



## Financial Services Audit Committee Communication

**Date:** August 23, 2024

**To:** Great Lakes Water Authority Audit Committee

**From:** Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

**Re:** CFO Update

### Workday FINS Launch on July 1, 2024

Clearly the headline for this month is the successful launch of the new financial system on July 1, 2024. Many, many thanks are due to our colleagues in the Information Technology Group as well as the teams of implementation consultants that helped to make that happen. This effort showed the strength of our teams and a high level of personal and professional growth of our team members. Below are additional comments from Financial Services Area leadership Team Members.

*Sonya Collins, Procurement Director*

The Procurement Team diligently worked to implement a seamless transition from BS&A to Workday. Special thanks to the GLWA Procurement Managers and Management Professionals who dedicated time and effort in designing the procurement module to meet the needs of GLWA. This was truly a team effort.

*Kim Garland, Deputy Chief Financial Officer*

The team members of the CFO Services Group engaged on this project at all levels, and we so appreciate their efforts!

- Thank you to **Michelle Burt, Pam Fladger and Knyiesha Scott** for their efforts implementing the Workday Customer Accounts system which now offers such positive enhancements as invoice numbers and customer statements. We especially appreciate their work in processing nearly \$20 million in Member Partner credits as part of their inaugural billings in the new system.
- Thank you to **Alica Schwartz, Jackie Morgan, Greg Bolterman, Francine Duncan-Martin, Regina Washington, Ed Vanneste, Nick Simms and Sierra Robinson** for building new processes for Grant and State Revolving Fund (SRF) accounting and reporting using the new Workday Grants system that will significantly improve and enhance our reporting capabilities in these areas.
- Thank you to **Nick Fedewa, Connie Delling and Sandy Chen** for their ongoing efforts to transform the Monthly Financial Report, Trust Report and Interlocal Agreement accounting into more efficient and effective process in Workday.

*Jill Kusters, Financial Reporting & Accounting Director*

I want to extend my heartfelt appreciation to the entire Financial Reporting & Accounting Group for the remarkable effort that went into the successful launch of Workday. What makes this achievement even more impressive is that the Group managed to contribute significantly to this project while continuing to excel in their everyday responsibilities. Balancing a major project with daily duties is no easy task. Their hard work has not only led to a successful application launch but also ensured our daily operations remained strong.

This dual effort deserves special recognition

- ***Steve Hoover, Financial Reporting Manager and the Financial Reporting Team*** - Balancing the demand of developing a financial data model for Workday, translating and communicating BS&A general ledger strings into Workday “worktags” and the integrations of multiple ancillary applications while producing monthly financial statements *and* managing the FY23 and FY24 audits is no small feat. Your commitment to both tasks ensured that nothing fell through the cracks.
- ***Dionna Wilson, Accounts Payable Manager and the Accounts Payable Team*** - While creating and configuring next level business expense employee reimbursement processes that allow for electronic deposits, accounts payable invoicing processes and settlement integrations, you maintained an average supplier days to payment of 34 days for FY2024! Your ability to manage resources, timelines and communication across the team made this success possible.
- ***Jennie Eddie, Construction Accounting Manager and the Construction Accounting Team***. Your outstanding work in developing “New to GLWA” CIP project accounting configuration, features and business processes in Workday represents a major step forward in how we manage and analyze our data. This not only meets our current needs but was also designed with future integration with the PMIS system in mind.
- ***Judi Cook, Treasury Accounting Manager and the Treasury Accounting Team***. Working closely with the Treasury team, you ensured the new configuration was seamlessly integrated into our existing systems with minimal disruption, all the while continuing to manage the critical task of tracking cash and payments,

Thank you for all your hard work, passion, and teamwork. The success of this launch is a testament to what we can achieve together!

*Lisa Mancini, Financial Services Area Chief of Staff*

The efforts of the cross functional GLWA teams who have been working together in a collaborative manner to configure and test Workday, review business processes, create reports, and validate data has been and continues to be truly appreciated! As refinements continue to be made within the Workday application, an intensive effort is underway to rollout Workday Adaptive Planning. This application will be used to prepare the budget, long term forecast, and scenario planning. In addition, Adaptive Planning will directly source data from the general ledger and other areas of Workday and, along with added analytical and reporting capacity of Office Connect, will replace many individual Excel, Word, PDF, and other files to create reports such as the annual budget document, monthly financial report binder, and eventually in-source the cost of service study.

I would like to recognize the following members of the Financial Planning & Analysis team for their ongoing efforts to implement Adaptive Planning: **David Slowik, Ben Keller, Jay Oswalt, Katrina Ingram, Laurie Echols, Michael Stark, Michelle Wong, Robert Arbaugh, and Samoht Williams**. I would also like to thank the many, many team members involved in building and testing the reports in Adaptive Planning and Office Connect.

*Gerri Williams, Treasury Manager*

A loud shout out to **Marwa Abouraya** and **Lauren Baker** for seamless processing of cash transactions to support all of GLWA during the Workday launch. They demonstrated great team work not only with each other but with all members of the Financial Services Area team. They were successful in creating a transparent, trackable cash transfers request process by transitioning the workflow to Workday. Additionally, they continue to be a valuable asset to the PCard process with quick responses and guidance to all team members as they navigate the new expense report activities in Workday.

### **Other Areas of Change**

In addition to the launch of Workday FINS, and the ramp up of Workday Adaptive Planning, FSA leadership team members are navigating operational changes.

*Cindy Cezat, Manager Financial Services - Financial Consultant Transition*

I have started the modeling of the ten-year forecast using The Foster Group's model as a starting point. Since I am an accountant (Bart was an engineer) as well as my background from both the GLWA and member partner side, you may notice some slight changes in the model from what was previously presented. In planning for staff training and succession, notations are being added throughout the model to identify the source of the data and how the model works.

*Matt Lane, Manager, Charges Outreach & Modeling – Charges Consultant Transition*

The Charges Outreach & Modeling team has been working closely with The Foster Group (TFG) to transition the cost of service study and charge-setting analytical work. We are working closely with TFG to transfer as much knowledge as possible to internal GLWA

assets. Guy Belew (CO&M Management Professional) and I have two standing meetings with Bart Foster on a weekly basis to discuss on-going transitional projects and scheduling for upcoming items. Part of the success of the transition for our internal team and our charges consultant will rely on our teams understanding of GLWA charge-setting techniques, history and trends. The results of that effort will be a GLWA Charges Manual. These efforts will help us on-board a new consultant that can help GLWA maintain its level of services as we look toward into the future.

### **Board Workshop on Financial Outlook – October 9, 2024**

The kick-off for the next financial planning cycle at the Board of Directors level is with a workshop on October 9, 2024. At that time, we will report out preliminary June 30, 2024 results and review the state of matters that impact the financial plan. One area of concern is water sales volume which had a negative variance of 5.1% for FY 2024 which resulted in a \$7.1 million shortfall. Similarly for FY 2025 through August 14, 2024, we are experiencing a negative variance of 1% in sales volume and a \$1.4 million shortfall.

### **Vendor Outreach – September 26, 2024**

The annual Vendor Outreach is a key opportunity for GLWA team members and the vendor community to connect. We also encourage the vendor community to network with each other. This year's event will feature a general session which includes a panel of vendors who will discuss how they select subcontractors.

### **Workday Board Letter Updates**

Starting August 1, 2024, the Board will begin to see a Workday generated requisition number instead of contract numbers on board letters (ex. REQ-1234567). For change orders/amendments, the Board will see both requisition number and contract number on board letters (ex. REQ-1234567/SCN-1234567).

### **GLWA Service Sector Connections**

I am on the advisory panel for the annual Water Finance Conference at The Water Tower in Atlanta, Georgia. The Water Tower is a center of water innovation and training. This month I spoke at the conference on the topic of regionalization and participated on a panel related to the same topic.

Closer to home, I was on a panel last week at the Integrated Infrastructure Conference in Grand Rapids, Michigan. The topic was *Smarter Rates, Stronger Infrastructure: Developing Rates for Equitable and Efficient Infrastructure Services* and included panelists from both the water and electric utilities.