experience at MITRE, there is a broader trend of federal executive orders and policy changes that increasingly affect organizational policies, workforce practices, and grant compliance requirements beyond purely financial considerations. She identified the following as areas of potential future concern for MassTech as a recipient of federal funds: 1) emerging compliance requirements flowing from executive orders, including requirements regarding the types of work performed and organizational policies; 2) diversity, equity, and inclusion ("DEI") policy requirements as they relate to federal grant compliance; and 3) proposed changes to OMB Uniform Guidance governing federal grants and federal financial assistance administration which she characterized as potentially material. Although these concerns may not affect the FY26 audit, Ms. Silverberg Welford noted they will likely be relevant in future years. She then requested that a future Finance & Audit Committee meeting – potentially in executive session – include a discussion of which emerging federal requirements are affecting MassTech's grant programs and how those requirements may change the agency's work going forward.

Mr. Dorant thanked CLA for the presentation, and Ms. Jackson and Mr. Hunt left the meeting at 9:58 a.m.

Agenda Item III FY27 Budget Review (motion item)

Mr. Dorant then asked Ms. Kirk to present the next agenda item, which was a review of the proposed MassTech budget for fiscal year ("FY") 2027. Ms. Kirk noted that she was seeking the endorsement of the F&A Committee of the detailed proposed budget materials which will be presented to the Executive Committee for approval later in the month, noting that the first eleven (11) pages of the presentation were the most important materials to go over today. Ms. Kirk identified the following key dynamics as having the largest effect on creation of the FY27 budget: 1) MassTech is absorbing general cost increases across its operations; 2) certain revenue streams are declining or are under pressure; 3) there is a reduced level of state appropriation revenue; and 4) the budget accommodates new program priorities directed by EOED. As a result, noted Ms. Kirk, the budget incorporates the use of one-time reserves of $2.8 million to achieve balance, and although this approach is not consistent with her overall financial management preferences, it is warranted due to the current transitional period that MassTech is experiencing. Ms. Kirk indicated that this approach is based upon guidance provided by the Secretary of EOED regarding budget concerns she raised in February.

Ms. Kirk then presented an overview of Fund Balances from Statement of Net Position, noting that the majority of MassTech's $208 million Total Net Position is Restricted Funds that are only available for use for a specific purpose. In responses to questions from the Committee on the use of reserve funds to balance the budget, Ms. Kirk and Mr. Leonetti explained that MassTech has approximately $15.2 million in unrestricted funds and drawing on this reserve as proposed reduces MassTech's financial cushion and reinforces the need for a near-term comprehensive structural analysis of the organization. Ms. Kirk then indicated that the budget is also built on the Governor's appropriation figure for MassTech of $3.465 million but there is a possibility that the Senate's higher appropriation number of $5 million would pass, which could act to reduce the $2.8 million reserve draw. Ms. Saubermann noted that the budget conference committee has been meeting behind closed doors, and a result is expected within 1 to 2 weeks.

Mr. Leonetti then pointed out that the proposed budget includes $3 million for demolition of three (3) buildings on the Westborough campus which will open the door for the creation of a campus development strategy by Ms. Kirk and the executive team. Ms. Kirk further noted that the administration's admin rate on capital programs (which has been used by MassTech in past years to fund its operations) was reduced from ten percent (10%) to five percent (5%) in FY27, representing a significant hit to MassTech's ability to fund its operations. Turning to a discussion of federal revenue, Mr. Leonetti explained that FY27 is expected to be the last year of heavy federal funding for MassTech, with MBI's Capital Projects Fund and ARPA programs winding down by the end of calendar year 2026. Ms. Kirk noted that another significant federal funding stream flows to the NEMC Hub, which also receives a state funding match.

Ms. Kirk indicated that the full budget packet contained a three-page presentation for each of MassTech's divisions consisting of an overview, a year-to-year comparison, and a grant round-up page. Committee members indicated that they had reviewed the divisional materials and had no substantive questions on the division budgets. Ms. Silverberg Welford raised the broader question of sustainable funding for MassTech's core operational and seeding activities which do not have a federal, capital or line-item funding source but that are among the highest-value contributions that MassTech makes. In response to a question whether the administration was engaged in conversations about establishing a sustainable mechanism for this purpose, Mr. Ketav Patel responded that the approach used is a "braided" strategy (i.e., combining available sources consistent with each source's applicable rules). He provided the example of the use of interest income from the Commonwealth's "rainy day fund" to provide admin support for the $10 million NEMC grant and noted that EOED is working with A&F to develop a sustainable path forward. There was a discussion regarding the impact of the wind-down of federal funding on the staffing of the organization, and Ms. Kirk indicated that MassTech will reevaluate staffing based on the status of federal funds.

Turning to the motion to endorse the budget, Mr. Stein questioned whether the wording of the motion regarding the Committee acting "pursuant to its delegated authority" was correct and Ms. Saubermann suggested a minor change to acting "pursuant to the requirements of the statute" to which the Committee agreed. Ms. Kirk and Mr. Leonetti also confirmed that any material changes to the budget after the F&A Committee's vote would not be covered in the endorsement but would be disclosed to and approved by the Executive Committee directly. Ms. Silverberg Welford indicated that she deemed the phrase "substantially comports" in the motion to cover only administrative and nonmaterial changes. Mr. Leonetti noted that the budget is a roadmap and that variances are to be expected over the course of the year but that this does not minimize the Committee's review and instead provides context for the inherent flexibility of the budget itself.

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 requirements of the statute, does hereby endorse and recommend approval by the Executive Committee of the Mass Tech Collaborative Board, the Fiscal Year 2027 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 thanked the Committee and the MassTech staff, and adjourned the meeting at 10:48 a.m.

A TRUE COPY ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – November 19, 2025, Finance and Audit Committee Meeting (motion item)
2. CLA presentation: Massachusetts Technology Collaborative Audit Committee Meeting – Audit Planning, Year ended June 30, 2026 (presentation)
3. Finance and Audit Committee Budget Approval Request (memo)
4. MassTech Collaborative FY27 Budget Review – inclusive of Financial Statements (presentation/motion item)