

Minutes of the Finance & Audit Committee of the
Alexandria Renew Enterprises Board of Directors
Monday, October 17, 2022

On Monday, October 17, 2022, at 5:00 p.m., the Alexandria Renew Enterprises Board of Directors held its Finance and Audit Committee in the Ed Semonian Board Room at 1800 Limerick Street, with the following present:

Members: Mr. Mark Jinks, Committee Chairman
Mr. John Hill, Chairman
Mr. William Dickinson, Secretary-Treasurer
Ms. Adriana Caldarelli, Member

Staff: Ms. Karen Pallansch, Chief Executive Officer
Ms. Christine McIntyre, Chief Financial Officer
Ms. Caitlin Feehan, RiverRenew Project Manager
Ms. Lorna Huff, Secretary to the Board

Consultants: Ms. Jennifer Files, Yount, Hyde & Barbour (YHB)
Mr. Jeff Wolf, Moore, Stephens, Lovelace (MSL)

Call to Order

The Committee Chair called the meeting to order at 5:00 p.m.

Approval of Agenda

The Committee Chair inquired whether members had changes to the agenda. There being none, he requested a motion to approve. Ms. Caldarelli moved and Mr. Dickinson seconded. The Board unanimously approved.

Public Comment

There were no members of the public in attendance and wishing to speak. The Chairman closed the public comment period.

Consent Calendar

The Committee Chair requested that members review the Consent Calendar which included the Minutes from the May 4, 2022, Finance & Audit Committee meeting. There were no questions or comments and the Chairman requested a motion to approve the Consent Calendar. Mr. Dickinson moved and Mr. Jinks seconded. The Board unanimously approved.

Presentation of Audit Results

The Committee Chair noted that this meeting is a review of AlexRenew's audit results and recognized Ms. Pallansch and Ms. McIntyre. Ms. McIntyre reported that AlexRenew's Annual Comprehensive Financial Report (ACFR) covers the period from July 1, 2021, through June 30, 2022. The auditor is Yount Hyde & Barbour (YHB) representing them is Ms. Jennifer Files. This is YHB's fifth year performing the annual audit. Jeff Wolf from Moore Stephens Lovelace (MSL) also attended. The Single Audit is separate from the regular annual audit and is performed due to AlexRenew's participation in two federal bonds programs, 1) Series 2019 Clean Water Revolving Loan Fund (Bonds) and 2) Series 2021 Water Infrastructure Finance and Innovation Act Bonds (WIFIA).

Ms. McIntyre reported that AlexRenew received a "clean" or unmodified audit opinion. YHB did not identify any deficiencies in internal controls or material weaknesses. The Single audit indicated compliance with

requirements on AlexRenew's loan programs. She inquired if members had questions or comments and recognized Ms. Files from YHB.

Ms. Files discussed the Required Communications to the Board letter. The other attachments include the Single Audit package, the Fairfax Allocation Report, the VRS Compliance Report. She thanked the CFO, Controller, and the entire team for their help throughout the audit process. She commended the finance staff and noted timely providing of documents and reports and answering all YHB's questions throughout the process.

YHB noted no significant or unusual transactions during the audit process. Ms. Files noted a few estimates one being unbilled accounts receivables is a significant estimate. These are the amounts of customer accounts that are incurred but unbilled as of June 30th. No questions or concerns on the estimate. Fair value of investments fluctuates. There were no material concerns.

Members inquired about journal entries, timing of transactions and the audit process. There were no additional questions or comments and Ms. Files moved to the Single Audit Report.

She reported that the Single Audit Report is a requirement due to AlexRenew's use of federal funds on their projects. AlexRenew received a "clean" report.

Ms. Files then reviewed the Fairfax Allocation and VRS Reports and noted a clean process for both with no findings.

There were no additional questions for Ms. Files and she thanked the Board and staff for the opportunity to serve the Authority.

Members commended staff and consultants on their work on a successful audit.

There being no additional questions or comments, the Chair requested a motion to approve. Mr. Hill moved and Mr. Dickinson seconded. The Board unanimously approved.

APPROVED



Committee Chairman