

AUDIT COMMITTEE

DATE: August 21, 2024

LOCATION: 4060 Sunrise Highway, Oakdale

ATTENDANCE: Charles Lefkowitz, Chairman
Elizabeth Mercado, Board Member
John Rose, Board Member

Jeffrey W. Szabo, CEO
Donna Mancuso, Deputy CEO for Administration
Christopher Cecchetto, Chief Financial Officer
Joseph Pokorny, Deputy CEO for Operations
Michael Litka, Chief Technology Officer
John Milazzo, General Counsel
Alicia Simson, Internal Audit Manager

Jason Spiegel, Chris Davanzo, and Ryan Gibbons from KPMG were also in attendance.

The meeting was called to order by Mr. Lefkowitz at 2:37 p.m. Mr. Rose was delayed and arrived at 2:50 p.m.

On motion made by Ms. Mercado, duly seconded by Mr. Lefkowitz, the minutes of the May 23, 2024 audit committee meeting were approved.

Jeffrey Szabo, Chief Executive Officer noted that all Members had been provided with the presentation materials including the draft financial statements. He welcomed Jason Spiegel, Lead Audit Partner and Christopher Davanzo, Lead Audit Senior Manager who presented the audit results for fiscal year ending May 31, 2024. They reviewed the required communications and the significant accounting policy of GASB Statement No. 96 for subscription-based information technology arrangements. KPMG identified one significant risk: management override of controls. Mr. Davanzo stated that there were no matters to report. Other significant audit matters were identified, including cash and investments, OPEB liability, net pension liability, accrued water service revenue, operating and maintenance expenditures, operating revenues, long term debt and capital assets. Regarding these items, KPMG stated that no exceptions were noted and they will issue an unmodified opinion. Mr. Spiegel then reviewed the upcoming accounting standards effective in 2025-2027.

There were no additional questions from the Members or public comment. Chairman Lefkowitz thanked SCWA staff for working diligently with KPMG during the audit.

On motion made by Mr. Rose, duly seconded by Ms. Mercado, and unanimously carried, it was

RESOLVED, To recommend the following for approval to the full board:

- i) Audited Financial Statements for the year ending May 31, 2024, subject to KPMG's final review of the GASB 68 report, and that the Statements be forwarded to the Governor, Chairman of the Senate Finance Committee, Chairman of the Assembly Ways and Means Committee, the State Comptroller, the New York State Authority Budget Office, and other applicable state and local agencies;
- ii) Annual Investment Report including investment policy in draft including Audited Investment Statements for the year ending May 31, 2024, subject to KPMG's final review of the GASB 68 report, and that the Statements be forwarded to the Governor, Chairman of the Senate Finance Committee, Chairman of the Assembly Ways and Means Committee, the State Comptroller, the New York State Authorities Budget Office, and other applicable state and local agencies; and
- iii) Annual PARIS Report, subject to KPMG's final review of the GASB 68 report, and that the Report be posted electronically to Municipal Securities Rulemaking Board's website EMMA system, Electronic Market Access.

On motion made by Ms. Mercado, duly seconded by Mr. Rose, the meeting was adjourned at 3:00 p.m.

Respectfully submitted:
Donna Mancuso, Deputy CEO for Administration