



Financial Services Audit Committee Communication

Date: July 25, 2022

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: Annual Financial Audit Update

Background: Annually, the Great Lakes Water Authority (GLWA) prepares an Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal guidelines. Baker Tilly Virchow Krause LLP (Baker Tilly) has been engaged to perform the GLWA annual financial audit and issue an opinion as to whether the financial statements are fairly stated in accordance with accounting standards for fiscal years ending 2022, 2023 and 2024.

Analysis: GLWA Financial Services area has been preparing for the fiscal year ending June 30, 2022 audit by reviewing internal control walkthrough documents, reviewing vendor statements, preparing a tentative schedule for the audit, and working on preliminary close of the June 2022 period.

Before the auditors begin the annual fieldwork, the Audit Committee is presented with the draft engagement letter. Attached is the FY 2022 engagement letter draft from Baker Tilly to assist in understanding the full scope of Baker Tilly and GLWA management responsibilities associated with this year's annual financial audit.

Also is attached communication from Baker Tilly related to the timing for the release of this year's audit report.

Proposed Action: Receive and file this report.