



Brazos River Authority

*Pre-Audit Discussion – 2019 Financial Statement
Audit*

Board of Director's Meeting

July 29, 2019

Aaron Worthman, CPA, Partner



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Overview



Audit Team Introduction



2019 Audit Plan



Auditors' Communication with Those Charged with Governance



Questions

Audit Team



Aaron Worthman, CPA – Engagement Partner

- 20 years experience serving utilities and river authorities nationwide
- Partner-in-charge of financial audits of numerous utilities' in Texas
- Leading attest practice in Austin office
- 512 975 7281 (direct) / aaron.worthman@bakertilly.com



Sarah Slaughter, CPA – Senior Manager

- 15 years experience serving utilities and river authorities nationwide
- Manages several large Texas utilities' audits
- 512 975 7291 (direct) / sarah.slaughter@bakertilly.com



Greg Kenas, CPA – Manager

- Specializes in performing financial audits for utilities nationwide
- Manages the financial audit for numerous utilities' in Texas
- 608 240 2664 (direct) / greg.kenas@bakertilly.com



Deliverables

- Audited financial statements in accordance with *US Generally Accepted Auditing Standards* (GAAS)
- Report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards* (GAGAS)
- Single audit report (if expenditures exceed \$750,000 threshold)
- Management letter
- Written communication to management and the Board detailing any significant deficiencies or material weaknesses (if applicable)



Audit Timeline

The audit fieldwork and final audit report delivery are scheduled with management to meet mutually agreed- upon contractual, regulatory or other reporting deadlines

Proposed Timeline

- Preliminary Field Work and Planning – July 2019
- Final Field Work and Review – October/November 2019
- Present Financial Statements – January 2020



2019 Audit Plan

Main Areas of Audit Focus

- Control Environment
- Control Activities
- Information Technology
- Cash and Investments
- Accounts Receivable and Revenues
- Prepays
- Capital assets and A/D
- Unearned Revenues
- Pension liability/asset and deferrals
- Financing
- Net Position
- Expenditures and Payables
- Payroll and Benefits
- Compliance with Laws and Regulations
- Contracts and Contingencies
- Financial Reporting

Brazos River Authority

Auditor Communication with Those Charged with Governance

Required Communication

Required Communication – Your Views Regarding Matters as Members of the Body Charged with Governance of BRA

- We will communicate with the top level of management during the audit
- We ask the Board for input on any audit matters
- Board input does not change our responsibility as the auditor to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary
- The Board has the responsibility to oversee the strategic direction of BRA, as well as the overall accountability of the entity
- We ask the Board to report if it has taken action in response to developments in financial reporting, laws, accounting standards, government practices, or other related matters
- We will include Board input in our audit plan

We encourage Board input into the audit process – areas for further review and focus on controls, areas of concern, areas for further financial reporting and analysis, and areas of compliance with laws and regulations.



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Auditor Communication with Those Charged with Governance *Required Communication* (cont.)

We look forward to a successful audit with BRA
accounting staff and management!

For additional communications please refer to the AU-C
260 letter that was distributed.

Any Questions.....

Thank you!