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Brazos River Authority Board of Directors Presentation

Report on Financial Audit—

January 27, 2020



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Audit presentation topics

- > Audit overview
- > Auditor Communication with Those Charged with Governance
- > Internal control communication
- > Questions



Audit overview

Brazos River Authority – Comprehensive Annual Financial Report (CAFR)

- > Audited financial statements in accordance with US Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*(GAS)
- > Auditors' Communication with Those Charged with Governance letter



Audit overview(cont.)

- > Audit was conducted smoothly with no major snags or difficulties.
- > Management and staff were cooperative and readily available.
- > Audit schedule was maintained and communication between management and auditors was good.
- > Two weeks of fieldwork were conducted onsite (one week of preliminary and one week of final).
- > Last day of fieldwork was November 1, 2019.

Audit overview(cont.)

Audit is based on assessment of control risk in key business process areas. Below are several significant areas of review:

- Cash and investments
- Disbursements
- Payroll
- Utility revenue and billing
- Financial reporting
- Net pension obligation
- Assets under construction and plant in service
- Long-term obligations
- Analytical review of statement of net position and statement of revenues, expenses and changes in net position

Audit overview(cont.)



Audit performed in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*



Audit objective— reasonable assurance that financial statements are free from material misstatement



Financial statements of Brazos River Authority received an *Unmodified Opinion*



No material weaknesses or significant deficiencies.

Auditor Communication to Those Charged with Governance

Auditor
responsibility &
independence

Board
responsibility

No significant
or unusual
transactions

Accounting
policies and
estimates

Baker Tilly agrees with Brazos River Authority's
accounting policies and disclosures

There were no
identified
adjustments to the
financial
statements

No audit findings or concerns

Internal control communication

AU-C Section 265

Communicating Internal Control Related Matters Identified in an Audit

Material weaknesses noted in Brazos River Authority's internal control:

> None noted

Significant deficiencies noted in Brazos River Authority's internal control:

> None noted



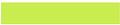
Audit summary

Thank You!

We appreciate the work performed by Brazos River Authority's accounting staff and management in preparing for and assisting in the audit!

We would be happy to answer any questions regarding the audit.





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