

DuPage Water Commission



Annual Financial Report

For the Fiscal Years Ended
April 30, 2024 and 2023

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Years Ended
April 30, 2024 and 2023

Prepared by Finance Department

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ELMHURST, ILLINOIS
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INTRODUCTORY SECTION

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

PRINCIPAL OFFICIALS

April 30, 2024

General Manager

Mr. Paul D. May, P.E.

Financial Administrator

Ms. Cheryl Peterson

Manager of Water Operations

Mr. Ross C. Bostick

Commission administrative offices are located at:

600 East Butterfield Road
Elmhurst, IL 60126

FINANCIAL SECTION

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

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

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

Prior Period Financial Statements

The financial statements of the Commission as of April 30, 2023 were audited by Sikich LLP, whose report dated August 18, 2023, expressed an unmodified opinion of those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

The audit as of and for the period ended April 30, 2023, was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Commission's basic financial statements. The supplemental data as of and for the year-end April 30, 2023, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental data is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements by Sikich LLP 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 the opinion of Sikich LLP, the supplemental data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Sikich CPA LLC

Naperville, Illinois
August 16, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

DuPage Water Commission Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the DuPage Water Commission's annual financial report presents management's discussion and analysis of the Commission's financial performance during the fiscal years ending April 30, 2024, 2023, and 2022.

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

The Statement of Net Position presents information on the Commission's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or declining. The Statement of Revenues, Expenses and Changes in Net Position presents the information necessary to indicate how the Commission's net position changed during the fiscal years ending April 30, 2024, and 2023.

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

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

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

FINANCIAL OPERATIONS SUMMARY

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

The Commission's net position rose by approximately \$2.8 million in fiscal year 2023 to approximately \$549.5 million. Total revenues were \$144.8 million in fiscal 2023 compared to expenses totaling \$142.0 million. The Commission's revenues benefitted from greater than budgeted water sales and higher than projected investment income. Water sales were 6.3% above budgeted amounts. Expenditures were higher than budgeted primarily due to increased water purchases and insurance costs. As of April 30, 2023, net investment in capital assets was \$321.0 million.

FINANCIAL ANALYSIS

Changes in Net Position. The table on page MD&A 3 presents information on the Commission's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position at April 30, 2024, 2023, and 2022. Net capital assets represent the total of assets capitalized less accumulated depreciation.

Fiscal Year 2024

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

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

Fiscal Year 2023

Net capital assets decreased by \$3.0 million in fiscal year 2023 due to depreciation expense of \$9.3 million offset by investment in new construction and equipment of \$6.3 million.

Net investment in capital assets declined by \$5.9 million from fiscal year 2022. This is due to the \$3.0 million decrease in capital assets mentioned above and \$2.9 million in capital related payables due at the end of fiscal year 2023.

COMPARATIVE SUMMARY OF NET POSITION

April 30,

	2024	2023	2022
Assets and Deferred Outflows of Resources			
Current:			
Cash and cash equivalents	\$ 111,177,647	\$ 43,019,310	\$ 46,766,202
Investments	121,019,330	178,677,221	163,935,349
Receivables	13,470,955	12,505,659	12,604,192
Other assets	1,617,434	1,529,974	1,196,448
Non-current:			
Long term loan receivable	8,115,899	8,416,359	8,711,280
Net pension asset	628,515	-	5,092,798
Land and construction in process	27,144,771	20,093,218	14,046,763
Capital assets, net of depreciation	296,819,188	303,844,653	312,876,058
Total assets	579,993,739	568,086,394	565,229,090
Deferred outflows of resources:			
Pension items	2,233,949	3,280,881	825,868
Total deferred outflows of resources	2,233,949	3,280,881	825,868
Total assets and deferred outflow of resources	582,227,688	571,367,275	566,054,958
Liabilities			
Current:			
Payables and accrued liabilities	16,951,335	14,304,575	10,048,393
Customer deposits	9,427,400	2,233,229	130,543
Unearned revenue	-	4,284,894	2,711,420
Non-current:			
Unearned revenue	-	-	2,711,490
Net pension liability	-	297,592	-
Other liabilities	439,308	518,401	534,470
Total liabilities	26,818,043	21,638,691	16,136,316
Deferred inflows of resources:			
Pension items	328,937	231,427	3,199,109
Total liabilities and deferred inflows of resources	27,146,980	21,870,118	19,335,425
Net Position			
Net investment in capital assets	319,849,659	321,009,345	326,922,821
Restricted - Retirement	628,515	-	-
Unrestricted	234,602,534	228,487,812	219,796,712
NET POSITION	\$ 555,080,708	\$ 549,497,157	\$ 546,719,533

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, 2024, 2023, and 2022. The most significant source of revenues for the Commission continues to be from water sales.

Fiscal Year 2024

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

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

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

Fiscal Year 2023

Water sales for fiscal year 2023 were 26.80 billion gallons versus 26.82 billion gallons in fiscal year 2022. The charter customer operations and maintenance average water rate increased from \$4.97 per thousand gallons for fiscal year 2022 to \$5.18 per thousand gallons for fiscal year 2023. Water revenue increased in fiscal year 2023 by \$5.5 million or 4.1% because of the higher water rates.

As of June 1, 2016, the sales tax imposed was no longer imposed or collected. Sales tax received subsequent to June 1, 2016 is the result of collections efforts by the state and remitted to the Commission.

Investment income was \$2.3 million in fiscal year 2023, an increase of \$8.6 million over fiscal year 2022. The increase was primarily due to a change in the mark to market value of investments, which was an \$8.4 million loss in fiscal year 2022 and a \$0.1 million gain in fiscal year 2023. Unrealized losses in market values in the fiscal year 2023 was \$6.0 million compared to \$6.1 million in unrealized losses for fiscal year 2022. Also contributing to the higher investment income was the Commission's investments experiencing higher investment yield rates. The Commission met all the targeted balances for its reserve funds.

Water distribution costs remain the highest expense in the Commission's operations. Water distribution costs increased \$5.5 million mainly due to a higher water rate charge by the City of Chicago. In June 2022, the City of Chicago increased water rates charged to their customers by 5.0%.

COMPARATIVE SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Years Ending April 30,

	2024	2023	2022
REVENUES			
Operating:			
Water sales - all categories	\$ 149,275,969	\$ 142,383,764	\$ 136,085,396
Other	30,447	33,801	34,885
Nonoperating:			
Sales tax	44,139	74,289	547,729
Investment income (loss)	6,171,342	2,315,864	(6,257,816)
Total Revenue	155,521,897	144,807,718	130,410,194
EXPENSES			
Operating:			
Water supply costs	132,288,211	124,409,003	118,892,793
Depreciation	9,442,011	9,338,179	9,460,967
Personal services	5,557,485	5,189,115	4,141,952
Other	2,648,076	3,103,691	2,576,524
Nonoperating:			
(Gain) Loss on disposal of capital assets	2,563	(9,894)	(20,918)
Total Expense	149,938,346	142,030,094	135,051,318
Change in net position	5,583,551	2,777,624	(4,641,124)
Net position, May 1	549,497,157	546,719,533	551,360,657
Net position, April 30	\$ 555,080,708	\$ 549,497,157	\$ 546,719,533

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Commission's capital assets before depreciation totaled \$553.8 million in fiscal year 2024.

COMPARATIVE SUMMARY OF CHANGES IN NET CAPITAL ASSETS

For Fiscal Years Ending April 30,

	2024	2023	2022
Land and permanent easements	\$ 11,728,902	\$ 11,728,902	\$ 11,728,902
Construction in progress	15,415,869	8,364,316	2,317,861
Water mains	249,805,633	253,982,679	258,789,779
Buildings and other structures	37,924,673	39,803,499	42,624,746
Pumping equipment	8,496,179	9,417,310	10,811,353
Office furniture and equipment	215,343	300,869	246,192
Vehicles and other equipment	377,360	340,296	403,988
TOTAL CAPITAL ASSETS, NET	\$323,963,959	\$323,937,871	\$326,922,821

Detailed information about the Commission's capital assets is presented in Note 4 to the Financial Statements.

Debt Administration. The Commission made no other material changes in structure or changed any ordinances in fiscal year 2024.

Fiscal Year 2024

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

Fiscal Year 2023

The Commission entered into no new debt certificates or issued new revenue bonds in fiscal year 2023. No additional capital lease obligations were entered into during fiscal year 2023.

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

INVESTMENT PORTFOLIO

Fiscal Year 2024

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

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

Fiscal Year 2023

The Commission's investment portfolio totaled \$189.4 million. At the end of the fiscal year, the portfolio was earning 2.55%. The benchmarks adopted by the Commission are based on the nature of the accounts and expected duration of the investments. The indices range from the 3 month U.S. Treasury Bill index to the 1-10 year U.S. Treasury Bill index.

Commission funds were invested as follows on April 30, 2023: United States treasury obligations (55%), United States agency investments (16%), asset/mortgage backed securities (13%), money market funds (6%), municipal bonds (5%), corporate notes (4%), and commercial paper (1%).

OTHER FINANCIAL INFORMATION

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

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

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

In total the Commission issued three loans for approximately \$5.6 million to charter customers during 2003-2007. Two of the loans were to be repaid in 13 installments, commencing in 2011 and continuing through 2023. Both of these loans have been paid in full. The third loan is to be repaid in 13 installments, commencing in 2014 and continuing through 2026. As of April 30, 2024 only \$98,087 remained outstanding from the customer.

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

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

The Capital Cost Recovery Charge loan was in the amount of \$13,030,632 and was immediately returned as full payment of the Capital Cost Recovery Charge per the Water Purchase and Sale Contract between the Commission and the Village. The loan will be repaid over 360 monthly payments (30 years) at an interest rate of 0.00% beginning the month after the Village begins receiving water from the Commission. As of April 30, 2024, the loan balance outstanding of \$10,858,860 is shown net of imputed interest at a rate of 2.23% of \$2,540,588 for a total net balance of \$8,318,272. This loan is reported as long-term loans receivable on the statement of net position.

SUBSEQUENT EVENT

On May 6, 2024, the Commission purchased 127 acres of land in Northbrook, IL for \$80.5 million.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF NET POSITION

April 30, 2024 and 2023

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 111,177,647	\$ 43,019,310
Investments	121,019,330	178,677,221
Receivables		
Water sales	13,470,955	12,505,659
Accrued interest	660,321	684,807
Other	67,307	-
Long-term loans receivable, current portion	300,460	294,921
Inventory	171,868	177,768
Prepaid expenses and deposits	417,478	372,478
	247,285,366	235,732,164
NONCURRENT ASSETS		
Net pension asset	628,515	-
Long-term loans receivable	8,115,899	8,416,359
	8,744,414	8,416,359
Capital assets		
Not being depreciated	27,144,771	20,093,218
Being depreciated	526,692,903	524,383,445
Less accumulated depreciation	(229,873,715)	(220,538,792)
	323,963,959	323,937,871
	332,708,373	332,354,230
	579,993,739	568,086,394
DEFERRED OUTFLOWS OF RESOURCES		
Pension items	2,233,949	3,280,881
	2,233,949	3,280,881
	582,227,688	571,367,275

(This statement is continued on the following page.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF NET POSITION (Continued)

April 30, 2024 and 2023

	2024	2023
CURRENT LIABILITIES		
Unearned revenue	\$ -	\$ 4,284,894
Contract retentions	1,055,904	417,619
Customer deposits	9,427,400	2,233,229
Accounts payable	12,427,472	10,769,313
Accrued liabilities	3,013,537	2,752,534
Total other postemployment benefits liability	79,929	39,035
Compensated absences	374,493	326,074
Total current liabilities	26,378,735	20,822,698
LONG-TERM LIABILITIES		
Net pension liability	-	297,592
Total other postemployment benefits liability	439,308	518,401
Total long-term liabilities	439,308	815,993
Total liabilities	26,818,043	21,638,691
DEFERRED INFLOWS OF RESOURCES		
Pension items	328,937	231,427
Total liabilities and deferred inflows of resources	27,146,980	21,870,118
NET POSITION		
Net investment in capital assets	319,849,659	321,009,345
Restricted - Retirement	628,515	-
Unrestricted	234,602,534	228,487,812
TOTAL NET POSITION	\$ 555,080,708	\$ 549,497,157

See accompanying notes to the financial statements.

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

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

For the Years Ended April 30, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Water sales		
Operations and maintenance costs	\$ 144,864,634	\$ 138,791,967
Customer differential	4,411,335	3,591,797
Other income	30,447	33,801
Total operating revenues	149,306,416	142,417,565
OPERATING EXPENSES		
Water supply costs	132,288,211	124,409,003
Personal services	5,557,485	5,189,115
Insurance	822,277	1,019,175
Professional and contractual services	1,142,144	1,418,358
Administrative costs	683,655	666,158
Total operating expenses	140,493,772	132,701,809
OPERATING INCOME BEFORE DEPRECIATION	8,812,644	9,715,756
Depreciation	9,442,011	9,338,179
OPERATING INCOME (LOSS)	(629,367)	377,577
NON-OPERATING REVENUES (EXPENSES)		
Sales tax	44,139	74,289
Investment income	6,171,342	2,315,864
Gain (loss) on disposal of capital assets	(2,563)	9,894
Total non-operating revenues (expenses)	6,212,918	2,400,047
CHANGE IN NET POSITION	5,583,551	2,777,624
NET POSITION, MAY 1	549,497,157	546,719,533
NET POSITION, APRIL 30	\$ 555,080,708	\$ 549,497,157

See accompanying notes to the financial statements.

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended April 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 144,025,779	\$ 141,344,281
Cash payments to suppliers	(135,088,418)	(127,655,935)
Cash payments to employees	(3,911,533)	(3,791,517)
Other cash receipts	7,224,618	2,136,487
	12,250,446	12,033,316
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from sales taxes	44,139	74,289
Cash received from water quality loans	49,044	49,044
Cash received from cost recovery loan	434,354	434,354
	527,537	557,687
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction and purchases of capital assets	(8,284,888)	(3,414,809)
	(8,284,888)	(3,414,809)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	5,265,473	1,713,486
Purchase of investments	(147,774,581)	(92,862,597)
Proceeds from sale of investments	206,174,350	78,226,025
	63,665,242	(12,923,086)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	68,158,337	(3,746,892)
CASH AND CASH EQUIVALENTS, MAY 1	43,019,310	46,766,202
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 111,177,647	\$ 43,019,310

(This statement is continued on the following page.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended April 30, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (loss) income	\$ (629,367)	\$ 377,577
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	9,442,011	9,338,179
Changes in assets and liabilities		
(Increase) decrease in water sales receivable	(965,296)	98,533
(Increase) in other receivables	(67,307)	-
Decrease in inventory	5,900	-
(Increase) in prepaid expenses and deposits	(45,000)	(24,925)
(Decrease) in unearned revenue	(4,284,894)	(1,138,016)
Increase (decrease) in accounts payable	1,110,670	(491,932)
Increase in accrued liabilities and compensated absences	309,422	1,816,797
(Decrease) in other postemployment benefits obligation	(38,199)	(13,278)
(Increase) decrease in net pension asset/liability	(926,107)	5,390,390
Increase (decrease) in deferred pension items	1,144,442	(5,422,695)
Increase in customer deposits	7,194,171	2,102,686
NET CASH FROM OPERATING ACTIVITIES	\$ 12,250,446	\$ 12,033,316
NONCASH INVESTING ACTIVITIES		
Construction and purchase of capital assets included in contract retentions	\$ (4,114,300)	\$ (2,928,526)
Unrealized gain (loss) on investments	741,878	105,300

See accompanying notes to the financial statements.

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2024 and 2023

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, as amended, since it is legally separate and fiscally independent. These financial statements include all functions, programs, and activities under the control of the Board of Commissioners.

b. Basis of Accounting

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

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

c. Fund Accounting

Enterprise Funds

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Cash and Cash Equivalents

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

e. Investments

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

f. Accounts Receivable

Customer receivables are recorded as receivables and revenues at their original invoice amount. Management has determined no allowance for uncollectible accounts necessary as of April 30, 2024 and 2023. 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. Capital Assets - Property, Plant, and Equipment

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Estimated useful lives are as follows:

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

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

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

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

k. Compensated Absences

Employees earn vacation based on their anniversary date with the Commission. Earned vacation may be accumulated and is payable to the employee upon termination of employment and, therefore, is accrued through April 30. Accumulated sick leave is not reimbursable upon termination of employment and, therefore, is not accrued.

l. 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)

m. Net Position

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

n. Deferred Outflows/Inflows of Resources

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

o. Accounting Estimates

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

2. DEPOSITS AND INVESTMENTS

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

The Commission’s investment policy limits investments of the Commission’s funds to the following: (a) direct or fully guaranteed obligations of the United States Government; (b) fully guaranteed obligations of certain U.S. federally chartered agencies; (c) interest-bearing demand or time deposits in banks and savings and loan associations; (d) short-term obligations of U.S. corporations with assets exceeding \$500,000,000 and with a rating of A1/P1; (e) money market mutual funds 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.

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

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Commission’s deposits may not be returned to it. The Commission’s investment policy allows for the pledging of collateral for all bank balances in excess of federal depository insurance, with collateral held by a third party under a trust agreement or safekeeping agreement. The bank balance of cash and certificates of deposit was fully insured or collateralized at April 30, 2024 and 2023.

b. Investments

The following table presents the investments and maturities of the Commission’s debt securities as of April 30, 2024 and 2023:

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Investment Type	2023				
	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 104,629,518	\$ 33,081,903	\$ 65,651,666	\$ 5,895,949	\$ -
U.S. agency	29,193,764	5,918,433	22,971,272	304,059	-
Commercial Paper	1,974,190	1,974,190	-	-	-
Municipal bond	10,079,103	5,289,417	4,789,686	-	-
Corporate Notes	8,333,434	-	8,333,434	-	-
Asset backed/mortgage backed securities	24,467,212	949,649	11,003,223	7,564,609	4,949,731
TOTAL	\$ 178,677,221	\$ 47,213,592	\$ 112,749,281	\$ 13,764,617	\$ 4,949,731

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

The Commission has the following recurring fair value measurements as of April 30, 2024 and 2023. The U.S. Treasury notes are valued using IDSI Institutional Bond quotes (Level 1 inputs). The U.S. agency obligations are valued using IDSI Institutional Bond quotes (Level 2 inputs). Commercial paper is valued using Matrix pricing (Level 2 inputs). The municipal obligations are valued using municipal pricing tape (Level 2 inputs). The corporate notes are valued using IDSI Institutional Bond quotes (Level 2 inputs). The asset backed/mortgage backed securities are valued using IDSI MBS pricing and IDSI CMO pricing (Level 2 inputs).

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Commission limits its exposure to credit risk by primarily investing in U.S. Government obligations, municipal bonds rated at least A- by Standard and Poor's or A3 by Moody's at the time of purchase, and external investment pools. At April 30, 2024, the money market fund are AAA rated. The municipal bonds are rated A to AAA or are not rated. The U.S. Treasury notes and asset backed/mortgage backed securities are AA+ rated. The U.S. agency obligations are AAA rated. The corporate notes are rated A-3 to AA-1. The commercial paper obligations are rated A-1 as of April 30, 2023.

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

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

3. LOANS RECEIVABLE

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

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

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

3. LOANS RECEIVABLE (Continued)

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

	2023				
	Balances May 1,	Increases	Payments	Balances, April 30	Due Within One Year
Charter Customer Loans Receivable	\$ 196,175	\$ -	\$ 49,044	\$ 147,131	\$ 49,044
Non-Charter Customer Loans Receivable	8,804,608	-	240,459	8,564,149	245,877
TOTAL	\$ 9,000,783	\$ -	\$ 289,503	\$ 8,711,280	\$ 294,921

b. Charter Customer Loans Receivable

On April 25, 2002, the Commission approved a motion for a proposed agreement to make long-term, low-interest loans available to Charter Customer municipalities for the purpose of providing financing under certain circumstances to future customers who presently live in areas of DuPage County not presently served by the Commission. The Commission had one loan outstanding as of and during the years ending April 30, 2024 and 2023. The loan is to be repaid in 13 installments, commencing in 2014 and continuing through 2026. Interest at a rate of 2% per annum shall be paid annually until the principal balance of the loan has been paid in full. As of April 30, 2024 and 2023, loans totaling \$98,087 and \$147,131, respectively, were due from the customer. These loans are reported as long-term loans receivable on the statement of net position.

Payments due from Charter Customers are as follows:

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

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

3. LOANS RECEIVABLE (Continued)

b. Charter Customer Loans Receivable (Continued)

Fiscal Year Ending April 30	2023	
	Principal	Interest
2024	\$ 49,044	\$ 2,943
2025	49,044	1,962
2026	49,043	980
TOTAL	\$ 147,131	\$ 5,885

c. Non-Charter Customer Loans Receivable

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

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

The Capital Cost Recovery Charge loan was in the amount of \$13,030,632 and was immediately returned as full payment of the Capital Cost Recovery Charge per the Water Purchase and Sale Contract between the Commission and the Village. The loan will be repaid over 360 monthly payments (30 years) at an interest rate of 0.00% beginning the month after the Village begins receiving water from the Commission. As of April 30, 2024, the loan balance outstanding of \$10,858,860 is shown net of imputed interest at a rate of 2.23% of \$2,540,588 for a total net balance of \$8,318,272. This loan is reported as long-term loans receivable on the statement of net position.

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

3. LOANS RECEIVABLE (Continued)

c. Non-Charter Customer Loans Receivable (Continued)

Fiscal Year Ending April 30,	2024	
	Principal	Interest
2025	\$ 251,416	\$ 182,938
2026	257,081	177,274
2027	262,872	171,482
2028	268,795	165,560
2029	274,850	159,504
Thereafter	7,003,258	1,683,829
TOTAL	\$ 8,318,272	\$ 2,540,587

As of April 30, 2023, the loan balance outstanding of \$11,293,214 is shown net of imputed interest at a rate of 2.23% of \$2,729,065 for a total net balance of \$8,564,149. This loan is reported as long-term loans receivable on the statement of net position.

Fiscal Year Ending April 30,	2023	
	Principal	Interest
2024	\$ 245,877	\$ 188,478
2025	251,416	182,938
2026	257,081	177,274
2027	262,872	171,482
2028	268,795	165,560
Thereafter	7,278,108	1,873,333
TOTAL	\$ 8,564,149	\$ 2,729,065

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

4. CAPITAL ASSETS

Capital asset activity for years ended April 30, 2024 and 2023 is as follows:

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

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

4. CAPITAL ASSETS (Continued)

	2023			
	Balances May 1	Additions	Retirements	Balances April 30
Capital assets not being depreciated				
Land and permanent easements	\$ 11,728,902	\$ -	\$ -	\$ 11,728,902
Construction in progress	2,317,861	6,376,576	330,121	8,364,316
Total capital assets not being depreciated	14,046,763	6,376,576	330,121	20,093,218
Capital assets being depreciated				
Water mains	382,985,840	-	-	382,985,840
Buildings and other structures	109,045,736	80,517	-	109,126,253
Pumping equipment	26,535,148	44,977	-	26,580,125
Office furniture and equipment	4,728,359	126,510	91,537	4,763,332
Vehicles and other equipment	946,092	54,770	72,967	927,895
Total capital assets being depreciated	524,241,175	306,774	164,504	524,383,445
Less accumulated depreciation				
Water mains	124,196,061	4,807,100	-	129,003,161
Buildings and other structures	66,420,990	2,901,764	-	69,322,754
Pumping equipment	15,723,795	1,439,020	-	17,162,815
Office furniture and equipment	4,482,167	71,833	91,537	4,462,463
Vehicles and other equipment	542,104	118,462	72,967	587,599
Total accumulated depreciation	211,365,117	9,338,179	164,504	220,538,792
Total capital assets being depreciated, net	312,876,058	(9,031,405)	-	303,844,653
CAPITAL ASSETS, NET	\$ 326,922,821	\$ (2,654,829)	\$ 330,121	\$ 323,937,871

5. WATER CONTRACT WITH THE CITY OF CHICAGO

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

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

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

The Commission is obligated to purchase a minimum amount of water; such minimum is 50% of the aggregate Illinois Department of Natural Resources allocations. In fiscal 2024 and 2023, the Commission purchased 27.6 and 27.6 billion gallons of water, respectively, from the City, which equaled 91.37% and 69.31%, respectively, of the aggregate Illinois Department of Natural Resources allocations. The Illinois Department of Natural Resources modified Lake Michigan water allocations on December 12, 2023. The result was lower allocations for all the Commission’s customers, except Argonne National Laboratory.

6. RISK MANAGEMENT

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

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

7. LONG-TERM DEBT

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

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

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

7. LONG-TERM DEBT (Continued)

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

	2023				
	Balances May 1,	Increases	Retirements	Balances, April 30	Due Within One Year
Net pension liability - IMRF*	\$ -	\$ 297,592	\$ -	\$ 297,592	\$ -
Total other postemployment benefits liability	570,714	-	13,278	557,436	39,035
TOTAL	\$ 570,714	\$ 297,592	\$ 13,278	\$ 855,028	\$ 39,035

*The net pension liability - IMRF was a net pension asset as of May 1, 2022, and April 30, 2024.

8. CONTINGENCIES

Contingent Liabilities

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

9. MAJOR CUSTOMER

During fiscal year 2024 and 2023, approximately 5.1 and 5.7 billion gallons, or 19.16% and 21.32%, respectively, of water sales revenue in the Water Fund were realized from the City of Naperville, the Commission's largest customer.

10. DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

Plan Description

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration

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

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

Plan Membership

At December 31, 2023, IMRF membership consisted of:

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

At December 31, 2022, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	11
Active employees	<u>35</u>
 TOTAL	 <u><u>67</u></u>

Benefits Provided

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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.

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

Contributions

As set by statute, the Commission’s regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires the Commission to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Commission’s annual required contribution rate for fiscal years 2024 and 2023 was 2.24% and 3.31%, respectively. The Commission also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Actuarial Assumptions

The Commission’s net pension liability (asset) was measured as of December 31, 2023 and 2022 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

December 31, 2023, actuarial valuation date for non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Actuarial valuation date	December 31, 2022
Actuarial cost method	Aggregate Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair Value

December 31, 2022, actuarial valuation date for non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023 and 2022 was 7.25% for both years. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

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

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

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

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Position Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 20,309,867	\$ 25,402,665	\$ (5,092,798)
Changes for the period			
Service cost	348,147	-	348,147
Interest	1,448,212	-	1,448,212
Difference between expected and actual experience	1,060,973	-	1,060,973
Changes in assumptions	-	-	-
Employer contributions	-	271,699	(271,699)
Employee contributions	-	171,522	(171,522)
Net investment income	-	(3,233,500)	3,233,500
Benefit payments and refunds	(1,017,208)	(1,017,208)	-
Other (net transfer)	-	257,221	(257,221)
Net changes	1,840,124	(3,550,266)	5,390,390
BALANCES AT DECEMBER 31, 2022	\$ 22,149,991	\$ 21,852,399	\$ 297,592

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

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

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

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

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

<u>Year Ending April 30,</u>	
2025	\$ 376,684
2026	557,531
2027	951,560
2028	(64,443)
2029	54,460
Thereafter	<u>(8,476)</u>
TOTAL	<u>\$ 1,867,316</u>

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2023, the Commission recognized net pension expense of \$141,750. At April 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,274,540	\$ 54,858
Changes in assumption	150,585	176,569
Commission contributions subsequent to the measurement date	26,070	-
Net difference between projected and actual earnings on pension plan investments	1,829,686	-
TOTAL	<u><u>\$ 3,280,881</u></u>	<u><u>\$ 231,427</u></u>

\$26,070 reported as deferred outflows of resources related to pensions resulting from the Commission contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending April 30, 2024.

Discount Rate Sensitivity

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

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity (Continued)

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate at December 31, 2022. The table below presents the net pension liability (asset) of the Commission calculated using the discount rate of 7.25% as well as what the Commission’s net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 2,924,262	\$ 297,592	\$ (1,820,109)

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

Benefits Provided

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Membership

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

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

b. Total OPEB Liability

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

The Commission's total OPEB liability of \$557,436 was measured as of April 30, 2023 and was determined by an actuarial valuation as of May 1, 2023.

c. Actuarial Assumptions and Other Inputs

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Actuarial Assumptions and Other Inputs (Continued)

The total OPEB liability at April 30, 2023, as determined by an actuarial valuation as of May 1, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	2.50%
Discount rate	3.53%
Healthcare cost trend rates	7.70% to 5.00% Initial and Ultimate

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

The discount rate used to measure the total OPEB liability at April 30, 2023 was based on the index rate for the Bond Buyer 20-Bond G.O. Index as of April 27, 2023.

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

At April 30, 2023, IMRF Mortality follows the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females. All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

At April 30, 2024 and 2023, the percent of active employees assumed to continue the participation from the active medical plan into the retiree medical plan upon retirement was 30% based on the current census information.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Changes in the Total OPEB Liability

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

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

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2022	\$ 570,714
Changes for the period	
Service cost	4,881
Interest	17,694
Difference between expected and actual experience	1,413
Changes in assumptions	1,769
Benefit payments	<u>(39,035)</u>
Net changes	<u>(13,278)</u>
BALANCES AT APRIL 30, 2023	<u>\$ 557,436</u>

There were changes in assumptions related to the discount rate in 2023.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Rate Sensitivity

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

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

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

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

For the year ended April 30, 2023, the following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Commission's calculated using the discount rate of 3.53% as well as what the Commissions total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.53%) or 1 percentage point higher (4.53%) than the current rate:

	1% Decrease (2.53%)	Current Discount Rate (3.53%)	1% Increase (4.53%)
Total OPEB liability	\$ 584,785	\$ 557,436	\$ 531,384

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Rate Sensitivity (Continued)

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

	1% Decrease (Varies)	Current Healthcare Rate (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 518,229	\$ 557,436	\$ 603,058

f. OPEB Expense

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

For the year ended April 30, 2023, the Commission recognized OPEB benefit of \$13,278.

12. 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.

13. SALES TAX

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

14. SUBSEQUENT EVENT

On May 6, 2024, the Commission purchased 127 acres of land in Northbrook, IL for \$80.5 million.

REQUIRED SUPPLEMENTARY INFORMATION

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

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

Last Nine Fiscal Years

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

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

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

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

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

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

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

(See independent auditor's report.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

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

Notes to Required Supplementary Information

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

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years (ten-year rolling period for nontaxing bodies); the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

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

(See independent auditor's report.)

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

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

Last Six Fiscal Years

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

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

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

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

(See independent auditor's report.)

SUPPLEMENTAL DATA

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

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

For the Year Ended April 30, 2024
(with comparative actual for the year ended April 30, 2023)

	2024		2023	
	Budget	Actual	Variance	Actual
OPERATING REVENUES				
Water sales				
Operations and maintenance costs	\$ 135,863,321	\$ 144,864,634	\$ 9,001,313	\$ 138,791,967
Customer differential	4,379,920	4,411,335	31,415	3,591,797
Other income	-	30,447	30,447	33,801
Total operating revenues	<u>140,243,241</u>	<u>149,306,416</u>	<u>9,063,175</u>	<u>142,417,565</u>
OPERATING EXPENSES				
Water supply costs	127,281,976	132,288,211	5,006,235	124,409,003
Personal services	6,421,538	5,557,485	(864,053)	5,189,115
Insurance	988,300	822,277	(166,023)	1,019,175
Professional and contractual services	1,743,600	1,142,144	(601,456)	1,418,358
Administrative costs	948,255	683,655	(264,600)	666,158
Total operating expenses	<u>137,383,669</u>	<u>140,493,772</u>	<u>3,110,103</u>	<u>132,701,809</u>
OPERATING INCOME BEFORE DEPRECIATION	2,859,572	8,812,644	5,953,072	9,715,756
Depreciation	10,712,000	9,442,011	(1,269,989)	9,338,179
OPERATING INCOME (LOSS)	<u>(7,852,428)</u>	<u>(629,367)</u>	<u>7,223,061</u>	<u>377,577</u>
NON-OPERATING REVENUES (EXPENSES)				
Sales tax	-	44,139	44,139	74,289
Investment income	989,388	6,171,342	5,181,954	2,315,864
Gain (loss) on disposal of capital assets	-	(2,563)	(2,563)	9,894
Total non-operating revenues (expenses)	<u>989,388</u>	<u>6,212,918</u>	<u>5,223,530</u>	<u>2,400,047</u>
CHANGE IN NET POSITION	<u>\$ (6,863,040)</u>	<u>5,583,551</u>	<u>\$ 12,446,591</u>	<u>2,777,624</u>
NET POSITION, MAY 1		<u>549,497,157</u>		<u>546,719,533</u>
NET POSITION, APRIL 30		<u>\$ 555,080,708</u>		<u>\$ 549,497,157</u>

(See independent auditor's report.)

STATISTICAL SECTION

**DUPAGE WATER COMMISSION
ELMHURST, ILLINOIS**

STATE WATER ALLOCATIONS

April 30, 2024

	(Millions Gallons Per Day) ⁽¹⁾		
	2010	2020	2030
Addison	4.230	4.457	3.582
Argonne National Laboratory (2)	0.758	0.758	0.758
Bartlett	-	3.290	3.246
Bensenville	2.571	2.616	1.907
Bloomington	2.767	3.048	2.348
Carol Stream	4.213	4.600	3.667
Clarendon Hills	0.832	0.888	0.818
Darien	2.934	3.254	2.487
Downers Grove	6.589	7.265	6.097
DuPage County			
Glen Ellyn Heights	0.210	0.283	0.340
Hobson Valley	0.051	0.126	0.119
Steeple Run	0.183	0.189	0.156
York Township	0.172	0.172	0.086
S.E.R.W.F.	0.643	0.708	0.782
Elmhurst	4.699	4.749	4.083
Glen Ellyn	2.985	3.164	2.562
Glendale Heights	2.869	2.977	2.671
Hinsdale	2.762	2.923	2.368
Illinois American			
Arrowhead	0.190	0.190	0.145
Country Club Estates	0.105	0.105	0.105
DuPage/Lisle	0.555	0.585	0.470
Lombard Heights	0.065	0.065	0.050
Valley View	0.700	0.700	0.520
Liberty Ridge West	0.305	0.349	0.300
Liberty Ridge East	0.042	0.048	0.030
Itasca	1.666	1.951	1.486
Lisle	3.024	3.261	2.686
Lombard	4.777	5.177	4.174
Naperville	18.803	21.683	17.454
Oak Brook	4.205	4.508	3.294
Oak Brook Terrace	0.281	0.293	0.261
Roselle	2.206	2.357	1.866
Villa Park	2.146	2.206	1.784
Westmont	2.945	3.069	2.552
Wheaton	5.821	6.008	4.846
Willowbrook	1.267	1.452	1.031
Winfield	1.011	1.188	0.916
Wood Dale	1.613	1.680	1.244
Woodridge	3.876	4.479	3.058
TOTAL AVERAGE MGD	<u><u>95.071</u></u>	<u><u>106.821</u></u>	<u><u>86.349</u></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**

WATER REVENUES AND USAGE

For the Years Ended April 30

Year Ended	Water Sales (1)	Gallons Sold (in 000's)
2024	\$ 144,864,634	26,881,291
2023	138,791,967	26,796,006
2022	133,281,136	26,819,331
2021	132,886,255	26,743,881
2020	125,989,793	25,351,777

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