

DuPage Water Commission



Annual Financial Report

For the Fiscal Years Ended
April 30, 2025 and 2024

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Years Ended
April 30, 2025 and 2024

Prepared by Finance Department

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ELMHURST, ILLINOIS
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INTRODUCTORY SECTION

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

PRINCIPAL OFFICIALS

April 30, 2025

General Manager	Mr. Paul D. May, P.E.
Financial Administrator	Ms. Cheryl Peterson
Manager of Water Operations	Mr. Ross C. Bostick

Commission administrative offices are located at:

600 East Butterfield Road
Elmhurst, IL 60126

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
DuPage Water Commission
Elmhurst, Illinois

Opinions

We have audited the accompanying financial statements of the DuPage Water Commission (the Commission) as of and for the years ended April 30, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the DuPage Water Commission, as of April 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design, and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an

appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplemental data is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental data is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich CPA LLC

Naperville, Illinois
August 25, 2025

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

DuPage Water Commission Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the DuPage Water Commission's annual financial report presents management's discussion and analysis of the Commission's financial performance during the fiscal years ending April 30, 2025, 2024, and 2023.

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements are comprised of the following components: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows and Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position presents information on the Commission's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or declining. The Statement of Revenues, Expenses and Changes in Net Position presents the information necessary to indicate how the Commission's net position changed during the fiscal years ending April 30, 2025, and 2024.

Both statements are presented using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies.

The Statement of Cash Flows provides information on the Commission's gross sources and uses of cash during the fiscal year.

The Notes to the Financial Statements generally provide more detailed information about the Commission's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position and operations, as well as summarize the Commission's significant accounting policies.

FINANCIAL OPERATIONS SUMMARY

In fiscal year 2025, net position increased by \$4.8 million to approximately \$559.9 million. Total revenues of \$159.8 million were approximately 2.8% higher in fiscal year 2025 compared to the prior year. Expenses increased by approximately 3.4% to \$155.1 million in fiscal 2025 compared to \$149.9 million in fiscal 2024. The Commission's revenues increased due to higher water rates and improved investment earnings based upon market value. Water sales were 6.5% above budgeted amounts. Total operating expenditures were higher than budgeted amounts due to higher than budgeted water purchases. As of April 30, 2025, net investment in capital assets was \$398.4 million.

In fiscal year 2024, net position increased by \$5.6 million to approximately \$555.1 million. Total revenues of \$155.5 million were approximately 7.4% higher in fiscal year 2024 compared to the prior year. Expenses increased by approximately 5.6% to \$149.9 million in fiscal 2024 compared to \$142.0 million in fiscal 2023. The Commission's revenues increased due to higher water sales and improved investment earnings based upon market value. Water sales were 6.6% above budgeted amounts. Total operating expenditures were higher than budgeted amounts due to increased water purchases. As of April 30, 2024, net investment in capital assets was \$319.8 million.

FINANCIAL ANALYSIS

Changes in Net Position. The table on page MD&A 3 presents information on the Commission's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position at April 30, 2025, 2024, and 2023. Net capital assets represent the total of assets capitalized less accumulated depreciation. In fiscal year 2025, customer deposits increased due to the start of the project to connect the Village of Montgomery, Village of Oswego, and United City of Yorkville to the DuPage Water Commission. The project is funded by the three municipalities. The amounts held in escrow will vary based upon the timing of the work scheduled to be done. At April 30, 2025, the three municipalities had a total of \$35.7 million of deposits being held by the Commission.

Fiscal Year 2025

Net capital assets increased by approximately \$75.9 million in fiscal year 2025 due to investment in land, construction, vehicles and equipment of \$85.5 million, offset by depreciation expense of \$9.6 million. During fiscal year 2025, the Commission purchased 127 acres of land in Northbrook, IL for \$80.5 million.

Net investment in capital assets increased by \$78.6 million from fiscal year 2024. This is due to the net investment of capital assets mentioned above and the decrease of \$2.7 million in capital related payables due at the end of fiscal year 2025.

Fiscal Year 2024

Net capital assets increased by approximately \$26,000 in fiscal year 2024 due to investment in construction, vehicles and equipment of \$9.4 million, nearly offset by depreciation expense of \$9.4 million.

Net investment in capital assets declined by \$1.2 million from fiscal year 2023. This is due to the minimal increase in capital assets mentioned above offset by the increase of \$1.2 million in capital related payables due at the end of fiscal year 2024.

COMPARATIVE SUMMARY OF NET POSITION

April 30,

	2025	2024	2023
Assets and Deferred Outflows of Resources			
Current:			
Cash and cash equivalents	\$ 25,269,975	\$ 111,177,647	\$ 43,019,310
Investments	160,235,769	121,019,330	178,677,221
Receivables	14,300,350	13,470,955	12,505,659
Other assets	1,949,918	1,617,434	1,529,974
Non-current:			
Long term loan receivable	7,809,775	8,115,899	8,711,280
Net pension asset	355,605	628,515	-
Land and construction in process	105,728,184	27,144,771	20,093,218
Capital assets, net of depreciation	294,118,966	296,819,188	303,844,653
Total assets	609,768,542	579,993,739	568,086,394
Deferred outflows of resources:			
Pension items	1,850,993	2,233,949	3,280,881
Total deferred outflows of resources	1,850,993	2,233,949	3,280,881
Total assets and deferred outflow of resources	611,619,535	582,227,688	571,367,275
Liabilities			
Current:			
Payables and accrued liabilities	14,666,391	16,951,335	14,304,575
Customer deposits	36,393,845	9,427,400	2,233,229
Unearned revenue	-	-	4,284,894
Non-current:			
Net pension liability	-	-	297,592
Other liabilities	473,930	439,308	518,401
Total liabilities	51,534,166	26,818,043	21,638,691
Deferred inflows of resources:			
Pension items	223,866	328,937	231,427
Total liabilities and deferred inflows of resources	51,758,032	27,146,980	21,870,118
Net Position			
Net investment in capital assets	398,402,702	319,849,659	321,009,345
Restricted - Retirement	355,605	628,515	-
Unrestricted	161,103,196	234,602,534	228,487,812
NET POSITION	\$ 559,861,503	\$ 555,080,708	\$ 549,497,157

Revenues and Expenses. The table which follows presents a comparative summary of revenues, expenses and changes in net position for the years ended April 30, 2025, 2024, and 2023. The most significant source of revenues for the Commission continues to be from water sales.

Fiscal Year 2025

In fiscal year 2025, water sales declined slightly to 26.85 billion gallons compared to 26.88 billion gallons in the prior fiscal year. The charter customer operations and maintenance average water rate increased from \$5.39 per thousand gallons for fiscal year 2024 to \$5.58 per thousand gallons for fiscal year 2025. Water revenue increased in fiscal year 2025 by \$4.8 million or 3.3% because of the higher water rates.

Investment activity was reported as \$9.9 million of income in fiscal year 2025. An increase of \$3.7 million over the prior year mainly due to a positive net change in unrealized losses of \$5.4 million in the mark to market valuation of the investments. The fiscal year 2025 ended the year with unrealized gains of \$64,000 compared to unrealized losses of \$5.3 million in unrealized losses in fiscal year 2024. In fiscal year 2025, the Commission met or exceeded all the targeted minimum balances for its reserve funds.

The highest expense in the Commission's operations remains water distribution costs. The City of Chicago increased their water rate charged to their customers in June 2024 by approximately 3.4%. Water purchases decreased 0.3% compared to the previous year purchases. The increase in water rates and higher electric rates were the main drivers of water distribution costs increasing by \$3.7 million (2.8%) in fiscal year 2025.

Fiscal Year 2024

In fiscal year 2024, water sales increased to 26.88 billion gallons compared to 26.80 billion gallons in the prior fiscal year. The charter customer operations and maintenance average water rate increased from \$5.18 per thousand gallons for fiscal year 2023 to \$5.39 per thousand gallons for fiscal year 2024. Water revenue increased in fiscal year 2024 by \$6.1 million or 4.4% because of the higher water rates.

Investment activity was reported as \$6.2 million of income in fiscal year 2024 due to higher investment yield rates and a positive net change in unrealized losses of \$0.7 million in the mark to market valuation of the investments. Unrealized losses in market values in the fiscal year 2024 was \$5.3 million compared to \$6.0 million in unrealized losses in fiscal year 2023. In fiscal year 2024, the Commission met or exceeded all the targeted minimum balances for its reserve funds.

The highest expense in the Commission's operations remains water distribution costs. The City of Chicago increased their water rate charged to their customers in June 2023 by approximately 5.0%. Water purchases increased 0.1% compared to the previous year purchases. The increase in water rates and higher electric rates were the main drivers of water distribution costs increasing by \$7.9 million (6.3%) in fiscal year 2024.

COMPARATIVE SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Years Ending April 30,

	2025	2024	2023
REVENUES			
Operating:			
Water sales - all categories	\$ 149,841,691	\$ 149,275,969	\$ 142,383,764
Other	86,155	30,447	33,801
Nonoperating:			
Sales tax	44,449	44,139	74,289
Investment income (loss)	9,876,967	6,171,342	2,315,864
Total Revenue	159,849,262	155,521,897	144,807,718
EXPENSES			
Operating:			
Water supply costs	136,003,034	132,288,211	124,409,003
Depreciation	9,641,704	9,442,011	9,338,179
Personal services	6,620,224	5,557,485	5,189,115
Other	2,813,811	2,648,076	3,103,691
Nonoperating:			
(Gain) Loss on disposal of capital assets	(10,306)	2,563	(9,894)
Total Expense	155,068,467	149,938,346	142,030,094
Change in net position	4,780,795	5,583,551	2,777,624
Net position, May 1	555,080,708	549,497,157	546,719,533
Net position, April 30	<u>\$ 559,861,503</u>	<u>\$ 555,080,708</u>	<u>\$ 549,497,157</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Commission's capital assets before depreciation totaled \$639.3 million in fiscal year 2025.

COMPARATIVE SUMMARY OF CHANGES IN NET CAPITAL ASSETS

For Fiscal Years Ending April 30,

	2025	2024	2023
Land and permanent easements	\$ 92,171,716	\$ 11,728,902	\$ 11,728,902
Construction in progress	13,556,468	15,415,869	8,364,316
Water mains	244,966,898	249,805,633	253,982,679
Buildings and other structures	41,435,484	37,924,673	39,803,499
Pumping equipment	7,114,268	8,496,179	9,417,310
Office furniture and equipment	132,241	215,343	300,869
Vehicles and other equipment	470,075	377,360	340,296
TOTAL CAPITAL ASSETS, NET	<u>\$399,847,150</u>	<u>\$323,963,959</u>	<u>\$323,937,871</u>

Detailed information about the Commission's capital assets is presented in Note 4 to the Financial Statements. On May 6, 2024, the Commission purchased 127 acres of land in Northbrook, IL for \$80.5 million.

Debt Administration. The Commission made no other material changes in structure or changed any ordinances in fiscal year 2025.

Fiscal Year 2025

The Commission entered into no new debt certificates or issued new revenue bonds in fiscal year 2025. No additional lease or software obligations were entered into during fiscal year 2025.

Fiscal Year 2024

The Commission entered into no new debt certificates or issued new revenue bonds in fiscal year 2024. No additional lease or software obligations were entered into during fiscal year 2024.

Detailed information about the Commission's debt is presented in the Notes to the Financial Statements.

INVESTMENT PORTFOLIO

Fiscal Year 2025

The Commission's investment portfolio totaled \$169.7 million. At the end of the fiscal year, the overall portfolio was earning approximately 3.90%. The benchmarks adopted by the Commission are based on the nature of the accounts and expected duration of the investments. The indices range from the 3 month U.S. Treasury Bill index to the 1-10 year U.S. Treasury Bill index.

Commission funds were invested as follows at April 30, 2025: United States treasury obligations (34%), asset/mortgage backed securities (20%), corporate notes (18%), commercial paper (18%), money market funds (5%), United States agency investments (4%), and municipal bonds (1%).

Fiscal Year 2024

The Commission's investment portfolio totaled \$217.2 million. At the end of the fiscal year, the overall portfolio was earning approximately 3.98%. The benchmarks adopted by the Commission are based on the nature of the accounts and expected duration of the investments. The indices range from the 3 month U.S. Treasury Bill index to the 1-10 year U.S. Treasury Bill index.

Commission funds were invested as follows at April 30, 2024: money market funds (44%), United States treasury obligations (30%), asset/mortgage backed securities (13%), corporate notes (6%), United States agency investments (5%), and municipal bonds (2%).

OTHER FINANCIAL INFORMATION

The Commission entered into a 40-year contract (from March 19, 1984) with the City of Chicago, Illinois (the Chicago Contract), under which the City of Chicago (the City) agreed to supply all of the Commission's water requirements, up to 1.7 times the year's annual average day amount, with water of such quality as will meet or exceed applicable standards of the state and federal governments. On February 16, 2024, the Commission notified the City that the Commission was exercising its option to renew the Chicago Contract for a term of 17 years (until March 19, 2041).

The Commission also extended its Water Purchase and Sale contract with its customers. The new contract ensures that the customers will continue to be provided with Lake Michigan drinking water for the next 40-year period, ending February 24, 2064.

The Commission joined with the County of DuPage and the municipalities within the county to solve a water quality issue involving unincorporated areas not presently receiving a Lake Michigan water supply. As a wholesale distributor of Lake Michigan water, the Commission is not able to directly address this issue. However, the Commission agreed to make long-term, low-interest loans available to customer municipalities, retailers of Lake Michigan water, to extend their systems to serve county areas having water quality issues. The full extent of this contamination is unknown at this time. However, the Commission committed to provide loans totaling not more than \$10 million toward mitigating the problem.

In total the Commission issued three loans for approximately \$5.6 million to charter customers during 2003-2007. Two of the loans were to be repaid in 13 installments, commencing in 2011 and continuing through 2023. Both of these loans have been paid in full. The third loan is to be repaid in 13 installments, commencing in 2014 and continuing through 2026. As of April 30, 2025 only \$49,043 remained outstanding from the customer.

On February 7, 2017, the Commission entered into an Intergovernmental Agreement Concerning Loan for Capital Cost Recovery Charge to the Village of Bartlett and an Intergovernmental Agreement Concerning the Loan for Connection Facilities to Implement Water Service to the Village of Bartlett concurrent to entering into a Water Purchase and Sales Contract with the Village of Bartlett.

Upon becoming a member of the Commission and to comply with the Water Purchase and Sales Contract, the Village of Bartlett must pay its proportional share of costs for all the property owned by the Commission (the “Capital Cost Recovery Charge”) by February 24, 2024. The Village of Bartlett did not currently have, nor foresee having, the ability to pay for the Capital Cost Recovery Charge by February 24, 2024. Therefore, the Commission, based upon a previously enacted resolution that gave the Commission the ability to finance the Capital Cost Recovery Charge for potential subsequent customers, entered into the Intergovernmental Agreement Concerning Loan for Capital Cost Recovery Charge to the Village of Bartlett.

The Capital Cost Recovery Charge loan was in the amount of \$13,030,632 and was immediately returned as full payment of the Capital Cost Recovery Charge per the Water Purchase and Sale Contract between the Commission and the Village. The loan will be repaid over 360 monthly payments (30 years) at an interest rate of 0.00% beginning the month after the Village begins receiving water from the Commission. As of April 30, 2025, the loan balance outstanding of \$10,424,506 is shown net of imputed interest at a rate of 2.23% of \$2,357,650 for a total net balance of \$8,066,856. This loan is reported as long-term loans receivable on the statement of net position.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the DuPage Water Commission’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Financial Administrator, DuPage Water Commission, 600 E. Butterfield Road, Elmhurst, IL 60126-4642, (630) 834-0100. E-mail requests should be sent to peterson@dpwc.org.

BASIC FINANCIAL STATEMENTS

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF NET POSITION

April 30, 2025 and 2024

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,621,247	\$ 102,552,144
Cash and cash equivalents - restricted	10,648,728	8,625,503
Investments	135,211,337	121,019,330
Investments - restricted	25,024,432	-
Receivables		
Water sales	14,300,350	13,470,955
Accrued interest	828,338	660,321
Other	5,301	67,307
Long-term loans receivable, current portion	306,124	300,460
Inventory	325,496	171,868
Prepaid expenses and deposits	484,659	417,478
Total current assets	201,756,012	247,285,366
NONCURRENT ASSETS		
Net pension asset	355,605	628,515
Long-term loans receivable	7,809,775	8,115,899
Capital assets		
Not being depreciated	105,728,184	27,144,771
Being depreciated	533,570,585	526,692,903
Less accumulated depreciation	(239,451,619)	(229,873,715)
Net capital assets	399,847,150	323,963,959
Total noncurrent assets	408,012,530	332,708,373
Total assets	609,768,542	579,993,739
DEFERRED OUTFLOWS OF RESOURCES		
Pension items	1,850,993	2,233,949
Total deferred outflows of resources	1,850,993	2,233,949
Total assets and deferred outflows of resources	611,619,535	582,227,688

(This statement is continued on the following page.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF NET POSITION (Continued)

April 30, 2025 and 2024

	2025	2024
CURRENT LIABILITIES		
Contract retentions	\$ 934,574	\$ 1,055,904
Customer deposits	36,393,845	9,427,400
Accounts payable	10,695,088	12,427,472
Accrued liabilities	2,452,913	3,013,537
Total other postemployment benefits liability	73,954	79,929
Compensated absences	509,862	374,493
Total current liabilities	51,060,236	26,378,735
LONG-TERM LIABILITIES		
Total other postemployment benefits liability	473,930	439,308
Total long-term liabilities	473,930	439,308
Total liabilities	51,534,166	26,818,043
DEFERRED INFLOWS OF RESOURCES		
Pension items	223,866	328,937
Total liabilities and deferred inflows of resources	51,758,032	27,146,980
NET POSITION		
Net investment in capital assets	398,402,702	319,849,659
Restricted - Retirement	355,605	628,515
Unrestricted	161,103,196	234,602,534
TOTAL NET POSITION	\$ 559,861,503	\$ 555,080,708

See accompanying notes to financial statements.

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

**STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

For the Years Ended April 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Water sales		
Operations and maintenance costs	\$ 149,683,762	\$ 144,864,634
Customer differential	157,929	4,411,335
Other income	86,155	30,447
	<hr/>	<hr/>
Total operating revenues	149,927,846	149,306,416
	<hr/>	<hr/>
OPERATING EXPENSES		
Water supply costs	136,003,034	132,288,211
Personal services	6,620,224	5,557,485
Insurance	849,819	822,277
Professional and contractual services	1,233,396	1,142,144
Administrative costs	730,596	683,655
	<hr/>	<hr/>
Total operating expenses	145,437,069	140,493,772
	<hr/>	<hr/>
OPERATING INCOME BEFORE DEPRECIATION	4,490,777	8,812,644
	<hr/>	<hr/>
Depreciation	9,641,704	9,442,011
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(5,150,927)	(629,367)
	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)		
Sales tax	44,449	44,139
Investment income	9,876,967	6,171,342
Gain (loss) on disposal of capital assets	10,306	(2,563)
	<hr/>	<hr/>
Total non-operating revenues (expenses)	9,931,722	6,212,918
	<hr/>	<hr/>
CHANGE IN NET POSITION	4,780,795	5,583,551
	<hr/>	<hr/>
NET POSITION, MAY 1	555,080,708	549,497,157
	<hr/>	<hr/>
NET POSITION, APRIL 30	\$ 559,861,503	\$ 555,080,708
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See accompanying notes to financial statements.

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended April 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 149,012,296	\$ 144,025,779
Cash payments to suppliers	(141,512,058)	(135,248,990)
Cash payments to employees	(4,364,842)	(3,911,533)
Other cash receipts	86,155	30,447
Net cash from operating activities	3,221,551	4,895,703
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from sales taxes	44,449	44,139
Cash received from water quality loans	49,044	49,044
Cash received from cost recovery loan	434,354	434,354
Cash received from customer deposits	28,217,798	7,354,743
Net cash from noncapital financing activities	28,745,645	7,882,280
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction and purchases of capital assets	(88,184,441)	(8,284,888)
Net cash from capital and related financing activities	(88,184,441)	(8,284,888)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	4,164,316	5,265,473
Purchase of investments	(135,092,610)	(147,774,581)
Proceeds from sale of investments	101,237,867	206,174,350
Net cash from investing activities	(29,690,427)	63,665,242
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(85,907,672)	68,158,337
CASH AND CASH EQUIVALENTS, MAY 1	111,177,647	43,019,310
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 25,269,975	\$ 111,177,647

(This statement is continued on the following page.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended April 30, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (loss) income	\$ (5,150,927)	\$ (629,367)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	9,641,704	9,442,011
Changes in assets and liabilities		
(Increase) in water sales receivable	(829,395)	(965,296)
Decrease (increase) in other receivables	62,006	(67,307)
(Increase) decrease in inventory	(153,628)	5,900
(Increase) in prepaid expenses and deposits	(67,181)	(45,000)
(Decrease) in unearned revenue	-	(4,284,894)
Increase (decrease) in accounts payable	(861,225)	952,376
Increase in accrued liabilities and compensated absences	755	307,144
Increase (decrease) in other postemployment benefits obligation	28,647	(38,199)
(Increase) decrease in net pension asset/liability	272,910	(926,107)
Increase in deferred pension items	277,885	1,144,442
NET CASH FROM OPERATING ACTIVITIES	\$ 3,221,551	\$ 4,895,703
NONCASH INVESTING ACTIVITIES		
Construction and purchase of capital assets included in contract retentions	\$ (1,444,448)	\$ (4,114,300)
Unrealized gain on investments	5,361,696	741,878

See accompanying notes to financial statements.

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DuPage Water Commission (the Commission) is a county water commission, body politic and corporate, political subdivision, and unit of local government, in DuPage County, Illinois, existing and operating under the Water Commission Act of 1985 (70 ILCS 3720), effective July 30, 1985, as amended (the 1985 Commission Act). The Commission declared the official start of operations on May 1, 1992.

The Board of Commissioners consists of 13 members. Seven of the board members are appointed by the DuPage County Board Chairman with the advice and consent of the County Board. One of these appointees is designated as Chairman of the Commission and must be approved by the Board of Commissioners. The other six board members are appointed by vote of the mayors of municipalities within the DuPage County districts.

The purpose and objectives of the Commission are:

- a. To provide water to municipalities and other customers within DuPage County.
- b. To plan, construct, acquire, develop, operate, maintain, and/or contract for facilities for receiving, storing, and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and other customers.
- c. To provide adequate supplies of such water on an economical and efficient basis for the municipalities and other customers.
- d. To provide a forum for discussion, study development, and implementation of recommendations of mutual interest regarding water distribution and supply facilities within DuPage County.

The primary authority to designate management, influence operations, formulate budgets, and set water rates rests with the Board of Commissioners. Significant matters that require board action include setting water rates, borrowing funds, amending the Chicago Water Supply Contract or Commission by-laws, and employing the general manager, treasurer, financial administrator, and professional contractors. These significant matters must carry a majority vote of all commissioners, which majority must contain at least one-third of the DuPage County appointed board members and 40% of the municipality appointed board members.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

a. Reporting Entity

The Commission is considered to be a primary government pursuant to GASB Statement No. 14, as amended, since it is legally separate and fiscally independent. These financial statements include all functions, programs, and activities under the control of the Board of Commissioners.

b. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Non-operating revenues/expenses are incidental to the operation of the fund.

c. Fund Accounting

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the Commission is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Commission has decided that periodic determination of revenues earned, expenses incurred, and net income or loss is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Commission's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

e. Investments

Investments with a maturity of one year or less when purchased are stated at cost or amortized cost. Investments and negotiable certificates of deposits with a maturity date greater than one year from the date of purchase are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Accounts Receivable

Customer receivables are recorded as receivables and revenues at their original invoice amount. Management has determined no allowance for uncollectible accounts necessary as of April 30, 2025 and 2024. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 40 days.

g. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report, if any, are recorded as prepaid expenses using the consumption method.

h. Inventory

Inventories are accounted for using the consumption method and are valued at cost, using the first-in/first-out (FIFO) method.

i. Capital Assets - Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost. If actual cost cannot be determined, estimated historical cost is used; donated capital assets are valued at acquisition value on the date donated. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Depreciation of property, plant, and equipment has been provided for over the estimated useful lives using the straight-line method.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets - Property, Plant, and Equipment (Continued)

Estimated useful lives are as follows:

Water mains	80 years
Buildings and other structures	40 years
Pumping equipment	30 years
Office furniture and equipment	3 - 10 years
Vehicles and other equipment	5 - 25 years

Maintenance and repairs are charged to expense in the year incurred. Expenses that extend the useful life or increase productivity of property, plant, and equipment are capitalized.

j. Bond Discounts, Bond Premiums, and Losses on Refundings

Bond discounts, bond premiums, and losses on refundings are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable; bond premiums are presented as an addition to the face amount of bonds payable. Losses on refundings are presented as deferred outflows of resources. Bond issuance costs are expensed in the period incurred.

k. Compensated Absences

Employees earn vacation based on their anniversary date with the Commission. Earned vacation may be accumulated and is payable to the employee upon termination of employment and, therefore, is accrued through April 30.

For the year ended April 30, 2025, the Commission began recording sick time in their compensated absences balance in accordance with GASB Statement No. 101, *Compensated Absences*. The balance is recorded based on the average usage. As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, beginning net position was not required to be restated as the amounts were determined to be immaterial.

l. Unearned Revenue

Payments from member communities due in subsequent years and received in the current year are reported as unearned revenue.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Net Position

Restricted net position represent amounts required to be segregated by bond ordinance provisions. None of the net position is restricted as a result of enabling legislation adopted by the Commission. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Net investment in capital assets represents the net book value of capital assets less long-term debt principal outstanding issued to construct or acquire capital assets.

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

o. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The Commission categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The Commission's investment policy limits investments of the Commission's funds to the following: (a) direct or fully guaranteed obligations of the United States Government; (b) fully guaranteed obligations of certain U.S. federally chartered agencies; (c) interest-bearing demand or time deposits in banks and savings and loan associations; (d) short-term obligations of U.S. corporations with assets exceeding \$500,000,000 and with a rating of A1/P1; (e) money market mutual funds; (f) The Illinois Funds Investment Pool of the State of Illinois; (g) state and local obligations rated A-/A3; and (h) repurchase agreements.

It is the policy of the Commission to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Commission and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety, liquidity, and rate of return.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Commission's deposits may not be returned to it. The Commission's investment policy allows for the pledging of collateral for all bank balances in excess of federal depository insurance, with collateral held by a third party under a trust agreement or safekeeping agreement. The bank balance of cash and certificates of deposit was fully insured or collateralized at April 30, 2025 and 2024.

b. Investments

The following table presents the investments and maturities of the Commission's debt securities as of April 30, 2025 and 2024:

Investment Type	2025				
	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 56,971,490	\$ 250,347	\$ 50,526,530	\$ 6,194,613	\$ -
U.S. agency	6,862,331	-	6,557,964	304,367	-
Municipal bond	1,607,222	621,523	600,729	384,970	-
Corporate notes	31,145,336	-	31,145,336	-	-
Commercial paper	29,960,396	29,960,396	-	-	-
Asset backed/mortgage backed securities	33,688,994	-	23,804,241	3,679,270	6,205,483
TOTAL	\$ 160,235,769	\$ 30,832,266	\$ 112,634,800	\$ 10,563,220	\$ 6,205,483

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Investment Type	2024				
	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 65,823,358	\$ 4,894,359	\$ 54,486,210	\$ 6,442,789	\$ -
U.S. agency	10,320,731	-	10,032,898	287,833	-
Municipal bond	4,005,259	1,850,694	2,154,565	-	-
Corporate notes	12,701,860	-	12,701,860	-	-
Asset backed/mortgage backed securities	28,168,122	-	17,876,648	5,447,551	4,843,923
TOTAL	\$ 121,019,330	\$ 6,745,053	\$ 97,252,181	\$ 12,178,173	\$ 4,843,923

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Commission limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Investments cannot have a maturity greater than five years except commercial paper which is limited to 270 days and investments within the Long-Term Water Capital Reserve, which may have a maximum maturity of ten years provided that such investments have a maximum five-year weighted average maturity. For U.S. Government Agency Mortgage Backed Securities (MBS), the five-year maturity limit will be the weighted average life (WAL) calculation, rather than final maturity.

The Commission has the following recurring fair value measurements as of April 30, 2025 and 2024: The U.S. Treasury notes are valued using IDSI Institutional Bond quotes (Level 1 inputs). The U.S. agency obligations are valued using IDSI Institutional Bond quotes (Level 2 inputs). Commercial paper is valued using Matrix pricing (Level 2 inputs). The municipal obligations are valued using municipal pricing tape (Level 2 inputs). The corporate notes are valued using IDSI Institutional Bond quotes (Level 2 inputs). The asset backed/mortgage backed securities are valued using IDSI MBS pricing and IDSI CMO pricing (Level 2 inputs).

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Commission limits its exposure to credit risk by primarily investing in U.S. Government obligations, municipal bonds rated at least A- by Standard and Poor's or A3 by Moody's at the time of purchase, and external investment pools. At April 30, 2025, the money market fund and The Illinois Funds are AAA rated. The municipal bonds are rated A to AAA or are not rated. The U.S. Treasury notes and asset backed/mortgage backed securities are AA+ rated. The U.S. agency obligations are AAA rated. The commercial paper obligations are rated A-1.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Commission will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Commission's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian in the Commission's name and evidenced by safekeeping receipts. Money market funds are not subject to custodial credit risk.

Concentration of credit risk is the risk of loss due to a high percentage of the Commission's investments being invested with any one issuer. The Commission's investment policy places no limit on the amount the Commission may invest in any one issuer, except for commercial paper and obligations classified as supranational securities, which are limited to 5% of the total portfolio.

3. LOANS RECEIVABLE

a. A schedule of changes in long-term receivables is as follows:

	2025				
	Balances May 1,	Increases	Payments	Balances, April 30	Due Within One Year
Charter Customer Loans Receivable	\$ 98,087	\$ -	\$ 49,044	\$ 49,043	\$ 49,043
Non-Charter Customer Loans Receivable	8,318,272	-	251,416	8,066,856	257,081
TOTAL	\$ 8,416,359	\$ -	\$ 300,460	\$ 8,115,899	\$ 306,124

	2024				
	Balances May 1,	Increases	Payments	Balances, April 30	Due Within One Year
Charter Customer Loans Receivable	\$ 147,131	\$ -	\$ 49,044	\$ 98,087	\$ 49,044
Non-Charter Customer Loans Receivable	8,564,149	-	245,877	8,318,272	251,416
TOTAL	\$ 8,711,280	\$ -	\$ 294,921	\$ 8,416,359	\$ 300,460

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. LOANS RECEIVABLE (Continued)

b. Charter Customer Loans Receivable

On April 25, 2002, the Commission approved a motion for a proposed agreement to make long-term, low-interest loans available to Charter Customer municipalities for the purpose of providing financing under certain circumstances to future customers who presently live in areas of DuPage County not presently served by the Commission. The Commission had one loan outstanding as of and during the years ending April 30, 2025 and 2024. The loan is to be repaid in 13 installments, commencing in 2014 and continuing through 2026. Interest at a rate of 2% per annum shall be paid annually until the principal balance of the loan has been paid in full. As of April 30, 2025 and 2024, loans totaling \$49,043 and \$98,087, respectively, were due from the customer. These loans are reported as long-term loans receivable on the statement of net position.

Payments due from Charter Customers are as follows:

Fiscal Year Ending April 30,	2025	
	Principal	Interest
2026	\$ 49,043	\$ 980
TOTAL	\$ 49,043	\$ 980

Fiscal Year Ending April 30,	2024	
	Principal	Interest
2025	\$ 49,044	\$ 1,962
2026	49,043	980
TOTAL	\$ 98,087	\$ 2,942

c. Non-Charter Customer Loans Receivable

On February 7, 2017, the Commission entered into an Intergovernmental Agreement Concerning Loan for Capital Cost Recovery Charge to the Village of Bartlett (the Village) and an Intergovernmental Agreement Concerning the Loan for Connection Facilities to Implement Water Service to the Village concurrent to entering into a Water Purchase and Sales Contract with the Village.

Upon becoming a member of the Commission and to comply with the Water Purchase and Sales Contract, the Village must pay its proportional share of costs for all of the property owned by the Commission (the “Capital Cost Recovery Charge”) by February 24, 2024. The Village did not currently have, nor foresee having, the ability to pay for the Capital Cost Recovery Charge by February 24, 2024. Therefore,

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. LOANS RECEIVABLE (Continued)

c. Non-Charter Customer Loans Receivable (Continued)

the Commission, based upon a previously enacted resolution that gave the Commission the ability to finance the Capital Cost Recovery Charge for potential subsequent customers, entered into the Intergovernmental Agreement Concerning Loan for Capital Cost Recovery Charge to the Village.

The Capital Cost Recovery Charge loan was in the amount of \$13,030,632 and was immediately returned as full payment of the Capital Cost Recovery Charge per the Water Purchase and Sale Contract between the Commission and the Village. The loan will be repaid over 360 monthly payments (30 years) at an interest rate of 0.00% beginning the month after the Village begins receiving water from the Commission. As of April 30, 2025, the loan balance outstanding of \$10,424,506 is shown net of imputed interest at a rate of 2.23% of \$2,357,650 for a total net balance of \$8,066,856. This loan is reported as long-term loans receivable on the statement of net position.

Fiscal Year Ending April 30,	2025	
	Principal	Interest
2026	\$ 257,081	\$ 177,274
2027	262,872	171,482
2028	268,795	165,560
2029	274,850	159,504
2030	281,043	153,312
Thereafter	6,722,215	1,530,518
TOTAL	\$ 8,066,856	\$ 2,357,650

As of April 30, 2024, the loan balance outstanding of \$10,858,860 is shown net of imputed interest at a rate of 2.23% of \$2,540,588 for a total net balance of \$8,318,272. This loan is reported as long-term loans receivable on the statement of net position.

Fiscal Year Ending April 30,	2024	
	Principal	Interest
2025	\$ 251,416	\$ 182,938
2026	257,081	177,274
2027	262,872	171,482
2028	268,795	165,560
2029	274,850	159,504
Thereafter	7,003,258	1,683,830
TOTAL	\$ 8,318,272	\$ 2,540,588

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for years ended April 30, 2025 and 2024 is as follows:

	2025			
	Balances May 1	Additions	Retirements	Balances April 30
Capital assets not being depreciated				
Land and permanent easements	\$ 11,728,902	\$ 80,442,814	\$ -	\$ 92,171,716
Construction in progress	15,415,869	5,153,317	7,012,718	13,556,468
Total capital assets not being depreciated	27,144,771	85,596,131	7,012,718	105,728,184
Capital assets being depreciated				
Water mains	383,618,530	-	-	383,618,530
Buildings and other structures	110,194,197	6,583,662	-	116,777,859
Pumping equipment	27,061,530	116,759	-	27,178,289
Office furniture and equipment	4,763,332	-	-	4,763,332
Vehicles and other equipment	1,055,314	275,815	98,554	1,232,575
Total capital assets being depreciated	526,692,903	6,976,236	98,554	533,570,585
Less accumulated depreciation				
Water mains	133,812,897	4,838,735	-	138,651,632
Buildings and other structures	72,269,524	3,072,851	-	75,342,375
Pumping equipment	18,565,351	1,498,670	-	20,064,021
Office furniture and equipment	4,547,989	83,102	-	4,631,091
Vehicles and other equipment	677,954	148,346	63,800	762,500
Total accumulated depreciation	229,873,715	9,641,704	63,800	239,451,619
Total capital assets being depreciated, net	296,819,188	(2,665,468)	34,754	294,118,966
CAPITAL ASSETS, NET	\$ 323,963,959	\$ 82,930,663	\$ 7,047,472	\$ 399,847,150

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	2024			
	Balances May 1	Additions	Retirements	Balances April 30
Capital assets not being depreciated				
Land and permanent easements	\$ 11,728,902	\$ -	\$ -	\$ 11,728,902
Construction in progress	8,364,316	9,401,053	2,349,500	15,415,869
Total capital assets not being depreciated	20,093,218	9,401,053	2,349,500	27,144,771
Capital assets being depreciated				
Water mains	382,985,840	632,690	-	383,618,530
Buildings and other structures	109,126,253	1,067,944	-	110,194,197
Pumping equipment	26,580,125	557,505	76,100	27,061,530
Office furniture and equipment	4,763,332	-	-	4,763,332
Vehicles and other equipment	927,895	171,310	43,891	1,055,314
Total capital assets being depreciated	524,383,445	2,429,449	119,991	526,692,903
Less accumulated depreciation				
Water mains	129,003,161	4,809,736	-	133,812,897
Buildings and other structures	69,322,754	2,946,770	-	72,269,524
Pumping equipment	17,162,815	1,465,733	63,197	18,565,351
Office furniture and equipment	4,462,463	85,526	-	4,547,989
Vehicles and other equipment	587,599	134,246	43,891	677,954
Total accumulated depreciation	220,538,792	9,442,011	107,088	229,873,715
Total capital assets being depreciated, net	303,844,653	(7,012,562)	12,903	296,819,188
CAPITAL ASSETS, NET	\$ 323,937,871	\$ 2,388,491	\$ 2,362,403	\$ 323,963,959

5. WATER CONTRACT WITH THE CITY OF CHICAGO

The Commission has entered into a 40-year contract (from March 19, 1984) with the City of Chicago, Illinois (the Chicago Contract), under which the City of Chicago (the City) has agreed to supply all of the Commission's water requirements, up to 1.7 times the year's annual average day amount, with water of such quality as will meet or exceed applicable standards of the state and federal governments. On February 16, 2024, the Commission notified the City that the Commission was exercising its option to renew the Chicago Contract for a term of 17 years (until March 19, 2041). The Chicago Contract provides that the cost of water to the Commission is furnished by the City through meters.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. WATER CONTRACT WITH THE CITY OF CHICAGO (Continued)

The Commission is obligated to purchase a minimum amount of water; such minimum is 50% of the aggregate Illinois Department of Natural Resources allocations. In fiscal 2025 and 2024, the Commission purchased 27.5 and 27.6 billion gallons of water, respectively, from the City, which equaled 90.55% and 91.37%, respectively, of the aggregate Illinois Department of Natural Resources allocations. The Illinois Department of Natural Resources modified Lake Michigan water allocations on December 12, 2023. The result was lower allocations for all the Commission's customers, except Argonne National Laboratory.

6. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to and illnesses of the Commission's employees. These risks, along with medical claims for employees and retirees, are provided for through insurance purchased from private insurance companies.

There have been no reductions in the Commission's insurance coverage for any of its programs since the prior fiscal year. Settlements have not exceeded insurance coverage during the current year or prior three fiscal years.

7. LONG-TERM DEBT

a. A schedule of changes in long-term obligations payable is as follows:

	2025				
	Balances May 1,	Increases	Retirements	Balances, April 30	Due Within One Year
Total other postemployment benefits liability	\$ 519,237	\$ 28,647	\$ -	\$ 547,884	\$ 73,954
TOTAL	\$ 519,237	\$ 28,647	\$ -	\$ 547,884	\$ 73,954
	2024				
	Balances May 1,	Increases	Retirements	Balances, April 30	Due Within One Year
Net pension liability - IMRF*	\$ 297,592	\$ -	\$ 297,592	\$ -	\$ -
Total other postemployment benefits liability	557,436	-	38,199	519,237	79,929
TOTAL	\$ 855,028	\$ -	\$ 335,791	\$ 519,237	\$ 79,929

*The net pension liability - IMRF was a net pension asset as of April 30, 2024 and April 30, 2025.

8. CONTINGENCIES

Contingent Liabilities

The Commission has certain other contingent liabilities resulting from litigation, claims, and commitments incident to the ordinary course of business. It is expected that final resolution of such contingencies will not materially affect the financial position or changes in financial position of the Commission.

9. MAJOR CUSTOMER

During fiscal year 2025 and 2024, approximately 5.0 and 5.1 billion gallons, or 18.82% and 19.16%, respectively, of water sales revenue in the Water Fund were realized from the City of Naperville, the Commission's largest customer.

10. DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

Plan Description

The Commission's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Commission's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained online at www.imrf.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required. Benefits and refunds are recognized as an expense and liability when due and payable.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2024, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	17
Active employees	<u>35</u>
 TOTAL	 <u><u>74</u></u>

At December 31, 2023, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>35</u>
 TOTAL	 <u><u>71</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

As set by statute, the Commission's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires the Commission to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Commission's annual required contribution rate for fiscal years 2025 and 2024 was 2.66% and 2.23%, respectively. The Commission also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Actuarial Assumptions

The Commission's net pension liability (asset) was measured as of December 31, 2024 and 2023 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Aggregate Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair Value

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For December 31, 2024, actuarial valuation date for non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Actuarial valuation date	December 31, 2023
Actuarial cost method	Aggregate Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair Value

For December 31, 2023, actuarial valuation date for non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2024 and 2023 was 7.25% for both years. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table for 2024:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.30%
Alternative Investments	12.50%	4.85% to 6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Long-Term Expected Rate of Return (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table for 2023:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	34.50%	5.00%
International Equity	18.00%	6.35%
Fixed Income	24.50%	4.75%
Real Estate	10.50%	6.30%
Alternative Investments	11.50%	6.05% to 8.65%
Cash Equivalents	1.00%	3.80%
TOTAL	100.00%	

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Position Liability (Asset)
BALANCES AT JANUARY 1, 2024	\$ 22,632,266	\$ 23,260,781	\$ (628,515)
Changes for the period			
Service cost	338,912	-	338,912
Interest	1,604,465	-	1,604,465
Difference between expected and actual experience	789,183	-	789,183
Changes in assumptions	-	-	-
Employer contributions	-	112,830	(112,830)
Employee contributions	-	263,177	(263,177)
Net investment income	-	2,345,703	(2,345,703)
Benefit payments and refunds	(1,342,348)	(1,342,348)	-
Other (net transfer)	-	(262,060)	262,060
Net changes	1,390,212	1,117,302	272,910
BALANCES AT DECEMBER 31, 2024	\$ 24,022,478	\$ 24,378,083	\$ (355,605)

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Position Liability (Asset)
BALANCES AT JANUARY 1, 2023	\$ 22,149,991	\$ 21,852,399	\$ 297,592
Changes for the period			
Service cost	337,223	-	337,223
Interest	1,575,377	-	1,575,377
Difference between expected and actual experience	(249,405)	-	(249,405)
Changes in assumptions	(2,401)	-	(2,401)
Employer contributions	-	75,599	(75,599)
Employee contributions	-	165,949	(165,949)
Net investment income	-	2,458,827	(2,458,827)
Benefit payments and refunds	(1,178,519)	(1,178,519)	-
Other (net transfer)	-	(113,474)	113,474
Net changes	482,275	1,408,382	(926,107)
BALANCES AT DECEMBER 31, 2023	\$ 22,632,266	\$ 23,260,781	\$ (628,515)

There were changes in assumptions related to the mortality rates and other demographic assumptions for the December 31, 2023 valuation.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2025, the Commission recognized net pension expense of \$679,302. At April 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,305,421	\$ 185,923
Changes in assumption	15,359	37,943
Commission contributions subsequent to the measurement date	53,312	-
Net difference between projected and actual earnings on pension plan investments	476,901	-
TOTAL	\$ 1,850,993	\$ 223,866

\$53,312 reported as deferred outflows of resources related to pensions resulting from the Commission contributions subsequent to the measurement date will be recognized as a reduction (increase) of net pension liability (asset) in the reporting year ending April 30, 2026. Other amounts reported as deferred outflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2026	\$ 559,705
2027	953,734
2028	(62,269)
2029	56,633
2030	66,012
Thereafter	-
TOTAL	\$ 1,573,815

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
(Continued)

For the year ended April 30, 2024, the Commission recognized net pension expense of \$305,561. At April 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 950,762	\$ 240,291
Changes in assumption	82,972	88,646
Commission contributions subsequent to the measurement date	37,696	-
Net difference between projected and actual earnings on pension plan investments	1,162,519	-
TOTAL	<u><u>\$ 2,233,949</u></u>	<u><u>\$ 328,937</u></u>

\$37,696 reported as deferred outflows of resources related to pensions resulting from the Commission contributions subsequent to the measurement date will be recognized as a reduction (increase) of net pension liability (asset) in the reporting year ending April 30, 2025. Other amounts reported as deferred outflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2026	\$ 376,684
2027	557,531
2028	951,560
2029	(64,443)
2030	54,460
Thereafter	<u>(8,476)</u>
TOTAL	<u><u>\$ 1,876,316</u></u>

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate at December 31, 2024. The table below presents the net pension liability (asset) of the Commission calculated using the discount rate of 7.25% as well as what the Commission's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 2,538,882	\$ (355,605)	\$ (2,692,703)

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate at December 31, 2023. The table below presents the net pension liability (asset) of the Commission calculated using the discount rate of 7.25% as well as what the Commission's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 2,105,452	\$ (628,515)	\$ (2,846,243)

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the Commission provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions, and employer contributions are governed by the Commission and can be amended by the Commission. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a separate report.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided

The Commission provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under the Commission's retirement plan. The retirees pay 100% of the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Commission's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

a. Membership

At April 30, 2025 membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>36</u>
TOTAL	<u><u>39</u></u>
Participating employers	<u>1</u>

At April 30, 2023 (the most recent actuarial valuation) membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>33</u>
TOTAL	<u><u>38</u></u>
Participating employers	<u>1</u>

b. Total OPEB Liability

The Commission's total OPEB liability of \$547,884 was measured as of April 30, 2025 and was determined by an actuarial valuation as of May 1, 2025.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Total OPEB Liability (Continued)

The Commission's total OPEB liability of \$519,237 was measured as of April 30, 2024 and was determined by an actuarial valuation as of May 1, 2023.

c. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2025, as determined by an actuarial valuation as of May 1, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	2.50%
Discount rate	5.24%
Healthcare cost trend rates	8.30% to 5.00% Initial and Ultimate

The total OPEB liability at April 30, 2024, as determined by an actuarial valuation as of May 1, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The OPEB liability was rolled forward by the actuary using updated procedures on April 30, 2024, including updating the discount rate at April 30, 2024, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	2.50%
Discount rate	4.07%
Healthcare cost trend rates	7.70% to 5.00% Initial and Ultimate

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Actuarial Assumptions and Other Inputs (Continued)

The discount rate used to measure the total OPEB liability at April 30, 2025 was based on the index rate for the Bond Buyer 20-Bond G.O. Index as of April 24, 2025.

The discount rate used to measure the total OPEB liability at April 30, 2024 was based on the index rate for the Bond Buyer 20-Bond G.O. Index as of April 25, 2024.

At April 30, 2025, IMRF Mortality follows the PubG-2010(B) Improved Generationally using MP-2021 Improvement Rates, weighted per IMRF Experience Study Report dated January 4, 2024; Age 83 for Males, Age 88 for Females. All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

At April 30, 2024, IMRF Mortality follows the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females. All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

At April 30, 2025 and 2024, the percent of active employees assumed to continue the participation from the active medical plan into the retiree medical plan upon retirement was 30% based on the current census information.

d. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2024	<u>\$ 519,237</u>
Changes for the period	
Service cost	36,927
Interest	19,628
Difference between expected and actual experience	4,342
Changes in assumptions	41,704
Benefit payments	<u>(73,954)</u>
Net changes	<u>28,647</u>
BALANCES AT APRIL 30, 2025	<u><u>\$ 547,884</u></u>

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Changes in the Total OPEB Liability (Continued)

There were changes in assumptions related to the discount rate in 2025.

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2023	\$ 557,436
Changes for the period	
Service cost	37,715
Interest	18,267
Difference between expected and actual experience	-
Changes in assumptions	(14,252)
Benefit payments	<u>(79,929)</u>
Net changes	<u>(38,199)</u>
BALANCES AT APRIL 30, 2024	<u>\$ 519,237</u>

There were changes in assumptions related to the discount rate in 2024.

e. Rate Sensitivity

For the year ended April 30, 2025, the following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Commission's calculated using the discount rate of 5.24% as well as what the Commissions total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.24%) or 1 percentage point higher (6.24%) than the current rate:

	1% Decrease (4.24%)	Current Discount Rate (5.24%)	1% Increase (6.24%)
Total OPEB liability	\$ 579,571	\$ 547,884	\$ 517,849

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Commission calculated using the healthcare rate of varies as well as what the Commission's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (Varies)	Current Healthcare Rate (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 503,650	\$ 547,884	\$ 598,788

For the year ended April 30, 2024, the following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Commission's calculated using the discount rate of 4.07% as well as what the Commissions total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.07%) or 1 percentage point higher (5.07%) than the current rate:

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
Total OPEB liability	\$ 545,926	\$ 519,237	\$ 493,885

The table below presents the total OPEB liability of the Commission calculated using the healthcare rate of varies as well as what the Commission's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (Varies)	Current Healthcare Rate (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 475,566	\$ 519,237	\$ 570,306

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. OPEB Expense

For the year ended April 30, 2025, the Commission recognized OPEB expense of \$28,647.

For the year ended April 30, 2024, the Commission recognized OPEB benefit of \$38,199.

At April 30, 2025 and 2024, the Commission utilized the alternative measurement method, and accordingly, did not report any deferred outflows of resources and deferred inflows of resources related to OPEB.

12. CUSTOMER PREPAYMENTS

Payments from non-Charter Customers for customer differential revenues were reported as unearned revenues. These unearned revenues were amortized on a straight-line basis through April 30, 2024. Customer differentials represent payments for connecting to the Commission's system as well as fixed costs charged to subsequent customers to cover costs which would have been paid by subsequent customers if they had been Charter Customers.

13. SALES TAX

As of June 1, 2016, the sales tax imposed was no longer imposed or collected. There was no referendum introduced for a continuation of the tax to be approved by the voters. Sales tax received subsequent to June 1, 2016, is the result of collections efforts by the state and remitted to the Commission. This additional sales tax is recorded as revenue in the period received.

14. RECLASSIFICATION

Certain amounts in the prior year statement of cash flows have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2024	2023****	2022	2021	2020***	2019	2018**	2017*	2016	2015
TOTAL PENSION LIABILITY										
Service cost	\$ 338,912	\$ 337,223	\$ 348,147	\$ 315,790	\$ 346,335	\$ 314,473	\$ 285,560	\$ 315,765	\$ 305,807	\$ 289,658
Interest	1,604,465	1,575,377	1,448,212	1,390,280	1,315,643	1,213,922	1,151,046	1,126,142	1,038,857	963,114
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	789,183	(249,405)	1,060,973	(45,846)	224,691	547,708	57,707	(122,844)	238,543	146,673
Changes of assumptions	-	(2,401)	-	-	(144,506)	-	488,650	(506,771)	-	-
Benefit payments, including refunds of member contributions	(1,342,348)	(1,178,519)	(1,017,208)	(737,462)	(657,373)	(720,609)	(481,292)	(448,960)	(399,819)	(395,421)
Net change in total pension liability	1,390,212	482,275	1,840,124	922,762	1,084,790	1,355,494	1,501,671	363,332	1,183,388	1,004,024
Total pension liability - beginning	22,632,266	22,149,991	20,309,867	19,387,105	18,302,315	16,946,821	15,445,150	15,081,818	13,898,430	12,894,406
TOTAL PENSION LIABILITY - ENDING	\$ 24,022,478	\$ 22,632,266	\$ 22,149,991	\$ 20,309,867	\$ 19,387,105	\$ 18,302,315	\$ 16,946,821	\$ 15,445,150	\$ 15,081,818	\$ 13,898,430
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 112,830	\$ 75,599	\$ 271,699	\$ 219,779	\$ 228,212	\$ 124,844	\$ 218,737	\$ 289,995	\$ 889,218	\$ 1,594,623
Contributions - member	263,177	165,949	171,522	161,339	157,805	156,055	134,654	129,996	131,239	122,417
Net investment income	2,345,703	2,458,827	(3,233,500)	3,777,052	2,759,038	3,041,874	(898,566)	2,616,212	940,747	64,591
Benefit payments, including refunds of member contributions	(1,342,348)	(1,178,519)	(1,017,208)	(737,462)	(657,373)	(720,609)	(481,292)	(448,960)	(399,819)	(395,421)
Other/administrative expense	(262,060)	(113,474)	257,221	(179,106)	164,985	217,201	198,146	(118,803)	48,402	(204,380)
Net change in plan fiduciary net position	1,117,302	1,408,382	(3,550,266)	3,241,602	2,652,667	2,819,365	(828,321)	2,468,440	1,609,787	1,181,830
Plan fiduciary net position - beginning	23,260,781	21,852,399	25,402,665	22,161,063	19,508,396	16,689,031	17,517,352	15,048,912	13,439,125	12,257,295
PLAN FIDUCIARY NET POSITION - ENDING	\$ 24,378,083	\$ 23,260,781	\$ 21,852,399	\$ 25,402,665	\$ 22,161,063	\$ 19,508,396	\$ 16,689,031	\$ 17,517,352	\$ 15,048,912	\$ 13,439,125
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (355,605)	\$ (628,515)	\$ 297,592	\$ (5,092,798)	\$ (2,773,958)	\$ (1,206,081)	\$ 257,790	\$ (2,072,202)	\$ 32,906	\$ 459,305

MEASUREMENT DATE DECEMBER 31,	2024	2023****	2022	2021	2020***	2019	2018**	2017*	2016	2015
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.48%	102.78%	98.66%	125.08%	114.31%	106.59%	98.48%	113.42%	99.78%	96.70%
Covered payroll	\$ 4,241,768	\$ 3,687,750	\$ 3,811,607	\$ 3,585,307	\$ 3,506,760	\$ 3,467,895	\$ 2,992,300	\$ 2,888,810	\$ 2,916,407	\$ 2,720,369
Employer's net pension liability (asset) as a percentage of covered payroll	(8.38%)	(17.04%)	7.81%	(142.05%)	(79.10%)	(34.78%)	8.62%	(71.73%)	1.13%	16.88%

*Changes in assumptions related to salary increases, price inflation, mortality tables, and retirement ages.

**The discount rate assumption was changed from 7.50% to 7.25% in 2018.

***Changes in assumptions related to salary increases and price inflation.

****Changes in assumptions related to mortality rates and other demographic assumptions.

(See independent auditor's report.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 126,602	\$ 87,226	\$ 123,503	\$ 202,819	\$ 212,395	\$ 148,337	\$ 190,696	\$ 285,631	\$ 282,313	\$ 294,359
Contributions in relation to the actuarially determined contribution	126,602	87,226	123,503	202,819	212,395	148,337	190,696	285,631	282,313	294,359
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,317,934	\$ 3,888,664	\$ 3,731,396	\$ 3,827,752	\$ 3,663,649	\$ 3,523,195	\$ 3,173,065	\$ 2,936,315	\$ 2,864,078	\$ 2,747,867
Contributions as a percentage of covered payroll	2.93%	2.24%	3.31%	5.30%	5.80%	4.21%	6.01%	9.73%	9.86%	10.71%

Notes to Required Supplementary Information

The Commission made additional contributions of \$300,000 and \$1,574,330 during the fiscal years ending April 30, 2017 and 2016, respectively.

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years (ten-year rolling period for nontaxing bodies); the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Seven Fiscal Years

MEASUREMENT DATE APRIL 30,	2025	2024	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY							
Service cost	\$ 36,927	\$ 37,715	\$ 4,881	\$ 7,204	\$ 8,979	\$ 7,930	\$ 7,487
Interest	19,628	18,267	17,694	16,585	13,280	18,017	18,587
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	4,342	-	1,413	-	165,446	-	-
Changes of assumptions	41,704	(14,252)	1,769	(165,563)	61,997	53,089	7,374
Benefit payments, including refunds of member contributions	(73,954)	(79,929)	(39,035)	(36,244)	(39,447)	(32,074)	(20,264)
Net change in total OPEB liability	28,647	(38,199)	(13,278)	(178,018)	210,255	46,962	13,184
Total OPEB liability - beginning	519,237	557,436	570,714	748,732	538,477	491,515	478,331
TOTAL OPEB LIABILITY - ENDING	\$ 547,884	\$ 519,237	\$ 557,436	\$ 570,714	\$ 748,732	\$ 538,477	\$ 491,515
Covered-employee payroll	\$ 3,967,466	\$ 3,902,666	\$ 4,021,789	\$ 3,940,649	\$ 3,668,422	\$ 3,542,592	\$ 3,173,065
Employer's total OPEB liability as a percentage of covered-employee payroll	13.81%	13.30%	13.86%	14.48%	20.41%	15.20%	15.49%

There were changes in assumptions related to the discount rate in 2019, 2020, 2021, 2022, 2023, 2024, and 2025.

There were changes in assumptions related to the inflation rate, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates, and medical costs assumption in 2025.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

SUPPLEMENTAL DATA

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Year Ended April 30, 2025
(with comparative actual for the year ended April 30, 2024)

	2025		2024	
	Budget	Actual	Variance	Actual
OPERATING REVENUES				
Water sales				
Operations and maintenance costs	\$ 140,652,566	\$ 149,683,762	\$ 9,031,196	\$ 144,864,634
Customer differential	22,250	157,929	135,679	4,411,335
Other income	-	86,155	86,155	30,447
Total operating revenues	140,674,816	149,927,846	9,253,030	149,306,416
OPERATING EXPENSES				
Water supply costs	131,890,414	136,003,034	4,112,620	132,288,211
Personal services	6,734,923	6,620,224	(114,699)	5,557,485
Insurance	1,113,300	849,819	(263,481)	822,277
Professional and contractual services	1,796,180	1,233,396	(562,784)	1,142,144
Administrative costs	953,160	730,596	(222,564)	683,655
Total operating expenses	142,487,977	145,437,069	2,949,092	140,493,772
OPERATING INCOME BEFORE DEPRECIATION	(1,813,161)	4,490,777	6,303,938	8,812,644
Depreciation	10,650,000	9,641,704	(1,008,296)	9,442,011
OPERATING INCOME (LOSS)	(12,463,161)	(5,150,927)	7,312,234	(629,367)
NON-OPERATING REVENUES (EXPENSES)				
Sales tax	-	44,449	44,449	44,139
Investment income	2,982,938	9,876,967	6,894,029	6,171,342
Gain (loss) on disposal of capital assets	-	10,306	10,306	(2,563)
Total non-operating revenues (expenses)	2,982,938	9,931,722	6,948,784	6,212,918
CHANGE IN NET POSITION	<u>\$ (9,480,223)</u>	4,780,795	<u>\$ 14,261,018</u>	5,583,551
NET POSITION, MAY 1		<u>555,080,708</u>		<u>549,497,157</u>
NET POSITION, APRIL 30		<u>\$ 559,861,503</u>		<u>\$ 555,080,708</u>

(See independent auditor's report.)

STATISTICAL SECTION

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATE WATER ALLOCATIONS

April 30, 2025

	(Millions Gallons Per Day) ⁽¹⁾		
	2020	2030	2040
Addison	4.457	3.582	3.728
Argonne National Laboratory (2)	0.758	0.758	0.758
Bartlett	3.290	3.246	3.362
Bensenville	2.616	1.907	1.981
Bloomington	3.048	2.348	2.428
Carol Stream	4.600	3.667	3.798
Clarendon Hills	0.888	0.818	0.840
Darien	3.254	2.487	2.564
Downers Grove	7.265	6.097	6.257
DuPage County			
Glen Ellyn Heights	0.283	0.340	0.452
Hobson Valley	0.126	0.119	0.188
Steeple Run	0.189	0.156	0.162
York Township	0.172	0.086	0.156
S.E.R.W.F.	0.708	0.782	0.838
Elmhurst	4.749	4.083	4.281
Glen Ellyn	3.164	2.562	2.624
Glendale Heights	2.977	2.671	2.776
Hinsdale	2.923	2.368	2.445
Illinois American			
Arrowhead	0.190	0.145	0.145
Country Club Estates	0.105	0.105	0.105
DuPage/Lisle	0.585	0.470	0.490
Lombard Heights	0.065	0.050	0.050
Valley View	0.700	0.520	0.520
Liberty Ridge West	0.349	0.300	0.350
Liberty Ridge East	0.048	0.030	0.035
Itasca	1.951	1.486	1.576
Lisle	3.261	2.686	2.811
Lombard	5.177	4.174	4.307
Naperville	21.683	17.454	18.146
Oak Brook	4.508	3.294	3.405
Oak Brook Terrace	0.293	0.261	0.277
Roselle	2.357	1.866	1.951
Villa Park	2.206	1.784	1.898
Westmont	3.069	2.552	2.649
Wheaton	6.008	4.846	5.100
Willowbrook	1.452	1.031	1.079
Winfield	1.188	0.916	0.949
Wood Dale	1.680	1.244	1.305
Woodridge	4.479	3.058	3.153
TOTAL AVERAGE MGD	106.821	86.349	89.939

(1) State Water allocations are expressed in terms of average quantity per day. Actual use in a day may exceed average daily use.

(2) The state has determined that no water allocation permit is required for Argonne National Laboratory to draw water from Lake Michigan. The figures set forth in this table represent the maximum amount of water the Commission is obligated to sell to Argonne National Laboratory.

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

WATER REVENUES AND USAGE

For the Years Ended April 30

Year Ended	Water Sales (1)	Gallons Sold (in 000's)
2025	\$ 149,683,762	26,851,707
2024	144,864,634	26,881,291
2023	138,791,967	26,796,006
2022	133,281,136	26,819,331
2021	132,886,255	26,743,881

(1) Amounts include water sales from operation and maintenance costs and fixed costs, excludes customer differential.