GLWA
Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: July 24, 2026

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: FY 2026 Annual Financial Audit Update

Background: Annually, the Great Lakes Water Authority (GLWA) prepares its Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal requirements. Baker Tilly US, LLP (Baker Tilly) has been engaged to perform the GLWA annual financial audit and issue an opinion on whether the financial statements are fairly stated in accordance with accounting standards for fiscal years ending 2025, 2026 and 2027.

Analysis: GLWA Financial Services area has begun preparing for the fiscal year ending June 30, 2026, audit. Audit preparation includes reviewing internal control walkthrough documents, reviewing vendor statements, preparing a tentative audit schedule and working on preliminary close of the June 2026 period.

Attached is the FY 2025 – FY 2027 engagement letter from Baker Tilly. The engagement letter is presented as a refresher of the full scope of the responsibilities of Baker Tilly and GLWA management as they begin this year's annual financial audit.

Also attached is Baker Tilly's communication regarding the anticipated timing for the release of this year's audit report, which outlines the schedule and key milestones for completion. It should be noted that this schedule is a collaboration between GLWA and Baker Tilly which reflects a goal to issue the ACRF and SEFA a month earlier than our historical timeline. The Audit Committee will be kept apprised of our progress.

Proposed Action: Receive and file this report.