

MEETING OF THE MASSACHUSETTS CLEAN WATER TRUST AUDIT COMMITTEE

Minutes

January 17, 2024
1:09 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, Deputy Director, MCWT
My Tran, Treasurer, MCWT
Sally Peacock, Controller, MCWT
Nicole Munchbach, Accountant, MCWT
Pam Booker, Accountant, MCWT
Sunkarie Konteh, Accountant, MCWT
Julian Honey, Program Associate, MCWT
Kailyn Fellmeth, Program Associate, MCWT
Josh Derouen, Senior Program Associate, MCWT
Rachel Stanton, Investor Relations and Communications Graphic
Designer, MCWT
Jonathan Maple, Senior Policy Analyst, MCWT
Kathryn Armour, Data Analyst, MCWT
Kathleen Baskin, Assistant Commissioner, MassDEP
Brian Ferrarese, Chief of Staff, MassDEP
Maria Pinaud, Director of Municipal Services, MassDEP
Robin McNamara, Deputy Director of Municipal Services, MassDEP
Andrew Napolitano, Director of Communications, Office of the State
Treasurer
Al Anzola, Deputy Director of Policy and Legislative Affairs, Office of
the State Treasurer
Jim Piotrowski, Principal, Clifton Larson Allen
Connor Finn, Assurance Senior, Clifton Larson Allen

CALL TO ORDER: The Meeting was called to order by Treasurer Goldberg at 1:09 p.m.

Item #1

MOTION – VOTE

Acceptance and Approval of March 6, 2023, 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 meeting of the Audit Committee held on March 6, 2023.

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, 2023.

CLA Principal, Jim Piotrowski stated the terms of engagement 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 2023 financial statements and Single Audit are presented fairly in conformity with U.S. Generally Accepted Accounting Principles (GAAP). There are no findings reported.

The report on internal control 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 2023 financial statements reflect increased total revenues as a result of additional federal grants and state subsidies awarded to the Trust. Accordingly, the Trust's expenses increased in FY 2023 due to the considerable amount of loan forgiveness that was awarded using the additional state and federal grant and subsidy awards.

The FY 2023 Uniform Guidance's Single Audit reported that there was \$60.8 million of federal awards, with \$53.1 million disbursed to subrecipients. The major program tested was the capitalization grants for Clean Water State Revolving Fund (CWSRF), which totals \$42.5 million.

Ms. Perez commended the Trust program and accounting staff members for their assistance with the audits. The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Trust for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the twenty-sixth consecutive year that the Trust has achieved this prestigious citation. The FY 2023 ACFR has been submitted to the GFOA in December for next year's consideration.

Item #3

MOTION – VOTE

The motion was made by Mr. Yontar and second 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 2023 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 2023.

OTHER BUSINESS: None.

ADJOURN: The motion was made by Mr. Yontar and second by Commissioner Heiple and voted unanimously in favor of adjourning the meeting at 1:23 p.m.

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Minutes of the Audit Committee Meeting held on March 6, 2023
2. Massachusetts Clean Water Trust 2023 Financial Statement and Uniform Guidance Audits Presentation
3. Massachusetts Clean Water Trust 2023 Uniform Guidance Single Audit

***Location: Remote:** Notice is hereby given that the Wednesday January 17, 2024 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, and c.2 of the Acts of 2023.

Those who would like to attend the meeting, please e-mail 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.

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