

**FAIRFAX WATER
FINANCE AND AUDIT COMMITTEE**

Minutes of Meeting on April 20, 2023

At 6:00 p.m. on Thursday, April 20, 2023, a meeting of the Finance and Audit Committee was held at Fairfax Water with the following in attendance:

Members: Roberson, Cammarata, and Griffin

Other Members: Allin, Begovich, Colleton, Day, Dotson, and Rubin

Staff: Hedges, Kingsbury, Atapoor, Bolton, Collins, Creel, Dooley, Goldberg, Grimes, Hack, Hoke, Miller, Nguyen, Oates, Prelewicz, Robey, Siminari, and Sinopole

Consultant: Mike Garber and Nina McAvoy, PBMares, LLP

Counsel: John McGranahan, Hunton Andrews Kurth, LLP

Upon separate motions duly made, seconded, and unanimously carried, unless otherwise noted, the following actions were taken:

Adoption of Minutes

The Committee approved the minutes of the Meeting of November 3, 2022.

Audit Results for Fiscal Year 2022

Mr. Garber of PBMares discussed the results of the annual audit of Fairfax Water's financial statements for the year ended December 31, 2022, and stated that there were no audit findings or adjustments. PBMares provided an unqualified "clean" opinion of the statements.

Internal Control and Compliance Report

Mr. Garber reviewed the Internal Control and Compliance Report. This report, which presents the findings of their evaluation of Fairfax Water's internal controls, contained no findings.

Management Letter

Mr. Garber conveyed the opinion of PBMares that there were no recommendations to management this year in relation to the financial statements. The issuance of several new GASB pronouncements will be reviewed for adoption by Fairfax Water in the next couple of years. Of note, GASB Statement No. 87 (Leases), was successfully implemented in 2022 and all entries were booked correctly. In addition, Mr. Garber reported that PBMares took a deeper dive into Fairfax Water's information system controls this year and the observations and recommendations are outlined in the Information Systems Control Management Letter.

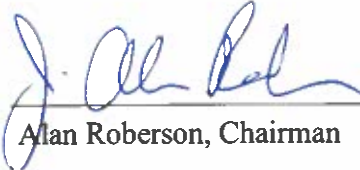
Trust Indenture Compliance Report

Mr. Garber discussed the Trust Indenture Compliance Report. This report, required by the Bond Trustee, states that Fairfax Water is in compliance with Section 6.7 of the 1992 General Trust Indenture regarding debt service coverage.

The Committee unanimously voted to recommend to the Board that the audit be finalized and to submit the audited financial statements and debt compliance report to the trustee.

Adjournment

There being no further business, the meeting was adjourned at 6:17 p.m.



Alan Roberson, Chairman