



DuPage Water Commission

600 E. Butterfield Road, Elmhurst, IL 60126-4642
(630) 834-0100 Fax: (630) 834-0120

AGENDA FINANCE COMMITTEE

THURSDAY, AUGUST 15, 2013
6:00 P.M.

600 EAST BUTTERFIELD ROAD
ELMHURST, IL 60126

COMMITTEE MEMBERS

P. Suess, Chair

C. Janc

J. Pruyn

D. Russo

J. Zay

- I. Roll Call
- II. Approval of Minutes for Regular Committee Meeting of July 18, 2013 Finance Committee of the DuPage Water Commission
- III. Approval of Reconciliations
- IV. Treasurer's Report – July 2013
- V. Financial Statements – July 2013
- VI. Resolution No. R-23-13: A Resolution Authorizing and Directing the Use of General Account Balances for the Payment of Debt Service on the Northern Trust Certificate of Debt - **\$5MM**
- VII. Election of Interest Period under Northern Trust Certificate of Debt
- VIII. 2013 Annual Audit Report
- IX. Quarterly Investment Update
- X. Legal Update
- XI. Accounts Payable
- XII. Other
- XIII. Adjournment

Board\Agendas\Finance\2013\FC 2013-08.docx

All visitors must present a valid driver's license or other government-issued photo identification, sign in at the reception area and wear a visitor badge while at the DuPage Pumping Station.

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, JULY 18, 2013
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:07.M.

Committee members in attendance: C. Janc, J. Pruyn, D. Russo (arrived at 6:09 P.M.), P. Suess, J. Zay (arrived at 6:09 P.M.)

Committee members absent: none

Also in attendance: Treasurer D. Ellsworth, J. Spatz, C. Peterson, and T. McGhee

Minutes

Commissioner Janc moved to approve the minutes of the Regular Committee Meeting of May 16, 2013 of the Finance Committee. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Approval of Reconciliations

Treasurer Ellsworth stated that he had reviewed and approved the journal entries and bank reconciliations for the month of June.

Treasurer's Report – June 2013

Treasurer Ellsworth provided the Committee with a summary of the April Treasurer's Report. He noted on page 1 of the report that cash and investments remained relatively unchanged at \$63.9M even with payments of \$4.2M towards debt service in June.

Treasurer Ellsworth discussed the detailed investment schedules, individual account balances and market yield. Market yield on the portfolio decreased slightly to 45 basis points. He stated that the fair value of the investments has declined compared to amortized cost by slightly over \$100,000 due to rising interest rate costs. At the prior fiscal year end the fair market value of the investments was over \$200,000 greater than amortized costs.

Treasurer Ellsworth noted that year to date cash and investments has decreased by \$1.1M. Operating activities increased cash flows by approximately \$1.5M due mainly to the timing of receivables collected and higher purchased water rates. Sales tax collections increased cash receipts by \$5.2M. Debt Service and Capital payments year-to-date were just over \$7.9M.

Treasurer Ellsworth stated that all targeted reserve levels were met or exceeded.

Financial Statements – June 2013

Financial Administrator Peterson provided the Committee with a summary of the May Financial Statements. Revenues exceeded expenditures by approximately \$5.2M as of June 30, 2013, which is slightly ahead of budgeted expectations. Water sales for the month were down 32% versus June 2012, and 10% versus the seasonal budgeted amount.

General Manager Spatz noted that if water sales for the year remained at the current level of 5% below budget, the Commission's net change would be a decline of about \$500,000. The net change is minimal due to water purchases being the most significant expense to the Commission. Therefore, if water sales are down, water purchases decline as well. Commissioner Pruyn did note that he had noticed the decline in water sales but that the overall position of the Commission's revenues versus expenses were still trending positively.

Sales Tax collections were approximately 1% higher than June 2012. Cumulatively Sales Tax collections were approximately \$247,000 over the prior year.

Financial Administrator Peterson then reviewed the cash and investment accounts versus offsetting liabilities or targeted amounts.

Financial Administrator Peterson then described the changes in the balance sheet and that the ledger system has been closed for fiscal 2013. Financial Administrator Peterson stated there were no large variations in revenues or expenses at this time. Debt of \$4.2 million was repaid in June 2013.

Chairman Suess asked about employment vacancies at this time. General Spatz replied that the Commission currently has one vacancy and may be hiring back a previous employee that had nearly 20 years of experience prior to leaving the Commission.

O-5-13

Commissioner Pruyn moved to recommend to the Board an Ordinance for the Annual Budget and Appropriation Ordinance for the Fiscal Year Commencing May 1, 2013 and Ending April 30, 2014. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

General Manager Spatz and T. McGhee left the meeting at 6:20 p.m.

Election of Interest Period under Northern Trust Certificate of Debt

Financial Administrator Peterson stated that the Libor rate for one month is 0.192% similar to last month.

Chairman Sues discussed that Commission staff and the Treasurer will be meeting this month to discuss debt repayment plan options to present to the Finance Committee. Commissioner Pruyn noted that the next required payment on the debt certificates is not until May 2015. Chairman Zay noted that the Commission still needs to remain conservative due to uncertainties.

Commissioner Pruyn moved to recommend the election of a one-month Libor rate period with Northern Trust to the General Board. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Status of 2013 Audit

Financial Administrator Peterson noted that the audit was progressing on schedule and the auditors will be presenting the final draft next month. It was recommended to the Commission staff to send copies to customers electronically first and offer printed copies if requested.

Accounts Payable

Financial Administrator Peterson presented the Accounts Payable to the committee members. The numbers below were to be presented in the General Meeting.

June 5, 2013 to July 9, 2013	\$ 7,174,391.89
<u>Estimated</u>	<u>\$ 637,400.00</u>
Total	\$ 7,811,791.89

Other

Financial Administrator Peterson noted that Commission staff is continuing to work on closing accounts no longer needed due to the changes made in the banking and investment structure over the past year.

Adjournment

Chairman Zay moved to adjourn the meeting at 6:38P.M. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.



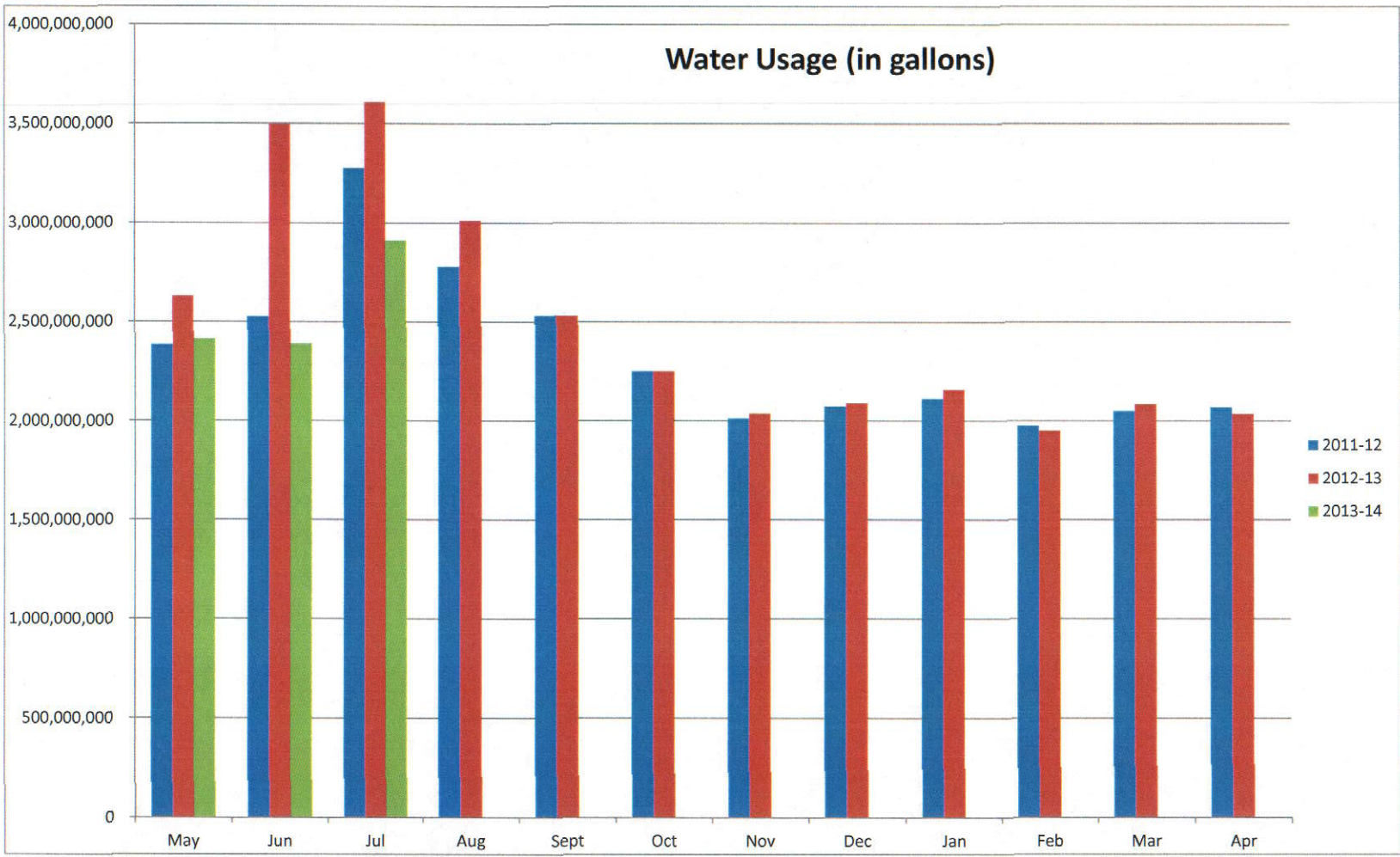
DuPage Water Commission

MEMORANDUM

TO: John Spatz, General Manager
FROM: Cheryl Peterson, Financial Administrator *CP*
DATE: August 6, 2013
SUBJECT: Financial Report – July 31, 2013

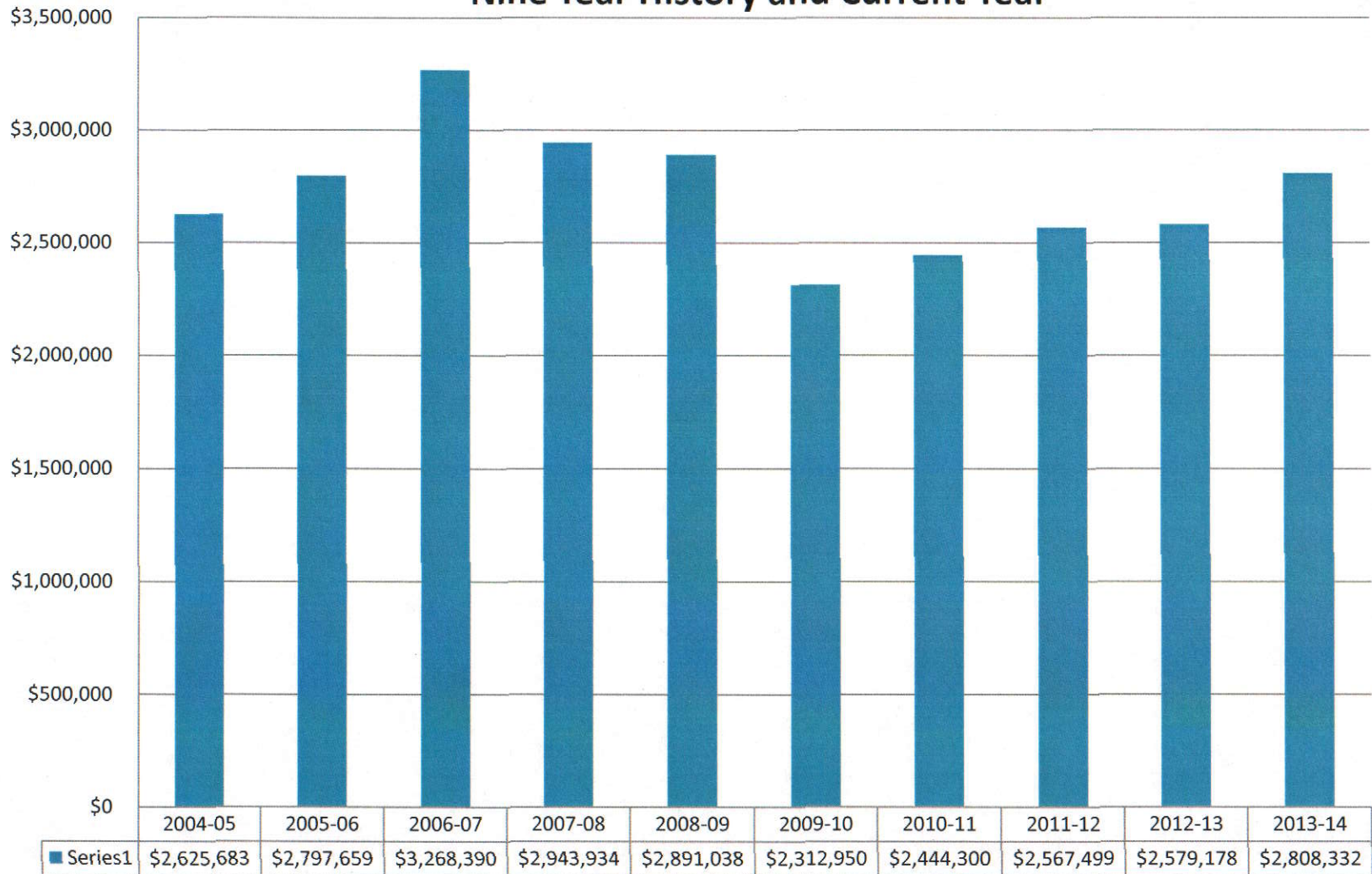
- Water sales to Commission customers for July were 700.2 million gallons (19.8%) less than July 2012, but increased by 507.7 million gallons compared to June 2013. Year-to-date water sales have declined by 2,003.1 million gallons (21.1%) compared to the prior fiscal year.
- Water sales to Commission customers for July were 69.2 million gallons (2.4%) lower than the budgeted anticipated/forecasted sales for the month. Year-to-date water sales were 309.2 million gallons (4.0%) lower than the budgeted anticipated/forecasted sales.
- July sales tax collections (April) were \$2.808 million or 8.9% more than the same period last fiscal year. Cumulatively, sales tax is \$476,278 more as compared to prior year (6.3%).
- Water billings to customers for O&M costs were \$9.4 million and water purchases from the City of Chicago was \$8.4 million. Water billing receivables at July month end (\$13.9 million) increased from the prior month (\$10.9 million) by \$3.0 million. This is due mainly to timing of collections and increased billings. Billings to customers were up by approximately \$1.7 compared to June.
- The Commission is three months or 25% into the fiscal year. The Commission's year to date balances for revenues and expenditures are slightly below the seasonally budgeted amounts due to lower than anticipated water sales and timing of expenses to be incurred. As of July 31, 2013, \$35.0 million of the \$135.1 million revenue budget has been realized. Therefore, 25.9% of the revenue budget has been accounted for year to date. For the same period, \$26.7 million of the \$106.5 million expenditure budget has been realized, and this accounts for 25.1% of the expenditure budget.
- Adjusted for seasonality based on a monthly trend: for the last ten fiscal years impacting water service and water billing from Chicago; five fiscal years impacting sales tax revenues; and two fiscal years impacting payroll, year to date revenues are 98.7% percent of the current budget and expenses are 91.9% of the current budget.
- The Operating Reserve and Long Term Water Capital Accounts had reached their respective July 31, 2013 targeted levels.
- The O&M, General Account and the Sales Tax Subaccount have balances of \$10.6 million, \$7.4 million and \$9.2 million, respectively.
- Debt Balances declined by nearly \$1.2 million to \$61.5 million outstanding in the current month.

cc: Chairman and Commissioners

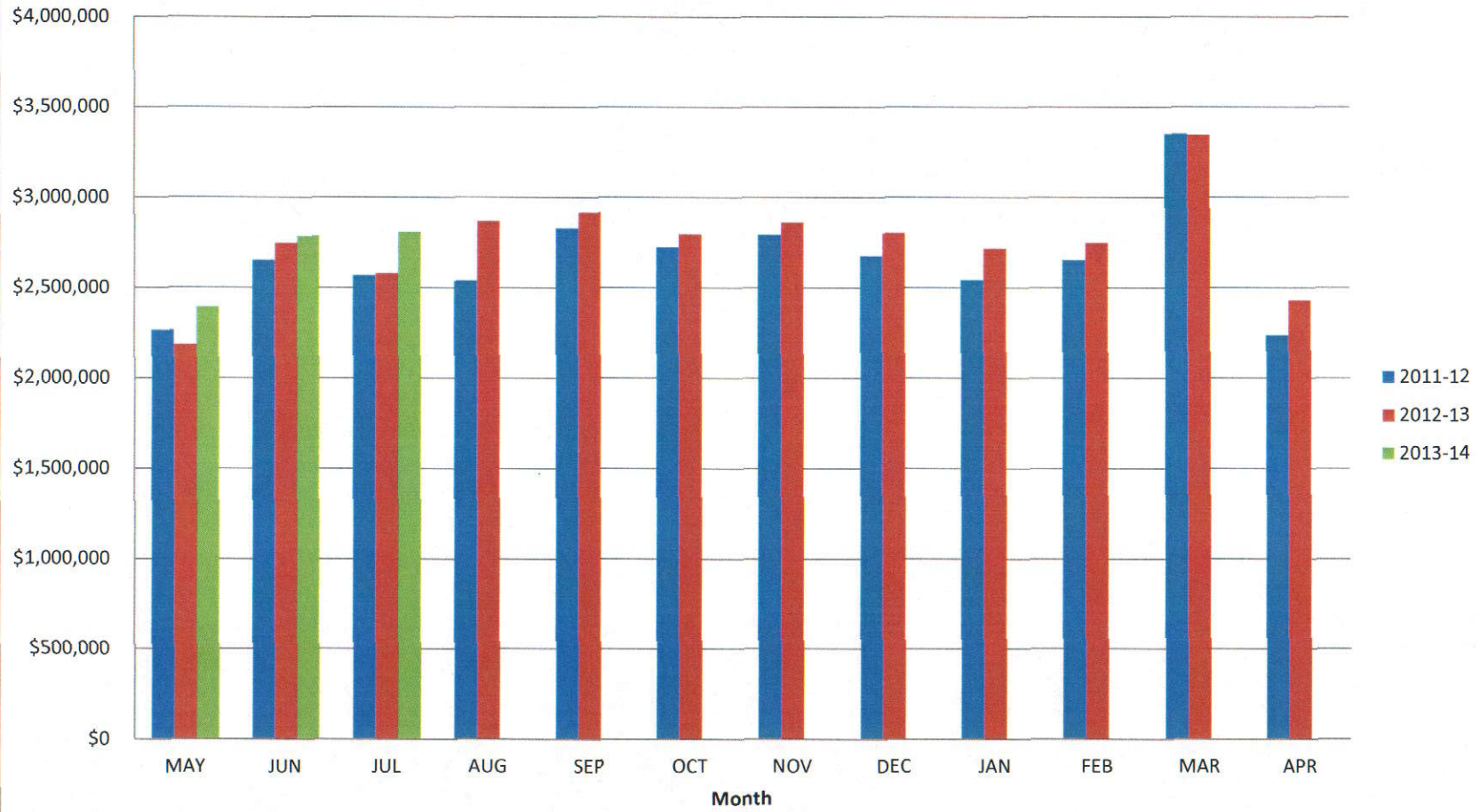


(2)

DuPage Water Commission - Sales Tax Collections - Month of July - Nine Year History and Current Year



Three Year Sales Tax Analysis



4

DuPage Water Commission

Summary of Specific Account Target and Summary of Net Assets

July 31, 2013

Revenue Bond Ordinance Accounts and Commission Policy Reserves	Account / Reserve Assets Balance (1)	Offsetting Liabilities	Specific Account Target	Status
Operations and Maintenance Account	\$ 10,608,649.16	\$ 9,286,200.22		Positive Net Assets
Revenue Bond Interest Account	\$ 30,071.13	\$ 29,826.76		Positive Net Assets
Revenue Bond Principal Account	\$ 1,164,100.00	\$ 1,163,750.00		Positive Net Assets
General Account	\$ 7,415,362.22	\$ -		Positive Net Assets
Sales Tax Subaccount	\$ 9,185,167.28	\$ 104,700.73		Positive Net Assets
Operating Reserve	\$ 34,327,707.65		\$ 34,111,389.00	Target Met
L-T Water Capital Reserve	\$ 2,076,914.79		\$ 2,050,000.00	Target Met
	\$ 64,807,972.23	\$ 10,584,477.71	\$ 36,161,389.00	\$ 18,062,105.52

Total Net Assets - All Commission Accounts

Unrestricted	\$ 55,013,453.17
Principal & Interest Accounts	\$ 1,193,576.76
Invested in Capital Assets, net	\$ 321,584,398.38
Total	<u>\$ 377,791,428.31</u>

(1) Includes Interest Receivable

5

01 -WATER FUND

ASSETS	2012-2013 BALANCE	2013-2014 BALANCE
<u>CURRENT</u>		
CASH	682,947.67	1,200.00
INVESTMENTS	63,836,139.26	64,677,312.39
ACCOUNTS RECEIVABLE		
WATER SALES	15,154,202.37	13,897,423.75
INTEREST RECEIVABLE	111,937.98	129,459.84
SALES TAX RECEIVABLE	7,405,000.00	7,500,000.00
OTHER RECEIVABLE	431,142.40	234,885.73
INVENTORY	167,080.00	167,080.00
PREPAIDS	197,653.92	213,355.01
UNAMORTIZED ISSUANCE COST	98,316.02	0.00
TOTAL CURRENT ASSETS	<u>88,084,419.62</u>	<u>86,820,716.72</u>
<u>NONCURRENT ASSETS</u>		
FIXED ASSETS	498,277,500.88	498,828,724.91
LESS: ACCUMULATED DEPRECIATION	(128,700,792.32)	(136,574,544.94)
CONSTRUCTION WORK IN PROGRESS	48,253.15	1,552,058.71
LONG TERM RECEIVABLES	637,568.54	637,568.54
TOTAL NONCURRENT ASSETS	<u>370,262,530.25</u>	<u>364,443,807.22</u>
TOTAL ASSETS	458,346,949.87	451,264,523.94
	=====	=====
<u>LIABILITIES</u>		
=====		
<u>CURRENT LIABILITIES</u>		
ACCOUNTS PAYABLE	9,873,177.61	8,972,035.67
ACCOUNTS PAYABLE CAPITAL	361,223.73	6,205.03
ACCRUED PAYROLL LIABILITIES	309,854.89	314,164.55
NOTES PAYABLE	45,000,000.00	25,000,000.00
NOTES PAYABLE DISCOUNT	(74,999.95)	0.00
BONDS PAYABLE	11,645,000.00	10,473,750.00
ACCRUED INTEREST	809,866.21	99,461.76
CONTRACT RETENTION	1,423,427.67	104,700.73
DEFERRED REVENUE	4,119,700.03	3,767,948.34
TOTAL CURRENT LIABILITIES	<u>73,467,250.19</u>	<u>48,738,266.08</u>
<u>NONCURRENT LIABILITIES</u>		
CAPITAL LEASE PAYABLE	29,513.47	21,304.81
REVENUE BONDS	38,730,000.00	26,048,800.00
UNAMORTIZED PREMIUM	(1,211,861.11)	(1,385,914.26)
OTHER POST EMPLOYMENT BENEFITS LIAB.	48,876.00	50,639.00
TOTAL NONCURRENT LIABILITIES	<u>37,596,528.36</u>	<u>24,734,829.55</u>
TOTAL LIABILITIES	111,063,778.55	73,473,095.63
	=====	=====

(6)

01 -WATER FUND

ASSETS	2012-2013 BALANCE	2013-2014 BALANCE
BEGINNING EQUITY/RESERVES	<u>341,810,035.39</u>	<u>369,462,532.58</u>
TOTAL REVENUE	35,518,429.48	35,008,694.98
TOTAL EXPENSES	<u>30,045,293.55</u>	<u>26,679,799.25</u>
NET CHANGE	<u>5,473,135.93</u>	<u>8,328,895.73</u>
TOTAL EQUITY/RESERVES	<u>347,283,171.32</u>	<u>377,791,428.31</u>
NET ASSETS	<u>458,346,949.87</u> =====	<u>451,264,523.94</u> =====

7

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 - WATER FUND
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 25.00

	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
WATER SERVICE	102,249,620	10,063,784.63	0.00	26,907,604.97	0.00	75,342,015.20	26.32
TAXES	32,299,519	2,808,332.21	0.00	7,988,354.22	0.00	24,311,164.78	24.73
OTHER INCOME	550,616	50,241.35	0.00	112,735.79	0.00	437,880.21	20.47
TOTAL REVENUES	135,099,755	12,922,358.19	0.00	35,008,694.98	0.00	100,091,060.19	25.91
<u>EXPENDITURE SUMMARY</u>							
<u>OPERATIONS</u>							
PERSONNEL SERVICES	3,882,622	297,531.25	0.00	846,552.33	0.00	3,036,070.09	21.80
CONTRACT SERVICES	923,300	33,401.43	0.00	138,037.47	0.00	785,262.61	14.95
INSURANCE	621,500	44,480.42	0.00	133,441.34	0.00	488,058.66	21.47
OPERATIONAL SUPPORT SRVS	714,968	19,517.75	0.00	64,543.67	0.00	650,424.33	9.03
WATER OPERATION	90,366,554	8,663,200.83	0.00	23,214,917.55	0.00	67,151,636.45	25.69
BOND INTEREST	1,974,100	90,426.26	0.00	290,978.30	0.00	1,683,121.70	14.74
LAND & LAND RIGHTS	24,250	0.00	0.00	14,975.00	0.00	9,275.00	61.75
CAPITAL EQUIP/DEPREC	7,982,700	658,309.31	0.00	1,976,353.59	0.00	6,006,346.41	24.76
TOTAL OPERATIONS	106,489,995	9,806,867.25	0.00	26,679,799.25	0.00	79,810,195.25	25.05
TOTAL EXPENDITURES	106,489,995	9,806,867.25	0.00	26,679,799.25	0.00	79,810,195.25	25.05
REVENUE OVER/(UNDER) EXPENDITURES	28,609,761	3,115,490.94	0.00	8,328,895.73	0.00	20,280,864.94	29.11

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 - WATER FUND

% OF YEAR COMPLETED: 25.00

REVENUES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
WATER SERVICE							
01-5111 O&M PAYMENTS- GOVERNMENTAL	91,901,998	9,178,674.52	0.00	24,297,911.36	0.00	67,604,086.86	26.44
01-5112 O&M PAYMENTS- PRIVATE	2,283,523	214,425.52	0.00	594,260.08	0.00	1,689,262.99	26.02
01-5121 FIXED COST PAYMENTS- GOVT	6,968,123	581,011.24	0.00	1,743,033.72	0.00	5,225,088.81	25.01
01-5122 FIXED COST PAYMENTS-PRIVATE	176,606	14,394.75	0.00	43,184.25	0.00	133,422.10	24.45
01-5131 SUBSEQUENT CUSTOMER - GO	326,800	27,086.79	0.00	81,260.37	0.00	245,539.63	24.87
01-5132 SUBSEQUENT CUSTOMER - PRIVAT	576,600	48,191.81	0.00	144,575.43	0.00	432,024.57	25.07
01-5141 EMERGENCY WATER SERVICE- GOV	15,970	0.00	0.00	3,379.76	0.00	12,590.24	21.16
TOTAL WATER SERVICE	102,249,620	10,063,784.63	0.00	26,907,604.97	0.00	75,342,015.20	26.32
TAXES							
01-5300.SALES TAXES - WATER REVENUE	26,172,119	2,808,332.21	0.00	7,988,354.22	0.00	18,183,764.78	30.52
01-5300.WATER FUND - GENERAL	6,127,400	0.00	0.00	0.00	0.00	6,127,400.00	0.00
TOTAL TAXES	32,299,519	2,808,332.21	0.00	7,988,354.22	0.00	24,311,164.78	24.73
OTHER INCOME							
01-5810 INVESTMENT INCOME	252,000	45,921.35	0.00	73,025.85	0.00	178,974.15	28.98
01-5900 OTHER INCOME	0	0.00	0.00	23,669.94	0.00	(23,669.94)	0.00
01-5920 CONTRIBUTIONS	298,616	4,320.00	0.00	16,040.00	0.00	282,576.00	5.37
TOTAL OTHER INCOME	550,616	50,241.35	0.00	112,735.79	0.00	437,880.21	20.47
** TOTAL REVENUES **	135,099,755	12,922,358.19	0.00	35,008,694.98	0.00	100,091,060.19	25.91

9

DU PAGE WATER COMMISSION
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2013

01 - WATER FUND
OPERATIONS

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REBATE/ALW BAD DEBT STLM</u>							
<u>PERSONNEL SERVICES</u>							
01-60-6111 ADMIN SALARIES	1,174,529	101,667.13	0.00	283,373.67	0.00	891,155.25	24.13
01-60-6112 OPERATIONS SALARIES	1,417,672	104,197.21	0.00	326,575.32	0.00	1,091,096.74	23.04
01-60-6113 SUMMER INTERNS	20,000	4,560.00	0.00	6,960.00	0.00	13,040.00	34.80
01-60-6116 ADMIN OVERTIME	7,400	146.82	0.00	464.93	0.00	6,935.07	6.28
01-60-6117 OPERATIONS OVERTIME	113,414	12,300.84	0.00	37,320.67	0.00	76,093.09	32.91
01-60-6121 PENSION	325,502	27,768.77	0.00	66,851.33	0.00	258,650.73	20.54
01-60-6122 MEDICAL/LIFE BENEFITS	488,930	26,195.68	0.00	74,625.16	0.00	414,304.84	15.26
01-60-6123 FEDERAL PAYROLL TAXES	209,076	16,884.68	0.00	40,591.06	0.00	168,484.56	19.41
01-60-6128 STATE UNEMPLOYMENT	22,800	329.22	0.00	329.22	0.00	22,470.78	1.44
01-60-6131 TRAVEL	10,700	575.00	0.00	1,556.78	0.00	9,143.22	14.55
01-60-6132 TRAINING	40,500	1,024.77	0.00	1,209.19	0.00	39,290.81	2.99
01-60-6133.01 CONFERENCES	21,800	1,533.13	0.00	6,132.00	0.00	15,668.00	28.13
01-60-6191 OTHER PERSONNEL COSTS	30,300	348.00	0.00	563.00	0.00	29,737.00	1.86
TOTAL PERSONNEL SERVICES	3,882,622	297,531.25	0.00	846,552.33	0.00	3,036,070.09	21.80
<u>CONTRACT SERVICES</u>							
01-60-6210 WATER CONSERVATION PROGRAM	20,000	59.99	0.00	59.99	0.00	19,940.01	0.30
01-60-6233 TRUST SERVICES & BANK CHARGE	61,000	3,246.07	0.00	10,942.79	0.00	50,057.21	17.94
01-60-6251 LEGAL SERVICES- GENERAL	200,000	1,811.15	0.00	14,752.06	0.00	185,247.94	7.38
01-60-6252 BOND COUNSEL	20,000	0.00	0.00	0.00	0.00	20,000.00	0.00
01-60-6253 LEGAL SERVICES- SPECIAL	50,000	2,000.00	0.00	3,705.00	0.00	46,295.00	7.41
01-60-6258 LEGAL NOTICES	28,000	3,776.40	0.00	3,962.00	0.00	24,038.00	14.15
01-60-6260 AUDIT SERVICES	45,000	0.00	0.00	28,500.00	0.00	16,500.00	63.33
01-60-6280 CONSULTING SERVICES	140,000	5,495.00	0.00	20,854.00	0.00	119,146.00	14.90
01-60-6290 CONTRACTUAL SERVICES	359,300	17,012.82	0.00	55,261.63	0.00	304,038.45	15.38
TOTAL CONTRACT SERVICES	923,300	33,401.43	0.00	138,037.47	0.00	785,262.61	14.95
<u>INSURANCE</u>							
01-60-6411 GENERAL LIABILITY INSURANCE	57,500	3,784.86	0.00	11,354.58	0.00	46,145.42	19.75
01-60-6412 PUBLIC OFFICIAL LIABILITY	25,000	1,479.84	0.00	4,439.60	0.00	20,560.40	17.76
01-60-6415 WORKER'S COMPENSATION	84,000	6,683.00	0.00	20,049.00	0.00	63,951.00	23.87
01-60-6416 EXCESS LIABILITY COVERAGE	35,000	2,734.25	0.00	8,202.75	0.00	26,797.25	23.44
01-60-6421 PROPERTY INSURANCE	355,000	28,761.22	0.00	86,283.66	0.00	268,716.34	24.31
01-60-6422 AUTOMOBILE INSURANCE	15,000	1,037.25	0.00	3,111.75	0.00	11,888.25	20.75
01-60-6491 SELF INSURANCE PROPERTY	50,000	0.00	0.00	0.00	0.00	50,000.00	0.00
TOTAL INSURANCE	621,500	44,480.42	0.00	133,441.34	0.00	488,058.66	21.47
<u>OPERATIONAL SUPPORT SRVS</u>							
01-60-6512 GENERATOR DIESEL FUEL	157,500	0.00	0.00	0.00	0.00	157,500.00	0.00
01-60-6513 NATURAL GAS	40,000	38.21	0.00	159.54	0.00	40,159.54	0.40
01-60-6514.01 TELEPHONE	38,040	1,877.49	0.00	6,364.74	0.00	31,675.26	16.73
01-60-6514.02 CELL PHONE & CORR. TELEMTRY	31,300	1,592.49	0.00	5,925.20	0.00	25,374.80	18.93
01-60-6514.03 RADIOS	9,000	0.00	0.00	0.00	0.00	9,000.00	0.00
01-60-6514.04 REPAIRS & EQUIPMENT	5,500	0.00	0.00	480.00	0.00	5,020.00	8.73
01-60-6521 OFFICE SUPPLIES	30,180	1,885.14	0.00	4,193.93	0.00	25,986.07	13.90

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 - WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
01-60-6522 BOOKS & PUBLICATIONS	3,363	0.00	0.00	61.18	0.00	3,301.82	1.82
01-60-6531 PRINTING- GENERAL	12,650	30.00	0.00	253.55	0.00	12,396.45	2.00
01-60-6532 POSTAGE & DELIVERY	10,500	323.66	0.00	824.69	0.00	9,675.31	7.85
01-60-6540 PROFESSIONAL DUES	16,730	0.00	0.00	2,575.00	0.00	14,155.00	15.39
01-60-6550 REPAIRS & MAINT- OFFICE EQUI	13,320	209.89	0.00	1,373.19	0.00	11,946.81	10.31
01-60-6560 REPAIRS & MAINT- BLDGS & GRN	210,340	11,929.68	0.00	37,478.34	0.00	172,861.66	17.82
01-60-6580 COMPUTER SOFTWARE	35,200	0.00	0.00	0.00	0.00	35,200.00	0.00
01-60-6590 COMPUTER/SOFTWARE MAINTENANCE	86,445	1,382.01	0.00	4,919.19	0.00	81,525.81	5.69
01-60-6591 OTHER ADMINISTRATIVE EXPENSE	14,900	249.18	0.00	254.20	0.00	14,645.80	1.71
TOTAL OPERATIONAL SUPPORT SRVS	714,968	19,517.75	0.00	64,543.67	0.00	650,424.33	9.03
WATER OPERATION							
01-60-6611.01 WATER BILLING	84,499,079	8,392,316.24	0.00	22,237,091.80	0.00	62,261,987.20	26.32
01-60-6611.02 ELECTRICITY	1,400,000	117,977.14	0.00	318,784.48	0.00	1,081,215.52	22.77
01-60-6611.03 OPERATIONS & MAINTENANCE	420,000	21,472.58	0.00	72,448.41	0.00	347,551.59	17.25
01-60-6612.01 PUMP STATION	2,400,000	94,683.03	0.00	414,884.49	0.00	1,985,115.51	17.29
01-60-6612.02 METER STATION, ROV, TANK SITE	117,000	4,703.98	0.00	15,915.25	0.00	101,084.75	13.60
01-60-6613 WATER CHEMICALS	25,200	2,399.76	0.00	2,399.76	0.00	22,800.24	9.52
01-60-6614 WATER TESTING	20,400	0.00	0.00	3,550.39	0.00	16,849.61	17.40
01-60-6621 PUMPING SERVICES	271,800	1,960.00	0.00	4,269.50	0.00	267,530.50	1.57
01-60-6623 METER TESTING & REPAIRS	117,400	2,395.76	0.00	37,508.76	0.00	79,891.24	31.95
01-60-6624 SCADA / INSTRUMENTATION	88,650	3,982.16	0.00	9,557.55	0.00	79,092.45	10.78
01-60-6625 EQUIPMENT RENTAL	11,700	133.00	0.00	133.00	0.00	11,567.00	1.14
01-60-6626 UNIFORMS	34,000	1,286.90	0.00	3,378.81	0.00	30,621.19	9.94
01-60-6627 SAFETY	48,950	523.76	0.00	8,840.53	0.00	40,109.47	18.06
01-60-6631 PIPELINE REPAIRS	450,000	0.00	0.00	33,844.17	0.00	416,155.83	7.52
01-60-6632 COR TESTING & MITIGATION	39,000	0.00	0.00	0.00	0.00	39,000.00	0.00
01-60-6633 REMOTE FACILITIES MAINTENANCE	161,600	578.22	0.00	8,581.96	0.00	153,018.04	5.31
01-60-6634 PLAN REVIEW- PIPELINE CONFLI	73,675	15,758.16	0.00	19,558.16	0.00	54,116.84	26.55
01-60-6637 PIPELINE SUPPLIES	74,500	149.81	0.00	15,526.47	0.00	58,973.53	20.84
01-60-6640 MACHINERY & EQUIP- NON CAP	32,250	0.00	0.00	791.75	0.00	31,458.25	2.46
01-60-6641 REPAIRS & MAINT- VEHICLES	39,500	533.20	0.00	2,882.27	0.00	36,617.73	7.30
01-60-6642 FUEL- VEHICLES	40,000	2,347.13	0.00	4,970.04	0.00	35,029.96	12.43
01-60-6643 LICENSES- VEHICLES	1,850	0.00	0.00	0.00	0.00	1,850.00	0.00
TOTAL WATER OPERATION	90,366,554	8,663,200.83	0.00	23,214,917.55	0.00	67,151,636.45	25.69
BOND INTEREST							
01-60-6722 BOND INTEREST- REV BONDS	1,022,000	70,588.93	0.00	214,617.98	0.00	807,382.02	21.00
01-60-6723 NOTE INTEREST - DEBT CERT.	950,000	19,688.00	0.00	75,901.73	0.00	874,098.27	7.99
01-60-6724 INTEREST EXPENSE	2,100	149.33	0.00	458.59	0.00	1,641.41	21.84
TOTAL BOND INTEREST	1,974,100	90,426.26	0.00	290,978.30	0.00	1,683,121.70	14.74
LAND & LAND RIGHTS							
01-60-6810 LEASES	1,000	0.00	0.00	0.00	0.00	1,000.00	0.00
01-60-6820 PERMITS & FEES	23,250	0.00	0.00	14,975.00	0.00	8,275.00	64.41
TOTAL LAND & LAND RIGHTS	24,250	0.00	0.00	14,975.00	0.00	9,275.00	61.75



DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 -WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>CAPITAL EQUIP/DEPREC</u>							
01-60-6851 COMPUTERS	26,700	348.00	0.00	2,509.56	0.00	24,190.44	9.40
01-60-6860 VEHICLES	40,000	0.00	0.00	0.00	0.00	40,000.00	0.00
01-60-6868 CAPITALIZED VEHICLE PURCHASES (40,000)	40,000	0.00	0.00	0.00	0.00	(40,000.00)	0.00
01-60-6920 DEPRECIATION- TRANS MAINS	4,565,000	378,977.26	0.00	1,136,931.77	0.00	3,428,068.23	24.91
01-60-6930 DEPRECIATION- BUILDINGS	2,565,000	214,449.46	0.00	643,308.44	0.00	1,921,691.56	25.08
01-60-6940 DEPRECIATION-PUMPING EQUIPMENT	695,000	57,620.78	0.00	172,862.33	0.00	522,137.67	24.87
01-60-6952 DEPRECIATION- OFFICE FURN &	69,000	2,677.88	0.00	8,033.67	0.00	60,966.33	11.64
01-60-6960 DEPRECIATION- VEHICLES	62,000	4,235.93	0.00	12,707.82	0.00	49,292.18	20.50
TOTAL CAPITAL EQUIP/DEPREC	7,982,700	658,309.31	0.00	1,976,353.59	0.00	6,006,346.41	24.76
<u>CONSTRUCTION IN PROGRESS</u>							
01-60-7112.01 DPC YORK MS-CONSTR	247,471	4,320.00	0.00	6,900.00	0.00	240,571.00	2.79
01-60-7112.02 DPC YORK MS-ENG	50,920	0.00	0.00	0.00	0.00	50,920.00	0.00
01-60-7701.01 TOB-7/11 COR PRVNT-CONST	723,000	0.00	0.00	0.00	0.00	723,000.00	0.00
01-60-7702.01 TS-8/11 COR PRVNT-CONSTR	35,000	0.00	0.00	23,250.00	0.00	11,750.00	66.43
01-60-7703.01 LAN UPGRADE - CONSTR	60,000	0.00	0.00	714.12	0.00	59,285.88	1.19
01-60-7707.01 STANDPIPE PAINTING-CONSTR	1,910,000	0.00	0.00	0.00	0.00	1,910,000.00	0.00
01-60-7707.02 STANDPIPE PAINTING - ENG	30,000	0.00	0.00	0.00	0.00	30,000.00	0.00
01-60-7708.01 STANDPIPE MIXING SYSTEM-CONSTR	1,800,000	0.00	0.00	0.00	0.00	1,800,000.00	0.00
01-60-7708.02 STANDPIPE MIXING SYSTEM - ENG	50,000	0.00	0.00	0.00	0.00	50,000.00	0.00
01-60-7709.01 REPLACEMENT OF ROV 40-A	287,000	0.00	0.00	0.00	0.00	287,000.00	0.00
01-60-7980 CAPITALIZED FIXED ASSETS (5,193,391) (4,320.00)	(5,193,391)	(4,320.00)	0.00	(30,864.12)	0.00	(5,162,526.88)	0.59
<u>CHGO CONSTR GRANT</u>							
<u>CONTINGENCY</u>							
<u>BOND PRINCIPAL</u>							
TOTAL OPERATIONS	106,489,995	9,806,867.25	0.00	26,679,799.25	0.00	79,810,195.25	25.05
TOTAL EXPENDITURES	106,489,995	9,806,867.25	0.00	26,679,799.25	0.00	79,810,195.25	25.05

*** END OF REPORT ***

12

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 - WATER FUND
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 25.00

	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>							
WATER SERVICE	27,643,861	10,063,784.63	0.00	26,907,604.97	0.00	736,256.29	97.34
TAXES	7,683,195	2,808,332.21	0.00	7,988,354.22	0.00	(305,159.66)	103.97
OTHER INCOME	137,654	50,241.35	0.00	112,735.79	0.00	24,918.18	81.90
TOTAL REVENUES	35,464,710	12,922,358.19	0.00	35,008,694.98	0.00	456,014.81	98.71
<u>EXPENDITURE SUMMARY</u>							
<u>OPERATIONS</u>							
PERSONNEL SERVICES	950,352	297,531.25	0.00	846,552.33	0.00	103,800.07	89.08
CONTRACT SERVICES	262,575	33,401.43	0.00	138,037.47	0.00	124,537.49	52.57
INSURANCE	155,375	44,480.42	0.00	133,441.34	0.00	21,933.63	85.88
OPERATIONAL SUPPORT SRVS	178,742	19,517.75	0.00	64,543.67	0.00	114,198.39	36.11
WATER OPERATION	24,982,060	8,663,200.83	0.00	23,214,917.55	0.00	1,767,142.90	92.93
BOND INTEREST	493,525	90,426.26	0.00	290,978.30	0.00	202,546.64	58.96
LAND & LAND RIGHTS	16,750	0.00	0.00	14,975.00	0.00	1,774.99	89.40
CAPITAL EQUIP/DEPREC	1,995,675	658,309.31	0.00	1,976,353.59	0.00	19,321.32	99.03
CONSTRUCTION IN PROGRESS	(0)	0.00	0.00	0.00	0.00	(0.13)	0.00
TOTAL OPERATIONS	29,035,055	9,806,867.25	0.00	26,679,799.25	0.00	2,355,255.30	91.89
TOTAL EXPENDITURES	29,035,055	9,806,867.25	0.00	26,679,799.25	0.00	2,355,255.30	91.89
REVENUE OVER/ (UNDER) EXPENDITURES	6,429,655	3,115,490.94	0.00	8,328,895.73	0.00	(1,899,240.49)	129.54

13

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 - WATER FUND

% OF YEAR COMPLETED: 25.00

REVENUES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
WATER SERVICE							
01-5111 O&M PAYMENTS- GOVERNMENTAL	25,006,491	9,178,674.52	0.00	24,297,911.36	0.00	708,579.18	97.17
01-5112 O&M PAYMENTS- PRIVATE	621,346	214,425.52	0.00	594,260.08	0.00	27,085.92	95.64
01-5121 FIXED COST PAYMENTS- GOVT	1,742,031	581,011.24	0.00	1,743,033.72	0.00 (	1,003.11)	100.06
01-5122 FIXED COST PAYMENTS- PRIVATE	44,152	14,394.75	0.00	43,184.25	0.00	967.30	97.81
01-5131 SUBSEQUENT CUSTOMER - GO	81,700	27,086.79	0.00	81,260.37	0.00	439.66	99.46
01-5132 SUBSEQUENT CUSTOMER - PRIVAT	144,150	48,191.81	0.00	144,575.43	0.00 (	425.43)	100.30
01-5141 EMERGENCY WATER SERVICE- GOV	3,993	0.00	0.00	3,379.76	0.00	612.77	84.65
TOTAL WATER SERVICE	27,643,861	10,063,784.63	0.00	26,907,604.97	0.00	736,256.29	97.34
TAXES							
01-5300 SALES TAXES - WATER REVENUE	7,683,195	2,808,332.21	0.00	7,988,354.22	0.00 (	305,159.66)	103.97
TOTAL TAXES	7,683,195	2,808,332.21	0.00	7,988,354.22	0.00 (	305,159.66)	103.97
OTHER INCOME							
01-5810 INVESTMENT INCOME	63,000	45,921.35	0.00	73,025.85	0.00 (	10,025.85)	115.91
01-5900 OTHER INCOME	0	0.00	0.00	23,669.94	0.00 (	23,669.94)	0.00
01-5920 CONTRIBUTIONS	74,654	4,320.00	0.00	16,040.00	0.00	58,613.97	21.49
TOTAL OTHER INCOME	137,654	50,241.35	0.00	112,735.79	0.00	24,918.18	81.90
** TOTAL REVENUES **	35,464,710	12,922,358.19	0.00	35,008,694.98	0.00	456,014.81	98.71

14

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 -WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>REBATE/ALW BAD DEBT STLM</u>							
<u>PERSONNEL SERVICES</u>							
01-60-6111 ADMIN SALARIES	296,451	101,667.13	0.00	283,373.67	0.00	13,077.43	95.59
01-60-6112 OPERATIONS SALARIES	355,552	104,197.21	0.00	326,575.32	0.00	28,976.83	91.85
01-60-6113 SUMMER INTERNS	10,000	4,560.00	0.00	6,960.00	0.00	3,040.00	69.60
01-60-6116 ADMIN OVERTIME	1,850	146.82	0.00	464.93	0.00	1,385.04	25.13
01-60-6117 OPERATIONS OVERTIME	39,230	12,300.84	0.00	37,320.67	0.00	1,909.15	95.13
01-60-6121 PENSION	81,376	27,768.77	0.00	66,851.33	0.00	14,524.20	82.15
01-60-6122 MEDICAL/LIFE BENEFITS	87,000	26,195.68	0.00	74,625.16	0.00	12,374.84	85.78
01-60-6123 FEDERAL PAYROLL TAXES	52,269	16,884.68	0.00	40,591.06	0.00	11,677.83	77.66
01-60-6128 STATE UNEMPLOYMENT	800	329.22	0.00	329.22	0.00	470.78	41.15
01-60-6131 TRAVEL	2,675	575.00	0.00	1,556.78	0.00	1,118.19	58.20
01-60-6132 TRAINING	10,125	1,024.77	0.00	1,209.19	0.00	8,915.81	11.94
01-60-6133.01 CONFERENCES	5,450	1,533.13	0.00	6,132.00	0.00	682.03	112.51
01-60-6191 OTHER PERSONNEL COSTS	7,575	348.00	0.00	563.00	0.00	7,012.00	7.43
TOTAL PERSONNEL SERVICES	950,352	297,531.25	0.00	846,552.33	0.00	103,800.07	89.08
<u>CONTRACT SERVICES</u>							
01-60-6210 WATER CONSERVATION PROGRAM	5,000	59.99	0.00	59.99	0.00	4,939.98	1.20
01-60-6233 TRUST SERVICES & BANK CHARGE	15,250	3,246.07	0.00	10,942.79	0.00	4,307.24	71.76
01-60-6251 LEGAL SERVICES- GENERAL	50,000	1,811.15	0.00	14,752.06	0.00	35,247.91	29.50
01-60-6252 BOND COUNSEL	5,000	0.00	0.00	0.00	0.00	4,999.97	0.00
01-60-6253 LEGAL SERVICES- SPECIAL	12,500	2,000.00	0.00	3,705.00	0.00	8,794.97	29.64
01-60-6258 LEGAL NOTICES	7,000	3,776.40	0.00	3,962.00	0.00	3,038.03	56.60
01-60-6260 AUDIT SERVICES	43,000	0.00	0.00	28,500.00	0.00	14,500.00	66.28
01-60-6280 CONSULTING SERVICES	35,000	5,495.00	0.00	20,854.00	0.00	14,145.97	59.58
01-60-6290 CONTRACTUAL SERVICES	89,825	17,012.82	0.00	55,261.63	0.00	34,563.42	61.52
TOTAL CONTRACT SERVICES	262,575	33,401.43	0.00	138,037.47	0.00	124,537.49	52.57
<u>INSURANCE</u>							
01-60-6411 GENERAL LIABILITY INSURANCE	14,375	3,784.86	0.00	11,354.58	0.00	3,020.39	78.99
01-60-6412 PUBLIC OFFICIAL LIABILITY	6,250	1,479.84	0.00	4,439.60	0.00	1,810.43	71.03
01-60-6415 WORKER'S COMPENSATION	21,000	6,683.00	0.00	20,049.00	0.00	951.00	95.47
01-60-6416 EXCESS LIABILITY COVERAGE	8,750	2,734.25	0.00	8,202.75	0.00	547.22	93.75
01-60-6421 PROPERTY INSURANCE	88,750	28,761.22	0.00	86,283.66	0.00	2,466.37	97.22
01-60-6422 AUTOMOBILE INSURANCE	3,750	1,037.25	0.00	3,111.75	0.00	638.25	82.98
01-60-6491 SELF INSURANCE PROPERTY	12,500	0.00	0.00	0.00	0.00	12,499.97	0.00
TOTAL INSURANCE	155,375	44,480.42	0.00	133,441.34	0.00	21,933.63	85.88
<u>OPERATIONAL SUPPORT SRVS</u>							
01-60-6512 GENERATOR DIESEL FUEL	39,375	0.00	0.00	0.00	0.00	39,375.00	0.00
01-60-6513 NATURAL GAS	10,000	38.21	0.00	159.54	0.00	10,159.57	1.60
01-60-6514.01 TELEPHONE	9,510	1,877.49	0.00	6,364.74	0.00	3,145.26	66.93
01-60-6514.02 CELL PHONE & CORR. TELEMETRY	7,825	1,592.49	0.00	5,925.20	0.00	1,899.83	75.72
01-60-6514.03 RADIOS	2,250	0.00	0.00	0.00	0.00	2,250.00	0.00
01-60-6514.04 REPAIRS & EQUIPMENT	1,375	0.00	0.00	480.00	0.00	895.03	34.91
01-60-6521 OFFICE SUPPLIES	7,545	1,885.14	0.00	4,193.93	0.00	3,351.07	55.59

DU PAGE WATER COMMISSION
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2013

01 -WATER FUND
OPERATIONS

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
01-60-6522 BOOKS & PUBLICATIONS	841	0.00	0.00	61.18	0.00	779.57	7.28
01-60-6531 PRINTING- GENERAL	3,162	30.00	0.00	253.55	0.00	2,908.92	8.02
01-60-6532 POSTAGE & DELIVERY	2,625	323.66	0.00	824.69	0.00	1,800.31	31.42
01-60-6540 PROFESSIONAL DUES	4,182	0.00	0.00	2,575.00	0.00	1,607.47	61.57
01-60-6550 REPAIRS & MAINT- OFFICE EQUI	3,330	209.89	0.00	1,373.19	0.00	1,956.81	41.24
01-60-6560 REPAIRS & MAINT- BLDGS & GRN	52,585	11,929.68	0.00	37,478.34	0.00	15,106.69	71.27
01-60-6580 COMPUTER SOFTWARE	8,800	0.00	0.00	0.00	0.00	8,800.03	0.00
01-60-6590 COMPUTER/SOFTWARE MAINTENANCE	21,611	1,382.01	0.00	4,919.19	0.00	16,692.06	22.76
01-60-6591 OTHER ADMINISTRATIVE EXPENSE	3,725	249.18	0.00	254.20	0.00	3,470.77	6.82
TOTAL OPERATIONAL SUPPORT SRVS	178,742	19,517.75	0.00	64,543.67	0.00	114,198.39	36.11
WATER OPERATION							
01-60-6611.01 WATER BILLING	23,457,232	8,392,316.24	0.00	22,237,091.80	0.00	1,220,139.83	94.80
01-60-6611.02 ELECTRICITY	407,960	117,977.14	0.00	318,784.48	0.00	89,175.52	78.14
01-60-6611.03 OPERATIONS & MAINTENANCE	105,000	21,472.58	0.00	72,448.41	0.00	32,551.59	69.00
01-60-6612.01 PUMP STATION	600,000	94,683.03	0.00	414,884.49	0.00	185,115.51	69.15
01-60-6612.02 METER STATION, ROV, TANK SITE	29,250	4,703.98	0.00	15,915.25	0.00	13,334.75	54.41
01-60-6613 WATER CHEMICALS	6,300	2,399.76	0.00	2,399.76	0.00	3,900.24	38.09
01-60-6614 WATER TESTING	5,100	0.00	0.00	3,550.39	0.00	1,549.61	69.62
01-60-6621 PUMPING SERVICES	67,950	1,960.00	0.00	4,269.50	0.00	63,680.50	6.28
01-60-6623 METER TESTING & REPAIRS	29,350	2,395.76	0.00	37,508.76	0.00	8,158.73	127.80
01-60-6624 SCADA / INSTRUMENTATION	22,163	3,982.16	0.00	9,557.55	0.00	12,604.95	43.12
01-60-6625 EQUIPMENT RENTAL	2,925	133.00	0.00	133.00	0.00	2,792.00	4.55
01-60-6626 UNIFORMS	8,500	1,286.90	0.00	3,378.81	0.00	5,121.22	39.75
01-60-6627 SAFETY	12,237	523.76	0.00	8,840.53	0.00	3,396.94	72.24
01-60-6631 PIPELINE REPAIRS	112,500	0.00	0.00	33,844.17	0.00	78,655.83	30.08
01-60-6632 COR TESTING & MITIGATION	9,750	0.00	0.00	0.00	0.00	9,750.00	0.00
01-60-6633 REMOTE FACILITIES MAINTENANCE	40,400	578.22	0.00	8,581.96	0.00	31,818.01	21.24
01-60-6634 PLAN REVIEW- PIPELINE CONFLI	18,419	15,758.16	0.00	19,558.16	0.00	1,139.38	106.19
01-60-6637 PIPELINE SUPPLIES	18,625	149.81	0.00	15,526.47	0.00	3,098.56	83.36
01-60-6640 MACHINERY & EQUIP- NON CAP	8,063	0.00	0.00	791.75	0.00	7,270.75	9.82
01-60-6641 REPAIRS & MAINT- VEHICLES	9,875	533.20	0.00	2,882.27	0.00	6,992.70	29.19
01-60-6642 FUEL- VEHICLES	10,000	2,347.13	0.00	4,970.04	0.00	5,029.99	49.70
01-60-6643 LICENSES- VEHICLES	463	0.00	0.00	0.00	0.00	462.51	0.00
TOTAL WATER OPERATION	24,982,060	8,663,200.83	0.00	23,214,917.55	0.00	1,767,142.90	92.93
BOND INTEREST							
01-60-6722 BOND INTEREST- REV BONDS	255,500	70,588.93	0.00	214,617.98	0.00	40,881.99	84.00
01-60-6723 NOTE INTEREST - DEBT CERT.	237,500	19,688.00	0.00	75,901.73	0.00	161,598.24	31.96
01-60-6724 INTEREST EXPENSE	525	149.33	0.00	458.59	0.00	66.41	87.35
TOTAL BOND INTEREST	493,525	90,426.26	0.00	290,978.30	0.00	202,546.64	58.96
LAND & LAND RIGHTS							
01-60-6810 LEASES	250	0.00	0.00	0.00	0.00	249.99	0.00
01-60-6820 PERMITS & FEES	16,500	0.00	0.00	14,975.00	0.00	1,525.00	90.76
TOTAL LAND & LAND RIGHTS	16,750	0.00	0.00	14,975.00	0.00	1,774.99	89.40

16

DU PAGE WATER COMMISSION
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2013

01 -WATER FUND
 OPERATIONS

% OF YEAR COMPLETED: 25.00

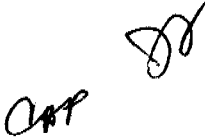
DEPARTMENTAL EXPENDITURES	Y-T-D BUDGET	CURRENT PERIOD	PRIOR YEAR PO ADJUST.	Y-T-D ACTUAL	Y-T-D ENCUMBRANCE	BUDGET BALANCE	% OF BUDGET
<u>CAPITAL EQUIP/DEPREC</u>							
01-60-6851 COMPUTERS	6,675	348.00	0.00	2,509.56	0.00	4,165.44	37.60
01-60-6860 VEHICLES	10,000	0.00	0.00	0.00	0.00	10,000.03	0.00
01-60-6868 CAPITALIZED VEHICLE PURCHASES (	10,000)	0.00	0.00	0.00	0.00	10,000.03)	0.00
01-60-6920 DEPRECIATION- TRANS MAINS	1,141,250	378,977.26	0.00	1,136,931.77	0.00	4,318.20	99.62
01-60-6930 DEPRECIATION- BUILDINGS	641,250	214,449.46	0.00	643,308.44	0.00	2,058.44)	100.32
01-60-6940 DEPRECIATION-PUMPING EQUIPMENT	173,750	57,620.78	0.00	172,862.33	0.00	887.64	99.49
01-60-6952 DEPRECIATION- OFFICE FURN &	17,250	2,677.88	0.00	8,033.67	0.00	9,216.33	46.57
01-60-6960 DEPRECIATION- VEHICLES	15,500	4,235.93	0.00	12,707.82	0.00	2,792.15	81.99
TOTAL CAPITAL EQUIP/DEPREC	1,995,675	658,309.31	0.00	1,976,353.59	0.00	19,321.32	99.03
<u>CONSTRUCTION IN PROGRESS</u>							
01-60-7112.01 DPC YORK MS-CONSTR	61,868	4,320.00	0.00	6,900.00	0.00	54,967.74	11.15
01-60-7112.02 DPC YORK MS-ENG	12,730	0.00	0.00	0.00	0.00	12,729.99	0.00
01-60-7701.01 TOB-7/11 COR PRVNT-CONST	180,750	0.00	0.00	0.00	0.00	180,750.00	0.00
01-60-7702.01 TS-8/11 COR PRVNT-CONSTR	8,750	0.00	0.00	23,250.00	0.00	14,500.03)	265.72
01-60-7703.01 LAN UPGRADE - CONSTR	15,000	0.00	0.00	714.12	0.00	14,285.88	4.76
01-60-7707.01 STANDPIPE PAINTING-CONSTR	477,500	0.00	0.00	0.00	0.00	477,499.97	0.00
01-60-7707.02 STANDPIPE PAINTING - ENG	7,500	0.00	0.00	0.00	0.00	7,500.00	0.00
01-60-7708.01 STANDPIPE MIXING SYSTEM-CONSTR	450,000	0.00	0.00	0.00	0.00	450,000.00	0.00
01-60-7708.02 STANDPIPE MIXING SYSTEM - ENG	12,500	0.00	0.00	0.00	0.00	12,500.01	0.00
01-60-7709.01 REPLACEMENT OF ROV 40-A	71,750	0.00	0.00	0.00	0.00	71,749.97	0.00
01-60-7980 CAPITALIZED FIXED ASSETS	(1,298,348)	(4,320.00)	0.00	(30,864.12)	0.00	(1,267,483.66)	2.38
TOTAL CONSTRUCTION IN PROGRESS	(0)	0.00	0.00	0.00	0.00	(0.13)	0.00
<u>CHGO CONSTR GRANT</u>							
<u>CONTINGENCY</u>							
<u>BOND PRINCIPAL</u>							
TOTAL OPERATIONS	29,035,055	9,806,867.25	0.00	26,679,799.25	0.00	2,355,255.30	91.89
TOTAL EXPENDITURES	29,035,055	9,806,867.25	0.00	26,679,799.25	0.00	2,355,255.30	91.89

*** END OF REPORT ***

17

DATE: August 5, 2013

REQUEST FOR BOARD ACTION

AGENDA SECTION	Finance Committee	ORIGINATING DEPARTMENT	Finance
ITEM	A Resolution Authorizing and Directing the Use of General Account Balances for the Payment of Debt Service on the Northern Trust Certificate of Debt Resolution No. R-23-13	APPROVAL	
Account Nos.: 01-1217			
Resolution No. R-23-13 would authorize the use of up to \$5 MM of the July 31, 2013, balance in the "general" account of the Water Fund, for payment (including prepayment) of debt service on the Northern Trust Certificate of Debt.			
MOTION: To adopt Resolution No. R-23-13.			

DUPAGE WATER COMMISSION

RESOLUTION NO. R-23-13

**A RESOLUTION AUTHORIZING AND DIRECTING THE USE OF
GENERAL ACCOUNT BALANCES FOR THE PAYMENT OF DEBT SERVICE ON THE
NORTHERN TRUST AND/OR WEST SUBURBAN CERTIFICATES OF DEBT**

WHEREAS, by Ordinance No. O-15-12, the Commission authorized the issuance of certain revenue bonds and created several special funds of the Commission, including without limitation the "Water Fund" established by Section 501 of Ordinance No. O-15-12; and

WHEREAS, Ordinance No. O-15-12 created several accounts within the Water Fund, including without limitation the "General Account"; and

WHEREAS, the Commission desires to utilize up to \$5,000,000.00 of the balance in the General Account as of July 31, 2013, for the payment (including prepayment) of debt service on the Certificate of Debt issued pursuant to Ordinance No. O-3-13: "AN ORDINANCE of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Further Amending the \$40,000,000 Taxable Debt Certificate, Series 2010, of the DuPage Water Commission, Counties of DuPage, Cook and Will, Illinois, Pursuant to Agreement with the Original Purchaser [The Northern Trust Company]";

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DuPage Water Commission as follows:

SECTION ONE: The foregoing recitals are hereby incorporated herein and by this reference made a part hereof as findings of the Board of Commissioners of the DuPage Water Commission as if fully set forth herein.

SECTION TWO: The General Manager of the DuPage Water Commission shall be and hereby is authorized and directed to apply up to \$5,000,000.00 of the balance in

Resolution No. R-23-13

the General Account as of July 31, 2013, for the payment (including prepayment) of debt service on the Northern Trust Certificates of Debt notwithstanding any designation, restriction, or reservation contained in Resolution No. R-3-13, being "A Resolution Authorizing and Implementing a Reserve Fund Policy for the DuPage Water Commission."

SECTION THREE: This Resolution shall be in full force and effect from and after its adoption.

AYES:

NAYS:

ABSENT:

ADOPTED this _____ day of _____, 2013.

Chairman

ATTEST:

Clerk

Preliminary and Tentative
For Discussion Purposes Only

DuPage Water Commission



Annual Financial Report

For the Fiscal Years Ended
April 30, 2013 and 2012

Preliminary and Tentative
For Discussion Purposes Only

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Years Ended
April 30, 2013 and 2012

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials	i
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis	MD&A 1-8
Basic Financial Statements	
Statements of Net Position.....	4-5
Statements of Revenues, Expenses, and Changes in Net Position.....	6
Statements of Cash Flows.....	7-8
Notes to Financial Statements.....	9-33
Required Supplementary Information	
Illinois Municipal Retirement Fund	
Schedule of Funding Progress	34
Schedule of Employer Contributions.....	35
Other Postemployment Benefit Plan	
Schedule of Funding Progress	36
Schedule of Employer Contributions.....	37
SUPPLEMENTAL DATA	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual.....	38
STATISTICAL SECTION	
Sales Tax Revenues	39
State Water Allocations	40
Water Revenues and Usage	41

INTRODUCTORY SECTION

**DU PAGE WATER COMMISSION
ELMHURST, ILLINOIS**

PRINCIPAL OFFICIALS

April 30, 2013

General Manager

Mr. John F. Spatz, Jr.

Financial Administrator

Ms. Cheryl Peterson

Manager of Operations

Mr. Terrance McGhee

Commission administrative offices are located at:

600 East Butterfield Road
Elmhurst, IL 60126

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements the DuPage Water Commission (the Commission) as of and for the years ended April 30, 2013 and 2012, and the related notes to financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of April 30, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Commission adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended April 30, 2013. Statement No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance. Statement No. 63 added classifications on the statement of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of position to the new classifications contained in GASB Statement No. 63. The addition of these statements had no effect on any of the Commission's net position as of and for the year ended April 30, 2013.

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.

Other 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 introductory section, supplemental data, and statistical section are 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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Naperville, Illinois
June 28, 2013

Preliminary and Tentative
For Discussion Purposes Only

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the DuPage Water Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal years ending April 30, 2013, 2012, and 2011.

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 all the Commission's assets, deferred outflows, liabilities and deferred inflows, 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 deteriorating. The Statement of Revenues, Expenses and Changes in Net Position presents the information necessary to show how the Commission's net position changed during the fiscal years ending April 30, 2013 and 2012.

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, liabilities, deferred inflows, net position and operations, as well as summarize the Commission's significant accounting policies.

FINANCIAL OPERATIONS SUMMARY

The Commission's net position rose by approximately \$27.7 million in the current fiscal year. Revenues and contributions were \$126.7 million in fiscal 2013 compared to expenses totaling \$99.1 million. The Commission's revenues were higher than expected due to increased water usage throughout the summer months. Expenditures were lower than budgeted primarily due to interest savings and effective cost containment efforts more than offsetting higher than expected water purchases.

Restricted net position was reduced to zero in the current year due to the defeasance of the 2003 Revenue Bonds and the replacement of the related 1987 bond ordinance. The requirement for restricted accounts to be maintained was not included in the new bond ordinance that became effective on February 1, 2013 when the 2013 Revenue Bonds were issued. As of April 30, 2013, net investment in capital assets was \$314.8 million.

In fiscal year 2012, net position increased by \$18.8 million to \$341.8 million. Revenues for Purposes Only \$102.0 million were approximately 12% higher in fiscal year 2012 compared to the prior year. Expenses decreased by nearly 8% to \$83.3 million compared to \$90.1 million in fiscal 2011. Restricted net position and net investment in capital assets were \$36.6 million and \$298.9 million, respectively.

FINANCIAL ANALYSIS

Changes in Net Position. The table on page MD&A 3 presents information on the Commission's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the four reported as net position at April 30, 2013, 2012 and 2011. Net capital assets represent the total of assets capitalized less accumulated depreciation.

Fiscal Year 2013

Capital assets, net decreased by \$5.9 million in fiscal year 2013 due to depreciation expense of \$7.9 million offset by investment in new construction and equipment of \$2.0 million.

Significant debt repayments, partially offset by a net decrease in capital assets, contributed to an increase of \$15.8 million in net investment in capital assets from the prior year. Debt used to finance capital assets decreased by \$21.7 million, of which \$21.6 million was from principal debt repayments related to capital assets plus \$0.1 million related to net amortization of premium and loss on refunding costs.

Fiscal Year 2012

Capital assets, net decreased by \$8.1 million in fiscal year 2012 due to depreciation expense of \$7.4 million and the write-off of \$1.2 million in assets under construction, offset by investment in new construction, vehicles and equipment of \$0.5 million. As a result of the Commission's improvements to the Lexington pumping station, the planned capital project to build a second reservoir was no longer deemed necessary and the costs incurred to date for that project were expensed.

Net investment in capital assets increased \$1.8 million from the prior year. This is due to the \$8.1 million decrease in capital assets mentioned above coupled with a net decrease of \$9.9 million in debt used to finance capital assets. In the fiscal year 2012, principal debt repayments related to capital assets of \$10.6 million were partially offset by net amortization of premium and loss on refunding costs of \$0.7 million.

Restricted net position increased by \$2.5 million from the prior year. For more information see Note 8, in the notes to the financial statements.

COMPARATIVE SUMMARY OF NET POSITION
April 30,

	2013	2012	2011
Assets and Deferred Outflows of Resources			
Current:			
Cash and cash equivalents	\$ 20,351,459	\$ 8,544,488	\$ 26,837,754
Investments	44,817,141	22,943,780	-
Restricted cash and cash equivalents	-	28,390,510	32,187,288
Restricted investments	-	17,351,625	10,980,000
Receivables	17,860,339	15,803,796	19,889,484
Other assets	474,028	475,960	492,945
Non-current:			
Other assets	-	189,603	266,137
Long term loan receivable	637,570	637,570	5,000,569
Land and construction in process	13,250,482	12,098,217	41,200,486
Capital assets, net of depreciation	352,489,595	359,495,408	338,473,794
Total assets	449,880,614	465,930,957	475,328,457
Deferred outflows of resources:			
Unamortized loss on refunding	1,508,201	2,199,417	3,299,126
Total deferred outflows of resources	1,508,201	2,199,417	3,299,126
Total assets and deferred outflow of resources	451,388,815	468,130,374	478,627,583
Liabilities			
Current:			
Payables and accrued liabilities	7,204,558	8,363,923	7,714,603
Customer deposits	219,589	640,372	648,884
Bonds payable	16,381,250	11,090,000	10,565,000
Accrued interest	136,357	1,757,926	2,130,242
Capital lease payable	8,208	7,704	-
Unearned revenue	350,507	350,032	139,874
Non-current:			
Unearned revenue	3,505,068	3,858,119	1,664,791
Other liabilities	50,639	48,876	46,766
Notes payable	28,000,000	49,000,000	70,000,000
Capital lease payable	21,305	29,514	-
Bonds payable	26,048,800	51,173,871	62,702,044
Total liabilities	81,926,281	126,320,337	155,612,204
Net Position			
Net investment in capital assets	314,760,847	298,927,547	297,141,079
Restricted	-	36,566,886	34,115,788
Unrestricted	54,701,687	6,315,604	(8,241,488)
NET POSITION	\$ 369,462,534	\$ 341,810,037	\$ 323,015,379

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, 2013, 2012 and 2011. The most significant source of revenues for the Commission continues to be from water sales.

Fiscal Year 2013

Water sales for fiscal year 2013 were 29.23 billion gallons versus 27.51 billion gallons last fiscal year. The charter customer operations and maintenance average water rate increased from an average of \$2.24 per thousand gallons to an average of \$2.89 per thousand gallons for fiscal year 2013 due to a rate increase of 20% in January 2013. Water revenue increased by \$22.9 million or 32.9% as a result of the higher rates and a 6.3% increase in water sales. There were no major new customers.

The Commission's sales tax revenues increased by \$1.2 million or 3.8%, similar to the growth rate in fiscal 2012. Sales tax revenues have not yet recovered fully from the recent economic downturn but have continued to show stable growth over the past three years. Sales tax funds of \$7.1 million were used to reduce the customers' fixed cost payments for fiscal year 2013 by 50%. This practice started in fiscal year 1998 and has continued through fiscal year 2013.

Investment income increased by nearly \$0.4 million from the prior year due to improved investment yield rates. The Commission began moving cash into longer term investments in late fiscal 2012. A more significant amount of the invested funds were therefore in the higher yield long-term investments for the full year, which resulted in increased investment income in fiscal 2013. However, the growth rate on the yield on investments is still being restricted by the low interest rate environment.

Water distribution costs remain the highest expense in the Commission's operations. Water distribution costs increased \$17.7 million mainly due to the City of Chicago increasing their water rate charged to their customers and a rise of over 6% in water purchases in fiscal 2013.

Fiscal Year 2012

In fiscal year 2012, water sales declined to 27.51 billion gallons compared to 28.11 billion gallons in the prior fiscal year. The average charter customer operations and maintenance water rate increased from \$1.84 per thousand gallons to \$2.24 per thousand gallons for fiscal year 2012. Water revenue increased by \$9.9 million or 16.6% due primarily to a 30% rate increase implemented in the fiscal year.

The Commission's sales tax revenues increased by \$1.1 million or 3.6% as the local economy slightly improved over the prior year. In addition, \$7.1 million of sales tax funds were used to reduce the customers' fixed cost payments for fiscal year 2012 by 50%. This practice started in fiscal year 1998 and has continued through fiscal year 2012.

Investment income decreased \$0.1 million from the prior year due to a further decline in investment yield rates.

The highest expense in the Commission's operations remains water distribution costs. The City of Chicago increasing their water rate charged to their customers was the main driver of water distribution costs increasing by \$0.8 million (1.3%) in fiscal year 2012.

**COMPARATIVE SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION**

For the Fiscal Years Ending April 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>
REVENUES			
Operating:			
Water sales - all categories	\$ 92,600,883	\$ 69,692,569	\$ 59,785,622
Other	164,774	349,425	16,453
Nonoperating:			
Sales tax	33,098,620	31,878,312	30,780,825
Investment income	508,005	114,872	253,179
Total Revenue	126,372,282	102,035,178	90,836,079
EXPENSES			
Operating:			
Water supply costs	82,207,354	64,544,607	63,717,280
Depreciation	7,889,770	7,381,640	6,878,751
Personal services	3,682,195	3,529,546	3,373,895
Other	1,726,419	1,643,289	1,784,792
Nonoperating:			
Interest and other charges	3,563,014	4,988,573	6,755,941
Intergovernmental expense - City of Chicago	-	36,508	7,199,344
Loss on disposal of capital assets	-	1,145,593	-
Loss from loan to charter customer	-	-	425,000
Total Expense	99,068,752	83,269,756	90,135,003
Net income (loss) before contributions	27,303,530	18,765,422	701,076
Contributions	348,967	29,236	356,770
Change in net position	27,652,497	18,794,658	1,057,846
Net position, May 1	341,810,037	323,015,379	321,957,533
Net position, April 30	\$ 369,462,534	\$ 341,810,037	\$ 323,015,379

CAPITAL ASSETS AND DEBT ADMINISTRATION

Preliminary and Tentative
For Discussion Purposes Only

Capital Assets. The Commission's capital assets before depreciation totaled \$500.3 million in fiscal year 2013.

COMPARATIVE SUMMARY OF CHANGES IN NET CAPITAL ASSETS For Fiscal Years Ending April 30,

	2013	2012	2011
Land and permanent easements	\$ 11,728,902	\$ 11,728,902	\$ 11,728,902
Construction in progress	1,521,580	369,315	29,471,584
Water mains	281,505,610	286,053,338	290,434,945
Buildings and other structures	60,215,251	61,979,662	45,929,867
Pumping equipment	10,532,375	11,141,213	1,917,595
Office furniture and equipment	93,147	120,230	35,669
Vehicles and other equipment	143,212	200,965	155,718
TOTAL CAPITAL ASSETS, NET	\$365,740,077	\$371,593,625	\$379,674,280

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

Debt Administration. In fiscal 2013, the Commission implemented a new bond ordinance upon defeasance of the 2003 Revenue Bonds and issuance of the 2013 Revenue Bonds. The current bond ordinance does not include requirements for certain balances to be maintained in specific accounts. Account requirements under the 1987 revenue bond ordinance in relation to the 2003 Revenue Bonds were met each month the debt was outstanding in fiscal year 2013 and each month of fiscal years ending April 30, 2012 and 2011, with one exception. The Depreciation Account was under funded by \$1.7 million at May 31, 2010. This was rectified by June 30, 2010.

Fiscal Year 2013

On April 30, 2013, the 2013 Revenue Bond principal outstanding was \$42.4 million. The full amount of the 2003 Revenue Bonds was placed into escrow for the defeasance of the bonds on February 1, 2013. Prior to that time all required revenue bond principal and interest payments were made on time from funds set aside during fiscal year 2013.

Certificates of debt outstanding were \$28 million as of April 30, 2013, down from \$49 million as of April 30, 2012. The Commission issued a \$30 million certificate of debt on December 2009, and a \$40 million certificate of debt was issued in May, 2010. Both were used to fund ongoing construction projects and purchase water from the City of Chicago. No principal payments are required in fiscal 2014.

No additional capital lease obligations were entered into in fiscal 2013. The principal value remaining on the capital lease set to expire in September 2016 was approximately \$29,500.

Fiscal Year 2012

At fiscal year-end the Operations and Maintenance Reserve Account and the Depreciation Account were overfunded by \$78,437 and \$31,952, respectively. The General Account balance was \$18.1 million, which included a \$13.0 million reserve established as Commission policy in July 2010, for Emergency Repairs and Other Contingencies.

The required revenue bond principal and interest payments were made on time from funds set aside during fiscal year 2012. On April 30, 2012, remaining revenue bond principal outstanding was \$61.5 million.

As of April 30, 2012, the Commission had \$49.0 million in certificates of debt outstanding compared to \$70 million in certificates of debt at the end of the prior fiscal year. The Commission issued a \$30 million certificate of debt on December 2009, and a \$40 million certificate of debt was issued in May, 2010. Both were used to fund ongoing construction projects and purchase water from the City of Chicago. No principal payments are required in fiscal 2013.

In September 2011, the Commission entered into a capital lease obligation for office equipment which expires in five years. The value of the lease was approximately \$42,100.

COMPARATIVE SUMMARY OF CHANGES IN OUTSTANDING DEBT
For Fiscal Years Ending April 30,

	2013	2012	2011
Certificates of debt	\$28,000,000	\$ 49,000,000	\$ 70,000,000
Water revenue bonds	42,430,050	61,465,000	72,030,000
Capital lease	29,513	37,218	-
TOTAL OUTSTANDING DEBT	\$70,459,563	\$110,502,218	\$142,030,000

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

INVESTMENT PORTFOLIO

Fiscal Year 2013

The Commission's investment portfolio totaled \$58.7 million. At the end of the fiscal year, the portfolio was earning 0.42%. 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 1-5 year U.S. Treasury Bill index.

Commission funds were invested as follows at April 30, 2013: United States agency investments (33%), United States treasury obligations (32%), money market funds (14%), the Illinois Funds investment pool (10%), municipal bonds (7%), certificates of deposit (3%), and commercial paper (1%).

Fiscal Year 2012

The Commission's investment portfolio totaled \$76.4 million. At the end of the fiscal year, the overall portfolio was earning approximately 0.25%. 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 1-5 year U.S. Treasury Bill index.

Commission funds were invested as follows at April 30, 2012: the Illinois Funds investment pool (28%), United States treasury obligations (23%), money market funds (19%), United States agency investments (15%), commercial paper (12%), and certificates of deposit (3%).

OTHER FINANCIAL INFORMATION

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 has 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, 2013 only \$0.6 million remained outstanding from the customers.

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 admin@dpwc.org.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATEMENTS OF NET POSITION

April 30, 2013 and 2012

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	\$ 20,351,459	\$ 8,544,488
Investments	44,817,141	22,943,780
Restricted cash and cash equivalents	-	28,390,510
Restricted investments	-	17,351,625
Receivables		
Water sales	10,015,155	7,452,273
Accrued interest	280,504	78,132
Sales tax	7,500,000	7,405,000
Due from other governments	64,680	868,391
Inventory	167,080	167,080
Prepaid expenses and deposits	306,948	308,880
	83,502,967	93,510,159
NONCURRENT ASSETS		
Unamortized issuance costs	-	189,603
	637,570	637,570
Capital assets		
Not being depreciated	13,250,482	12,098,217
Being depreciated	487,090,296	486,220,205
Less accumulated depreciation	(134,600,701)	(126,724,797)
	365,740,077	371,593,625
	366,377,647	372,420,798
	449,880,614	465,930,957
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	1,508,201	2,199,417
	1,508,201	2,199,417
	451,388,815	468,130,374

(This statement is continued on the following page.)

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATEMENTS OF NET POSITION (Continued)

April 30, 2013 and 2012

	2013	2012
CURRENT LIABILITIES		
Unearned revenue	\$ 350,507	\$ 350,032
Contract retentions	116,405	507,736
Customer deposits	219,589	640,372
Accounts payable	6,483,586	7,017,534
Accrued liabilities	393,868	648,217
Compensated absences	210,699	190,436
Capital lease payable	8,208	7,704
Revenue refunding bonds payable	16,381,250	11,090,000
Accrued interest payable	136,357	1,757,926
	24,300,469	22,209,957
LONG-TERM LIABILITIES		
Other postemployment benefits obligation	50,639	48,876
Unearned revenue	3,505,068	3,858,119
Capital lease payable	21,305	29,514
Revenue refunding bonds payable, net	26,048,800	51,173,871
Notes payable	28,000,000	49,000,000
	57,625,812	104,110,380
	81,926,281	126,320,337
NET POSITION		
Net investment in capital assets	314,760,847	298,927,547
Restricted by bond ordinances	-	36,566,886
Unrestricted	54,701,687	6,315,604
	\$ 369,462,534	\$ 341,810,037

See accompanying notes to financial statement.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

For the Years Ended April 30, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Water sales		
Operations and maintenance costs	\$ 84,535,827	\$ 61,640,145
Fixed costs	7,144,872	7,144,594
Customer differential	920,184	907,830
Other income	164,774	349,425
Total operating revenues	92,765,657	70,041,994
OPERATING EXPENSES		
Water supply costs	82,207,354	64,544,607
Personal services	3,682,195	3,529,546
Insurance	531,010	545,810
Professional and contractual services	639,495	657,286
Administrative costs	555,914	440,193
Total operating expenses	87,615,968	69,717,442
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	5,149,689	324,552
DEPRECIATION	7,889,770	7,381,640
OPERATING INCOME (LOSS)	(2,740,081)	(7,057,088)
NONOPERATING REVENUES (EXPENSES)		
Sales tax	33,098,620	31,878,312
Investment income	508,005	114,872
Intergovernmental expense	-	(36,508)
Interest and other charges	(3,563,014)	(4,988,573)
Loss on disposal of capital assets	-	(1,145,593)
Total nonoperating revenues (expenses)	30,043,611	25,822,510
NET INCOME BEFORE CONTRIBUTIONS	27,303,530	18,765,422
Contributions	348,967	29,236
CHANGE IN NET POSITION	27,652,497	18,794,658
NET POSITION, MAY 1	341,810,037	323,015,379
NET POSITION, APRIL 30	\$ 369,462,534	\$ 341,810,037

See accompanying notes to financial statements.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATEMENTS OF CASH FLOWS

For the Years Ended April 30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 89,264,642	\$ 71,873,291
Cash payments to suppliers	(84,552,733)	(61,017,454)
Cash payments to employees	(2,620,295)	(2,490,342)
Other cash receipts	116,606	349,425
Net cash from operating activities	<u>2,208,220</u>	<u>8,714,920</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from sales taxes	33,003,620	31,819,493
Cash received from water quality loans	-	4,362,999
Cash payments for intergovernmental expenses	-	(36,508)
Net cash from noncapital financing activities	<u>33,003,620</u>	<u>36,145,984</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid on revenue bonds	(4,313,113)	(3,463,313)
Interest paid on notes payable	(787,377)	(1,302,812)
Interest paid on capital lease payable	(2,145)	(1,694)
Proceeds from revenue refunding bonds issued	42,430,050	-
Principal paid on revenue refunding bonds	(61,465,000)	(10,565,000)
Principal paid on notes payable	(21,000,000)	(21,000,000)
Principal paid on capital lease payable	(7,705)	(4,871)
Construction and purchases of capital assets	(2,433,986)	(1,602,231)
Net cash from capital and related financing activities	<u>(47,579,276)</u>	<u>(37,939,921)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	101,050	251,553
Proceeds from sale of investments	41,109,330	20,856,000
Purchase of investments	(45,426,483)	(50,118,580)
Net cash from investing activities	<u>(4,216,103)</u>	<u>(29,011,027)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(16,583,539)	(22,090,044)
CASH AND CASH EQUIVALENTS, MAY 1	<u>36,934,998</u>	<u>59,025,042</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 20,351,459</u>	<u>\$ 36,934,998</u>
CASH AND CASH EQUIVALENTS - STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 20,351,459	\$ 8,544,488
Restricted cash and cash equivalents	-	28,390,510
TOTAL CASH AND CASH EQUIVALENTS - STATEMENT OF NET POSITION	<u>\$ 20,351,459</u>	<u>\$ 36,934,998</u>

(This statement is continued on the following page.)

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended April 30, 2013 and 2012

	2013	2012
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (2,740,081)	\$ (7,057,088)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	7,889,770	7,381,640
Changes in assets and liabilities		
Increase in water sales receivable	(2,562,882)	(214,252)
Decrease in prepaid expenses and deposits	1,932	16,985
Decrease in due from other governments	803,711	4,169,253
Increase (Decrease) in unearned revenue	(352,576)	2,403,486
Increase (Decrease) in accounts payable	(533,948)	3,111,375
Decrease in accrued liabilities and compensated absences	121,314	(1,090,077)
Increase in other postemployment benefits obligation	1,763	2,110
Decrease in customer deposits	(420,783)	(8,512)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 2,208,220</u>	<u>\$ 8,714,920</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions	<u>\$ 348,967</u>	<u>\$ 29,236</u>
Capital asset additions financed with accrued liabilities and contract retentions	<u>\$ 110,447</u>	<u>\$ 355,400</u>
Purchased of capital assets financed with capital lease	<u>\$ -</u>	<u>\$ 42,089</u>

See accompanying notes to financial statements.

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2013 and 2012

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.

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 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 all liabilities 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. Nonoperating 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.

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 all certificates of deposit 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.

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, 2013 and 2012. 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.

h. Inventory

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

i. Restricted Cash and Cash Equivalents and Investments

Restricted cash and cash equivalents and investments represent those assets which are required to be held separately from other Commission investments as mandated by the revenue bond indentures and as self-imposed by ordinance or resolution by the Board of Commissioners.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. 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 their estimated fair market 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. 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.

k. 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 and losses on refundings 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. Bond issuance costs are expensed in the period incurred.

l. 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. Accumulated sick leave is not reimbursable upon termination of employment and, therefore, is not accrued.

m. Unearned Revenue

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. 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. 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.

o. 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. The Commission does not have any deferred inflows of resources that meet this criteria.

p. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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's investment policy limits investments of the Commission's funds to the following: (a) direct or fully guaranteed obligations of the U.S. 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 whose portfolio consists solely of U.S. Government obligations; (f) the Illinois Funds Investment Pool of the State of Illinois; (g) state and local obligations rated A-/A3; and (h) repurchase agreements.

2. DEPOSITS AND INVESTMENTS (Continued)

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 at April 30, 2013 and 2012.

b. Investments

The following table presents the investments and maturities of the Commission’s debt securities as of April 30, 2013 and 2012:

Investment Type	2013				
	Investment Maturities in Years				
	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 19,026,909	\$ 2,195,832	\$ 16,831,077	\$ -	\$ -
U.S. agency	19,419,693	-	19,419,693	-	-
Commercial Paper	499,934	499,934	-	-	-
Municipal Bond	3,897,605	-	3,897,605	-	-
TOTAL	\$ 42,844,141	\$ 2,695,766	\$ 40,148,375	\$ -	\$ -

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

On the Statement of Net Position are \$1,973,000 of certificates of deposit that are recorded as investments for both 2013 and 2012.

Investment Type	2012				
	Investment Maturities in Years				
	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 17,291,704	\$ 1,444,842	\$ 15,846,862	\$ -	\$ -
U.S. agency	11,944,200	-	11,944,200	-	-
Commercial Paper	9,086,502	9,086,502	-	-	-
TOTAL	\$ 38,322,406	\$ 10,531,344	\$ 27,791,062	\$ -	\$ -

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 210 days.

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 and external investment pools. The money market fund and Illinois Funds are AAA rated. The commercial paper is rated A1 and the municipal bonds are rated A to AAA.

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 which is limited to 5% of the total portfolio.

3. 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. Three intergovernmental agreements with Charter Customers were made 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. 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, 2013 and 2012, loans totaling \$637,570 were due from the customers.

Payments due from Charter Customers are as follows:

Fiscal Year Ending April 30	2013	
	Principal	Interest
2014	\$ 49,044	\$ 12,751
2015	49,044	11,771
2016	49,044	10,790
2017	49,044	9,809
2018	49,044	8,828
2019 - 2023	245,219	29,426
2024 - 2026	147,131	5,885
TOTAL	\$ 637,570	\$ 89,260

Fiscal Year Ending April 30	2012	
	Principal	Interest
2013	\$ -	\$ 12,751
2014	49,044	12,751
2015	49,044	11,771
2016	49,044	10,790
2017	49,044	9,809
2018 - 2022	245,219	34,330
2023 - 2026	196,175	9,809
TOTAL	\$ 637,570	\$ 102,011

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

Preliminary and Tentative
 For Discussion Purposes Only

4. CAPITAL ASSETS

Capital asset activity for years ended April 30, 2013 and 2012 is as follows:

	2013			Balances April 30
	Balances May 1	Additions	Retirements	
Capital assets not being depreciated				
Land and permanent easements	\$ 11,728,902	\$ -	\$ -	\$ 11,728,902
Construction in progress	369,315	1,944,754	792,489	1,521,580
Total capital assets not being depreciated	12,098,217	1,944,754	792,489	13,250,482
Capital assets being depreciated				
Water mains	364,135,069	-	-	364,135,069
Buildings and other structures	101,703,485	792,486	-	102,495,971
Pumping equipment	15,105,689	80,815	9,199	15,177,305
Office furniture and equipment	4,659,876	10,656	4,667	4,665,865
Vehicles and other equipment	616,086	-	-	616,086
Total capital assets being depreciated	486,220,205	883,957	13,866	487,090,296
Less accumulated depreciation				
Water mains	78,081,731	4,547,728	-	82,629,459
Buildings and other structures	39,723,823	2,556,897	-	42,280,720
Pumping equipment	3,964,476	689,653	9,199	4,644,930
Office furniture and equipment	4,539,646	37,739	4,667	4,572,718
Vehicles and other equipment	415,121	57,753	-	472,874
Total accumulated depreciation	126,724,797	7,889,770	13,866	134,600,701
Total capital assets being depreciated, net	359,495,408	(7,005,813)	-	352,489,595
CAPITAL ASSETS, NET	\$ 371,593,625	\$ (5,061,059)	\$ 792,489	\$ 365,740,077

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

Preliminary and Tentative
 For Discussion Purposes Only

4. CAPITAL ASSETS (Continued)

	2012			Balances April 30
	Balances May 1	Additions	Retirements	
Capital assets not being depreciated				
Land and permanent easements	\$ 11,728,902	\$ -	\$ -	\$ 11,728,902
Construction in progress	29,471,584	50,289	29,152,558	369,315
Total capital assets not being depreciated	41,200,486	50,289	29,152,558	12,098,217
Capital assets being depreciated				
Water mains	363,967,660	167,409	-	364,135,069
Buildings and other structures	83,345,488	18,362,099	4,102	101,703,485
Pumping equipment	5,580,563	9,656,496	131,370	15,105,689
Office furniture and equipment	4,950,267	117,888	408,279	4,659,876
Vehicles and other equipment	581,096	99,362	64,372	616,086
Total capital assets being depreciated	458,425,074	28,403,254	608,123	486,220,205
Less accumulated depreciation				
Water mains	73,532,715	4,549,016	-	78,081,731
Buildings and other structures	37,415,621	2,312,304	4,102	39,723,823
Pumping equipment	3,662,968	432,878	131,370	3,964,476
Office furniture and equipment	4,914,598	33,327	408,279	4,539,646
Vehicles and other equipment	425,378	54,115	64,372	415,121
Total accumulated depreciation	119,951,280	7,381,640	608,123	126,724,797
Total capital assets being depreciated, net	338,473,794	21,021,614	-	359,495,408
CAPITAL ASSETS, NET	\$ 379,674,280	\$ 21,071,903	\$ 29,152,558	\$ 371,593,625

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. The Chicago Contract provides that the cost of water to the Commission is furnished by the City through meters.

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 2013 and 2012, the Commission purchased 29.9 and 28.0 billion gallons of water, respectively from the City, which equaled 84.3% and 79.5%, respectively of the aggregate Illinois Department of Natural Resources allocations.

The Commission has completed constructing improvements regarding electrical generation facilities and a solar photovoltaic system at the Lexington pumping station. The City will reimburse the Commission a maximum of (a) 50% of the cost of designing and constructing the two replacement variable frequency drives, (b) \$4,000,000 plus 100% of the cost of designing and constructing the solar photovoltaic system over and above the sum of \$8,000,000, and (c) \$8,500,000 which amount represents the average generation cost per average daily pumping capacity at the pumping stations where the City has already constructed backup generation. The City's total obligation for items (a), (b), and (c) cannot exceed \$15,000,000. The City will reimburse the Commission monthly for such costs through a 10% credit against the Commission's water purchases from the City. Upon completion, the facilities will be conveyed to the City.

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; 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.

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

Preliminary and Tentative
 For Discussion Purposes Only

7. LONG-TERM DEBT

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

	2013				
	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
Other postemployment benefits obligation	\$ 48,876	\$ 1,763	\$ -	\$ 50,639	\$ -
Notes payable	49,000,000	-	21,000,000	28,000,000	-
Capital Lease	37,218	-	7,705	29,513	8,208
Revenue refunding bonds	61,465,000	42,430,050	61,465,000	42,430,050	16,381,250
Unamortized premium	798,871	-	798,871	-	-
Total revenue bonds	62,263,871	42,430,050	62,263,871	42,430,050	16,381,250
TOTAL	\$ 111,349,965	\$ 42,431,813	\$ 83,271,576	\$ 70,510,202	\$ 16,389,458

	2012				
	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
Other postemployment benefits obligation	\$ 46,766	\$ 2,110	\$ -	\$ 48,876	\$ -
Notes payable	70,000,000	-	21,000,000	49,000,000	-
Capital Lease	-	42,089	4,871	37,218	7,704
Revenue refunding bonds	72,030,000	-	10,565,000	61,465,000	11,090,000
Unamortized premium	1,237,044	-	438,173	798,871	-
Total revenue bonds	73,267,044	-	11,003,173	62,263,871	11,090,000
TOTAL	\$ 143,313,810	\$ 44,199	\$ 32,008,044	\$ 111,349,965	\$ 11,097,704

b. Notes Payable

On December 21, 2009, the Commission issued \$30,000,000 Debt Certificates, Series 2009 to provide for the acquisition of water and for improvements and extensions to the existing facilities of the Commission. Principal is due in one installment on December 21, 2015; with a variable rate of interest that is determined and reset annually (1.5% as of April 30, 2013 and 2.5% as of April 30, 2012), and also by allowing optional redemption and prepayments, in whole and in part, on any semiannual interest payment date. As of April 30, 2013 and 2012, \$3,000,000 and \$19,000,000 of principal, respectively was outstanding.

7. LONG-TERM DEBT (Continued)

b. Notes Payable (Continued)

On May 17, 2010, the Commission issued \$40,000,000 Debt Certificates, Series 2010 to provide for the acquisition of water and for improvements and extensions to the existing facilities of the Commission. Principal is due in annual installments such that principal outstanding may not exceed the following:

<u>May 1,</u>	
2013	\$ 30,000,000
2014	25,000,000
2015	20,000,000

The remaining principal balance must be paid in full by May 1, 2016. Interest is due on May 1 and November 1, 2013 and 2012 with a variable rate of interest that is determined periodically (1.45% as of April 30, 2013 and 1.74% as of April 30, 2012). As of April 30, 2013 and 2012, \$25,000,000 and \$30,000,000 of principal, respectively was outstanding.

c. Revenue Bonds

In February 2013, the Commission issued \$42,430,050 Revenue Refunding Bonds Series 2013. Principal is due in monthly installments of \$898,250 to \$3,580,000, interest at 0.98% through maturity at May 15, 2016. The Series 2013 revenue bonds were issued to refund \$50,375,000 of outstanding Revenue Bond, Series 2003 (call date May 1, 2013) with an average interest rate of 3.98%. As such, the Series 2003 were retired and the liability for the debt has been removed from the Commission's books. As a result of the refunding, the Commission achieved cash flow savings of \$3,181,221 and an economic gain of \$3,181,241.

As of April 30, 2013, \$42,430,050 of principal remained outstanding on the Series 2013 bonds. In addition, the bonds are subject to certain terms and conditions contained in the Master Revenue Bond Ordinance (the Ordinance), which was approved in December 2012 by the Board and adopted when the Commission refinanced the Revenue Bonds, Series 2003, and issued the Revenue Bonds, Series 2013, in February 2013. Substantially all revenue generated from the Commission's operations are pledged to retire these bonds.

7. LONG-TERM DEBT (Continued)

c. Revenue Bonds (continued)

In August 2003, the Commission issued \$135,995,000 Revenue Refunding Bonds, Series 2003. Principal is due in annual installments of \$7,880,000 to \$13,575,000, interest at 3.00% to 5.25% through maturity on May 1, 2016. The Series 2003 revenue bonds have an average interest rate of 3.98% and were issued to refund \$145,655,000 of outstanding Revenue Bond, Series 1993 with an average interest rate of 5.3%. As a result, the Series 1993 bonds were retired and the liability for the debt has been removed from the Commission's books.

As of April 30, 2012, \$61,465,000 of principal remained outstanding on the Series 2003 bonds. In addition, the bonds are subject to certain terms and conditions contained in the Master Revenue Bond Ordinance (the 1987 Ordinance), which was created when the Commission initially issued Revenue Bonds, Series 1987 and subsequently replaced with the new Ordinance. Substantially all revenue generated from the Commission's operations were pledged to retire these bonds.

Payments due on the revenue bonds through maturity are as follows:

Fiscal Year Ending April 30,	<u>SERIES 2013 BONDS</u>	
	2013	
	Principal	Interest
2014	\$ 16,381,250	\$ 416,855
2015	14,094,250	192,025
2016	11,056,250	66,248
2017	898,300	734
TOTAL	\$ 42,430,050	\$ 675,862

Fiscal Year Ending April 30,	<u>SERIES 2003 BONDS</u>	
	2012	
	Principal	Interest
2013	\$ 11,090,000	\$ 2,921,937
2014	11,645,000	2,339,006
2015	12,255,000	1,711,631
2016	12,900,000	1,051,312
2017	13,575,000	356,344
TOTAL	\$ 61,465,000	\$ 8,380,230

7. LONG-TERM DEBT (Continued)

d. Revenue Bond Ordinance

On December 18, 2012, the Commission adopted the Ordinance authorizing the issuance of Water Revenue Bonds, Series 2013, for the purpose of replacing the 1987 Ordinance and refunding the Water Revenue Bonds, Series 2003.

The Ordinance required the establishment various accounts within the Water Fund designated as Operation and Maintenance Account, Interest Account, Principal Account, Bank Obligation Account, and General Account.

Revenues held or collected from owners and operation of the system are deposited in the Water Fund. Monies deposited in the Water Fund are required to be transferred to the extent available within the following accounts of the Water Fund in the indicated order:

Operation and Maintenance Account - There shall be credited to the Operation and Maintenance Account an amount sufficient to pay Operation and Maintenance costs which shall not cause the balance in such account at any time to be greater than the Operation and Maintenance Maximum Amount.

Interest Account - There shall next be credited to the Interest Account and paid immediately to the Purchaser the then current interest due on the Bonds plus, at the Commission's option, the interest due for the next following month. All moneys to the credit of said Account shall be used solely to pay interest on Outstanding Bonds.

Principal Account - There shall next be credited to the Principal Account at the Commission's option, all or a portion of the principal due for the next following Fiscal Year. All moneys to the credit of the Principal Account shall be used solely to pay principal on Outstanding Bonds.

Bank Obligations Account - There shall next be credited to the Bank Obligations Account and paid immediately to the Purchaser any amounts due on Bank Obligations. All moneys to the credit of said Account shall be used solely to pay amounts due on Bank Obligations.

General Account - All moneys remaining in the Water Fund after crediting the required amounts to the respective Accounts hereinabove provided for and after making up any deficiency in any of said Accounts, including for past due amounts that remain unpaid, shall be credited to the General Account.

All the accounts are held by the Commission.

7. LONG-TERM DEBT (Continued)

d. Revenue Bond Ordinance (Continued)

On January 15, 1987, the Commission adopted the 1987 Ordinance authorizing the issuance of Water Revenue Bonds, Series 1987, for the purpose of financing a portion of the construction of the water supply system.

The 1987 Ordinance required the establishment of funds designated as Water Fund Revenue Bond Construction Fund, Special Redemption Fund, and Rebate Fund (the Arbitrate Rebate Fund) and various accounts within the Water Enterprise Fund designated as Operation and Maintenance Account, Interest Account, Principal Account, Debt Service Reserve Account, Operation and Maintenance Reserve Account, Depreciation Account, and General Account.

Revenues held or collected from owners and operation of the system are deposited in the Water Fund. Monies deposited in the Water Fund are required to be transferred to the extent available within the following accounts of the Water Fund in the indicated order:

Operation and Maintenance Account - an amount sufficient to pay operation and maintenance costs for the current month and up to and including the next monthly accounting.

Interest Account - monthly one-twelfth of the then current interest requirement until there has been accumulated the then current interest requirement less interest due and paid at stated maturity during the fiscal year.

Principal Account - monthly one-twelfth of the then current principal requirement until there has been accumulated on or before the next stated maturity or mandatory redemption date an amount sufficient to pay the principal due.

Debt Service Reserve Account - an amount equal to the maximum annual debt service requirement less the amount of any applicable surety bond coverage.

Operation and Maintenance Reserve Account - an amount equal to one-sixth of an amount equal to two months of the budgeted annual operation and maintenance costs until such reserve equals two months of the annual operation and maintenance costs.

Depreciation Account - monthly amounts of at least \$175,000. Any amounts in excess of the required minimum balance of \$5,000,000 may be transferred to the General Account of the Water Fund by resolution of the Board of Commissioners.

7. LONG-TERM DEBT (Continued)

d. Revenue Bond Ordinance (Continued)

General Account - all revenues remaining in the Water Fund after all required transfers are made to the respective accounts will be transferred to this account.

The 1987 Ordinance required that the Interest Account, the Principal Account, and the Debt Service Reserve Account be held by the Trustee. All other accounts were held by the Commission.

The 1987 Ordinance provided for the creation of the Special Redemption Fund to be held by the Trustee to account for issuance proceeds and condemnation awards to the extent not used to repair or replace the system and any other Commission-designated transfer. These monies may be used for debt service purposes. This fund was not active in fiscal 2012.

The 1987 Ordinance created the Arbitrage Rebate Fund to be held by the Trustee to maintain the tax-exempt status of the interest paid on the bonds. Beginning in fiscal 1988, an account was established and funds were transferred to segregate funds deemed necessary to maintain the tax-exempt status of the revenue bonds. Investment earnings of the Interest Account, Principal Account, and Debt Service Reserve Account is used for the purpose of funding amounts set aside in the Arbitrage Rebate Fund.

In accordance with the Commission's revenue bond ordinance, the Commission maintains accounts for the Revenue Bond Construction Fund, the Special Redemption Fund, and the Arbitrage Rebate Fund, but these funds were inactive through January 31, 2013.

Restricted assets related to the previous bond ordinance at April 30, 2012 are as follows:

<u>SERIES 2003 BONDS - 1987 ORDINANCE</u>	
	<u>2012</u>
Operation and Maintenance account	\$ 13,687,440
Operation and Maintenance Reserve account	12,411,745
Interest account	1,604,976
Principal account	11,094,158
Depreciation account	<u>6,943,816</u>
 TOTAL RESTRICTED ASSETS	 <u>\$ 45,742,135</u>

7. LONG-TERM DEBT (Continued)

e. Capital Lease

In September 2011, the Commission entered into a capital lease obligation for office equipment which expires in five years. Future minimum lease payments under capital leases for the next five years in total are as follows:

Fiscal Year Ending April 30	Principal
2014	\$ 9,849
2015	9,849
2016	9,849
2017	3,283
Total Minimum Future Lease Payments	<u>32,830</u>
Less Interest	3,317
Present Value of Minimum Future Lease Payments	<u>\$ 29,513</u>

8. RESTRICTED NET POSITION

The Commission had no restricted net position at the end of fiscal year 2013 due to the approval of the Ordinance in December 2012 by the Board, which replaced the 1987 Ordinance when the Commission refinanced the Revenue Bonds, Series 2003, and issued the Revenue Bonds, Series 2013, in February 2013.

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

Preliminary and Tentative
 For Discussion Purposes Only

8. RESTRICTED NET POSITION (continued)

The Commission had the following restricted net position as of April 30, 2012 related to the 1987 Ordinance:

<u>SERIES 2003 BONDS - 1987 ORDINANCE</u>	<u>2012</u>
Restricted net position:	
Restricted assets (Note 7)	\$ 45,742,135
Add restricted investment earnings	
Revenue refunding bonds	
Principal account	-
Interest account	-
Operations and Maintenance Reserve account	31,925
Depreciation account	13,136
Total restricted investment earnings	<u>45,061</u>
Less current liabilities payable from restricted assets	
Revenue refunding bonds	
Operations and Maintenance account	
Accounts payable	7,017,534
Accrued liabilities	292,817
Compensated absences	190,436
Interest account	
Accrued interest payable	1,599,594
Total current liabilities payable from restricted assets	<u>9,100,381</u>
Less excess in Interest account	5,382
Less excess in Principal account	4,158
Less excess in Operations and Maintenance Reserve account	78,437
Less excess in Depreciation account	<u>31,952</u>
TOTAL RESTRICTED NET POSITION	<u>\$ 36,566,886</u>

9. 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.

10. MAJOR CUSTOMER

During fiscal year 2013 and 2012, approximately 6.1 and 5.5 billion gallons, or 21.01% and 20.01%, respectively of water sales revenue in the Water Fund were realized from the City of Naperville, the Commission's largest customer.

11. 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, post retirement 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 required supplementary information. That report may be obtained online at www.imrf.org.

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.

Funding Policy. 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 employer annual required contribution rate for calendar year 2012 was 11.92%. The employer 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.

11. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost. For April 30, 2013 and 2012, the Commission's annual pension cost of \$304,608 and \$282,693, respectively was equal to the Commission's required and actual contributions. The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuations using the entry-age actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 10.00% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3.00% annually. The actuarial value of the Commission's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor in calendar year 2011 and a 15% corridor in calendar year 2010 between the actuarial and market value of assets. The Commission's plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level of percentage of projected payroll on an open 30 year basis.

Employer annual pension costs (APC), actual contributions, and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement
Annual pension cost (APC)	2011	\$ 271,059
	2012	282,693
	2013	304,608
Actual contributions	2011	\$ 271,059
	2012	282,693
	2013	304,608
Percentage of APC contributed	2011	100.00%
	2012	100.00%
	2013	100.00%
NPO	2011	\$ -
	2012	-
	2013	-

11. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Funded Status and Funding Progress. The funded status and funding progress of the plan as of December 31, 2012 and 2011 was as follows:

	2012	2011
Actuarial accrued liability (AAL)	\$ 6,949,144	\$ 6,361,630
Actuarial value of plan assets	5,501,960	4,783,201
Unfunded actuarial accrued liability (UAAL)	1,447,184	1,578,429
Funded ratio (actuarial value of plan assets/AAL)	79.17%	75.19%
Covered payroll (active plan members)	\$ 2,514,715	\$ 2,484,345
UAAL as a percentage of covered payroll	57.55%	63.54%

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

12. OTHER POSTEMPLOYMENT BENEFITS

a. 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. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report.

b. 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 one of the Commission's retirement plans. The retirees pay 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.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2013, the most recent actuarial valuation, membership consisted of:

Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	-
Active vested plan members	23
Active nonvested plan members	<u>11</u>
TOTAL	<u>36</u>
 Participating employers	 <u>1</u>

d. Funding Policy

The Commission is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013, 2012 and 2011 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2011	\$ 8,499	74.95%	\$ 46,766
April 30, 2012	8,480	75.12%	48,876
April 30, 2013	8,133	78.30%	50,639

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of April 30, 2013 and 2012 was calculated as follows:

	2013	2012
Annual required contribution	\$ 7,755	\$ 7,755
Interest on net OPEB obligation	1,955	2,338
Adjustment to annual required contribution	(1,577)	(1,613)
Annual OPEB cost	8,133	8,480
Contributions made	6,370	6,370
Increase in net OPEB obligation	1,763	2,110
Net OPEB obligation, beginning of year	48,876	46,766
NET OPEB OBLIGATION, END OF YEAR	\$ 50,639	\$ 48,876

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2013 (most recent valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 86,237
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	86,237
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 2,643,508
UAAL as a percentage of covered payroll	3.26%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2013 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption and 4.0% wage inflation assumption. The actuarial value of assets was not determined as the Commission has not advanced funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013 was 30 years.

13. CUSTOMER PREPAYMENTS

Payments from non-Charter Customers for customer differential revenues are reported as unearned revenues. These unearned revenues will be 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.

14. SALES TAX

Beginning June 1, 2016, the sales tax imposed may no longer be imposed or collected, unless a continuation of the tax is approved by the voters at a referendum.

REQUIRED SUPPLEMENTARY INFORMATION

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Actuarial Valuation December 31	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2007	\$ 4,742,810	\$ 5,068,990	93.57%	\$ 326,180	\$ 2,441,680	13.36%
2008	4,653,290	5,774,686	80.58%	1,121,396	2,602,576	43.09%
2009	5,026,706	6,359,912	79.04%	1,333,206	2,760,942	48.29%
2010	4,142,473	5,795,662	71.48%	1,653,189	2,537,383	65.15%
2011	4,783,201	6,361,630	75.19%	1,578,429	2,484,345	63.54%
2012	5,501,960	6,949,144	79.17%	1,447,184	2,514,715	57.55%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$5,711,138. On a market basis, the funded ratio would be 82.18%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the DuPage Water Commission. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

(See independent auditor's report.)

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 295,199	\$ 295,199	100.00%
2009	240,646	240,646	100.00%
2010	265,581	265,581	100.00%
2011	271,059	271,059	100.00%
2012	282,693	282,693	100.00%
2013	304,608	304,608	100.00%

(See independent auditor's report.)

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

Actuarial Valuation Date April 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 67,267	0.00%	\$ 67,267	\$ 2,477,690	2.71%
2009	*	*	*	*	*	*
2010	-	78,076	0.00%	78,076	2,820,206	2.77%
2011	*	*	*	*	*	*
2012	*	*	*	*	*	*
2013	-	86,237	0.00%	86,237	2,643,508	3.26%

*The requirements under GASB Statement No. 45 require an actuarial valuation every three years. Therefore, no actuarial valuation was done as of April 30, 2009, 2011, and 2012.

(See independent auditor's report.)

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ -	\$ 13,231	0.00%
2009	6,370	8,760	72.72%
2010	6,370	8,760	72.72%
2011	6,370	7,755	82.14%
2012	6,370	7,755	82.14%
2013	6,370	7,755	82.14%

(See independent auditor's report.)

SUPPLEMENTAL DATA

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

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

For the Years Ended April 30, 2013 and 2012

	2013		Variance	2012
	Budget	Actual		Actual
OPERATING REVENUES				
Water sales				
Operations and maintenance costs	\$ 79,254,842	\$ 84,535,827	\$ 5,280,985	\$ 61,640,145
Fixed costs	7,144,729	7,144,872	143	7,144,594
Customer differential	928,125	920,184	(7,941)	907,830
Other income	-	164,774	164,774	349,425
Total operating revenues	<u>87,327,696</u>	<u>92,765,657</u>	<u>5,437,961</u>	<u>70,041,994</u>
OPERATING EXPENSES				
Water supply costs	81,609,425	82,207,354	597,929	64,544,607
Personal services	3,871,225	3,682,195	(189,030)	3,529,546
Insurance	668,844	531,010	(137,834)	545,810
Professional and contractual services	824,700	639,495	(185,205)	657,286
Administrative costs	732,733	555,914	(176,819)	440,193
Total operating expenses	<u>87,706,927</u>	<u>87,615,968</u>	<u>(90,959)</u>	<u>69,717,442</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(379,231)	5,149,689	5,528,920	324,552
DEPRECIATION	<u>7,904,000</u>	<u>7,889,770</u>	<u>(14,230)</u>	<u>7,381,640</u>
OPERATING INCOME (LOSS)	<u>(8,283,231)</u>	<u>(2,740,081)</u>	<u>(5,543,150)</u>	<u>(7,057,088)</u>
NONOPERATING REVENUES (EXPENSES)				
Sales tax	31,399,519	33,098,620	1,699,101	31,878,312
Investment income	258,268	508,005	249,737	114,872
Intergovernmental expense	-	-	-	(36,508)
Interest and other charges	(5,305,680)	(3,563,014)	1,742,666	(4,988,573)
Loss on disposal of capital assets	-	-	-	(1,145,593)
Total nonoperating revenues (expenses)	<u>26,352,107</u>	<u>30,043,611</u>	<u>3,691,504</u>	<u>25,822,510</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	18,068,876	27,303,530	9,234,654	18,765,422
Contributions	<u>597,232</u>	<u>348,967</u>	<u>(248,265)</u>	<u>29,236</u>
CHANGE IN NET POSITION	<u>\$ 18,666,108</u>	<u>27,652,497</u>	<u>\$ 8,986,389</u>	<u>18,794,658</u>
NET POSITION, MAY 1		<u>341,810,037</u>		<u>323,015,379</u>
NET POSITION, APRIL 30		<u>\$ 369,462,534</u>		<u>\$ 341,810,037</u>

(See independent auditor's report.)

STATISTICAL SECTION

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

SALES TAX REVENUES

FOR THE YEARS ENDED APRIL 30

<u>Year Ended</u>	<u>Sales Tax Revenues</u>
2013	\$ 33,098,620
2012	31,878,312
2011	30,780,825
2010	29,046,664
2009	31,118,492

DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS

Preliminary and Tentative
For Discussion Purposes Only

STATE WATER ALLOCATIONS

	(Millions Gallons Per Day) ⁽¹⁾		
	2010	2020	2030
Addison	4.230	4.457	4.682
Argonne National Laboratory (2)	0.758	0.758	0.758
Bensenville	2.571	2.616	2.660
Bloomingtondale	2.767	3.048	3.327
Carol Stream	4.213	4.600	4.926
Clarendon Hills	0.832	0.888	0.942
Darien	2.934	3.254	3.293
Downers Grove	6.589	7.265	7.937
DuPage County			
Glen Ellyn Heights	0.210	0.283	0.395
Steeple Run	0.183	0.189	0.195
S.E.R.W.F.	0.643	0.708	0.782
Hobson Valley	0.051	0.126	0.195
Elmhurst	4.699	4.749	4.797
Glenn Ellyn	2.985	3.164	3.349
Glendale Heights	2.869	2.977	3.086
Hinsdale	2.762	2.923	3.081
Illinois American			
Arrowhead	0.190	0.190	0.190
Country Club Estates	0.105	0.105	0.105
Dupage/Lisle	0.555	0.585	0.615
Liberty Ridge East	0.042	0.048	0.054
Liberty Ridge West	0.305	0.349	0.400
Lombard Heights	0.065	0.065	0.065
Valley View	0.700	0.700	0.700
Itasca	1.666	1.951	2.143
Lisle	3.024	3.261	3.497
Lombard	4.777	5.177	5.572
Naperville	18.803	21.683	24.560
Oak Brook	4.205	4.508	4.675
Oak Brook Terrace	0.281	0.293	0.293
Roselle	2.206	2.357	2.508
Villa Park	2.146	2.206	2.284
Westmont	2.945	3.069	3.173
Wheaton	5.821	6.008	6.191
Willowbrook	1.267	1.452	1.636
Winfield	1.011	1.188	1.366
Wood Dale	1.613	1.680	1.747
Woodridge	3.876	4.479	4.479
Total average mgd	<u>94.899</u>	<u>103.359</u>	<u>110.658</u>

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

Preliminary and Tentative
For Discussion Purposes Only

WATER REVENUES AND USAGE
FOR THE YEARS ENDED APRIL 30

<u>Year Ended</u>	<u>Water Sales (1)</u>	<u>Gallons Sold (in 000's)</u>
2013	\$ 91,680,699	\$ 29,228,914
2012	68,784,739	27,508,123
2011	58,863,923	28,110,957
2010	48,522,181	27,960,000
2009	40,553,237	29,128,241
2008	39,390,157	31,015,607

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