



Financial Services Audit Committee Communication

Date: December 4, 2020

To: Great Lakes Water Authority Audit Committee

From: Steve Hoover, CPA, Financial Reporting Manager

Re: Review and Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2020

Background: Annually, the Great Lakes Water Authority (GLWA) prepares a Comprehensive Annual Financial Report (CAFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal guidelines. Baker Tilly Virchow Krause LLP (Baker Tilly) has been engaged to perform the GLWA annual financial audit and issue an opinion as to whether the financial statements are fairly stated in accordance with accounting standards. Baker Tilly's appointment as GLWA's auditors includes the fiscal years ending in 2019, 2020 and 2021.

Analysis: Fieldwork for the FY 2020 GLWA audit has been completed and draft CAFR and SEFA reports have been prepared. The year-end close and audit were completed entirely remote and have gone very smoothly. The audit continues to remain on target to file the audit in December 2020. Next steps are as follows:

- December 4, 2020: Audit Committee Review and Discussion of audit and financial reports
- December 9, 2020: Board Members receive FY 2020 CAFR, SEFA and related Reports for review
- December 17, 2020: Presentation of final CAFR, SEFA and related reports to Board of Directors with proposed recommendation to file.
- December 18, 2020: Issue and file approved statements and reports

Proposed Action: The Audit Committee recommends that the Board of Director receives and files the Reports Pertaining to the Fiscal Year Ended June 30, 2020 Financial Audit (which includes the FY 2020 Comprehensive Annual Financial Report, the FY 2020 Single Audit Act Compliance Report, and the FY 2020 Independent Auditor's Communication with those Charged with Governance) and authorizes staff to proceed with the completion and filing of the annual audit prior to the due date with the state of Michigan before December 31, 2020; and authorizes the Chief Executive Officer or her designee to take such other action as may be necessary to accomplish the intent of this vote.