Financial Services
Audit Committee Communication

Date: November 21, 2025

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: Annual Financial Audit Update

Background: Each year, 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 US, LLP (Baker Tilly) has been engaged to perform the annual financial audit for GLWA and issue an independent opinion as to whether the financial statements are fairly stated in accordance with generally accepted accounting principles. This engagement covers the fiscal years ending June 30, 2025, 2026 and 2027.

Analysis: The GLWA Financial Services area has completed the FY 2025 trial balance and provided all supporting workpapers to Baker Tilly. Baker Tilly conducted their fieldwork from September 29, 2025 through October 10, 2025.

Preparation of the draft FY 2025 ACFR is in progress, including related footnotes, while follow-up for the remaining open items is completed. Open items are common, as questions arise during fieldwork and workpaper review that require time to provide accurate and appropriate responses.

As reported last month, the Office of Management and Budget (OMB) has yet to issue the final 2025 Compliance Supplement. Baker Tilly continues to monitor the status, and it is still in draft status. This delay, is outside GLWA and Baker Tilly's control, could cause a delay in filing the SEFA. We will continue to monitor the situation until the final 2025 Compliance Supplement is issued.

The financial audit reports remain on track for December 2025 issuance, consistent with prior years. An updated timeline from Baker Tilly is attached.

Proposed Action: Receive and file this report.