



LSL 
CPAs AND ADVISORS


FISCAL YEAR ENDED JUNE 30, 2022
FINANCIAL AUDIT RESULTS



Mesa Water District

Focused
on YOU

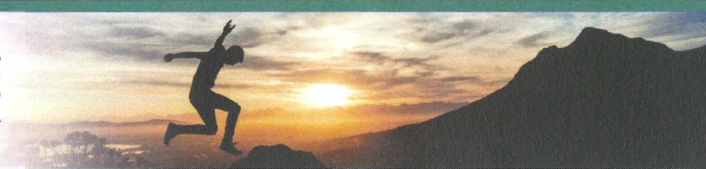
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AUDIT PROCESS

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Audit Process

- Two Phases
 - 1st phase focused on internal controls and process understandings.
 - 2nd phase focused on tests of the financial statement balances.
- Responsibility
 - Management is responsible for the design and implementation of good processes and good internal controls; Auditor is responsible for evaluating the possible impact of those processes on the financial statements.
 - Management is responsible for everything you see in the financial statements, including the account balances, footnote disclosures and supplementary info; Auditor is responsible for ensuring they are materially correct.

REPORTS ISSUED

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Opinion Letter

- **Unmodified Opinion**
 - Based on our audit of significant transactions, our understanding of the District's policies and procedures, and our testwork results, we have issued an Opinion that the financials statements are free of material misstatement.



Report on Internal Control over Financial Reporting and on Compliance and Other Matters

- No opinion is expressed on the internal controls.
- No material weaknesses. No compliance matters noted.
- Internal control matter identified as a significant deficiency.
- Material weaknesses or significant deficiencies *may* exist that were not identified.



Audit Communication Letter (SAS 114 – conclusion)

- Accounting Practices
 - Implementation of GASB 87, *Leases*
- No difficulties encountered in performing the audit.
- Significant transaction regarding the formation of MWRRC
- Reference to significant deficiency reported in Internal control letter
- No disagreements with management to disclose.



Audit Communication Letter (SAS 114 – conclusion)

- Management Representation includes a letter to the auditors regarding their acceptance of responsibilities and disclosures of no known errors or fraudulent activities to communicate to auditors.



Audit Communication Letter (Continued)

- Upcoming Standards
 - GASB 96 – Subscription Based IT Arrangements
 - Evaluate IT software subscriptions/agreements and any hardware required to operate the software and determine the future obligations which will be reported in the financial statements.



Thank You!

Contact Information

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