

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

***Location: Remote:** Notice is hereby given that the Wednesday, January 8, 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, 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.