



# DuPage Water Commission

## MEMORANDUM

TO: Acting General Manager

FROM: Financial Administrator

DATE: February 10, 2004

SUBJECT: Revised Financial Report – January 31, 2004

The transmittal letter for the January 31, 2004 financial statements omitted information about the Commission's purchase of a surety bond to replace the cash debt service reserve. The two paragraphs below replace the second paragraph of that transmittal letter to correct this omission. The additional text is presented in bold Italics. No other changes have been made to the transmittal letter.

All requirements of the revenue bond ordinance have been met as of January 31, 2004. ***In December, 2003, the Commission purchased a surety bond in the amount of its revenue bond debt service reserve requirement. This created a \$14.3 million surplus in the Debt Service Reserve Account as of December 31, 2003. On January 8<sup>th</sup>, the Commission adopted Resolution R-3-04 transferring this surplus to the General Account of the Water Fund. As these funds are part of the original 1987 revenue bond proceeds, the resolution stipulates that the \$14.3 be used as soon as possible for construction as outlined in the Commission's Five-Year Capital Improvement Plan. Projected capital outlays should exhaust these funds by April 30, 2005.***

The general obligation bond principal and interest payments are fully funded through March 1, 2004. These payments continue to be funded through the Commission's sales tax proceeds. Property taxes for the bond payments have been abated annually since 1986. In addition, \$8.9 million of sales tax funds have been used to reduce the customers' fixed cost payments for fiscal year 2003-04 by 50%. Though at a higher level than last fiscal year, this is a continuation of a practice started in fiscal year 1997-98.