

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

May 7, 2025

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

**Location: Remote\***

**NOTICE & AGENDA**

**CALL TO ORDER**

Item #1 **MOTION – VOTE REQUESTED**

Acceptance and Approval of the Minutes of the Meeting of the Audit Committee held on January 8, 2025

Item #2 **MOTION – VOTE REQUESTED**

**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 January 31, 2025, and adopt the same as its recommendation to the Trust Board.

**OTHER BUSINESS**

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

**ADJOURN**

**\*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.

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



**Item #1: *Minutes of the Meeting Held on January 8, 2025***

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

## **Minutes**

January 8, 2025  
1:42 PM

### **Location: Remote\***

**Members of the  
Audit Committee:**

State Treasurer Deborah Goldberg, Chair  
Timur Yontar, Capital Budget Director, Executive Office for Administration  
& Finance, Designee  
Bonnie Heiple, Commissioner, MassDEP

**Also Present:**

James MacDonald, First Deputy Treasurer, Office of the State Treasurer  
Susan Perez, Executive Director, MCWT  
Nate Keenan, Department Director, MCWT  
My Tran, Treasurer, MCWT  
William Kalivas, Treasury Specialist, MCWT  
Nicole Munchbach, Assistant Controller, MCWT  
Jonathan Maple, Senior Policy Analyst, MCWT  
Joshua Derouen, Program Manager, MCWT  
Kailyn Fellmeth, Senior Program Associate, MCWT  
Aidan O'Keefe, Program Associate, MCWT  
Ray LeConte, Program Associate, MCWT  
Esther Omole, Program Associate, MCWT  
Rachel Stanton, Investor Relations and Communications Graphic Designer,  
MCWT  
Robin McNamara, Deputy Director of Municipal Services, MassDEP  
Kathleen Baskin, Assistant Commissioner, MassDEP  
Bridget Munster, Program Manager, MassDEP  
Greg Devine, Section Chief, MassDEP  
Lilla Dick, Section Chief, MassDEP  
Jennifer Pederson, Executive Director, Massachusetts Water Works  
Emily Haberlack, Student, Northeastern University  
Andrew Napolitano, Director of Communications, Office of the State  
Treasurer  
Jim Piotrowski, Principal, Clifton Larson Allen

**CALL TO ORDER:** The meeting was called to order by Treasurer Goldberg at 1:42 p.m.

Item #1

**MOTION – VOTE**

***Acceptance and Approval of January 17, 2024 Minutes***

The motion was made by Mr. Yontar and second by Commissioner Heiple and voted unanimously in favor of acceptance and approval of the minutes of the Audit Committee Meeting held on January 17, 2024.

Item #2

**REPORT OF EXTERNAL AUDITOR**

The Trust's external auditors, CliftonLarsonAllen, LLP (CLA), presented its report to the Audit Committee on the Trust's financial statements and the Trust's compliance with Uniform Guidance requirements (Single Audit) for the fiscal year ending June 30, 2024.

CLA Principal, Jim Piotrowski presented the terms of engagement which were to conduct independent audits in accordance with Government Auditing Standards as well as provide an opinion as to whether the Trust's financial statements and Single Audit are presented fairly in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The Trust received an unmodified opinion from CLA indicating that the 2024 financial statements and Single Audit are presented fairly in conformity with GAAP. There are no findings reported.

The report on the internal controls and opinion of compliance as required by U.S. GAAP noted no matters involving the internal control environment and its operations that they consider to be significant deficiencies or material weaknesses.

The FY 2024 financial statement's decrease in cash reflects ARPA disbursements that were awarded from the prior fiscal year. Liabilities decreased from long-term debt. Other liabilities include project fund commitments and fund deposits. The decrease in federal grants and state subsidies awarded to the Trust resulted in decreased revenue. Accordingly, the Trust expenses increased in FY 2024 to \$233,904 due to the considerable amount of loan forgiveness that was awarded using the additional state and federal grant and subsidy awards.

The FY 2024 Uniform Guidance's Single Audit reported that there was \$76.4 million of federal awards with \$65.8 million disbursed to subrecipients. The major program tested was the capitalization grants for the Drinking Water State Revolving Fund (DWSRF), which totals \$52.6 million. The FY 2024 Uniform Guidance's Single Audit reported an unmodified opinion with the compliance and internal control of capitalization grants and Drinking Water State Revolving Fund (DWSRF) programs. The financial statements are presented neutrally and correctly. There were no difficulties or disagreements throughout the audit process.

Ms. Perez commended Mr. Piotrowski and the accounting staff members for their assistance with the audits.

Item #3

**MOTION – VOTE**

The motion was made by Mr. Yontar and seconded by Commissioner Heiple and voted unanimously in favor of acceptance and approval of the following:  
The Audit Committee is recommending that the Trust Board accept the FY 2024 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 2024.

**OTHER BUSINESS:** None.

**ADJOURN:** The motion was made by Commissioner Heiple and second by Mr. Yontar and voted unanimously in favor of adjourning the meeting at 1:51 p.m.

**LIST OF DOCUMENTS AND EXHIBITS USED:**

1. Minutes of the Audit Committee Meeting held on January 17, 2024
2. Massachusetts Clean Water Trust 2024 Financial Statement and Uniform Guidance Audits Presentation
3. Massachusetts Clean Water Trust 2024 Uniform Guidance Single Audit

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***Item #2: Accept Recommendation of the Audit  
Procurement Management Team***



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## MASSACHUSETTS CLEAN WATER TRUST MEMORANDUM

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TO: The Massachusetts Clean Water Trust Board of Trustees

CC: Nicole Munchbach, Sunkarie Konteh, Jonathan Maple, John Durgin

FROM: Sue Perez, Procurement Management Team Chair

SUBJECT: Recommendation of the Procurement Management Team – Annual Audit Services for the Fiscal Years Ending June 30, 2025, 2026 and 2027

DATE: May 7, 2025

### **Recommendation**

The Procurement Management Team (the “PMT”) recommends to the Audit Committee and the Board of Trustees that the proposal from CliftonLarsonAllen LLP be accepted for a term of three years, with an optional one-year extension.

### **Summary of the Procurement Process**

This memorandum summarizes the procedures and rationale used by the PMT in its recommendation for awarding a contract for Annual Audit Services for the Fiscal Years ending June 30, 2025, 2026, and 2027, with an optional one-year extension. The scope of these audit services includes:

1. Preparation of the Independent Auditor’s Report on the Financial Statements and Required Supplementary Information;
2. Preparation of the Single Audit and related information as required by Title 2 C.F.R. 200 (Uniform Guidance); and
3. Review of the Annual Comprehensive Financial Report supplemental financial and statistical schedules.

### **Issuance of the Request for Responses**

On January 31, 2025, the Trust issued a Request for Responses (RFR) and posted it to the Commonwealth’s procurement website, COMMBUYS. In addition, the Trust emailed the nine firms listed under the Operational Service Division’s (OSD) PRF78: Audit, Accounting, Compliance, Revenue Enhancement, and Recovery Services statewide contract, notifying them of the posting.

### **Receipt of Responses**

Responses to the RFR were due on March 7, 2025. The Trust received only one response. In consultation with legal counsel from the Office of the Treasurer and Receiver General of the Commonwealth, the Procurement Manager, Jonathan Maple, confirmed that the Trust could either evaluate the single response or, prior to opening the submitted response, elect to cancel the RFR and issue another RFR at a later date. It was decided that the PMT would proceed with the evaluation.

### **PMT Composition and Responsibilities**

On March 19, 2025, the PMT—consisting of Sue Perez, Executive Director of the Trust, Nicole Munchbach, Assistant Controller of the Trust, and Sunkarie Konteh, Accountant for the Trust met to review the response. Jonathan Maple, Senior Policy Analyst for the Trust, served as the Procurement Manager.

The RFR outlined the following evaluation criteria:

1. Overview of the Firm
2. Staffing
3. Audit Work Plan
4. Value-Add

Firms were also asked to submit Cost Proposals and References, which were factored into the overall evaluation. Cost Proposals were required as a separate document from the technical response.

### **Evaluation of the Response**

The PMT evaluated the single response from CliftonLarsonAllen LLP (“CLA”). In reviewing the technical response, the PMT focused on:

- Overview of the Firm and Staffing. (CLA is the current auditor for the Trust.)
- Audit Work Plan. The work plan aligned largely with current Trust practices, though the PMT noted it could have included more detail in certain areas.
- Value-Add. The PMT observed that many of CLA’s suggested improvements had already been implemented by the Trust following the 2024 audit. However, the PMT recognized CLA’s positive training offerings and noted favorably the firm’s involvement with the Association of International Certified Professional Accountants State and Local Government Expert Panel.

The Firm’s technical proposal was scored 61.78 out of 70.

### **Cost Proposal**

Consistent with standard practice, the PMT received CLA’s cost proposal only after completing the technical evaluation. The cost proposal reflected fixed prices for:

1. Audit of Financial Statements
2. Single Audit (1 Federal Grant Program)
3. Single Audit (2 Federal Grant Programs)

Notably, the cost for the Financial Statements audit increased by approximately five percent from FY 2024 to FY 2025. However, there was a significant reduction, approximately 17 percent, in the proposed Single Audit cost as compared to the prior period. The PMT determined these adjustments were reasonable. The cost proposal was scored at 30 out of 30.

### **Overall Conclusion**

With a combined total score of 91.78, CLA’s proposal demonstrates both strong technical and cost attributes, the Trust’s favorable working relationship with CLA, the PMT recommends to the Audit Committee and the Board of Trustees that the proposal from CLA be accepted for a term of three years, with an optional one-year extension.