



KPMG LLP
Two Manhattan West
375 9th Avenue, 17th Floor
New York, NY 10001

February 24, 2026

Members of the Audit Committee
Suffolk County Water Authority
Oakdale, New York

Dear Members:

We have audited Suffolk County Water Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* (the Supplement) that could have a direct and material effect on the Authority's major federal programs for the year ended May, 31 2025, and have issued our report thereon under date of February 24, 2026. A single audit encompasses an audit of the financial statements and a compliance audit of federal awards. Under our professional standards, we are providing you with the accompanying information related to the conduct of our compliance audit. We have previously provided you with the information related to the audit of the financial statements in a presentation dated August 21, 2025.

Our Responsibility under Professional Standards

We are responsible for forming and expressing an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. The Authority's major federal programs are identified in the schedule of findings and questioned costs. We have a responsibility to perform our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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). In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that instances of material noncompliance are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that noncompliance, whether caused by error or fraud, that is not direct and material to a major federal program are detected. Our audit does not relieve management or the Members of the Audit Committee of their responsibilities.

In addition, in planning and performing our audit of compliance, we considered internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

We also have a responsibility to communicate significant matters related to the audit of compliance that are, in our professional judgment, relevant to the responsibilities of the Members of the Audit Committee in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.



Members of the Audit Committee
Suffolk County Water Authority
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Disagreements with Management

There were no disagreements with management on compliance matters that individually or in the aggregate could be significant to our report.

Written Communications

Attached to this letter please find copies of the following written communications between management and us:

1. Engagement letter; and
2. Management representation letter.

Confirmation of Audit Independence

We hereby confirm that as of February 24, 2026, we are independent accountants with respect to the Authority under relevant professional and regulatory standards.

* * * * *

This letter to the Members of the Audit Committee is intended solely for the information and use of the Members of the Audit Committee and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



Office of Financial Services

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(631) 589-5200
Fax (631) 218-1156

February 24, 2026

KPMG LLP
Two Manhattan West
375 9th Avenue
New York, New York 10001

We are providing this letter to confirm our understanding that the purpose of your testing of transactions and records relating to Suffolk County Water Authority's (the Authority) federal programs, in accordance with Title 2 US Code of Federal Regulations Part 200 (2 CFR 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), was to obtain reasonable assurance that the Authority had complied, in all material respects, with the requirements of federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2025.

In connection with your audit of the basic financial statements of the Authority as of and for the year ended May 31, 2025, for the purpose of expressing an opinion as to whether these financial statements present fairly, in all material respects, the respective financial positions, changes in financial positions, and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles, you were previously provided with a letter of representations under date of September 19, 2025. No information has come to our attention that would cause us to believe that any of those previous representations should be modified.

We confirm having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of February 24, 2026, the following representations made to you during your single audit:

1. We are responsible for the design, implementation, and maintenance of effective internal control over compliance for federal programs that provides reasonable assurance that the Authority is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award.
2. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of the Authority's federal programs.
3. We are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

4. We are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud in the administration of federal programs. We have no knowledge of any fraud or suspected fraud affecting the Authority's federal programs involving:
 - a. Management, including management involved in the administration of federal programs.
 - b. Employees who have significant roles in internal control over the administration of federal programs.
 - c. Others where the fraud could have a material effect on compliance with federal statutes, regulations, and the terms and conditions of federal awards related to its federal programs.
5. We are responsible for the presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance and:
 - a. The SEFA, including its form and content, is fairly presented in accordance with the requirements of the Uniform Guidance.
 - b. The SEFA includes all expenditures made during the year ended May 31, 2025 for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, cooperative agreements, interest subsidies, insurance, noncash assistance (such as free rent, food commodities, donated property or donated surplus property), direct appropriations, and other assistance.
 - c. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period.
 - d. The significant assumptions or interpretations underlying the measurement or presentation of the SEFA are reasonable and appropriate in the circumstances.
 - e. We will make the audited financial statements readily available to the intended users of the SEFA no later than the date of issuance by the entity of the SEFA and the auditors' report thereon.

Additionally, we confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purposes of appropriately informing ourselves, as of February 24, 2026, the following representations made to you during your single audit:

6. The Authority is responsible for complying, and has complied, with the requirements of the Uniform Guidance.
7. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
8. The Authority has designed, implemented, and maintained effective internal control over compliance for federal programs that provides reasonable assurance that the Authority is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its federal programs.
9. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over compliance of which we are aware, which could adversely affect the Authority's ability to administer a major federal program in accordance with the applicable requirements of federal statutes, regulations, and the terms and conditions of federal awards. Under standards established by the American Institute of Certified Public Accountants, a deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct on a timely basis noncompliance with a type of compliance requirement of a federal program. A 'material weakness' is a deficiency, or combination of deficiencies, in internal

control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected on a timely basis. A 'significant deficiency' is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement that, is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

10. The Authority has complied with requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of its major federal programs.
11. The Authority has charged costs to federal awards in accordance with the applicable cost principles.
12. Federal program financial reports and claims for advances and reimbursements are supported by the accounting records from which the financial statements have been prepared.
13. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
14. We have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program.
15. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
16. We have made available all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements, for major federal programs.
17. We have made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities related to major federal programs.
18. We have identified and disclosed to you all questioned costs and any known noncompliance with the requirements of federal awards.
19. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the compliance requirements over federal programs, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
20. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
21. We have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions, as applicable.
22. We are responsible for, and have accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, as applicable.
23. We have advised you of all contracts or other agreements with service organizations.

24. We have disclosed to you all communications from the Authority's service organizations relating to noncompliance at the service organizations.
25. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control over major federal programs, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
26. We have disclosed to you all known noncompliance relating to major federal programs occurring subsequent to the period covered by the auditors' report.
27. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance over major federal programs during the reporting period.
28. KPMG assisted management in completing the following SF-SAC workbooks that are uploaded and submitted to the Federal Audit Clearinghouse:
 - a. SF-SAC Section 1: Federal awards
 - b. SF-SAC Section 2: Notes to SEFA
 - c. SF-SAC Section 5: Corrective action plan

In accordance with Government Auditing Standards, we confirm that we have reviewed, approved, and accept responsibility for the information included in the SF-SAC workbooks uploaded and submitted to the Federal Audit Clearinghouse of the data collection form.

29. We have accurately completed the appropriate sections of the data collection form.
30. The reporting package does not contain protected personally identifiable information.

Very truly yours,

Suffolk County Water Authority

Signed by:



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Jeffrey W. Szabo

Chief Executive Officer

Signed by:



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Christopher Cecchetto

Chief Financial Officer