



## Financial Services Audit Committee Communication

**Date:** December 21, 2018

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

**From:** Kim Garland, Reporting and Compliance Manager

**Re:** Cash Held for the Benefit of DWSD – Final Audit Status Update

**Background:** GLWA finance staff works very closely with DWSD finance staff throughout the year to coordinate balances that are closely related between the two entities. This includes the cash that GLWA holds as Trustee for DWSD (referred to by GLWA as Cash Held for the benefit of DWSD). GLWA staff also report directly to the Audit Committee and Board of Directors on these balances monthly and most recently at the final draft statement discussions last week.

**Analysis:** The GLWA staff reported last week during final draft statement discussions with the Board that the Cash Held for the benefit of DWSD was in balance with DWSD records without variance. Upon release of the final statements this week and review of the final trial balance provided by DWSD, the GLWA staff has identified a small variance in the final statements between the **Water** Fund Cash Held for the benefit (fbo) of DWSD balance on the GLWA final financial statements and the DWSD final financial statements. The amount of the variance is \$6,138, which represents 0.07% of the overall balance of \$8.4 million. The DWSD balance is reported slightly higher than the GLWA balance by this amount as shown below. (It should be noted that there is no variance in the comparable category for **Sewer** Fund.)

GLWA Water Cash Held fbo Balance	DWSD Water Cash Held fbo Balance	Difference
\$8,440,807	\$8,446,945	\$6,138

GLWA staff believes this amount to be related to the recording of the Wayne County tax lien settlement entries but will be reviewing this further with the DWSD staff to reconcile.

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