

**NOTICE OF MEETING OF THE AUDIT COMMITTEE  
MASSACHUSETTS CLEAN WATER TRUST**

In accordance with Massachusetts General Laws Chapter 30A, §§18-25, and Chapter 2 of the Acts of 2025, notice is hereby given of a meeting of the Massachusetts Clean Water Trust's Audit Committee to be held remotely at the following time:

**May 6, 2026**

During a Recess of a Meeting of the Massachusetts Clean Water Trust Board of Trustees

This meeting is open to the public. To access, please contact the Board at [masswatertrust@tre.state.ma.us](mailto:masswatertrust@tre.state.ma.us) and you will be provided with a meeting link. If you do not have access to email, please call 617-367-9333 ext. 515 to request the meeting's conference call dial-in number.

The Massachusetts Open Meeting Law requires anyone wishing to record a meeting to first notify the Chair so that the Chair can inform other attendees, so when contacting the Massachusetts Clean Water Trust Board of Trustees please indicate if you intend to record the meeting.

**MEETING AGENDA**

**CALL TO ORDER**

Item #1 **MOTION- VOTING ITEM**

Acceptance and approval of minutes of the meeting of the Audit Committee held on May 7, 2025.

Item #2 **REPORT OF EXTERNAL AUDITOR**

The annual audits of the Trust's financial statements and the Report of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Government Auditing Standards (Single Audit) for Fiscal Year 2025 have concluded.

CLA Principal, Jim Piotrowski, will present to the Committee the results of the Fiscal Year 2025 (FY 2025) audits and financial reports

Item #3 **MOTION- VOTING ITEM**

The Audit Committee is recommending that the Trust Board accept the FY 2025 financial statements, and the Report of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Government Auditing Standards (Single Audit) for Fiscal Year 2025.

**OTHER BUSINESS**

*(Items not reasonably anticipated by the Chair 48 hours in advance of the meeting)*

**ADJOURN**



***Item #1: Minutes of the Meeting Held on May 7, 2025***

**MEETING OF THE MASSACHUSETTS  
CLEAN WATER TRUST  
AUDIT COMMITTEE**

**Minutes**

May 7, 2025

1:33 PM

**Location: Remote\***

**Members of the Audit Committee:** James MacDonald, First Deputy Treasurer, Office of the State Treasurer, Designee  
Timur Yontar, Capital Budget Director, Executive Office for Administration & Finance, Designee  
Robin McNamara, Director of Municipal Services, MassDEP, Designee

**Also Present:** Susan Perez, Executive Director, MCWT  
Nate Keenan, Department Director, MCWT  
My Tran, Treasurer, MCWT  
William Kalivas, Treasury Specialist, MCWT  
Nicole Munchbach, Assistant Controller, MCWT  
Sunkarie Konteh, Accountant, MCWT  
Pamela Booker, Accountant, MCWT  
Jonathan Maple, Senior Policy Analyst, MCWT  
Kailyn Fellmeth, Senior Program Associate, MCWT  
Aidan O'Keefe, Program Associate, MCWT  
Esther Omole, Program Associate, MCWT  
Rachel Stanton, Investor Relations and Communications Graphic Designer, MCWT  
Kathleen Baskin, Assistant Commissioner, MassDEP  
Bridget Munster, Program Manager, MassDEP  
Greg Devine, Section Chief, MassDEP  
Andrew Napolitano, Director of Communications, Office of the State Treasurer  
Warren Lent

**CALL TO ORDER:** The meeting was called to order by Mr. MacDonald at 1:33 p.m.

Item #1

**MOTION – VOTE**

***Acceptance and Approval of January 8, 2025 Minutes***

The motion was made by Ms. McNamara and seconded by Mr. Yontar and voted unanimously in favor of acceptance and approval of the minutes of the Audit Committee meeting held on January 8, 2025.

Item #2

**MOTION – VOTE**

The motion was made by Mr. Yontar and seconded by Ms. McNamara.

Ms. Perez stated that the procurement was conducted to qualify an audit firm for the fiscal years ending 2025, 2026, and 2027. She noted that the procurement management team (PMT) for this Request for Responses (RFR) consisted of Ms. Konteh, Ms. Munchbach, and herself. Firms had the option to respond to the RFR for providing financial statement audit services, single audit services, or both. The Trust received one response to perform both from the Trust's current auditor, Clifton Larson Allen (CLA).

The evaluation criteria for the responses focused on the overview of the firm, its staffing, proposed audit work plan, value added initiatives, the firm's demonstrated competence, and strengths with similar clients.

In addition to their three years of experience working with the Trust, CLA's response demonstrated strong technical ability. The proposed costs represented an overall decrease from the previous contract, with a slight increase of 5% for the financial statement audit and a 17% decrease for the Single Audit report.

The PMT recommended that CLA be awarded a three-year contract.

The motion was voted unanimously in favor of acceptance and approval of the following:

**Accept Recommendation of the Audit Procurement Management Team**

That the Audit Committee receive the recommendation of the Procurement Management Team, established pursuant to the Trust's Request for Responses: Annual Audit Services, dated May 7 2025, and adopt the same as its recommendation to the Trust Board.

**OTHER BUSINESS:** None

**ADJOURN:** The motion was made by Mr. Yontar and Seconded by Ms. McNamara and voted unanimously in favor of adjourning the meeting at 1:36 p.m.

**LIST OF DOCUMENTS AND EXHIBITS USED:**

1. Minutes of Audit Committee Meeting held on January 8, 2025
2. Memorandum for Annual Audit Services for the Fiscal Years Ending June 30, 2025, 2026 and 2027

**\*Location: Remote:** Notice is hereby given that the Wednesday, May 7, 2025 meeting of the Massachusetts Clean Water Trust's Audit Committee will be held through remote participation in accordance with M.G.L. c.30A, §20, as modified by c.20 of the Acts of 2021, c.22 of the Acts of 2022, c.2 of the Acts of 2023, and c.2 of the Acts of 2025.

Those who would like to attend the meeting, please e-mail [masswatertrust@tre.state.ma.us](mailto:masswatertrust@tre.state.ma.us) to request meeting information. Information to access the meeting will be available through the duration of the meeting. However, we encourage participants to request the information by 5:00 PM the day before the meeting.

To ensure that the audio is clear to all attendees, unless you are actively participating in the meeting, please mute your audio. If you have technical difficulties joining the meeting, please email [masswatertrust@tre.state.ma.us](mailto:masswatertrust@tre.state.ma.us).

**Please Note:** There will be no physical meeting at the offices of the Massachusetts Clean Water Trust.

DRAFT



**Item #2: *REPORT OF EXTERNAL AUDITOR***



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# Massachusetts Clean Water Trust

Financial Statements and Single Audit Presentation

Year ended June 30, 2025

# *Agenda*

- Audit scope
- Audit opinions and results
- Financial statements
- Uniform Guidance audit
- Required communications



# Audit Scope



Report on the  
Trust's financial  
statements



Report on the  
Trust's internal  
control over  
financial reporting



Required  
governance  
communications  
letter



Report on internal  
control over  
compliance with  
major program  
requirements  
(federal awards)





## AUDIT OPINIONS

### Financial statements

Financial statement audit opinions are **unmodified**.

### Federal awards

Federal awards audit opinion is **unmodified**.



## AUDIT RESULTS

### Financial statements

No material weaknesses or significant deficiencies noted.

### Federal awards

No noncompliance findings.

No material weaknesses noted.

No significant deficiencies noted.



# 2025 Financial Statements

## Statement of Net Position

(Amounts presented in Thousands)

Assets and Deferred Outflows	2025	2024	\$ Change	% Change
Cash	\$ 1,516,069	\$ 1,274,014	\$ 242,055	19.00%
Investments	306,612	368,392	(61,780)	-16.77%
Loans Receivable	4,529,943	4,284,502	245,441	5.73%
Other Assets	535,842	465,122	70,720	15.20%
Deferred Outflows of Resources	<u>2,656</u>	<u>3,412</u>	<u>(756)</u>	<u>-22.16%</u>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 6,891,122</b>	<b>\$ 6,395,442</b>	<b>\$ 495,680</b>	<b>7.75%</b>



# 2025 Financial Statements (Continued)

## Statement of Net Position (Continued)

(Amounts presented in Thousands)

Liabilities, Deferred Inflows and Net Position	2025	2024	\$ Change	% Change
Long-Term Debt	\$ 2,634,218	\$ 2,384,125	\$ 250,093	10.49%
Other Liabilities	306,405	307,928	(1,523)	-0.49%
Deferred Inflows of Resources	14,900	10,928	3,972	36.35%
<b>Total Liabilities and Deferred Inflows</b>	<b>\$ 2,955,523</b>	<b>\$ 2,702,981</b>	<b>\$ 252,542</b>	<b>9.34%</b>
Restricted Net Position	\$ 3,007,274	\$ 2,770,282	\$ 236,992	8.55%
Unrestricted Net Position	928,325	922,179	6,146	0.67%
<b>Total Net Position</b>	<b>\$ 3,935,599</b>	<b>\$ 3,692,461</b>	<b>\$ 243,138</b>	<b>6.58%</b>



# 2025 Financial Statements (Continued)

## Statement of Revenues, Expenses, and Changes in Net Position

(Amounts presented in Thousands)

Revenues	2025	2024	\$ Change	% Change
Loan Servicing Fees	\$ 5,846	\$ 5,576	\$ 270	4.84%
Interest Income	158,315	171,461	(13,146)	-7.67%
Net Increase (Decrease) in Fair Value of Investments	7,785	(3,424)	11,209	327.37%
Contract Assistance	63,383	63,383	-	0.00%
EPA Capitalization Grants	248,584	169,985	78,599	46.24%
State Matching Grants	26,078	18,812	7,266	38.62%
<b>Total Revenues</b>	<b>\$ 509,991</b>	<b>\$ 425,793</b>	<b>\$ 84,198</b>	<b>19.77%</b>



# 2025 Financial Statements (Continued)

## Statement of Revenues, Expenses, and Changes in Net Position (Continued)

(Amounts presented in Thousands)

Expenses	2025	2024	\$ Change	% Change
DEP Programmatic Support	\$ 14,612	\$ 13,189	\$ 1,423	10.79%
Loan Forgiveness	168,065	132,444	35,621	26.90%
General and Administrative	4,826	4,249	577	13.58%
Arbitrage Rebate Payments	12	2,718	(2,706)	-99.56%
Interest Expense	79,338	81,304	(1,966)	-2.42%
<b>Total Expenses</b>	<b>\$ 266,853</b>	<b>\$ 233,904</b>	<b>\$ 32,949</b>	<b>14.09%</b>
<b>Increase in Net Position</b>	<b>\$ 243,138</b>	<b>\$ 191,889</b>	<b>\$ 51,249</b>	<b>26.71%</b>



# Uniform Guidance Audit

Total Federal Awards (page 6) - \$233.8M

- Includes \$221.4M disbursed to subrecipients

Major Program – Capitalization Grants for Clean Water State Revolving Funds - \$97.6M

- Unmodified opinion over compliance
- No internal control or compliance findings



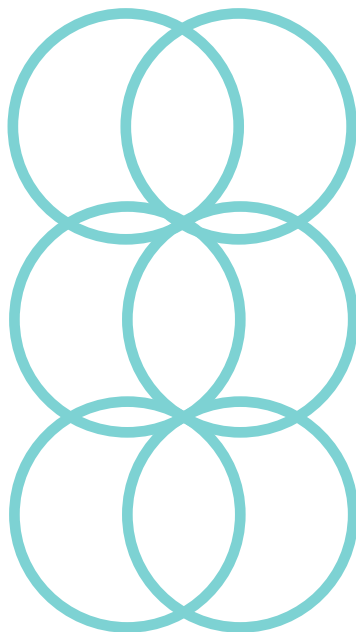
# Required Communications

## Overall

- Management is responsible for the selection and use of appropriate accounting policies.
- All significant transactions have been recognized in the appropriate period.
- No transactions identified to have lacked authoritative guidance.
- Financial statements are neutral, consistent, and clear.

## Uncorrected or Corrected Misstatements

- None



## Estimates

- None

## Difficulties or Disagreements

- None

## Other

- Management provided certain representations included in management representation letters dated October 22, 2025 (Financial Statements) and February 27, 2026 (SEFA/Single Audit)
- SEFA is appropriate and complete in relation to the financial statements, and changes in reporting methods from the prior period were discussed with management.



# GASB 103 Financial Reporting Model Improvements

**CLA can help by**  
assisting with or  
evaluating financial  
statement  
presentation and  
disclosure updates



Effective date  
**June 30, 2026**



## **Impacts financial statement presentation**

Updated disclosure guidance for:

- MD&A consistency
- Clearer definition of unusual or infrequent items
- Presentation of proprietary fund statements





# *Questions and Feedback*

We appreciate the opportunity to serve you and welcome any feedback relative to our performance and to the engagement.



Jim Piotrowski, CPA, CGFM  
Principal

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**Item #3: *(No Reference Documents)***