

Audit Committee Meeting

Suffolk County Water Authority

May 26, 2026, at 2:30 PM

4060 Sunrise Hwy, Oakdale

Agenda

- 1. Approve Audit Committee Meeting Minutes- January 29, 2026**
- 2. Presentation- Audit Plan & Strategy for the year ending May 31, 2026:** Jason Spiegel, Lead Audit Engagement Partner & Ryan Gibbons, Lead Audit Engagement Senior Manager

AUDIT COMMITTEE MEETING

DATE: January 29, 2026

LOCATION: 4060 Sunrise Highway, Oakdale

ATTENDANCE: Charles Lefkowitz, Chairman
Elizabeth Mercado, Secretary
John Rose, Member
Jeffrey W. Szabo, CEO
Jessica Mattera, Executive Assistant
Chris Cecchetto, Chief Financial Officer
Stephanie Hannan, Manager of Accounting
Rehana Cruz, Internal Auditor

EXCUSED ABSENCE: NONE

The meeting was called to order by Mr. Szabo at 2:35 p.m. upon Members of the Committee being present.

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

RESOLVED, To approve the Audit Committee Meeting Minutes from June 25, 2025, meeting

Mr. Szabo introduced Mr. Christopher Cecchetto, CFO and Rehana Cruz, Internal Auditor who provided the board with a brief introduction. Ms. Cruz provides independent assurance to add value to the organization by identifying risks, strengthening governance, and promoting effective internal controls. The department conducts recurring critical audits, risk-based audits, prior-year issue follow-ups, and a company-wide risk assessment. Ms. Cruz went on to explain the audit universe encompasses all auditable entities, processes, functions, and systems across the organization and is organized into key risk categories: financial, operational, technology, cybersecurity, governance, strategic, environmental and safety, and compliance and regulatory. The 2026 Audit Plan is designed to address these risk areas and ensure appropriate oversight of high-risk and critical operations.

Mr. Szabo asked if any members of the Committee or staff members in attendance any questions had, the Chairman had a question about the 2026 audit process, specifically how completed audits and formal audit findings would be reported to the Board. He inquired whether findings would be presented through quarterly reports to keep the Board informed.

Mr. Rose then inquired about the tax lien process, and Mr. Cecchetto stated that an update would be provided once it is completed.

Mr. Szabo asked Ms. Cruz how many hours she has put aside, Ms. Cruz responded that One Hundred and Thirty (130) hours have been allocated for emerging needs. Mr. Szabo then asked Ms. Cruz is adjusting to working at SCWA, and Ms. Cruz stated that she loves the culture and noted that Mr. Cecchetto has been amazing and readily available.

Mr. Szabo then asked if there was anyone from the public who wished to speak, there was one person, Mr. Bert Meem from Southampton who wished to address Mr. Szabo and the Board. Mr. Meem wished to speak with Mr. Szabo regarding Echo Worldwide, Fort Lauderdale, FL a business his friend Mr. Steve Dobbs owns. Mr. Szabo clarified that this was our Audit Committee Meeting and he exchanged numbers with Mr. Meem to further discuss this at a later date.

On motion made by Ms. Mercado, duly seconded by Mr. Rose, and unanimously carried, the meeting of the Audit Committee was adjourned at 2:57 p.m.

Ms. Elizabeth Mercado, Secretary



Suffolk County Water Authority Discussion with those charged with Governance

Audit plan and strategy for the year ending May 31, 2026

With you today:

Jason Spiegel, Lead Audit Engagement Partner

Ryan Gibbons, Lead Audit Engagement Senior Manager

May 28, 2026

Required communications to those charged with governance

Prepared on: May 22, 2026

Presented on: May 28, 2026



Audit plan required communications and other matters

Our audits of the financial statements of Suffolk County Water Authority (the Authority) as of and for the years ended May 31, 2026 and 2025, will be performed in accordance with auditing standards generally accepted in the United States of America and the standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Performing an audit of financial statements includes consideration of internal control over financial reporting (ICFR) as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's ICFR.

We are also engaged to perform an examination of the Authority's compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York for the year ended May 31, 2026, and will perform in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Matters to communicate		Reference
Role and identity of engagement partner	✓	Lead audit engagement partner is: Jason Speigel
Significant findings or issues discussed with management	X	
Audit participants, including service delivery centers and strategy	✓	Page 4
Materiality in the context of an audit	✓	Page 5
Our timeline	✓	Page 6
Risk assessment: Significant risks	✓	Page 7
Risk assessment: Additional risks identified	✓	Pages 8-9
Involvement of others	✓	Page 10
Newly effective accounting standards	✓	Page 11
Independence	✓	Page 12
Responsibilities	✓	Page 13
Required inquiries	✓	Page 14

✓ = Matters to report X = No matters to report

KPMG LLP (US) Client service team



KPMG's subject matter specialists and other team members



Team members in dark blue represent continuity

Materiality in the context of an audit

We will apply materiality in the context of the preparation and fair presentation of the financial statements, considering the following factors:

Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Judgments about materiality involve both qualitative and quantitative considerations.

Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

Determining materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the financial statements.

Judgments about the size of misstatements that will be considered material provide a basis for:

- determining the nature and extent of risk assessment procedures;
- identifying and assessing the risks of material misstatement; and
- determining the nature, timing, and extent of further audit procedures.

Our timeline

April – May 2026

Planning and risk assessment

- Planning and initial risk assessment procedures, including:
 - Involvement of others
 - Identification and assessment of risks of misstatements and planned audit response for certain processes
- Obtain and update an understanding of the Authority and its environment
- Inquire of those charged with governance, management and others within the Authority about risks of material misstatement
- Evaluate design and implementation (D&I) of entity level controls and process level controls for financial reporting process
- Perform process walkthroughs and identification of process risk points for financial reporting process

May – June 2026

Interim

- Ongoing risk assessment procedures, including:
 - Identification and assessment of risks of misstatements and planned audit response for remaining processes
- Communicate audit plan
- Identify IT applications and environments
- Perform interim substantive audit procedures over Capital Asset additions and Water Service Billings (internal audit will not assist with procedures in current year)

July – August 2026

Year-end

- Finalize risk assessment procedures and documentation for remaining process level controls, where applicable
- Perform remaining substantive audit procedures
- Evaluate results of audit procedures, including control deficiencies and audit misstatements identified
- Review financial statement disclosures
- Present audit results to those charged with governance and perform required communications
- Issue final deliverables related to financial statement audit

October 2026 – February 2027

Single Audit

- Perform tests of internal controls over compliance and compliance requirements determined to be direct and material to each major program.
- Issue single audit reporting package and required communications.
- Submit the single audit package to the Federal Audit Clearinghouse

Filing dates: Issue audit reports on financial statements on or before August 29, 2026 (pending receipt of the GASB 68 information from NYSLRS);

Uniform Guidance report due 9 months after year-end or February 28, 2027

Risk assessment: Significant risks

Significant risk	Susceptibility to:	
	Error	Fraud
Management override of controls Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.		Yes

Approach to fraud risk

- Perform risk assessment procedures to identify fraud risks, both at the financial statement level and at the assertion level
- Discuss among the audit team the susceptibility to fraud
- Inquire of management, audit committee, and others
- Evaluate broad programs/controls that prevent, deter, and detect fraud
- Address revenue recognition and risk of management override of controls
- Perform specific substantive audit procedures (incorporate elements of unpredictability)
- Perform a rollforward of the journal entry population for the entire fiscal year to ensure completeness of the general ledger
- Review and select a sample of high-risk journal entries throughout the year as well as significant journal entries and adjustments at the end of the reporting period

Risk assessment: Additional risks identified

Other significant audit matters

Estimates:

- Valuation of investments
- Valuation of pension liabilities (NYSLRS actuarial assumptions)
- Valuation of OPEB liabilities (Nyhart actuarial assumptions)

Significant audit areas include the following:

- Cash and investments
- Revenue and accounts receivable
- Payroll and related expenditures
- Other than personal service costs
- Debt, including interest expense and deferred amounts
- Fixed assets, including depreciation
- Pension related amounts
- OPEB related amounts

Relevant factors affecting our risk assessment

KPMG considered the relevant qualitative and quantitative factors affecting our risk assessment including, but not limited to, size, complexity, exposure to losses, measurement uncertainty, significant contingent liabilities and related party transactions.

Risk assessment: Additional risks identified – Single audit

Uniform Guidance Single Audit

- We will perform a single audit for the year ended May 31, 2026 under the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
- The single audit is focused on compliance and internal control over compliance for programs that are federally funded.
- “Major programs” are subject to audit and are determined based on defined federal guidelines utilizing quantitative and qualitative risk considerations. Larger programs (Type A programs) must be audited at least once every three years.
- Finalization of major program determination is dependent upon the final schedule of expenditures of federal awards and risk assessment procedures as well as guidance from Federal OMB on higher risk programs.
- Work is completed with emphasis on testing compliance and internal control over compliance with respect to each major program.
- Professional judgment is used to determine which compliance requirements are “direct and material” and to evaluate whether noncompliance with the applicable requirement would have a significant impact on the major program.
- For each compliance requirement that was deemed direct and material, we performed various detail tests of the University’s compliance, including testing of relevant controls over compliance.
- An audit opinion is issued for each major program.
- Major programs identified (preliminary): Award Listing Number (ALN) 66.202 EPA Congressionally Mandated Projects
- Issuance/ filing deadline: Single audit reporting package submission due to the Federal Audit Clearinghouse 9-months after year-end (February 28, 2027)

Involvement of others

Audit of financial statements	Extent of planned involvement
KPMG Tax Professional	Description of Work: Engaged to perform a tax review of the Authority's tax status for FY 2026
KPMG Actuarial Specialist	Significant Accounts & Related Disclosures: Pension & OPEB obligations and related deferred amounts and expenses Description of Work: Engaged to evaluate the reasonableness of the underlying methods and assumptions used in the valuation of the Authority's pension (GASB 68) and OPEB (GASB 75) obligations, expenses, and related deferred amounts
KPMG National Pricing Desk	Significant Accounts & Related Disclosures: Investments Description of Work – Utilized to perform investment pricing procedures over the Authority's investment portfolio as of May 31, 2026

Newly effective accounting standards

Effective for year ended May 31, 2026	Expected impact
GASB issued Statement No. 102, <i>Certain Risk Disclosures</i> (GASB 102)	●
Effective for year ended May 31, 2027	
GASB issued Statement No. 103, <i>Financial Reporting Model Improvements</i> (GASB 103)	●
GASB issued Statement No. 104, <i>Disclosure of Certain Capital Assets</i> (GASB 104)	●
Effective for year ended May 31, 2028	
GASB issued Statement No. 105, <i>Subsequent Events</i> (GASB 105)	●

Expected impact: ● high ● moderate ● low ● To be determined

Shared responsibilities: Independence

Auditor independence is a shared responsibility and most effective when management, those charged with governance and audit firms work together in considering compliance with the independence rules. For KPMG to fulfill its professional responsibility to maintain and monitor independence, management, those charged with governance and KPMG each play an important role.

System of Independence Quality Control

The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information regarding upcoming transactions or other business changes is necessary to effectively maintain the firm's independence in relation to:

- new affiliates (which may include subsidiaries, equity method investees/investments, sister companies, and other entities that meet the definition of an affiliate under AICPA and GAO independence rules); and
- new officers or members of the board with the ability to affect decision-making, individuals who are beneficial owners with significant influence over the Authority, and persons in key positions with respect to the preparation or oversight of the financial statements.

Certain relationships with KPMG

Independence rules prohibit:

- certain employment relationships involving members of the board, officers, or others in an accounting or financial reporting oversight role and KPMG and KPMG covered persons; and
- the Authority or its members of the board, officers, from having certain types of business relationships with KPMG or KPMG professionals.

Other non-audit services provided to the Authority include:

- Word processing and financial statement preparation assistance; and
- Data collection form preparation assistance.

Responsibilities

Management responsibilities

- Communicating matters of governance interest to those charged with governance.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

KPMG responsibilities – Objectives

- Communicate clearly with those charged with governance the responsibilities of the auditor regarding the financial statement audit and an overview of the planned scope and timing of the audit.
- Obtain from those charged with governance information relevant to the audit.
- Provide those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process.
- Promote effective two-way communication between the auditor and those charged with governance.
- Communicate effectively with management and third parties.

KPMG responsibilities – Other

- If we conclude that no reasonable justification for a change of the terms of the audit engagement exists, and we are not permitted by management to continue the original audit engagement, we should:
 - withdraw from the audit engagement when possible under applicable law or regulation;
 - communicate the circumstances to those charged with governance; and
 - determine whether any obligation, either legal contractual, or otherwise, exists to report the circumstances to other parties, such as owners, or regulators.
- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
- Establishing the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.
- Communicating any procedures performed relating to other information, and the results of those procedures.

Required inquiries

- What are your views about fraud risks, including management override of controls, at the entity and whether you have taken any actions to respond to these risks?
 - Are you aware of, or have you identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
 - Are you aware of or have you received tips or complaints regarding the entity's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
 - How do you exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Has the entity entered into any significant unusual transactions?
 - Have there been any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
 - What is the audit committee's understanding of the entity's relationships and transactions with related parties that are significant to the entity?
 - Does any member of the audit committee have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?
 - Has there been any correspondence with regulators or licensing authorities?

FY 2026 audit fees

	2026 fees
Auditors' report on the financial statements of Suffolk County Water Authority Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with <i>Government Auditing Standards</i>	\$ 227,000*
Report on compliance with requirements of Section 201.3 of Title Two of the <i>Official Compilation of Codes, Rules and Regulations</i> of the State of New York (Investment Examination Report) *-includes out-of-pocket expenses not to exceed \$5,000.	
Total base fees and out-of-pocket expenses for 2026	\$ 227,000
Auditor's report on federal awards in accordance with the Uniform Guidance (Single Audit) **- Fee includes one major program required to be audited per annum. Each additional major program audited in any given year shall range between \$10,000 - \$20,000 per program	\$ 31,000**
Total fees with Single Audit for 2026	\$ 258,000
Additional audit effort related to testing of Water Service Billings	Fees based upon hours incurred and 2026 hourly rates included in proposal
Debt inclusion letter (per offering), if applicable	\$31,000



Appendix I - Draft Engagement Letters

(Firm Letterhead)

DATE

Suffolk County Water Authority
2045 NY-112 Suite 5
Coram, New York 11727

Attention: Mr. Chris Cecchetto, *Chief Financial Officer*

Objectives and limitations of services

Audit services

We will perform an audit of the Authority's financial statements (the "Financial Statements") as set forth in Appendix I.

We have the responsibility to conduct and will conduct the audit of the Financial Statements in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The objectives of our audit are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also will:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to error or fraud, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall Financial Statement presentation, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, fraud, and noncompliance with laws and regulations may exist and not be detected by an audit of financial statements even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, an audit is not designed to detect matters that are immaterial to the financial statements.

Internal control over financial reporting

We will obtain an understanding of the Authority's internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

The objective of our audit of the Financial Statements is not to report on the Authority's internal control over financial reporting and we are not obligated to search for material weaknesses or significant deficiencies as part of our audit of the Financial Statements. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Financial Statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. *Compliance and other matters*

As part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the Financial Statements. However, our objective is not to provide an opinion on compliance with such provisions.

Required supplementary information

We will perform certain limited procedures to the required supplementary information as required by GAAS. However, we will not express an opinion or provide any assurance on the information. Our report relating to the Financial Statements will include our consideration of required supplementary information.

Supplementary information

We also understand that the Financial Statements will include a schedule of expenditures of federal awards (SEFA) which is presented for the purpose of additional analysis and is not a required part of the Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Financial Statements. The information will be subjected to the auditing procedures applied in the audit of the Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Financial Statements or to the Financial Statements themselves, and other additional procedures in accordance with GAAS with the objective of expressing an opinion as to whether the supplementary information is fairly stated, in all material respects, in relation to the Financial Statements as a whole.

Uniform Guidance compliance audit services

You have requested that we audit the Authority's major federal programs in accordance with Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("the Uniform Guidance"). The Uniform Guidance includes specific audit requirements, mainly in the areas of internal control and compliance with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the Authority's major federal programs.

We have the responsibility to conduct and will conduct the audit of the major programs in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance with the objectives of obtaining reasonable assurance about whether material noncompliance with the compliance requirements occurred,

whether due to fraud or error, and expressing an opinion on the Authority's compliance based on the audit. Reasonable assurance is a high level of assurance, but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect noncompliance when it exists.

As part of an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we exercise professional judgment and maintain professional skepticism throughout the audit. We also will:

- Identify and assess the risks of material noncompliance, whether due to error or fraud, design and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions on the major programs.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance.

We will perform tests of the Authority's compliance with federal statutes, regulations, and the terms and conditions of federal awards we determine to be necessary based on the *OMB Compliance Supplement*. The procedures outlined in the *OMB Compliance Supplement* are those suggested by each federal agency and do not cover all areas of regulations governing each program. Program reviews by federal agencies may identify additional instances of noncompliance.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material noncompliance, fraud, and noncompliance with laws and regulations may exist and not be detected by an audit even though the audit is properly planned and performed in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it could reasonably be expected to influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the federal programs as a whole. *Our reporting responsibilities*

Subject to the remainder of this paragraph, we will issue a written report upon completion of our audit of the Financial Statements addressed to the board of trustees. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If, during the performance of our audit procedures, such circumstances arise, we will communicate to the audit committee, ("Those Charged with Governance") our reasons for modification or withdrawal.

We will also issue a written report on the supplementary information upon completion of our audit.

In accordance with *Government Auditing Standards*, we will issue a written report, *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* ("GAGAS report"), describing our consideration of internal control over financial reporting and our tests of compliance made as part of our audit of the Financial Statements. We will include in this report any material

weaknesses and significant deficiencies identified based on the audit work performed. We will also include in this report any of the following that we identify or suspect:

- Instances of noncompliance with certain provisions of laws, regulations, contracts, or grant agreements that could have a direct and material effect on the Financial Statements; or
- Instances of fraud that are material, either quantitatively or qualitatively, to the Financial Statements.

The GAGAS report will describe its purpose and will state that it is not suitable for any other purpose.

In accordance with *Government Auditing Standards*, we will communicate in writing when:

- Identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements comes to our attention during the course of our audit that has an effect on the Financial Statements that is less than material but warrants the attention of Those Charged with Governance, or
- We obtained evidence of identified or suspected instances of fraud that have an effect on the Financial Statements that are less than material but warrant the attention of Those Charged with Governance.

In accordance with *Government Auditing Standards*, we are also required in certain circumstances to report identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or instances of fraud directly to parties outside the auditee. We will prepare a written report ("Single Audit Report") which 1) provides our opinion on the Authority's compliance with compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs and 2) communicates our consideration of internal control over major federal programs. The Single Audit Report will describe its purpose and will state that it is not suitable for any other purpose.

Exempt offerings

In the event the Authority requests our involvement with a future exempt filing that will include or incorporate by reference the Financial Statements and our audit reports thereon, professional standards require us to be separately engaged. The specific terms of our future services with respect to future exempt offerings will be determined at the time the services are to be performed and will be subject to the negotiation, agreement, and execution of a specific engagement letter or contract.

In the event the Authority does not engage us to be involved with the offering document, the Authority agrees to include the following language in the offering document:

"KPMG LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report, included herein, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this official statement."

Our responsibility to communicate with Those Charged with Governance

We will communicate the planned scope and timing for our audits with Those Charged with Governance, including significant risks identified in planning our audit.

We will communicate to Those Charged with Governance, in writing, concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the Financial Statements that we have identified during the audit.

We will report to Those Charged with Governance the following matters:

- Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.
- Uncorrected misstatements accumulated by us during the audit and the effect that they, individually or in the aggregate, may have on our opinion in the auditors' report, the effect of uncorrected misstatements related to prior periods, and that uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if the auditor has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.
- Our views about qualitative aspects of the Authority's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.
- Significant unusual transactions, if any.
- Significant difficulties, if any, encountered during our audits.
- Disagreements with management, if any.
- Circumstances that affect the form and content of our auditors' report, if any.
- Matters that are difficult or contentious for which the auditor consulted outside the engagement team and that are, in the auditors' judgment, significant and relevant to Those Charged with Governance regarding their responsibility to oversee the financial reporting process.
- Other matters required to be communicated by GAAS and *Government Auditing Standards*.
- Any significant deficiencies and material weaknesses in internal control over compliance identified during the compliance audit.
- We will also determine that Those Charged with Governance have been informed of i) the initial selection of, and changes in, significant accounting policies, including the application of new accounting pronouncements during the period under audit, ii) our views on the policies and practices management used to account for significant unusual transactions, and iii) the effect of significant accounting policies in controversial or emerging areas, particularly when there is a lack of authoritative material or consensus.

We will also read minutes, if any, of relevant committee meetings for consistency with our understanding of the communications made to Those Charged with Governance and determine that Those Charged with Governance have received copies of all material written communications between ourselves and management.

To the extent that we become aware of information concerning an instance of noncompliance or suspected noncompliance with laws and regulations, we will discuss the matter with management (at a level above those involved with the suspected noncompliance), unless they are clearly inconsequential. Additionally, to the extent they come to our attention, we will inform the appropriate level of management about material errors in the Financial Statements and any instances of fraud. Further, to the extent they come to our attention, we also will communicate directly to Those Charged with Governance matters involving noncompliance with laws and regulations, unless they are clearly inconsequential, material errors in the

Financial Statements, and any instances of fraud that involve senior management or that, in our judgment, cause a material misstatement of the Financial Statements.

Management responsibilities

Financial statements

The management of the Authority acknowledges and understands that they have responsibility for the preparation and fair presentation, in accordance with U.S. generally accepted accounting principles, of the Financial Statements and all representations contained therein.

Management is responsible for adjusting the Financial Statements to correct material misstatements and for affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Financial Statements being reported upon, taken as a whole.

It is also the responsibility of management, with the oversight of Those Charged with Governance:

- To ensure that the Authority's operations are conducted in accordance with the provisions of laws, and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an Authority's financial statements; and
- For disclosing to us, in writing, all instances of identified or suspected noncompliance with laws and regulations whose effects should be considered by management when preparing the financial statements.

Management is also responsible for the design, implementation, and maintenance of programs and controls to prevent, deter, and detect fraud, for adopting sound accounting policies, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Financial Statements and to provide reasonable assurance against the possibility of misstatements that are material to the Financial Statements whether due to error or fraud. Management is responsible for which they are aware. Management will also separately disclose to us all such deficiencies that they believe to be significant deficiencies or material weaknesses in internal control over financial reporting. The audit of the Financial Statements does not relieve management or Those Charged with Governance of their responsibilities.

In accordance with *Government Auditing Standards*, it is the responsibility of management, with the oversight of Those Charged with Governance:

- To ensure that the Authority's operations are conducted in accordance with the provisions of contracts and grant agreements, including compliance with the provisions of contracts and grant agreements that determine the reported amounts and disclosures in an Authority's financial statements; and
- For disclosing to us, in writing, all instances of identified or suspected noncompliance with the provisions of contracts and grant agreements whose effects should be considered by management when preparing the financial statements.

In accordance with *Government Auditing Standards* and the Uniform Guidance, management agrees to:

- Identify and provide copies of reports, if applicable, of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether findings have been

addressed and related recommendations have been implemented, prior to August 1, 2026 to facilitate our audit planning;

- Provide us with written responses and any planned corrective actions to the findings included in the GAGAS or Single Audit Report within 10 days of being provided with draft findings. If such information is not provided on a timely basis prior to release of the report, the report will indicate management did not provide written responses; and
- Distribute the report issued by KPMG.

Required supplementary information

Management of the Authority also acknowledges and understands that they have responsibility for the preparation of the required supplementary information in accordance with the applicable criteria. Management is also responsible for providing us written representations regarding the required supplementary information.

Supplementary information

Management acknowledges and understands that they have responsibility for the preparation of the SEFA ("Supplementary Information") in accordance with the applicable criteria. Management is also responsible for providing us written representations regarding the Supplementary Information. Management is also responsible for including our report on the Supplementary Information in any document that contains and indicates that we have reported on the Supplementary Information, and for including the audited Financial Statements with any presentation of the Supplementary Information that includes our report thereon or making the audited Financial Statements readily available to intended users of the Supplementary Information no later than the date the Supplementary Information is issued with our report thereon.

Uniform Guidance

In relation to compliance with the program requirements applicable to its federal awards, management acknowledges and understands its responsibility for:

- Identifying the Authority's federal awards and understanding and complying with the compliance requirements.
- Designing, implementing and maintaining effective controls that provide reasonable assurance that the Authority administers federal awards in compliance with the compliance requirements.
- Complying with federal laws, statutes, regulations, rules, and provisions of contracts or grant agreements of federal awards.
- Evaluating and monitoring the Authority's compliance with the compliance requirements.
- Taking corrective action when instances of noncompliance are identified, including corrective action on audit findings of the compliance audit.

In addition to the Uniform Guidance requirements to maintain internal control and comply with the compliance requirements applicable to federal programs as discussed above, the Uniform Guidance also requires the Authority to prepare a:

- Schedule of expenditures of federal awards;

- Summary schedule of prior audit findings;
- Corrective action plan; and
- Data collection form (auditee sections).

While we may be separately engaged to assist you in the preparation of these items, preparation is the responsibility of the Authority. Management is also responsible for submitting the reporting package and data collection form.

Certain provisions of the Uniform Guidance allow a granting agency to request that a specific program be selected as a major program provided that the federal granting agency is willing to pay the incremental audit cost arising from such selection. The Authority agrees to notify KPMG of any such request by a granting agency and to work with KPMG to modify the terms of this Agreement as necessary to accommodate such a request.

Other

Management also acknowledges and understands that it is their responsibility to provide us with: i) access to all information of which management is aware that is relevant to the preparation and fair presentation of the Financial Statements and the compliance requirements applicable to its federal programs such as records, documentation, and other matters; ii) additional information that we may request from management for purposes of the audits; and iii) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence. As required by GAAS, we will make specific inquiries of management about the representations embodied in the Financial Statements and the effectiveness of internal control, and obtain a representation letter from management about these matters. Management's responses to our inquiries, the written representations, and the results of audit tests, among other things, comprise the evidential matter we will rely upon in forming an opinion on the Financial Statements.

Because of the importance of management's representations to the effective performance of our services, the Authority will release KPMG and its personnel from any claims, liabilities, costs, and expenses relating to our services under the Agreement attributable to any misrepresentations in the representation letter referred to above. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise.

Other Government Auditing Standards and Uniform Guidance matters

Pursuant to *Government Auditing Standards*, and subject to applicable provisions of laws and regulations, we are required to make appropriate individuals and certain audit documentation available in a timely manner to others, including *Specified Regulatory Agencies* upon request.

As required by *Government Auditing Standards*, we have attached a copy of KPMG's most recent peer review report.

The Federal Audit Clearinghouse requires the single audit reporting package, which includes the audited Financial Statements, to be submitted in a PDF format which is text searchable, unencrypted, and unlocked. This Agreement serves as the Authority's authorization for the submission of the reporting package in this format.

Reports, services and associated fees

Appendix I to this Engagement Letter lists the reports we will issue and the services we will provide as part of this engagement (the "Services") and the fees associated with providing such Services.

In addition, fees for any additional audit-related projects, such as research and/or consultation on special business or financial issues, will be billed separately from the audit fees for professional services set forth in Appendix I and may be subject to written arrangements supplemental to those in this Engagement Letter.

Our engagement herein is for the provision of annual audit services for the Financial Statements and the Uniform Guidance for the periods described in Appendix I, and it is understood that such Services are provided as a single annual engagement. Pursuant to our arrangement as reflected in this Engagement Letter, we will provide the Services set forth in Appendix I as a single engagement for each of the Authority's subsequent fiscal years until either Those Charged with Governance or we terminate this agreement, or mutually agree to the modification of its terms. The fees for each subsequent year will be annually subject to negotiation and approval by management

In accordance with your instructions, we have forwarded a copy of this Agreement to the Audit Committee.

We shall be pleased to discuss this Agreement with you at any time. Please sign and return it to us to indicate your acknowledgement of, and agreement with, the arrangements for our Services including our respective responsibilities.

Very truly yours,

KPMG LLP

Jason E. Spiegel
Partner

ACCEPTED

Suffolk County Water Authority

Chris Cecchetto

Title

Date

Reports, Services and Associated Fees

Based upon our discussions with and representations of management, and our most recent proposal dated October 3, 2024 in response to Request For Proposal #1638, our fees for services we will perform are estimated as follows:

Audits of financial statements and related notes to the financial statements of the Authority as of and for the years ended May 31, 2026 and 2025	\$222,000
Single audit for the year ended May 31, 2026 (includes one major program)	\$31,000
Inclusion letter (per offering), if applicable	\$31,000

Other Reports:

The other reports that we will issue as part of and upon completion of this engagement are as follows:

Report	Fee
Report on Internal Control Over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	Included
Report on Investment Compliance	Included

Non-audit services

Word Processing and Reproduction Assistance; Assistance in Preparing Financial Statements	Included
Data Collection Form Preparation Assistance (Uniform Guidance single audit package submission)	Included

It is understood and agreed that KPMG's non-audit services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the Authority. KPMG will not perform management functions or make decisions for the Authority. In connection with KPMG's provision of non-audit services under the Engagement Letter, the Authority agrees that the Authority, and not KPMG, shall perform the following functions: (i) make all management decisions and perform all management functions; (ii) designate an individual who possesses suitable skill, knowledge and experience, preferably within senior management, to oversee such services, and to evaluate the adequacy and results of such services; (iii) accept responsibility for the results of such services; and (iv) establish and maintain internal controls over the processes with which such services are concerned, including monitoring on-going activities.

Fees and Expenses

The above estimates are based on the level of experience of the individuals who will perform the Services. In addition, expenses are billed for reimbursement as incurred and are estimated at \$5,000. Circumstances encountered during the performance of these Services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed.

We will generate invoices in accordance with the following schedule:

Billing Milestone and/or Date	Invoice Amount
Upon engagement letter acceptance	\$75,000
July 15, 2026	\$100,000
August 15, 2026	\$52,000
September 15, 2026 (Single Audit fee plus any additional major programs), plus expenses (\$5,000)	\$31,000
Total	\$258,000

All invoices shall be paid within 30 days after the date thereof.

(Firm Letterhead)

DATE

Suffolk County Water Authority
2045 NY-112 Suite 5
Coram, New York 11727

Attention: Mr. Chris Cecchetto, *Chief Financial Officer*

This Engagement Letter, including the Standard Terms and Conditions for Audit and Attestation Services attached hereto as Appendix I and any other exhibits, attachments, addenda or appendices attached hereto (collectively, the "Agreement"), is between Suffolk County Water Authority ("the Authority") and KPMG LLP ("KPMG"), whereby the Authority is engaging KPMG to provide the professional services described herein.

Objective of our services

We will perform an examination of whether the Authority complied with of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York Part 201.3, specifically section 201.3(c)(3) and all subsequent subparts ("Part 201.3(c)(3)") for the year ended May 31, 2026 (such compliance examination with the Specified Requirements, the "Services") including whether:

- The Authority complied with the applicable requirements in the State Comptroller's investment guidelines set forth in Part 201.3(c)(3).
- The Authority complied with its own investment policies, as specified in the Authority's Investment Policy and Guidelines dated October 2022 ("the Authority's Investment Policies") located on the Authority's website.

Throughout this letter, reference to "Specified Requirements" means Part 201.3(c)(3) (the "Criteria") however this may be enhanced or clarified as the engagement progresses and will be confirmed in the representation letter. Based on our examination, we will issue a written attestation report on whether the Authority complied with the Specified Requirements, in all material respects.

Our responsibilities

Our responsibility is to express an opinion on the Authority's compliance with the Specified Requirements based on our examination. We will conduct the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*") with the objective of expressing an opinion in a written independent accountants' examination report as to whether the Authority complied with the Specified Requirements, in all material respects. An examination is designed to obtain reasonable assurance about whether the Authority complied with the specified requirements, in all material respects. Accordingly, we will perform such procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion about whether the Authority complied with the Specified Requirements, in all material respects. The nature, timing, and extent of the procedures selected depends on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. Because of the inherent limitations of an examination engagement together with the inherent limitations of internal control, an unavoidable risk exists that some

material misstatements may not be detected even though the examination is properly planned and performed in accordance with the attestation standards.

The examination does not provide a legal determination on the Authority's compliance with the Specified Requirements.

To the extent they come to our attention, we will communicate to the Authority any known or suspected fraud, noncompliance with laws or regulations, and instances of noncompliance with the Specified Requirements and, when relevant to the subject matter, internal control deficiencies identified during the engagement.

Our attestation report will be addressed to the Board of Trustees of the Authority. We cannot guarantee that we will render an unmodified opinion. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement. In such circumstances, we will communicate our findings or reasons for the modification or withdrawal to those charged with governance. Our attestation report may also include additional descriptions or explanations, as appropriate, in accordance with the attestation standards, including an explanation of the inherent limitations associated with evaluating the Authority's compliance with the Specified Requirements.

In accordance with *Government Auditing Standards*, we will:

- a. include in our report all internal control deficiencies, even those communicated early, that we consider to be material weaknesses or significant deficiencies that we identify based on the engagement work performed,
- b. include in our report the relevant information about noncompliance and fraud when we, based on sufficient, appropriate evidence, identify or suspect:
 1. noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the Authority's compliance with the Specified Requirements and Criteria, or
 2. fraud that is material, either quantitatively or qualitatively, to the Authority's compliance with the Specified Requirements and Criteria.
- c. communicate, in writing, when we identify or suspect noncompliance with provisions of laws, regulations, contracts, or grant agreements or instances of fraud that have an effect on the Authority's compliance with the Specified Requirements and Criteria that are less than material but warrant the attention of those charged with governance, and

in certain circumstances, report identified or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, and instances of fraud directly to parties outside the Authority.

Limitation on damages and indemnification

The liability of KPMG and its personnel and agents to the Authority and its directors, officers, personnel and agents on account of any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the Services performed under this Agreement shall be limited to the amount of fees paid or owing to KPMG under this Agreement. In no event shall KPMG or any of its personnel or agents be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). In addition to the

above, because of the importance of management's representations to the effective performance of our Services, the Authority hereby releases KPMG and its personnel from and against any and all claims, liabilities, costs, and expenses relating to our Services under this Agreement attributable to any misrepresentations in the representation letter referred to below. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise.

the Authority will indemnify, defend, and hold KPMG and its personnel harmless from and against any and all claims, liabilities, costs, and expenses asserted against KPMG by any third party to the extent resulting from or attributable to (i) that party's use or possession of, or reliance upon, KPMG's report or reference to the Services as a result of the Authority's disclosure of such report or reference or (ii) any misrepresentations in the representation letter referred to below. The foregoing indemnification obligation shall apply regardless of whether the third party claim alleges a breach of contract, violation of statute or tort (including without limitation negligence) by KPMG.

References to our attestation report

We understand that our attestation report will not be used, included, or incorporated by reference, nor will we be referred to as auditors or attestors of the Authority's compliance with the Specified Requirements, in any document offering securities for sale or that is filed or furnished with the Securities and Exchange Commission, other than for purposes of making required disclosures regarding our fees and services in documents submitted to the SEC, such as Item 14 of Form 10-K - Principal Accountant Fees and Services. Prior to making any other public reference to our attestation report or related work, such as in marketing materials or posting the report on its website, the Authority will provide such draft reference to KPMG for our written approval (e-mail being sufficient).

Management's responsibilities

the Authority's management agrees to provide us with access to i) all information, such as records, documentation, service level agreements, and internal audit or other reports, of which management is aware that is relevant to the subject matter underlying its assertion; ii) additional information that we may request from management for the purpose of our examination; and iii) unrestricted access to personnel within the organization from whom we determine it is necessary to obtain evidence relevant to this engagement.

the Authority's management acknowledges and understands its responsibility for:

- a. compliance with the Specified Requirements, Criteria and its assertion about compliance with the Specified Requirements for the year ended May 31, 2026;
- b. identifying the specified requirements and selecting or developing suitable criteria (if applicable);
- c. the suitability of the specified requirements and criteria (if applicable), including interpreting such requirements when there is varying interpretations;
- d. appropriately referring to or describing the specified requirements and criteria (if applicable), and related interpretations, if any, in any document that includes the Authority's compliance with the Specified Requirements;
- e. designing, implementing and maintaining internal control relevant to compliance with the Specified Requirements;

v. A12e Dec 2025

- f. evaluating the Authority's compliance with the Specified Requirements; and
- g. informing us of any changes to the specified requirements and criteria (if applicable) throughout the course of the engagement.

At the conclusion of the engagement, the Authority's management agrees to supply us with a representation letter that will include:

- a. its written assertion about compliance with the Specified Requirements;
- b. a statement that management has performed an evaluation of the Authority's compliance with the Specified Requirements;
- c. a statement that all relevant matters are reflected in management's written assertion and evaluation of compliance with the Specified Requirements;
- d. a statement that all known matters contradicting the written assertion and any communication from regulatory agencies or others affecting the Authority's compliance with the Specified Requirements and the written assertion have been disclosed to us, including communications received between the end of the period addressed in the written assertion and the date of our attestation report;
- e. acknowledgment of its responsibility for compliance with the Specified Requirements and its assertion, identifying the specified requirements and selecting or developing the criteria (if applicable), determining that the specified requirements and criteria (if applicable) are suitable and will be available to the intended users, and are appropriate for the purpose of the engagement, and the design, implementation, and maintenance of internal control relevant to compliance with the Specified Requirements;
- f. if applicable, a statement that it has interpreted provisions of the Specified Requirements that have varying interpretations and specification of such requirements and an explanation of how management has interpreted it;
- g. a statement that any known events subsequent to the period being reported on that would have a material effect on the Authority's compliance with the Specified Requirements have been disclosed to us;
- h. a statement that it has provided us with all relevant information and access, as agreed upon in this Engagement Letter;
- i. if applicable, a statement that it believes the effects of instances of noncompliance that are not classified as material instances of noncompliance are immaterial, individually and in the aggregate, to the Authority's compliance with the Specified Requirements;
- j. if applicable, a statement that significant assumptions used in making any material estimates are reasonable;
- k. a statement that it has disclosed to us:
 - i. all known noncompliance with the Specified Requirements occurring during or subsequent to the period covered by the attestation report;

- ii. all deficiencies in internal control relevant to the engagement of which it is aware; and
 - iii. knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the Authority's compliance with the Specified Requirements.
- I. if applicable, a statement that it is planning to include the Authority's compliance with the Specified Requirements (the "Subject Matter") and our attestation report thereon in documents that will include information not subject to assurance ("other information"), and as relevant:
- i. for documents that will be released at the same date as our attestation report, that the other information is consistent with the Subject Matter and does not contain a material misstatement of fact;
 - ii. for documents that will be released after the date of our attestation report that will contain the Subject Matter and our attestation report, an indication that the final version will be provided to us when available, and prior to their issuance; and
 - iii. that all documents available as of the attestation report date that contain the Subject Matter and our attestation report have been provided to us.
- m. other matters as we may deem appropriate.

If the written assertion and a representation letter are not provided, it may be necessary for us to withdraw from the engagement.

If our examination report on the Authority's compliance with the Specified Requirements is to be included in a document that includes the Authority's compliance with the Specified Requirements and other information, the Authority agrees to provide us with a draft of such document and understands that the attestation standards require us to read the other information to identify material inconsistencies, if any, with the Authority's compliance with the Specified Requirements or our attestation report. Our attestation engagement does not include the performance of procedures to corroborate such other information.

Based upon our discussions with and representations of management, and our most recent proposal dated October 3, 2024 in response to Request For Proposal #1638, our fees and related expenses are included in the fees for the audits of the Authority's financial statements. This fee is based on the level of experience of the individuals who will perform the Services. Circumstances encountered during the performance of these Services that warrant additional time or expense could cause us to be unable to deliver the Services within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed.

In accordance with your instructions, we have forwarded a copy of this Agreement to Finance and Audit Committee.

We shall be pleased to discuss this Agreement with you at any time. Please sign and return it to us to indicate your acknowledgement of, and agreement with, the arrangements for our Services including our respective responsibilities.

Very truly yours,

v. A12e Dec 2025

KPMG LLP

Jason E. Spiegel
Partner

ACCEPTED

Suffolk County Water Authority

Authorized Signature

Title

Date

DRAFT

US Audit Quality and Transparency Reports

- Interactive dashboard highlights key quality metrics
- Details KPMG's investment in our audit approach, people, technology, quality management system and the future of audit

Audit Quality Report

- Provides more granular detail on our commitment to continually enhance audit quality
- Outlines KPMG LLP's System of Quality Control
- Discusses how the firm aligns with the requirements and intent of applicable professional standards, including our System of Quality Control Statement of Effectiveness

Transparency Report

Reports and supplements available at: <https://kpmg.com/us/en/articles/audit-quality-report.html>

For the fiscal year 2025, a separate NYSE supplement is not provided as the relevant information has been incorporated into the main document.



Questions?

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at <https://boardleadership.kpmg.us/audit-committee.html>

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[kpmg.com](https://www.kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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