

**LONG ISLAND POWER AUTHORITY**  
**FINANCE AND AUDIT COMMITTEE - 2023 REPORT**

The Finance and Audit Committee (the “Committee”) of the Long Island Power Authority’s Board of Trustees (the “Board”) has prepared this report related to its obligations pursuant to the Committee’s Charter.

Among its responsibilities, the Committee must report its actions and recommendations to the Board on at least an annual basis on how it has discharged its duties and met its responsibilities, including actions related to investigating any matter brought to the attention of the Committee.

The Committee is also charged with specific responsibilities related to the Annual Budget; Borrowing, Debt Management, and Interest Rate Exchange Agreements; Power Supply Hedging; Investments; Financial Statements and Disclosure Matters; Selection and Oversight of the Independent Auditor; Internal Audit; Enterprise Risk Management; Internal Controls; and Compliance Oversight. These specific responsibilities are detailed within the Committee Charter. Accordingly, the Committee reports as follows:

**Membership**

The Committee Charter requires that a minimum of three Trustees serve as members of the Committee. As appointed by the Chair of the Board, the following Trustees served on the Committee in 2023:

Sheldon L. Cohen, Chair (former Trustee)  
Mark Fischl (former Trustee)  
Elkan Abramowitz (former Trustee)  
Laureen Harris

Each Committee member meets the standards required for such membership, including: 1) independence, as set forth in the Public Authorities Accountability Act of 2005; 2) familiarity with corporate financial and accounting activities; 3) skills necessary to understand the duties of the Committee; and 4) possess or obtain a basic understanding of governmental financial accounting and reporting.

**Meetings**

The Committee is required to meet as often as it determines necessary, but not less frequently than four times per year. As of December 31, 2023, the Committee met five times.

**Committee Activities**

During 2023, the Committee satisfied each of the obligations contained in its Charter, including the following key activities:

Review of:

- LIPA and PSEG Long Island’s financials at every meeting of the Committee

- Quarterly Financials
- Internal Audit activities at every meeting of the Committee
- The Internal Audit Charter and Internal Audit Confirmation of Independence
- Confirmation of Independence and Code of Ethics and the Board Policy on Audit Relationships and Internal Audit Charter

Recommendations to approve:

- Internal Audit Plan and Internal Audit Budget and Resource Requirements
- Financial Report
- Investment Report and the Board Policy on Investments
- Annual Report on the Board Policy on Enterprise Risk Management
- Annual Report on the Board Policy on the Power Supply Hedging Program
- Annual Report on the Board Policy on Taxes and PILOTS
- LIPA's Budget
- Plan of Finance
- Consideration of Recommendation to Approve Letter of Credit Providers
- Recommendation to Approve the 2022 Investment Report and the 2023 Board Policy on Investments
- Recommendation to Approve the Annual Financial Package

Discussion of the:

- Committee's Annual Self Report to the Board
- Audit Results with Independent Auditors
- Independent Auditor's Audit Plan
- Power and Fuel Supply Management and Hedging Activities from PSEG Long Island ER&T
- Quarterly Enterprise Risk Management Discussion
- Discussion of 2022 Financial Report

### Committee Charter

The Committee, in consultation with LIPA Staff, has reviewed the Committee's Charter and recommends no changes to the Board.

### Conclusion

The Committee will continue to support the Board of Trustees in discharging its oversight responsibilities relating to accounting, financial reporting, financial practices, and other charter obligations and remains available to provide assistance and guidance regarding any additional responsibilities requested by the Trustees or the Chair of the Board.

Dated: March 27, 2024