



Legislation Details (With Text)

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On agenda: 12/19/2019 **Final action:** 12/19/2019
Title: Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2019
Sponsors: Nicolette Bateson
Indexes: Finance
Code sections:
Attachments: 1. 6C1 GLWA CAFR FINAL DRAFT.pdf, 2. 6C2 GLWA Audit Presentation by Auditors.pdf, 3. 6C3 Communication to Those Charged with Governance.pdf, 4. 6C4 Management Letter - Informal.pdf, 5. 6C5 Single Audit Report on Federal Awards.pdf, 6. FY 2019 Annual Financial Results

Date	Ver.	Action By	Action	Result
12/19/2019	1	Board of Directors	Received and Filed	Pass

Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2019

Agenda of: December 19, 2019
Item No.: **2019-458**
Amount: Not Applicable

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: December 19, 2019

RE: Approval of Audit and Related Draft Financial Reports Pertaining to the Fiscal Year Ended June 30, 2019

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 Draft Reports Pertaining to the Fiscal Year Ended June 30, 2019 Financial Audit (the FY 2019 Comprehensive Annual Financial Report, the FY 2019 Single**

Audit Act Compliance Report, and the FY 2019 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, 2019; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

GLWA's third twelve-month financial audited financial reports for the Great Lakes Water Authority (GLWA) for the year ended June 30, 2019 are nearly complete. The final step is review and requested approval by the GLWA Board of Directors based upon draft reports. This will enable staff to file those reports with the state of Michigan Department of Treasury, the federal clearinghouse for the single audit report, and the Electronic Municipal Market Access system ("EMMA") for Municipal Securities Rulemaking Board ("MSRB") requirements, and others.

JUSTIFICATION

The draft reports pertaining to the Fiscal Year Ended June 30, 2019 include the following and are attached:

- Presentation by Ms. Jodi Dobson, Partner, BakerTilly (external auditor)
- FY 2019 Comprehensive Annual Financial Report (CAFR)
- FY 2019 Single Audit Act Compliance Report
- FY 2019 Independent Auditor's Communication to those Charged with Governance
- Informal Management Comment Letter

Drafts of the above reports have been previously distributed to the Audit Committee and the Board.

ARTICLE XII, Section 2 of the GLWA By-laws 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. Drafts reports were presented to the Audit Committee on December 6, 2019. No changes have been made to the basic financial statements. Formatting and final edits to some optional supplemental

schedules have been made for improved clarification. All changes have been entered by the external audit firm's team as they have control over document processing for GLWA.

SHARED SERVICES IMPACT

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