

Minutes
Finance and Audit Committee Meeting
Board of Directors of the Virginia Economic Development Partnership
August 18, 2025
3:00 p.m.

Virtual Meeting

Welcome and Call to Order

The meeting was called to order at 3:01 p.m. by Chair Rick Harrell. A quorum was present.

In-person Committee members: Secretary Stephen Cummings, Rick Harrell, April Kees, Pace Lochte Will Sessoms, Steven Stone

Absent Committee members: Secretary Segura

Other Board members present: John Hewa, Connie Loughhead

Public Comment Period

Chair Harrell solicited public comments. There were none.

Approval of Minutes for June 11, 2025, Meeting

Chair Harrell asked for approval of the minutes from the June 11, 2025, Committee meeting. Upon motion by Mr. Sessoms, seconded by Mr. Stone, the minutes were unanimously approved.

Electronic Meeting Policy

Upon approval by Ms. Kees, seconded by Mr. Stone, the Finance and Audit Committee unanimously approved continuation of its current electronics meeting policy, which allows for the use of electronic meetings to the full extent authorized by the Virginia Freedom of Information Act (FOIA). Subsection D of Section 2.2-3708.3 of the Code of Virginia requires any public body that wishes to meet electronically to annually adopt an electronic meetings policy.

VEDP FY25 Financial Results

Bob Grenell, VEDP Controller, presented the financial results thru June 30, 2025. All divisions are at or below budget for the fiscal year. Overall, VEDP has spent 88% of its budget. Details of Mr. Grenell's report are available in the meeting materials.

Chair Harrell asked for acceptance of the VEDP FY25 Financial Results through June 30, 2025. Upon motion by Ms. Kees, seconded by Mr. Stone, the financial results were unanimously accepted.

Audit Update

Diana Munoz Scaggs with Forvis Mazars, the company serving as VEDP's internal auditor, presented the results of the Marketing and Communications (M&C) and Virginia Office of Education Economics (VOEE) audits completed in May 2025. M&C received a satisfactory rating, with one best practice recommendation. VOEE received an improvement required rating, with one finding and one best practice recommendation. A copy of each audit report is available in the meeting materials.

Upon motion by Mr. Sessoms, seconded by Mr. Stone, the audit reports were accepted.

FY26 Audit Plan

Following up the discussion and vote at the Finance and Audit Committee's June meeting, the Committee recommended approval of a lead generation audit during FY26. The Committee, and subsequently the Board, had previously recommended and approved the annual internal risk assessment and a governance audit. Upon motion by Mr. Stone, seconded by Ms. Kees, the Committee unanimously voted to adopt the recommendation.

OSIG Report

Stephanie Agee, VEDP Senior Vice President of Trade, presented the Performance Audit from the Virginia Office of the State Inspector General. The State Inspector General had three findings and two recommendations. Details of OSIG's report are available in the meeting materials.

IT Security Update

Chris Hughes, VEDP VP of Information Technology, provided a security update. The Auditor of Public Accounts has completed the audit of the IT Department's security systems. Upcoming IT audits include a review of Microsoft 365 systems, public websites, and Virginia Office of Education Economics databases and dashboards.

Extension Requests

Katherine Goodwin, VEDP Senior Vice President of Business Investment and Incentives, presented one request for an extension to the Committee. Unilock, a manufacturer of concrete blocks and bricks located in Hanover County, was awarded a \$340,000 Commonwealth Development Opportunity Fund grant in 2022, with an original performance date of September 30, 2025. As of March 31, 2025, it had only met 12% of its job creation metrics and 32% of its capital investment target, largely due to significant project delays related to regulatory challenges from the U.S. Army Corps of Engineers and the Department of Historic Resources requiring additional studies and due diligence on the property. The company is also facing

additional challenges due to the recently established tariffs. The company is requesting a 15-month performance date extension to December 31, 2026, to allow it to move closer to its performance metrics.

Upon motion by Mr. Sessoms, seconded by Mr. Stone, the extension request was approved.

Clawback Updates

Katherine Goodwin, Senior VP of Business Investment and Incentives, reported on clawback activity. A full copy of the report, summarized below, is available in the meeting materials:

- One COF clawback is past due as of July 31, 2025
- No COF clawbacks have been requested but are not yet past due as of July, 2025
- One COF clawback has been closed out since June 12, 2025
- Two COF closeouts are in process
- One past due COF clawback (Polycap) referred to the Office of the Attorney General for collection as of July 31, 2025
- One past due VJIP clawback (Ison Furniture) referred to the Office of the Attorney General for collection as of July 31, 2025
- One data center closeout is in process

Chair Harrell asked for a motion to accept the clawback report. Upon motion by Ms. Kees, seconded by Mr. Sessoms, the motion passed unanimously.

Other Topics, Next Meeting, and Adjournment

The next meeting has not yet been set. The meeting was adjourned at 3:48 p.m.