



## **Financial Services Audit Committee Communication**

**Date:** June 15, 2018  
**To:** Great Lakes Water Authority Audit Committee  
**From:** Nicolette Bateson, CPA, Chief Financial Officer/Treasurer  
**Re:** CFO Update

This month's report is organized into three categories – past, present, and future.

### **Past - Close-out of Open Items**

#### **1. FY 2017 Audit**

- a. GLWA's external auditors presented the auditor's report along with GLWA's FY 2017 audited financial statements at the Audit Committee meeting on May 22, 2018. Based upon feedback from the Audit Committee, updates were made to the Independent Auditors' Communication to those Charged with Governance (commonly referred to as the SAS 114 letter for the Statement on Auditing Standards which sets for the guidance for those communications). The revised report was subsequently received and distributed to the Board of Directors and is available online at <http://www.glwater.org/wp-content/uploads/2018/06/GLWA-SAS-Ltr-6-30-17-Revised-Final.pdf>.
- b. The final FY 2017 reports were issued and filed with state and federal agencies by the deadline of May 31, 2018.
- c. It should be noted that GLWA's Comprehensive Annual Financial Report (CAFR) provides the water and sewer funds combined. As an added disclosure, individual fund statements (i.e. water fund and sewer fund) were also prepared for ease of continuing debt disclosure and are also available online at <http://www.glwater.org/finances/financial-statements/>. These statements mirror the basic financial statements in the CAFR.

### **Present – Items Within the Next 45 Days**

1. FY 2019 and FY 2020 Biennial Budget; FY 2019 Charges; and FY 2019 – 2023 Capital Improvement Plan Update
2. Charges Stability Initiatives Continues
  - a. Wastewater Charges Symposium Session 1 on Tuesday, June 19<sup>th</sup>

- b. Wastewater Charges Symposium Session 2 on Tuesday, June 28th
- 3. Procurement Policy Review
  - a. General Counsel's review began this week
  - b. Significant update to align with best business process transformation efforts and stakeholder input
  - c. Distribution and review with Board Members in early July
  - d. Target date for Board as a whole to review on July 25<sup>th</sup>
- 4. Launch 2018 GLWA Bond Refunding and DWSD New Money Financial – Target date is closing by October 1, 2018
- 5. Bonfire Rollout – Significant procurement business process enhancement – see <https://glwater.bonfirehub.com/portal/>
- 6. One Water Partnership Meeting on Thursday, June 21<sup>st</sup>
- 7. Financial Services Day at the Outreach Asset Management/Capital Improvement Planning Work Group meeting on Tuesday, July 24<sup>th</sup>
- 8. Next round of financial sustainability scenario modeling
- 9. Year-end close begins; year-end inventories are underway

#### **Future – Post August 1, 2018**

- 1. FY 2018 Audit starts fieldwork on October 15, 2018; preliminary and single audit work begins prior to that date
- 2. Dedicated effort on rating agency and investor outreach for a successful 2018 financing program
- 3. Kick-off of FY 2020+ Financial Planning cycle

**Proposed Action:** Receive and file report.