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Title: Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2023

Sponsors: Nicolette Bateson

Indexes: Finance

Code sections:

Attachments: 1. 7A 1 FY 2023 Annual Financial Audit Update Dec 8 2023, 2. 7A 1.6 GLWA FY 2023 Annual Financial Results - DRAFT, 3. 7A 1.7 One Pager Series FY 2023 Audit & Financial Results v2 option, 4. 7A 8 GLWA FY 2023 - ACFR - DRAFT 12.4.23

Date	Ver.	Action By	Action	Result
12/13/2023	1	Board of Directors Workshop Meeting	Received and Filed	Pass
12/8/2023	1	Audit Committee	Recommended to Receive and File	Pass

Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2023

Agenda of: December 13, 2023
Item No.: **2023-472**
Amount: Not Applicable

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: December 13, 2023

RE: Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2023

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the

Great Lakes Water Authority (GLWA), moves to receive and file the Reports pertaining to the Fiscal Year Ended June 30, 2023 Financial Audit (the FY 2023 Annual Comprehensive Financial Report, FY 2023 Single Audit Act Compliance Report, and FY 2023 Independent Auditor's Communication with those Charged with Governance) and authorizes staff to proceed with the completion and filing of the annual audit reports prior to the due date with the state of Michigan; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Annually, the Great Lakes Water Authority (GLWA) prepares an Annual Comprehensive Financial Report (ACFR) and Schedule of Expenditures of Federal Awards (SEFA) in accordance with financial accounting standards and federal guidelines. Baker Tilly US 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 for fiscal years ending 2022, 2023 and 2024.

With GLWA's reports nearly complete, the next step is review by the GLWA Board of Directors and requested approval to proceed with filing the report with the Michigan Department of Treasury. It should also be noted that staff will file those reports and related information with other parties such as the federal clearinghouse for the single audit report, and the Electronic Municipal Market Access system ("EMMA") for Municipal Securities Rulemaking Board ("MSRB") requirements.

JUSTIFICATION

The following are attached pertaining to the Fiscal Year Ended June 30, 2023.

Reports Related to Performing the Annual Audit

1. Presentation by Ms. Jodi Dobson, Partner, Baker Tilly US, LLP (external auditor)
2. Final Draft FY 2023 Reporting and Insights from the FY 2023 Audit
3. Final Draft Informal Management Comment Letter
4. Final Draft Management Representation Letter

Annual Reports

5. Presentation of FY 2023 Annual Financial Results
6. One Pager Series: FY 2023 Audit & Financial Results
7. Final Draft FY 2023 Annual Comprehensive Financial Report (ACFR) (with audit opinion)
8. Final Draft FY 2023 Single Audit Act Compliance Report

The process outlined and requested Board action aligns with GLWA's By-laws, ARTICLE XII, Section 2 which states the following.

The Board shall obtain an annual audit of the GLWA's financial statements by an independent certified public accountant and report on the audit and auditing procedures in accordance with state law and generally accepted government auditing standards, as well as federal grant compliance audit requirements. The Board shall furnish at least two copies of the annual audit to each Incorporating Municipality. The audited financial statements shall be posted on the GLWA's website. In addition, the audited financial statements shall be filed with the Michigan Department of Treasury upon approval of the GLWA Board.

BUDGET IMPACT

Not applicable for the proposed action.

COMMITTEE REVIEW

The Audit Committee has received updates from staff and auditors on a monthly basis during the course of the year-end audit. On December 8, 2023, the Audit Committee unanimously recommended that the Board of Directors receives and files the Reports Pertaining to the Fiscal Year Ended June 30, 2023 Financial Audit (the FY 2023 Annual Comprehensive Financial Report, FY 2023 Single Audit Act Compliance Report, and FY 2023 Independent Auditor's Communication with those Charged with Governance) and authorizes staff to proceed with the completion and filing of the annual audit reports prior to the due date with the state of Michigan; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.