

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

October 2025

**Presented to the
Great Lakes Water Authority
Audit Committee on January 30, 2026**

TABLE OF CONTENTS

Executive Summary Dashboard	1
Budget to Actual Analysis	3
Basic Financial Statements.....	10
Financial Activity Charts	18
Financial Operations Key Performance Indicators.....	21
Bank Reconciliations	21
Liquidity.....	22
Budget to Financial Statements Crosswalk	24
Capital Improvement Plan Financial Summary	29
Master Bond Ordinance Transfers	32
Cash and Investments	39
Retail Revenues, Receivables, & Collections	43
Wholesale Billings, Receivables, & Collections.....	49
Trust Receipts and Disbursements.....	54

Key Financial Metrics

The table below provides key report highlights and flags the financial risk of a budget shortfall or need for year-end budget amendments as follows: No Risk (green) - Potential (yellow) - Likely (red)

Variances are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. Amendments, if needed, are prepared no less than quarterly based on current information. GLWA staff has included first quarter budget amendments in this report as presented by the GLWA Board of Directors on January 28, 2026.

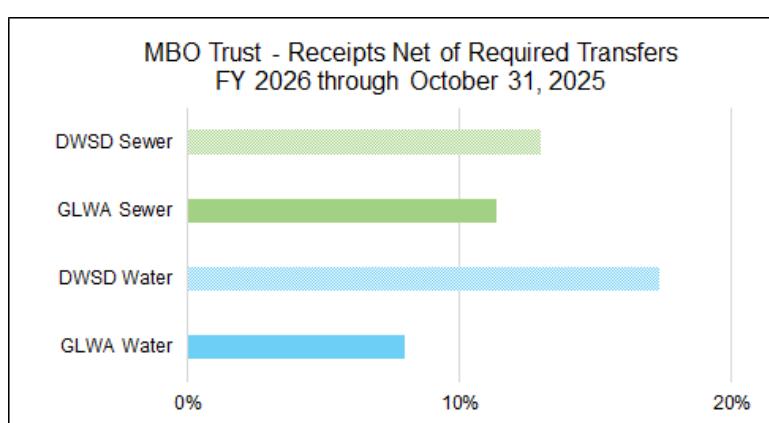
Investment earnings currently exceed the FY 2026 amended budget. However, looking ahead, this variance is expected to close over the remaining fiscal year as current investments continue to renew at lower interest rates most recently with the Federal Reserve rate decrease in December 2025.

Capital spending varies for both systems for different reasons. Water system under spending relates to delays in four projects as reported in a recent Key Performance Indicator Report (Legistar #2025-413). Sewer system capital spend is substantially above plan because of a recent increase in State Revolving Fund (SRF) loans awarded for projects that were approaching construction phase. In September 2025, GLWA was notified of 5 projects that received a total of \$232.7 million in funding.

Metric	As of October 31, 2025					Report Page Reference
	FY 2026 Budget	FY 2026 Amended Budget	FY 2026 Actual	Variance from Financial Plan		
Wholesale Water Billed Revenue (\$M)	\$132.8	\$132.8	\$135.1	2%	50	
Wholesale Water Billed Usage (mcf)	5,098,000	5,098,000	5,254,000	3%		
Wholesale Sewer Billed Revenue (\$M)	\$99.7	\$99.7	\$99.7	0%	52	
Wholesale Water Operations & Maintenance (\$M)	\$60.8	\$61.3	\$64.1	5%	4	
Wholesale Sewer Operations & Maintenance (\$M)	\$78.7	\$79.2	\$78.0	-2%		
Investment Income (\$M)	\$12.5	\$11.3	\$17.4	53%	39	
Water Prorated Capital Spend w/SRA* (\$M)	\$61.0	\$61.0	\$33.0	-46%	30	
Sewer Prorated Capital Spend w/SRA* (\$M)	\$58.0	\$58.0	\$84.0	45%	31	

*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

Master Bond Ordinance (MBO) Trust Net Receipts (page 54)



Net cash flow receipts remain positive for GLWA and DWSD Water and Sewer. This means that all legal commitments of the MBO trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in subsequent year(s). DWSD water reports a surplus of \$8.9 million and DWSD sewer reports a surplus of \$15.5 million of net receipts over disbursements through October 2025.

Budget to Actual Analysis (page 3)

- The total revenue requirements are on target through October 2025.
- The total overall Operations & Maintenance expenses are 33.7% of budget through October 2025 which is slightly above the pro-rata benchmark of 33.3% but within a reasonable range.

Basic Financial Statements (page 10)

- The basic financial statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for October 2025 is \$49.2 million for the Water fund (33.7% of total revenues) and \$51.8 million for the Sewage Disposal fund (29.3% of total revenues).
- Water net position increased by \$27.6 million, and sewage disposal net position increased by \$26.3 million for the year to date through October 2025.

Capital Improvement Plan Financial Summary (page 29)

- Water system costs incurred to date are below the 100% Capital Spend Ratio assumption.
- Sewer system costs incurred to date are above the 90% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 32)

- For October 2025, transfers of \$63.3 million and \$82.4 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for October 2025, transfers of \$24.1 million and \$29.2 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 39)

- Total cash & investments are \$719.0 million for Water and \$659.0 million in the Sewer fund.
- Total, combined, cumulative, FY 2026 investment income through October 2025 is \$17.4 million.

DWSD Retail Revenues, Receivables & Collections (page 43)

- Water usage through October 31, 2025 is 99.86% and revenues are 98.48% of budget.
- Sewer usage through October 31, 2025 is 96.72% and revenues are 97.00% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$39.7 million over the prior year.
- Past dues over 180 days make up 77.0% of the total accounts receivable balance. The current bad debt allowance covers 96.4% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 49)

- GLWA accounts receivable past due balance net of Dearborn is 1.06% of the total accounts receivable balance. Discussions remain underway between GLWA and Dearborn regarding the water balance in dispute.
- Average wholesale water collections of \$29.3 million for the period of November 2024 through October 2025 are trending \$1.2 million above the prior year.
- Average wholesale sewer collections of \$25.5 million for the period of November 2024 through October 2025 are trending \$3.6 million above the prior year.

Questions? Contact the Office of the Chief Financial Officer & Treasurer at CFO@glwater.org.

The Monthly Budget to Actual Analysis report includes the following three sections.

1. Revenue Requirements Budget Basis Analysis
2. Operations & Maintenance Budget – Major Budget Categories
3. Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

Revenue Requirements Budget Basis Analysis

GLWA's annual revenue requirements represent the basis for calculating Member Partner charges and aligns with the Master Bond Ordinance flow of funds categories. The budget basis is not the same as the full accrual basis used for financial reporting although the revenues and operations and maintenance expenses are largely reported on an accrual basis. The primary difference between the revenue requirements budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirements Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

Table 1A – Water Revenue Requirements Budget and **Table 1B – Sewer Revenue Requirements Budget** presents a year-over-year budget to actual performance report. The revenue requirements budget is accounted for in the operations and maintenance fund for each system. The tables in this analysis reflect actual amounts spent. If this analysis was on a master bond ordinance (MBO) basis, like that used for calculating debt service coverage, O&M “expense” would equal the pro-rata budget because 1/12 of the O&M budget is transferred monthly outside the MBO trust to an O&M bank account. This report is for October 2025 therefore the pro-rata benchmark is 33.3% (4 of 12 months of the fiscal year).

Wholesale charges presented in Table 1A differ from those presented in ***Table 2 – Statement of Revenues, Expenses and Changes in Net Position*** found in the ***Basic Financial Statement*** section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly credit issued to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through October 31, 2025, these payments total \$1.6 million for FY 2026.

Table 1A – Water Revenue Requirements Budget (year-over-year) – (\$000)

Water System	FY 2025 Amended Budget	FY 2025 Activity Thru 10/31/2024	Percent Year-to- Date at 10/31/2024	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 10/31/2025	Percent Year-to- Date at 10/31/2025
Revenues							
Wholesale Charges	\$ 347,758	\$ 123,007	35.4%	\$ 365,646	\$ 365,646	\$ 134,225	36.7%
Charges to Local System	27,095	9,032	33.3%	30,029	30,029	10,010	33.3%
Investment Earnings	15,818	5,588	35.3%	12,784	12,784	5,045	39.5%
Other Revenue	400	91	22.7%	303	303	144	47.4%
Total Revenues	\$ 391,071	137,717	35.2%	\$ 408,761	408,761	149,423	36.6%
Revenue Requirements							
Operations & Maintenance Expense	\$ 182,227	\$ 54,727	30.0%	\$ 182,456	\$ 183,909	\$ 64,068	34.8%
Debt Service	161,945	57,572	35.6%	179,082	177,686	59,694	33.6%
General Retirement System Pension	1,653	761	46.0%	2,731	2,731	910	33.3%
Water Residential Assistance Program Contribution	1,877	649	34.6%	1,970	1,970	657	33.3%
Extraordinary Repair & Replacement Deposit	2,650	-	0.0%	320	320	-	0.0%
Regional System Lease	22,500	7,500	33.3%	22,500	22,500	7,500	33.3%
Working Capital Requirement Improvement & Extension Fund Transfer Pending	4,956	-	0.0%	600	-	-	0.0%
	<u>13,263</u>	<u>2,423</u>	<u>18.3%</u>	<u>19,102</u>	<u>19,645</u>	<u>6,367</u>	<u>32.4%</u>
Total Revenue Requirements	\$ 391,071	123,633	31.6%	\$ 408,761	408,761	139,196	34.1%
Net Difference		\$ 14,084				\$ 10,227	
<i>Recap of Net Difference</i>							
Revenue Variance		\$ 7,360				\$ 13,170	
Revenue Requirement Variance		<u>6,724</u>				<u>(2,943)</u>	
<i>Net Difference</i>		\$ 14,084				\$ 10,227	

Table 1B – Sewer Revenue Requirements Budget (year-over-year) – (\$000)

Sewer System	FY 2025 Amended Budget	FY 2025 Activity Thru 10/31/2024	Percent Year-to- Date at 10/31/2024	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 10/31/2025	Percent Year-to- Date at 10/31/2025
Revenues							
Wholesale Charges	\$ 287,387	\$ 96,059	33.4%	\$ 300,317	\$ 300,317	\$ 99,989	33.3%
Charges to Local System	205,925	68,642	33.3%	215,324	215,324	71,775	33.3%
Industrial Waste Control Charges	8,719	2,960	33.9%	9,150	9,150	3,122	34.1%
Pollutant Surcharges	5,434	1,557	28.6%	5,113	5,113	1,626	31.8%
Investment Earnings	20,605	7,665	37.2%	14,615	14,615	6,325	43.3%
Other Revenue	700	168	24.0%	443	443	174	39.3%
Total Revenues	\$ 528,770	177,050	33.5%	\$ 544,962	544,962	183,011	33.6%
Revenue Requirements							
Operations & Maintenance							
Expense	\$ 235,192	\$ 79,153	33.7%	\$ 236,099	\$ 237,552	\$ 77,962	32.8%
Debt Service	217,449	74,874	34.4%	220,885	216,274	73,628	34.0%
General Retirement System							
Pension	3,719	1,615	43.4%	5,633	5,633	1,878	33.3%
Water Residential Assistance							
Program Contribution	2,542	884	34.8%	2,639	2,639	880	33.3%
Extraordinary Repair & Replacement Deposit							
276	-	0.0%	-	-	-	-	0.0%
Regional System Lease	27,500	9,167	33.3%	27,500	27,500	9,167	33.3%
Working Capital Requirement	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund							
Transfer Pending	42,094	9,380	22.3%	52,208	55,365	17,403	31.4%
Total Revenue Requirements	\$ 528,770	175,073	33.1%	\$ 544,962	544,962	180,917	33.2%
Net Difference		\$ 1,977				\$ 2,094	
<i>Recap of Net Difference</i>							
Revenue Variance		\$ 793				\$ 1,357	
Revenue Requirement Variance		1,184				737	
Net Difference		\$ 1,977				\$ 2,094	

Items highlighted in gold on Tables 1A (Water) and 1B (Sewer) are discussed below.

Revenues

- Total Revenues:** For the water system, total revenues for FY 2026 are above the pro-rata benchmark; the water system is at 36.6%. For the sewer system, total revenues for FY 2026 are slightly above the pro-rata benchmark at 33.6%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.
- Investment Earnings:** For the water system, investment earnings are above the pro-rata benchmark for FY 2026 at 39.5%. The sewer system is also above the pro-rata benchmark for FY 2026 at 43.3%. FY 2026 investment earnings are slightly lower than FY 2025 earnings due to the Federal Reserve moving monetary policy to a more neutral level. GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize investment income while meeting the objectives of safety and liquidity.
- Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the water and sewer systems' actual amount will vary from budget due to the nature of the items recorded in this category.

Revenue Requirements - The revenue requirements for *both* systems are funded on a 1/12th basis each month in accordance with the Master Bond Ordinance (MBO). An exception is Extraordinary Repair & Replacement Fund deposit which is calculated based on minimum and maximum balance requirements set forth in the MBO and adjusted as needed to maintain compliance.

4. **Operations & Maintenance Expense:** Actual expenses for the water system are above the pro-rata benchmark for FY 2026 at 34.8%, and the sewer system O&M is below the pro-rata benchmark for FY 2026 at 32.8%.
5. **Debt Service:** For FY 2026, the water system is above the pro-rate benchmark at 33.6% and sewer system is also above the pro-rata benchmark at 34.0%. The activity is based on the debt payment schedules adjusted for the State Revolving Fund loans that are still being drawn down and may cause temporary variances pending realignment with budget.
6. **Working Capital Requirement / Net Difference:** The overall variance (net difference) reported represents the difference between revenues and revenue requirements. To the extent that there is a positive budget variance, staff perform a post-year end closing analysis. Based on this analysis and depending on working capital requirements, some or all of this variance may be transferred to the Improvement & Extension funds in the subsequent year.
7. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the water and sewer systems.
8. **Total Revenue Requirements:** Total revenue requirements for the water system are above the pro-rata benchmark at 34.1%. Total revenue requirements for the sewer system are below the pro-rata benchmark at 33.2%.

Operations & Maintenance Budget – Major Budget Categories

The benchmark ratio as of October 31, 2025, is 33.3% (four months), with the total O&M budget right at the benchmark. When comparing FY 2026 to FY 2025 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending in FY 2026 is above FY 2025 thru four months of operations, but still near the benchmark ratio.

In addition to the four major budget categories, an internal charge cost center for employee benefits is shown on the table below. If the number is positive, it indicates that the internal cost allocation rate charges to other cost centers is not sufficient. A negative number indicates a surplus in the internal cost center. A moderate surplus is preferred as it provides a hedge for mid-year benefit program cost adjustments (premiums adjust on January 1 each year) as well as managing risk as the program is partially self-insured.

Table 2 – Operations & Maintenance Budget – Major Budget Categories – (\$000)

Service Area	FY 2025 Amended Budget	FY 2025 Activity Thru 10/31/2024	Percent Year-to- Date at 10/31/2024	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 10/31/2025	Percent Year-to- Date at 10/31/2025
A Water System Operations	\$ 94,398	\$ 33,262	35.2%	\$ 101,501	\$ 101,501	\$ 35,415	34.9%
B Wastewater System Operations	145,040	48,616	33.5%	156,573	156,573	51,147	32.7%
C Centralized Services	135,244	39,506	29.2%	117,388	120,248	39,031	32.5%
D Administrative & Other Services	42,737	11,893	27.8%	43,094	43,140	15,143	35.1%
Employee Benefits	-	605	100.0%	-	-	1,294	100.0%
Total O&M Budget	\$ 417,419	\$ 133,880	32.1%	\$ 418,555	\$ 421,461	\$ 142,030	33.7%

Totals may be off due to rounding

Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

The purpose of **Table 3 – Operations & Maintenance Expense Variance Analysis** is to evaluate whether the actual spend rate within a natural cost category is in alignment with the budget. Given the effort to develop an accurate budget, a variance is a red flag of a *potential* budget amendment or misalignment of priorities. This table includes both the water and sewage disposal funds.

Table 3 –Operations & Maintenance Expense Variance Analysis – (\$000)

Expense Categories	FY 2025 AMENDED BUDGET	FY 2025 ACTIVITY THRU 10/31/2024	Percent Year-to- Date at 10/31/2024	FY 2025 ACTIVITY THRU 6/30/2025	Percent Year-to- Date at 6/30/2025	FY 2026 AMENDED BUDGET	PRORATED AMENDED BUDGET (4 MONTHS)	FY 2026 ACTIVITY THRU 10/31/2025	Percent Year-to- Date at 10/31/2025	FY 2026 Prorated Amended Budget Less FY 2026 Activity
Personnel Costs										
Salaries & Wages	\$ 85,807	\$ 25,754	30.0%	\$ 84,979	30.3%	\$ 91,087	\$ 30,362	\$ 32,860	36.1%	\$ (2,498)
Workforce										
Development	2,363	1,010	42.7%	2,811	35.9%	3,777	1,259	726	19.2%	533
Overtime	9,605	6,797	70.8%	10,125	67.1%	8,911	2,970	3,621	40.6%	(651)
Employee Benefits	32,244	9,620	29.8%	30,773	31.3%	31,867	10,622	11,677	36.6%	(1,055)
Transition Services	8,516	2,560	30.1%	8,195	31.2%	8,491	2,830	2,773	32.7%	57
Employee Benefits Fund	-	605	100.0%	-	0.0%	-	-	1,294	100.0%	(1,294)
Total Personnel Costs	138,535	46,346	33.5%	136,883	33.9%	144,134	48,045	52,952	36.7%	(4,907)
Utilities										
Electric	48,121	17,727	36.8%	46,578	38.1%	51,308	17,103	15,426	30.1%	1,677
Gas	7,000	1,899	27.1%	7,661	24.8%	7,113	2,371	2,230	31.4%	141
Sewage Service	2,980	485	16.3%	2,400	20.2%	2,455	818	861	35.1%	(43)
Water Service	11,602	3,073	26.5%	10,420	29.5%	12,203	4,068	4,150	34.0%	(82)
Total Utilities	69,703	23,184	33.3%	67,059	34.6%	73,079	24,360	22,667	31.0%	1,693
Chemicals										
Supplies & Other	38,235	11,998	31.4%	34,385	34.9%	37,189	12,396	11,185	30.1%	1,211
Contractual Services	45,294	13,949	30.8%	45,727	30.5%	45,516	15,172	16,409	36.1%	(1,237)
Capital Program Allocation	134,053	40,549	30.2%	128,153	31.6%	124,266	41,422	40,851	32.9%	571
Shared Services	(4,582)	(778)	17.0%	(2,901)	26.8%	(3,431)	(1,144)	(1,136)	33.1%	(7)
Intergovernmental Agreement	(2,280)	(758)	33.3%	(2,583)	29.4%	(2,264)	(755)	(898)	39.7%	143
Unallocated Reserve	(1,540)	(609)	39.6%	(1,565)	38.9%	-	-	-	0.0%	-
Total Expenses	\$ 417,419	\$ 133,880	32.1%	\$ 405,160	33.0%	\$ 421,461	\$ 140,487	\$ 142,030	33.7%	\$ (1,543)

Totals may be off due to rounding

Total Expenses: In total, the overall O&M expenses are 33.7%, which is above the pro-rata benchmark of 33.3%. The Table 3 expense category commentary is provided below.

Personnel Costs: The total personnel costs are above the pro-rata benchmark; coming in at 36.7% through October 2025. Unallocated reserves include budgeted funds for annual wage adjustments that take effect in July each year that are unknown at the time the budget is adopted. These were allocated to personnel costs with the first budget amendment.

Utilities: The overall category is below with the pro-rata benchmark; coming in at 31.0% through October 2025. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is below the pro-rata benchmark, coming in at 30.1%. When compared to the prior fiscal year the year-to-date value represents an approximate \$2.3 million reduction. This is primarily due to a reduction in the Power Supply Cost Recovery (PSCR) charge. The first three months of GLWA's fiscal year (July, August, and October) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** comes in at 31.4%, which is below the benchmark of 33.3%. Variances are primarily related to a fluctuating cost of gas.
- **Sewage service** is higher than the benchmark, coming in at 35.1%. This is largely due to a change in the utility billing timing requiring a cost recognition methodology update. This methodology update was implemented during the first quarter.
- **Water service** is higher than the benchmark, coming in at 34.0%. This is largely due to a change in the utility billing timing requiring a cost recognition methodology update. This methodology update was implemented during the first quarter.

Chemicals: This category is lower than the benchmark; coming in at 30.1% through October 2025. Usage volumes for chemicals related to lead and copper rule compliance (that is, orthophosphate and ferric chloride) were lower than original estimates. Additionally, the moderate draught in Southeast Michigan resulted in a decrease in chemicals used to handle wet weather events (sodium hypochlorite).

Supplies & Other: This category is higher than the pro-rata benchmark; coming in at 36.1% through October 2025. Given that the nature of the items in this category, such as certain maintenance activities, are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected.

Contractual Services: The overall category is slightly below the pro-rata benchmark; coming in at 32.9% through October 2025. Variances in this category, when they occur, are not unexpected as the usage of contracts varies throughout the year (projects scheduled to begin during the latter half of the year as well as contracts that are on an as needed basis). Budget amendments are processed for those projects in which the actual start dates have been delayed.

Capital Program Allocation: This category is slightly lower than the benchmark; coming in at 33.1% through October 2025. The amount in the Capital Program Allocation account is shown as negative as this is a “contra” account which represents an offset to the Personnel Costs category.

Shared Services: This category is higher than benchmark; coming in at 39.7% through October 2025. The shared services reimbursement is comprised of both labor (tracked via BigTime) and expenses, such as annual fees for software licensing. Staff from both GLWA and DWSD have been working together to evaluate and refine the budget for the shared services agreements. Based on these evaluations, adjustments have been made to both the billings and accounting accruals to reflect the forecasted activity more accurately for FY 2026. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount and activity includes true-up billings from prior years. The amount in this account is shown as negative as this is a “contra” account which represents an offset to both the Personnel Costs and the Contractual Services categories.

Intergovernmental Agreements: This category did not have any activity through October 2025 and usually is not budgeted for in advance. As activity is incurred, budget amendments will be made to match the activity. The amount in this account is shown as negative as this is a “contra” account which represents an offset to the Contractual Services category.

The Basic Financial Statements report includes the following four tables.

1. Statement of Net Position - All Funds Combined
2. Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined
3. Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined
4. Supplemental Schedule of Nonoperating Expenses – All Funds Combined

At a macro level GLWA has two primary funds for financial reporting purposes: *Water Fund* and *Sewage Disposal Fund*. These funds represent the combined total of four sub-funds for each system that are used internally to properly account for sources and uses of funds. Those sub-funds for each system are: *Operations & Maintenance Fund*, *Improvement & Extension Fund*, *Construction Fund*, and *Capital Asset Fund*.

The June 2025 comparative amounts shown in the tables below are presented based on final audited figures.

Statement of Net Position – All Funds Combined

Explanatory notes follow the Statement of Net Position shown in Table 1 below.

Table 1 – Statement of Net Position - All Funds Combined
As of October 31, 2025
(\$000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Assets				
Cash - unrestricted (a)	\$ 182,242	\$ 267,721	\$ 449,964	\$ 435,531
Cash - restricted (a)	89,332	95,709	185,041	631,066
Investments - unrestricted (a)	144,736	147,211	291,947	219,969
Investments - restricted (a)	279,212	169,763	448,975	259,388
Accounts Receivable	96,503	53,720	150,223	163,009
Due from (to) Other Funds (b)	6,746	(6,746)	-	-
Other Assets (c)	612,454	361,721	974,175	977,212
Capital Assets, net of Depreciation	1,183,396	1,788,826	2,972,222	3,048,416
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	582,130	576,610	1,158,740	1,039,383
Total assets	3,470,376	3,581,351	7,051,727	7,194,414
Deferred Outflows (f)	23,735	46,610	70,346	71,631
Liabilities				-
Liabilities - Liabilities-ST	240,939	266,808	507,748	538,933
Other Liabilities (h)	2,315	5,976	8,291	7,500
Cash Held FBO DWSD (d)	35,455	51,367	86,822	57,578
Liabilities - Long-Term (i)	3,181,844	3,173,358	6,355,202	6,546,932
Total liabilities	3,460,554	3,497,509	6,958,062	7,150,943
Deferred Inflows (f)	82,267	92,199	174,466	179,444
Total net position (j)	\$ (48,709)	\$ 38,253	\$ (10,456)	\$ (64,342)
<i>Totals may be off due to rounding</i>				

The Statement of Net Position reflects a maturing organization with an ongoing trend related to Net Position. The Authority's net position is a deficit but has been incrementally smaller each year. Please see note j below for further explanation.

Footnotes to Statement of Net Position

- a. *Cash and Investments* are reported at book value. Investments at June 30, 2025 are reported at market value. The October 31, 2025 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, GASB 96 and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, GASB 96 and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. The Sewage Disposal fund has a positive net position as of October 31, 2025. The Water fund has a net deficit which is getting smaller each year. The net position deficit was largely driven by the deficit in the net investment in capital assets due to the valuation of the assets as of the operational effective date on January 1, 2016, resulting in high depreciation expense.

Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the October 2025 Financial Report Binder. Prior year ending balances are provided in the June 30, 2025 column as a reference for comparative purposes. Explanatory notes follow this statement.

Water revenues presented below in Table 2 differ from those presented in *Table 1A – Water Revenue Requirement Budget* found in the *Budget to Actual Analysis* section of this report because water revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment to the City of Flint for a license to raw water rights.

**Table 2 – Statement of Revenues, Expenses and Changes in Net Position
– All Funds Combined**
For the Four Months ended October 31, 2025
(\$000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Business-Type Activities	Total Comparative June 30, 2025
Revenue						
Wholesale customer charges	\$ 135,811	93.0%	\$ 99,989	56.6%	\$ 235,800	\$ 636,667
Local system charges	10,010	6.9%	71,775	40.6%	81,784	233,020
Industrial waste charges	-	0.0%	3,122	1.8%	3,122	8,849
Pollutant surcharges	-	0.0%	1,626	0.9%	1,626	4,584
Other revenues	140	0.1%	173	0.1%	313	948
Total Revenues	145,960	100.0%	176,685	100.0%	322,645	884,068
Operating expenses						
Operations and Maintenance	63,957	43.8%	77,676	44.0%	141,633	402,118
Depreciation	31,129	21.3%	46,538	26.3%	77,667	242,487
Amortization of intangible assets	1,722	1.2%	680	0.4%	2,403	6,774
Total operating expenses	96,808	66.3%	124,895	70.7%	221,703	651,379
Operating Income	49,152	33.7%	51,790	29.3%	100,942	232,689
Total Nonoperating (revenue) expense	21,538	14.8%	25,518	14.4%	47,056	106,607
Increase/(Decrease) in Net Position	27,615	18.9%	26,272	14.9%	53,887	126,082
Net Position (deficit), beginning of year	(76,324)		11,981		(64,342)	(190,425)
Net position (deficit), end of year	\$ (48,709)		\$ 38,253		\$ (10,456)	\$ (64,342)
<i>Totals may be off due to rounding</i>						

Water Fund

- ✓ The increase in Water Fund Net Position is \$27.6 million.
- ✓ Wholesale water customer charges of \$135.8 million account for 93.0% of Water System revenues.
- ✓ Operating expenses of \$96.8 million represent 66.3% of total operating revenue. Depreciation is the largest operating expense at \$31.1 million or 32.2% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$49.2 million or 33.7% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$32.4 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Sewage Disposal Fund

- ✓ The increase in the Sewage Disposal Fund Net Position is \$26.3 million.
- ✓ Wholesale customer charges of \$100.0 million account for 56.6% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$71.8 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$124.9 million represent 70.7% of total operating revenue. Depreciation is the largest operating expense at \$46.5 million or 37.3% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$51.8 million or 29.3% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$33.9 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the October 2025 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined**
For the Four Months ended October 31, 2025
(\$000)

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	12,593	19.7%	23,767	30.6%	36,360	25.7%
Overtime	2,364	3.7%	1,257	1.6%	3,621	2.6%
Employee Benefits	9,584	15.0%	3,387	4.4%	12,971	9.2%
Total Personnel	\$ 24,541	38.4%	\$ 28,410	36.6%	\$ 52,952	37.4%
Utilities						
Electric	10,301	16.1%	5,125	6.6%	15,426	10.9%
Gas	55	0.1%	2,175	2.8%	2,230	1.6%
Sewage	286	0.4%	576	0.7%	861	0.6%
Water	1	0.0%	4,149	5.3%	4,150	2.9%
Total Utilities	\$ 10,643	16.6%	\$ 12,024	15.5%	\$ 22,667	16.0%
Chemicals	4,615	7.2%	6,570	8.5%	11,185	7.9%
Supplies and other	5,969	9.3%	10,258	13.2%	16,227	11.5%
Contractual services	19,593	30.6%	21,044	27.1%	40,637	28.7%
Capital Program allocation	(789)	-1.2%	(347)	-0.4%	(1,136)	-0.8%
Shared Services allocation	(615)	-1.0%	(282)	-0.4%	(898)	-0.6%
Operations and Maintenance Expenses	\$ 63,957	100.0%	\$ 77,676	100.0%	\$ 141,633	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (16.0% of total O&M expenses) and chemicals (7.9% of total O&M expenses).
- ✓ Personnel costs (37.4% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (28.7%) includes:
 - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$4.9 million);
 - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$6.1 million); and
 - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

Supplemental Schedule of Nonoperating Expenses – All Funds Combined

The Supplemental Schedule of Nonoperating Expenses – All Funds Combined is shown in Table 4. Explanatory notes follow this schedule.

Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined
For the Four Months ended October 31, 2025

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (7,423)	\$ (4,798)	\$ (12,222)	\$ (38,291)
Investment earnings	(8,928)	(8,462)	(17,390)	(47,263)
Net (incr) decr in fair value of invstmt	(49)	(78)	(127)	(1,532)
Other nonoperating revenue	35	(3,042)	(3,007)	(18,212)
Interest Expense				
Bonded debt	39,826	38,698	78,524	230,256
Lease obligation	5,375	6,569	11,944	36,218
Other obligations	754	508	1,263	5,033
	45,956	45,775	91,730	271,507
Capital Contribution	(298)	(772)	(1,070)	(40,693)
Amortization, issuance costs, debt	(7,839)	(3,227)	(11,066)	(25,936)
(Gain) loss on disposal of capital assets	(8)	(3)	(11)	172
Water Residential Assistance Program	93	124	217	3,828
Legacy pension expense	-	-	-	3,026
Total Nonoperating (Revenue)/Expense	\$ 21,538	\$ 25,518	\$ 47,056	\$ 106,607

Totals may be off due to rounding

- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Investment earnings in this report are reflected at book value. Any differences between the Basic Financial report and Cash and Investment section of this Financial Report binder are due to accrued interest.
- ✓ Net (increase) decrease in fair value of investments consists of market value of investments and realized gain/loss on sale of investments. FY 2024 market value adjustments for Water and Sewer total \$621 thousand and \$1.0 million, respectively. FY 2025 market value adjustments for Water and Sewer total \$49 thousand and \$78 thousand, respectively. Any difference is due to realized gain or loss on investments.

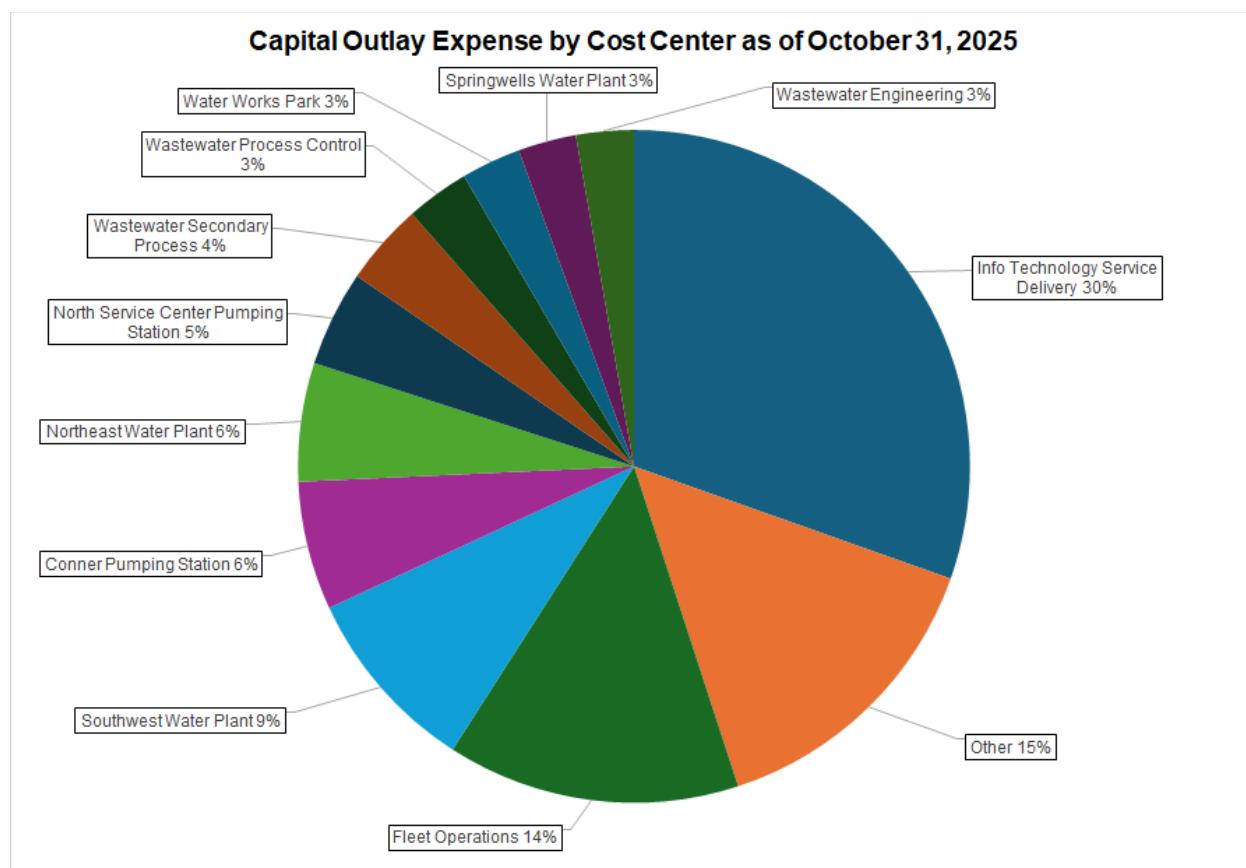
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2025 other non-operating income consists of debt forgiveness for the Sewage Disposal system. FY2026 other non-operating income primarily consists of \$3 million of debt forgiveness for the Sewage Disposal system.
- ✓ The FY 2026 and FY 2025 amortization, issuance costs, debt, is related to the amortization of bond premiums and defeasance of debt.
- ✓ The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$2.8 million) grant revenue for the Water system and (\$15.2 million) grant revenue and (\$22.1 million) contribution from the Oakland Macomb Interceptor Drainage District (OMIDD) for the Sewage Disposal system.

Financial Activity Charts

Chart 1 – Capital Outlay – Water and Sewer System Combined

Capital Outlay represents purchases of equipment, software, and small facility improvement projects. It *excludes* any capital investment which is included in the monthly construction work-in-progress report related to the Capital Improvement Program. Some items span several months so the entire cost may not have been incurred yet. In addition, items are capitalized only if they meet GLWA's capitalization policy.

Through October 31, 2025, total capital outlay spend is \$6.6 million. Following this chart is a sample list of projects and purchases from the total spend of \$6.6 million.



Note: Due to rounding totals may not equal 100%.

Water Operations: Steam generator replacement (\$517k); low lift elevator (\$321k); North Service Center variable frequency drive (\$297k) and Adams Road Pumping Station fire protection system.

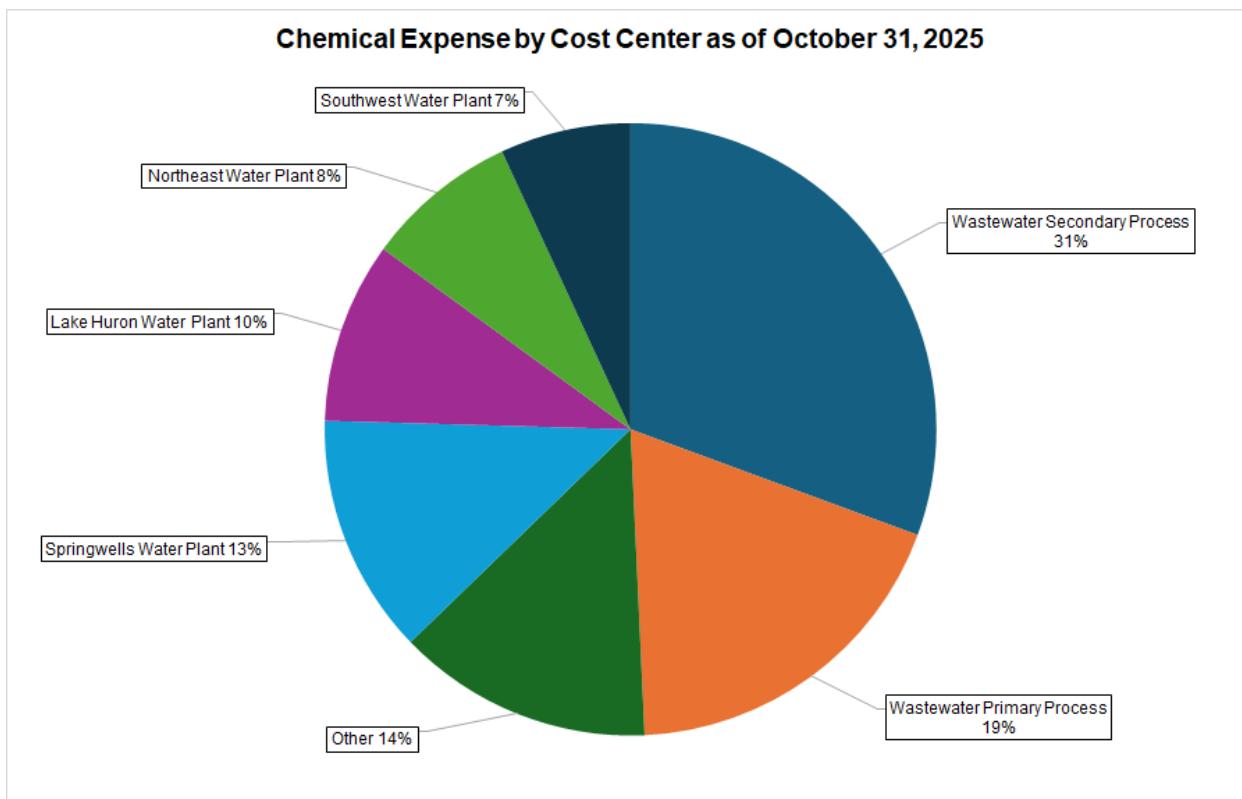
Wastewater Operations: Conner Creek elevator maintenance (\$340k); ovation upgrade and cabinet replacement (\$299k); WRRF fire detection system (\$298k); ferric

chloride buffering pilot (\$213k); WRRF incinerator freight elevator (\$186k) and ID fan power cells (\$112k).

Centralized & Administrative Facilities: Computer hardware and software (\$2.0m); trucks and vehicles (\$825k); Polaris UTV (\$119k) and permanent easement (\$98k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

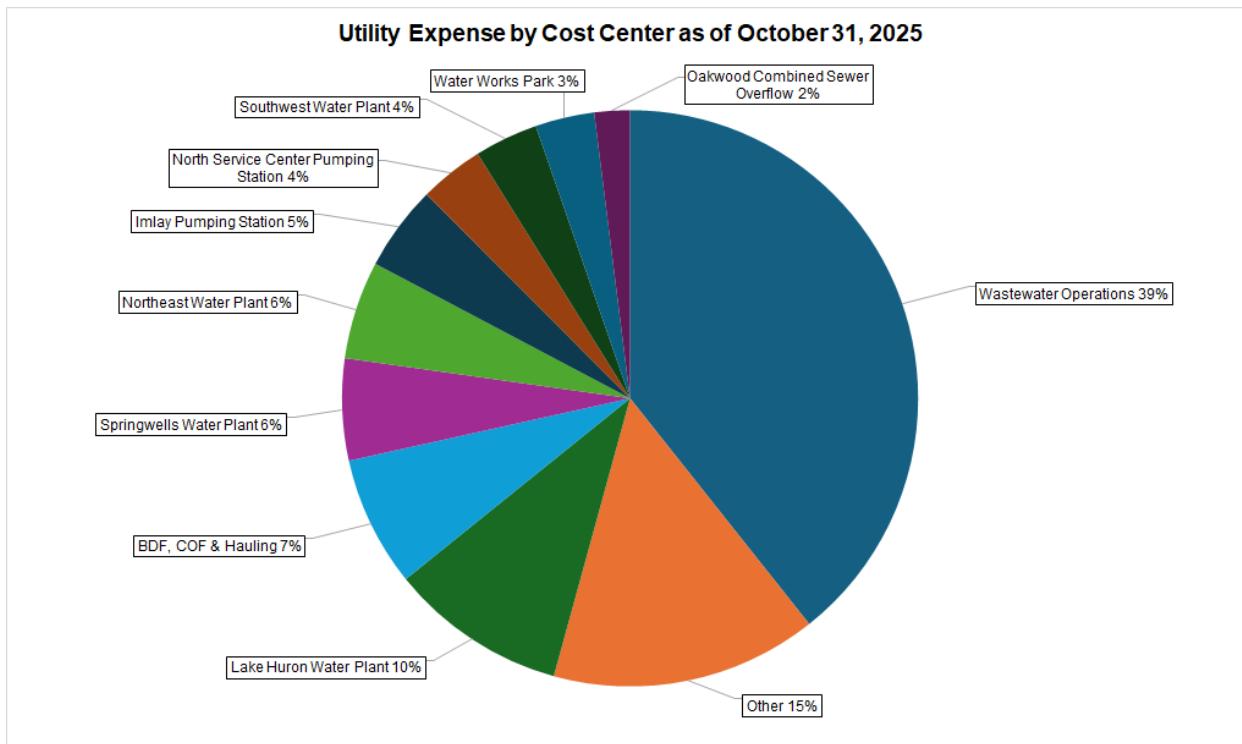
Chemical expenses are \$11.2 million through October 31, 2025. The allocation is shown in the chart below and remains consistent with prior periods.



Note: Due to rounding totals may not equal 100%.

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are \$22.7 million through October 31, 2025. The allocation is shown in the chart below and consistent with prior periods.



Note: Due to rounding totals may not equal 100%.

Financial Operations KPI

This key performance indicator shown in **Chart 1 – Bank Reconciliation Completion Status** below provides a measure of the progress made in the month-end close process which includes bank reconciliations with a completed status at month end. Through October 31, 2025, all bank accounts are reconciled.

Chart 1 – Bank Reconciliation Completion Status

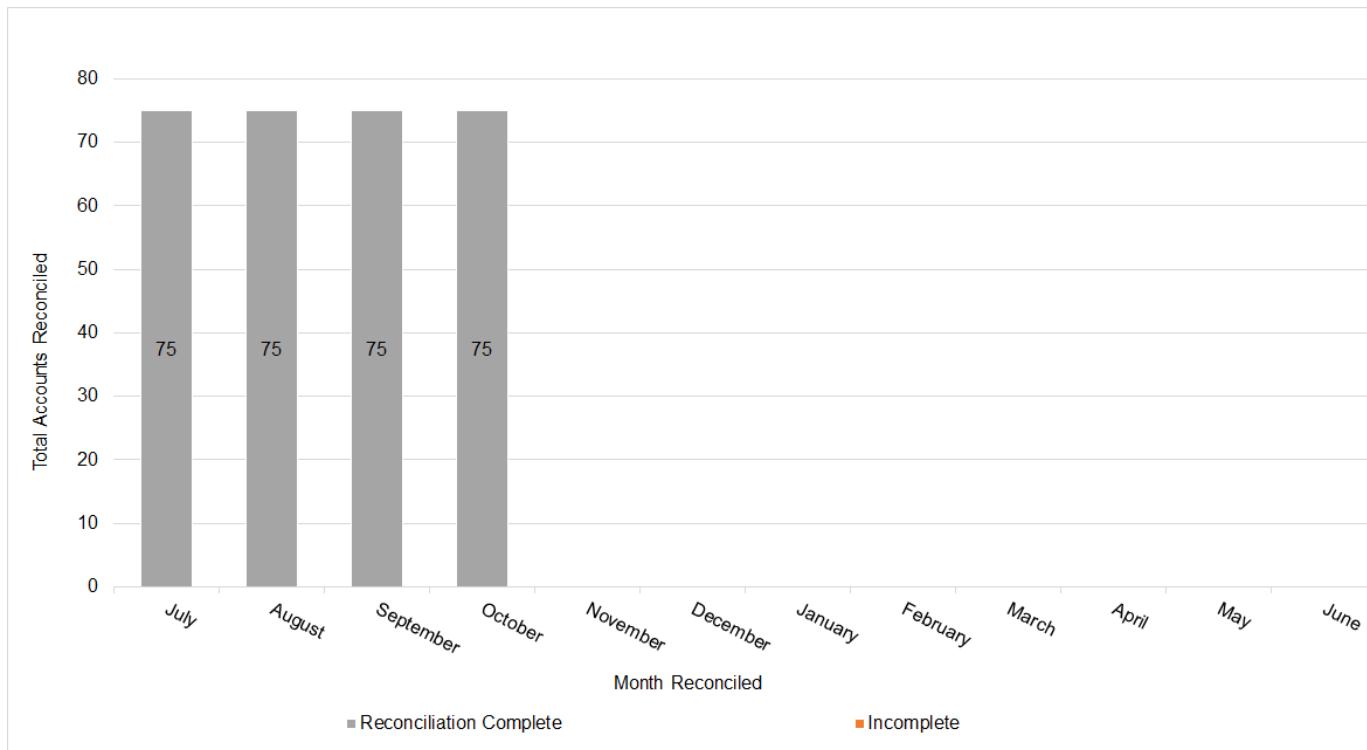


Table 1 – Fiscal Year 2026 GL Cash Account Roll-forward

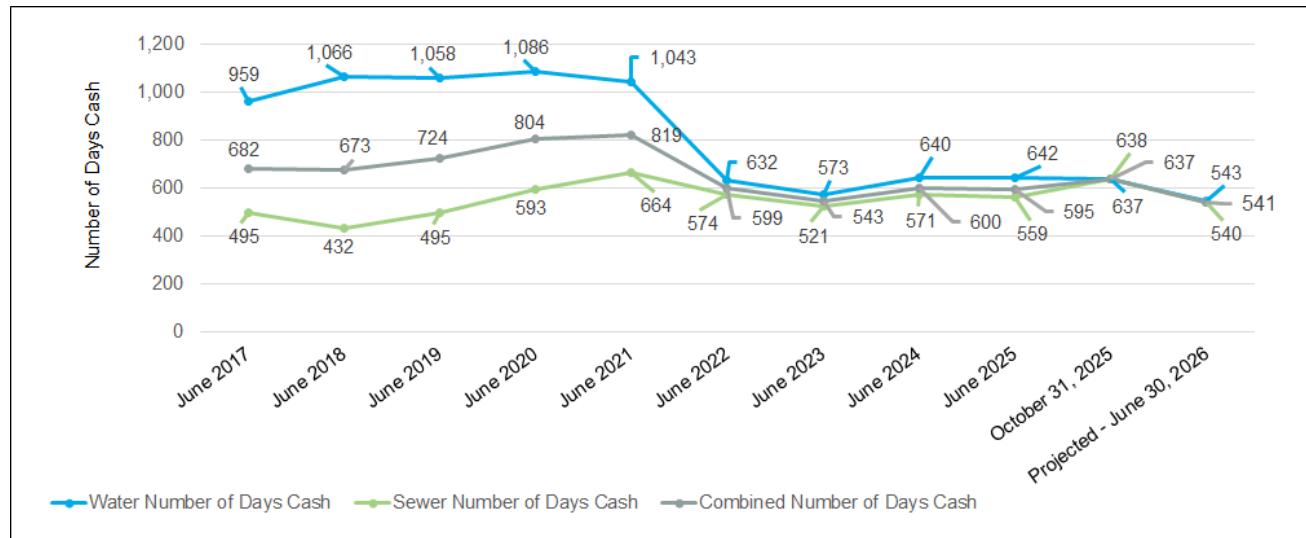
Total GL Cash accounts as of October 1, 2025	75
New GL Cash accounts since October 1, 2025	0
Inactivated GL Cash accounts since October 1, 2025	0
Total GL Cash accounts as of October 31, 2025	75

Financial Operations KPI - Liquidity

This key performance indicator shown in **Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System** and **Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System** below provides a measure of a utility's ability to meet expenses, cope with emergencies and navigate business interruptions. Liquidity is one of several key metrics monitored by bond rating agencies reflecting an organization's financial strength. The Authority's current goal is to maintain cash on hand above 500 days moving up to 600 days. Having a strong days cash has been instrumental in reaching our current bond credit rating.

Both GLWA Water and Sewer funds continue to exceed this target with Water at 637 and Sewer at 638 days cash on hand as of October 31, 2025. These balances remain strong for the regional system but did decrease in FY 2022 as I&E funds were used as planned to fund capital improvement projects. December 2023 and June 2025 revenue bond transactions replenished the construction bond funds reducing the emphasis on I&E funding. The FY 2026 projection is calculated based on values from the GLWA FY 2026 – 2030 Budget & Five-Year Plan.

Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System



Note: The GLWA Annual Comprehensive Financial Reports are the source of all historic data referenced. Refer to these reports for detailed calculations by fiscal year.

Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System

	June 30, 2025	October 31, 2025	Projected June 30, 2026
Water Fund			
Cash and Investments - Unrestricted	306,425,000	326,979,000	278,800,000
Operating Expense			
Operating Expense (a)	274,020,000	97,759,000	293,276,000
Less: Depreciation (a)	(94,928,000)	(34,078,000)	(102,233,000)
Less: Amortization of Intangible Asset (a)	(4,951,000)	(1,189,000)	(3,567,000)
Net Operating Expense	174,142,000	62,492,000	187,476,000
Operating Expense per Day	477,000	514,000	514,000
Days Cash			
Number of Days Cash	642	637	543
Sewage Disposal Fund			
Cash and Investments - Unrestricted	349,076,000	414,932,000	351,600,000
Operating Expense			
Operating Expense (a)	377,359,000	129,851,000	389,552,000
Less: Depreciation (a)	(147,559,000)	(50,667,000)	(152,000,000)
Less: Amortization of Intangible Asset (a)	(1,824,000)	-	-
Net Operating Expense	227,976,000	79,184,000	237,552,000
Operating Expense per Day	625,000	651,000	651,000
Days Cash			
Number of Days Cash	559	638	540
Combined			
Cash and Investments - Unrestricted	655,501,000	741,910,000	630,400,000
Operating Expense			
Operating Expense (a)	651,379,000	227,609,000	682,828,000
Less: Depreciation (a)	(242,487,000)	(84,744,000)	(254,233,000)
Less: Amortization of Intangible Asset (a)	(6,774,000)	(1,189,000)	(3,567,000)
Net Operating Expense	402,118,000	141,676,000	425,028,000
Operating Expense per Day	1,102,000	1,164,000	1,164,000
Days Cash			
Number of Days Cash	595	637	541

Totals may be off due to rounding

(a) Current year expenses are expressed as a proration of the annual budget for the purposes of this metric.

The monthly Budget to Financial Statements Crosswalk includes the following.

1. Crosswalk Budget Basis to Financial Reporting Basis
2. Explanatory Notes for Crosswalk

Purpose for Crosswalk: The Great Lakes Water Authority establishes a “Revenue Requirements” budget for the purposes of establishing charges for services. The financial report is prepared in accordance with Generally Accepted Accounting Policies for enterprise funds of a local government. Because the budget and the financial statements are prepared using different basis of accounting, the crosswalk reconciles the “Net Difference” to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in the monthly Financial Report.

The Authority has a Water Master Bond Ordinance and a Sewer Master Bond Ordinance (MBO). The Ordinances provide additional security for payment of the bonds. All revenues of the system are deposited into Revenue Receipts Funds which are held in trust by a trustee. The cash is moved to multiple bank accounts monthly based on 1/12th of the budget as defined in the MBO (“the flow of funds”) for all revenue requirements except for the Debt Service monthly transfer. The Debt Service monthly requirement is computed by the trustee, U.S. Bank. The cash transfer for debt is net of investment earnings that remain in the debt service accounts to be used for debt service.

The budget is prepared on a modified cash basis. The revenue requirements are determined based upon the cash needed to meet the financial commitments as required by the Master Bond Ordinance.

- Operation & Maintenance (O&M) expenses are reported on an accrual basis
- B&C notes obligation is reported on a cash basis
- Debt Service Allocation is reported on a cash set aside basis to provide the cash for the debt payments on the due dates
- Lease payments are reported on a cash basis
- Water Residential Assistance Program are based on a percentage of budgeted revenue
- Regional System Improvement & Extension Fund Allocation are reported on a cash basis

Budget: In Table 1A and Table 1B of the Budget to Actual Analysis the ‘Revenues’ section is the accrual basis revenues that are available to meet the ‘Revenue Requirements’. The ‘Revenue Requirements’ section budget column indicates the annual cash transfers to be made.

Financial Reporting: The Authority’s financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Authority maintains its records on the accrual basis of accounting to conform to GAAP. Revenues from operations, investments and other sources are recorded when earned. Expenses (including depreciation) are recorded when incurred.

Table 1 – Crosswalk Budget Basis to Financial Reporting Basis provides a reconciliation of the “Net Difference” in Table 1A and Table 1B in the Budget to Actual Analysis report to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in this monthly Financial Report. Explanatory notes follow the Crosswalk shown in Table 1 below.

Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)
For the Four Months Ended October 31, 2025

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 10,227	2,094	\$ 12,321
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	370	661	1,031
Debt service (f)	27,291	39,728	67,019
Accelerated pension B&C notes obligation portion (g)	339	761	1,100
Regional System lease (h)	2,125	2,598	4,723
GASB 87 & GASB 96 adjustments (h)	89	234	324
WRAP (i)	564	756	1,320
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	6,367	17,403	23,770
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(32,851)	(47,218)	(80,069)
Amortization - debt related (k)	7,839	3,227	11,066
Other nonoperating income (k)	(39)	3,041	3,002
Other nonoperating expense (k)	-	-	-
Gain/(loss) on disposal of capital assets (k)	8	3	11
Raw water rights obligation (l)	1,056	-	1,056
Investment earnings for construction fund (m)	3,882	2,134	6,016
Other	-	-	-
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	49	78	127
Improvement & extension fund operating expenses (p)	-	-	-
Capital Contribution (q)	298	772	1,070
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 27,615	\$ 26,272	\$ 53,887

Table 2 - Explanatory Notes for Crosswalk

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Report
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Report
- (c) Current year pension payments are an expense for budget purposes but not for financial reporting purposes.
- (d) Prior year pension payments are accounted for in the current year financial statements.
- (e) The administrative fee is part of the O&M Legacy Pension shown as an expense for budget purposes. For financial reporting purposes part of the administrative fee is considered prepaid based on the prior year General Retirement System audit information and therefore not an expense for the current year financial reporting. The prepaid portion is adjusted in June each year.
- (f) Debt service (principal and interest payments) are shown as an expense for budget purposes. Most of the adjustment relates to principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense variances on state revolving fund debt due to the timing of payment draws. The cash set aside basis for interest expense generally is the same as the accrual basis for financial reporting.
- (g) This adjustment relates to the B&C note obligation payments. The principal and interest cash basis payments are treated as an expense for budget purposes. The principal portion is not an expense for financial reporting purposes. For financial reporting purposes interest is expensed on an accrual basis which is different from the cash basis.
- (h) Payments for the warehouse lease and subscription-based information technology arrangements (SBITA) are expensed for budget purposes. For financial reporting purposes, the warehouse lease is recorded under GASB 87 and payments are treated as a reduction in the lease liability and interest expense (which is a nonoperating expense). The SBITA payments are recorded under GASB 96 and are treated as a prepaid subscription asset as the software is currently in the implemented phase.

- (i) WRAP is shown as an expense for budget purposes. For financial reporting purposes the expense is not recognized until the funds have been transferred to the WRAP administrator. The adjustment shown is the amount of current year transfers that have not been transferred to the WRAP administrator. Note that there are funds from the prior year that have not been transferred to the WRAP administrator.
- (j) The Extraordinary Repair & Replacement Fund and Improvement & Extension Fund transfers are shown as an expense for budget purposes but not for financial reporting purposes.
- (k) Certain nonoperating income and expenses are reported in financial statements only.
- (l) The water service contract with Flint includes a license for raw water rights which has been recorded as an asset and liability by the Authority. The contract provides for a credit to Flint as Flint satisfies its monthly bond payment obligation to KWA. This KWA credit is treated as a noncash payment of principal and interest on the liability recorded for the raw water rights. For budget, wholesale customer charges are net of the anticipated KWA credits to Flint as that is the cash that will be received and available to meet the budgeted revenue requirements. For financial reporting purposes the Flint wholesale charges are recorded as the total amount billed. When the KWA credit is issued, the receivable from Flint is reduced and the principal and interest payments on the liability for the raw water rights are recorded as a noncash transaction. Most of the adjustment shown relates to the principal reduction made for the credits applied which are not an expense for financial reporting basis.
- (m) Investment earnings from the construction fund are not shown as revenue in the budget and are shown as revenue in the financial statements. Construction fund investment earnings are excluded from the definition of revenue for budget purposes as they are used for construction costs and are not used to meet the revenue requirements in the budget.
- (n) Interest on a DWSD note receivable is budgeted as part of the Sewer improvement and extension fund and is transferred directly to that fund as payments are made. DWSD does not currently have a note receivable due to GLWA.

- (o) Unrealized gains and losses are recorded annually as required for financial reporting purposes but do not reflect actual investment earnings and are not included in cash basis reporting.
- (p) The Water Improvement and Extension fund and the Sewer Improvement and Extension fund reflect certain expenses relating to repairs paid for through the Water and Sewer Improvement and Extension funds, respectively. These are consolidated expenses for financial reporting purposes but are not reflected in the current Operations and Maintenance budget expenses.
- (q) The FY 2026 capital contribution in Nonoperating (revenue) expense represents ARPA (\$0.3 million) grant revenue for the Water system and (\$0.8 million) for the Sewage Disposal system. This nonoperating revenue is reported only in the GAAP-basis financial statements.

The Monthly Capital Improvement Plan Financial Summary includes the following.

1. Water System Capital Improvement Plan Spend Incurred to date
2. Sewer System Capital Improvement Plan Spend Incurred to date

Capital Improvement Plan Financial Summary

Great Lakes Water Authority (GLWA) capital improvement projects generally span two or more years due to size and complexity. Therefore, the GLWA Board of Directors (Board) has adopted a five-year capital improvement plan (CIP). The CIP is a five-year, rolling plan which is updated annually and formally adopted by the GLWA Board of Directors. In addition, the Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.

This report presents quarterly and monthly CIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2026 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes Primavera P6 for refined monthly projections for cash management and project management.

Capital spend reflects a noticeable variance from budgeted CIP for both the water and sewer funds. For the purposes of this metric, we compare actual spend with the Board-approved budget. For the purposes of managing the financial plan, budget amendments are made to align spending with resources available. The capital spend rate adjustment is 100% of the Board approved CIP planned spend for the water fund and 90% of the Board approved CIP planned spend for the sewer fund.

The State Revolving Fund (SRF) activity reported in Charts 1 and 2 has been revised to reflect changes in approved GLWA SRF funding.

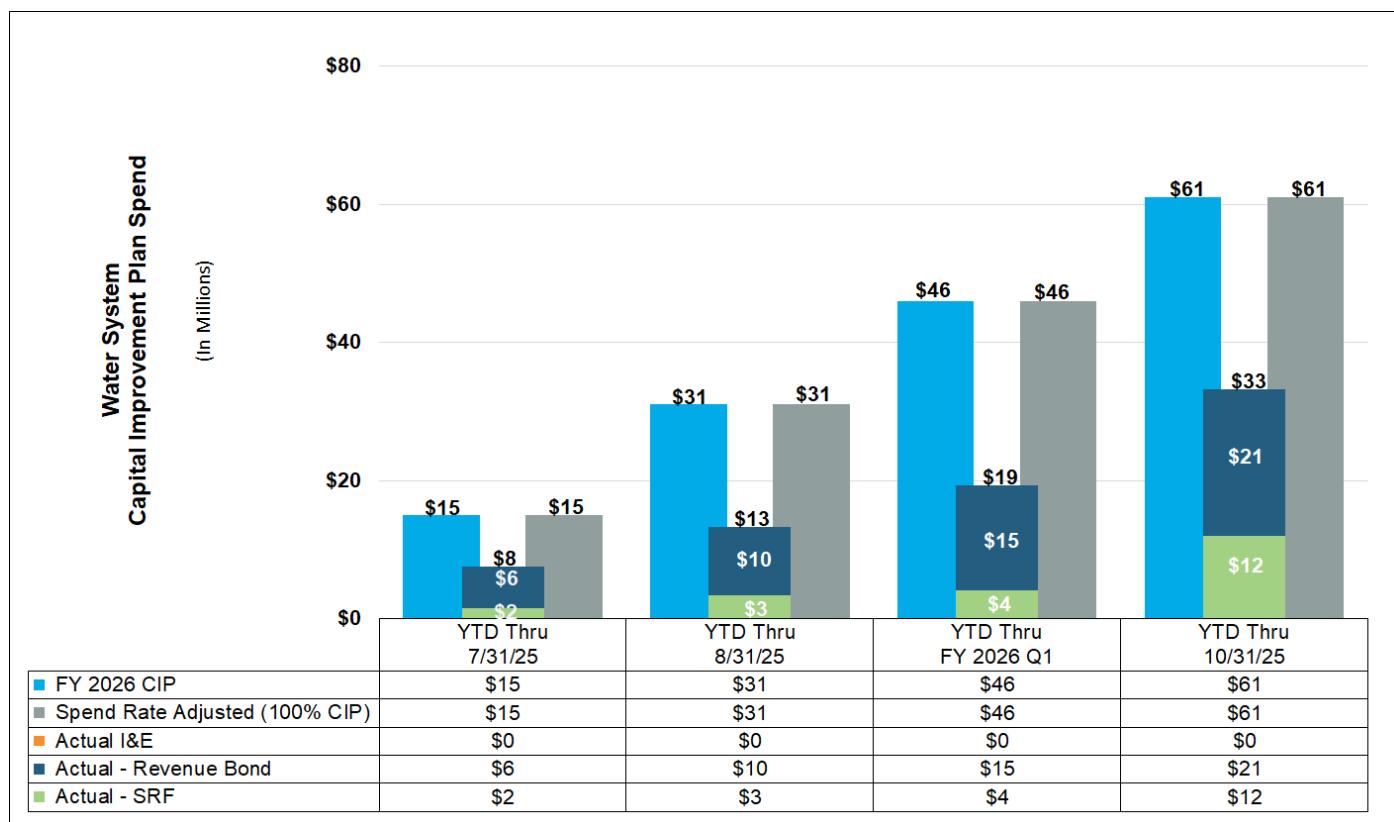
Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date

As of October 2025, the water system incurred \$33 million of construction costs to date. This spend represents 54% of the original, Board-approved CIP, and 54% of the Board-reviewed spend rate adjustment.

Economic factors affecting the CIP spend are considered by the Board quarterly at which time the Board may amend the planned spend rate adjustment.

Several projects were delayed early in the fiscal year which have resulted in actual expenses falling below original budget estimates. It is likely there will be an underspending in FY 2026 that will be shifted into FY 2027.

Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date – Spend Rate Adjusted



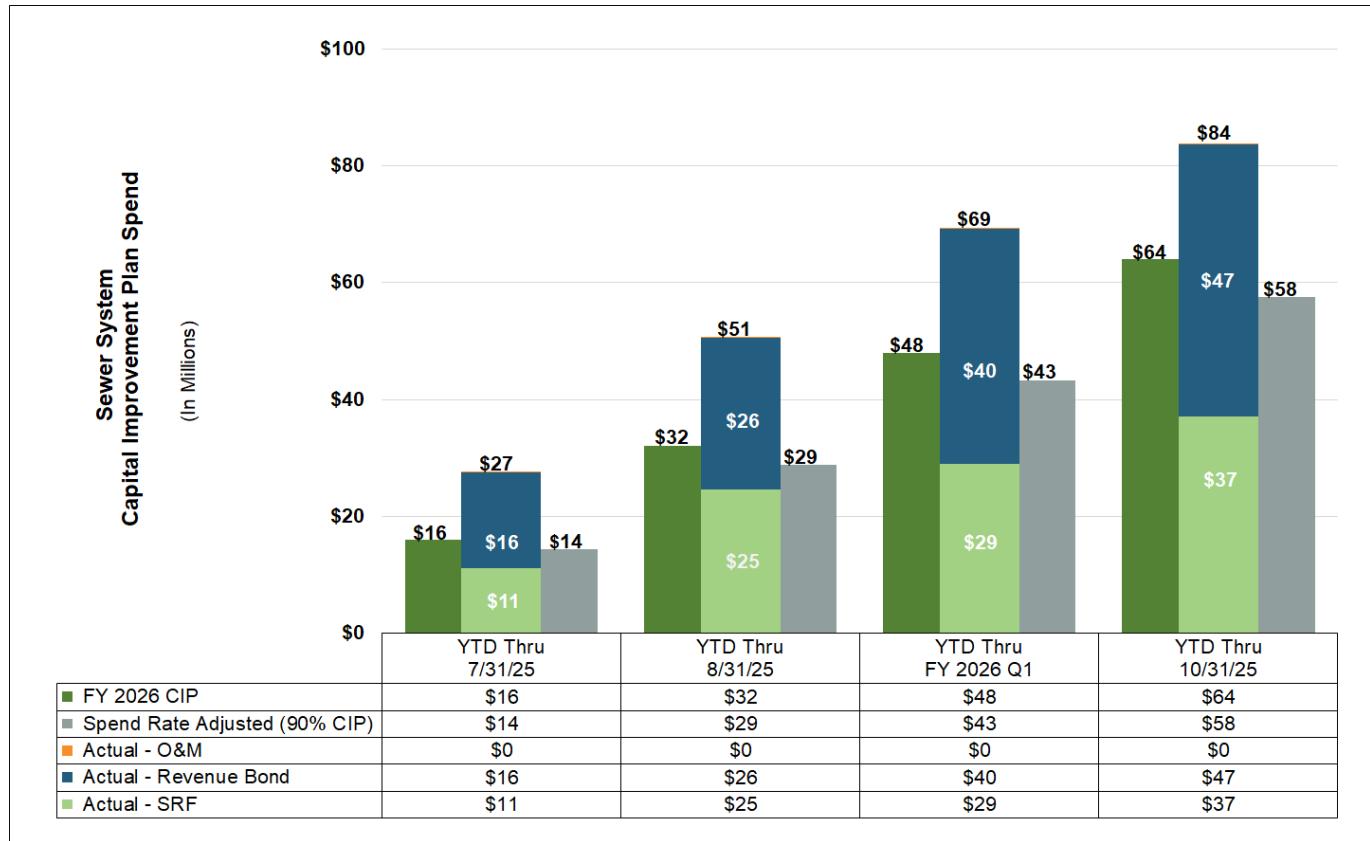
*SRF spend in the chart above reflects total costs associated with active SRF projects and may include some costs not reimbursed through the SRF program.

Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of October 2025, the Sewer system incurred \$84 million of construction costs to date. This spend represents 131% of the original, Board-approved CIP, and 145% of the Board-reviewed spend rate adjustment.

Sewer spending is substantially above plan because a significant increase in SRF funding for FY 2026 has allowed for the acceleration of certain projects originally anticipated later in the CIP and ten-year plan.

Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date – Spend Rate Adjusted



*SRF spend in the chart above reflects total costs associated with active SRF projects and may include some costs not reimbursed through the SRF program.

This report includes the following.

1. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by GLWA
2. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by DWSD

MBO Transfers to Accounts Held by GLWA

GLWA Transfers: The Treasury team completes required MBO transfers on the first business day of each month. These transfers are completed in accordance with the Great Lakes Water Authority (GLWA) and Detroit Water & Sewerage Department (DWSD) budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually.

Monthly transfers for Operations & Maintenance (O&M), Pension, and Water Residential Assistance Program (WRAP) are one-twelfth of the annual, budgeted amount. Budget stabilization should not require additional funding due to new, baseline funding levels established as part of the June 2018 Memorandum of Understanding but is included to reflect historical activity. If there are transfers to the Extraordinary Repair & Replacement (ER&R) fund they would be completed annually based on budget and year-end fund status.

Table 1 – GLWA FY 2026 Water MBO Transfers reflects the required transfers for FY 2026 completed through October 2025. MBO transfers for water totaling \$63.3 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through October 2025. MBO transfers for sewer totaling \$82.4 million have been transferred to GLWA accounts.

Table 3 – GLWA MBO Transfer History reflects historical transfers for FY 2016 through FY 2026 to date.

Table 1 – GLWA FY 2026 Water MBO Transfers

WATER								
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	Budget Stabilization (For Benefit of DWSD)	Extraordinary Replacement (ER&R)	Repair & Replacement (ER&R)	Total Water
FY 2026								
July 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
August 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
September 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
October 2025	\$ 15,204,667	\$ -	\$ 388,267	\$ 242,950	\$ -	\$ -	\$ -	\$ 15,835,884
November 2025								
December 2025								
January 2026								
February 2026								
March 2026								
April 2026								
May 2026								
June 2026								
Total FY 2026	\$ 60,818,668	\$ -	\$ 1,553,068	\$ 971,800	\$ -	\$ -	\$ -	\$ 63,343,536

Table 2 – GLWA FY 2026 Sewer MBO Transfers

SEWER								
	<u>Operations & Maintenance</u>	<u>Pension Sub Account</u>	<u>Pension Obligation</u>	<u>WRAP</u>	Budget Stabilization (For Benefit of DWSD)	Extraordinary Replacement (ER&R)	Repair & Replacement (ER&R)	Total Sewer
FY 2026								
July 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
August 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
September 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
October 2025	\$ 19,674,892	\$ -	\$ 593,350	\$ 338,833	\$ -	\$ -	\$ -	\$ 20,607,075
November 2025								
December 2025								
January 2026								
February 2026								
March 2026								
April 2026								
May 2026								
June 2026								
Total FY 2026	\$ 78,699,568	\$ -	\$ 2,373,400	\$ 1,355,332	\$ -	\$ -	\$ -	\$ 82,428,300

Table 3 – GLWA MBO Transfer History

WATER										
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water			
Total FY 2016	\$ 71,052,000	\$ 6,037,100	\$ 10,297,200	\$ 1,983,300	\$ 2,326,900	\$ 606,000	\$ 92,302,500			
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	-	130,651,200		
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	-	140,465,700		
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	-	140,367,300		
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	-	145,564,691		
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	-	153,195,200		
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-	-	163,054,100		
Total FY 2023	156,747,700	6,048,000	10,695,700	2,611,800	-	2,200,000	-	178,303,200		
Total FY 2024	168,873,100	-	2,568,700	2,710,200	50,000	2,836,000	-	177,038,000		
Total FY 2025	182,227,100	-	2,820,700	2,763,800	(50,000)	2,144,000	-	189,905,600		
<i>Total FY 2026 (year to date)</i>	<i>60,818,668</i>	<i>-</i>	<i>1,553,068</i>	<i>971,800</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>63,343,536</i>		
Life to Date	\$ 1,399,624,680	\$ 48,362,300	\$ 91,711,043	\$ 24,020,104	\$ 2,686,900	\$ 7,786,000	\$ 1,574,191,027			
SEWER										
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer			
Total FY 2016	\$ 100,865,600	\$ 10,838,400	\$ 14,025,800	\$ 2,523,400	\$ 5,591,700	\$ 779,600	\$ 134,624,500			
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-	-	206,032,800		
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-	-	219,351,696		
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-	-	219,461,884		
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-	-	210,324,617		
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-	-	211,571,800		
Total FY 2022	191,908,600	10,824,000	14,687,400	3,868,700	-	-	-	221,288,700		
Total FY 2023	204,122,500	10,824,000	14,687,400	3,673,800	-	-	-	233,307,700		
Total FY 2024	224,873,500	-	3,914,500	3,836,402	150,000	-	-	232,774,402		
Total FY 2025	235,191,600	-	4,701,200	3,903,701	(150,000)	345,000	-	243,991,500		
<i>Total FY 2026 (year to date)</i>	<i>78,699,568</i>	<i>-</i>	<i>2,373,400</i>	<i>1,355,332</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>82,428,300</i>		
Life to Date	\$ 1,957,900,760	\$ 86,620,800	\$ 127,166,509	\$ 34,099,131	\$ 8,246,100	\$ 1,124,600	\$ 2,215,157,899			

MBO Required and Lease Payment Transfers to DWSD

DWSD Transfers: The GLWA Treasury team completes the required MBO transfers on the first business day of each month. These transfers are completed in accordance with the GLWA and DWSD budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually. Transfers are coordinated with other areas of GLWA Financial Services in advance of the first business day of each month. GLWA Treasury sends confirmation of transfers made to DWSD Treasury.

Monthly transfers for O&M and O&M Pension are one-twelfth of the annual, budgeted amount. The annual lease payment, as stated in the Water and Sewer Lease Agreements, is \$22,500,000 for Water and \$27,500,000 for Sewer. The monthly lease transfer is one-twelfth of the amount as stated in the Lease agreements unless otherwise designated by DWSD. Per Section 3.5 of the Lease, the Lease payment may be used for (a) bond principal and interest for Local System Improvements, (b) bond principal and interest for the City's share of common-to-all System Improvements, and (c) Local System improvements.

Table 4 – DWSD FY 2026 Water MBO Transfers reflects the required transfers for FY 2026 completed through October 2025. MBO transfers for Water totaling \$24.1 million have been transferred to accounts held by DWSD.

Table 5 – DWSD FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through September 2025. MBO transfers for Sewer totaling \$29.2 million have been transferred to accounts held by DWSD.

Table 6 – DWSD Water MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2026 to date.

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History reflects historical transfers for FY 2016 through FY 2026 to date.

Table 4 – DWSD FY 2026 Water MBO Transfers

WATER					
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>	
FY 2026					
July 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
August 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
September 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
October 2025	\$ 4,140,333	\$ -	\$ 1,875,000	\$ 6,015,333	
November 2025					
December 2025					
January 2026					
February 2026					
March 2026					
April 2026					
May 2026					
June 2026					
Total FY 2026	\$ 16,561,332	\$ -	\$ 7,500,000	\$ 24,061,332	

Table 5 – DWSD FY 2026 Sewer MBO Transfers

SEWER					
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>	
FY 2026					
July 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
August 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
September 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
October 2025	\$ 5,008,692	\$ -	\$ 2,291,667	\$ 7,300,359	
November 2025					
December 2025					
January 2026					
February 2026					
March 2026					
April 2026					
May 2026					
June 2026					
Total FY 2026	\$ 20,034,768	\$ -	\$ 9,166,668	\$ 29,201,436	

Table 6 – DWSD Water MBO and Lease Payment Transfer History

WATER					
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water	
FY 2016 *					
MBO/Lease Requirement	\$ 26,185,600	\$ 4,262,700	\$ 22,500,000	\$ 52,948,300	
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)	
Total MBO Transfer	26,185,600	4,262,700	20,173,100	50,621,400	
FY 2017					
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	33,596,400	4,262,400	22,500,000	60,358,800	
FY 2018					
MBO/Lease Requirement	35,059,704	4,272,000	22,500,000	61,831,704	
Offset to Debt Service	-	-	(1,875,000)	(1,875,000)	
Total MBO Transfer	35,059,704	4,272,000	20,625,000	59,956,704	
FY 2019					
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300	
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)	
Total MBO Transfer	35,484,300	4,272,000	18,527,800	58,284,100	
FY 2020					
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400	
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)	
Total MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400	
FY 2021					
MBO/Lease Requirement	35,833,900	4,272,000	22,500,000	62,605,900	
Offset to Debt Service	-	-	(8,278,300)	(8,278,300)	
Total MBO Transfer	35,833,900	4,272,000	14,221,700	54,327,600	
FY 2022					
MBO/Lease Requirement	29,989,000	4,272,000	22,500,000	56,761,000	
Offset to Debt Service	-	-	(8,925,400)	(8,925,400)	
Total MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600	
FY 2023					
MBO/Lease Requirement	42,581,600	4,272,000	22,500,000	69,353,600	
Offset to Debt Service	-	-	(2,922,100)	(2,922,100)	
Total MBO Transfer	42,581,600	4,272,000	19,577,900	66,431,500	
FY 2024					
MBO/Lease Requirement	44,776,800	-	22,500,000	67,276,800	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	44,776,800	-	22,500,000	67,276,800	
FY 2025					
MBO/Lease Requirement	46,468,700	-	22,500,000	68,968,700	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	46,468,700	-	22,500,000	68,968,700	
FY 2026(year to date)					
MBO/Lease Requirement	16,561,332	-	7,500,000	24,061,332	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	16,561,332	-	7,500,000	24,061,332	
Life-to-Date					
MBO/Lease Requirement	381,199,736	34,157,100	232,500,000	647,856,836	
Offsets	-	-	(31,847,900)	(31,847,900)	
Total Water	\$ 381,199,736	\$ 34,157,100	\$ 200,652,100	\$ 616,008,936	

* Note: FY 2016 lease transfer amounts shown do not include prepayment on the lease amount for the 6 months period before bifurcation.

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

SEWER					
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer	
FY 2016 *					
MBO/Lease Requirement	\$ 19,774,300	\$ 2,861,800	\$ 27,500,000	\$ 50,136,100	
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)	
Total MBO Transfer	19,774,300	2,861,800	7,508,500	30,144,600	
FY 2017					
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	41,535,600	2,862,000	27,500,000	71,897,600	
FY 2018					
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992	
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)	
Total MBO Transfer	60,517,992	2,856,000	18,333,336	81,707,328	
FY 2019					
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920	
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)	
Total MBO Transfer	56,767,920	2,856,000	23,085,000	82,708,920	
FY 2020					
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500	
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)	
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)	
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800	
FY 2021					
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700	
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)	
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500	
FY 2022					
MBO/Lease Requirement	61,301,000	2,856,000	27,500,000	90,735,453	
Offset to Debt Service	-	-	(5,529,297)	(4,607,750)	
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703	
FY 2023					
MBO/Lease Requirement	51,396,400	2,856,000	27,500,000	81,752,400	
Offset to Debt Service	-	-	(4,388,300)	(4,388,300)	
Total MBO Transfer	51,396,400	2,856,000	23,111,700	77,364,100	
FY 2024					
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	55,705,700	-	27,500,004	83,205,704	
FY 2025					
MBO/Lease Requirement	57,356,900	-	27,500,000	84,856,900	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	57,356,900	-	27,500,000	84,856,900	
FY 2026(year to date)					
MBO/Lease Requirement	20,034,768	-	9,166,668	29,201,436	
Offset to Debt Service	-	-	-	-	
Total MBO Transfer	20,034,768	-	9,166,668	29,201,436	
Life-to-Date					
MBO/Lease Requirement	556,649,780	22,859,800	284,166,672	862,754,705	
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)	
Total Sewer	\$ 549,549,780	\$ 22,859,800	\$ 232,386,011	\$ 804,795,591	

* Note: FY 2016 lease transfer amounts shown do not include prepayment on the lease amount for the 6 months period before bifurcation.

This report includes the following:

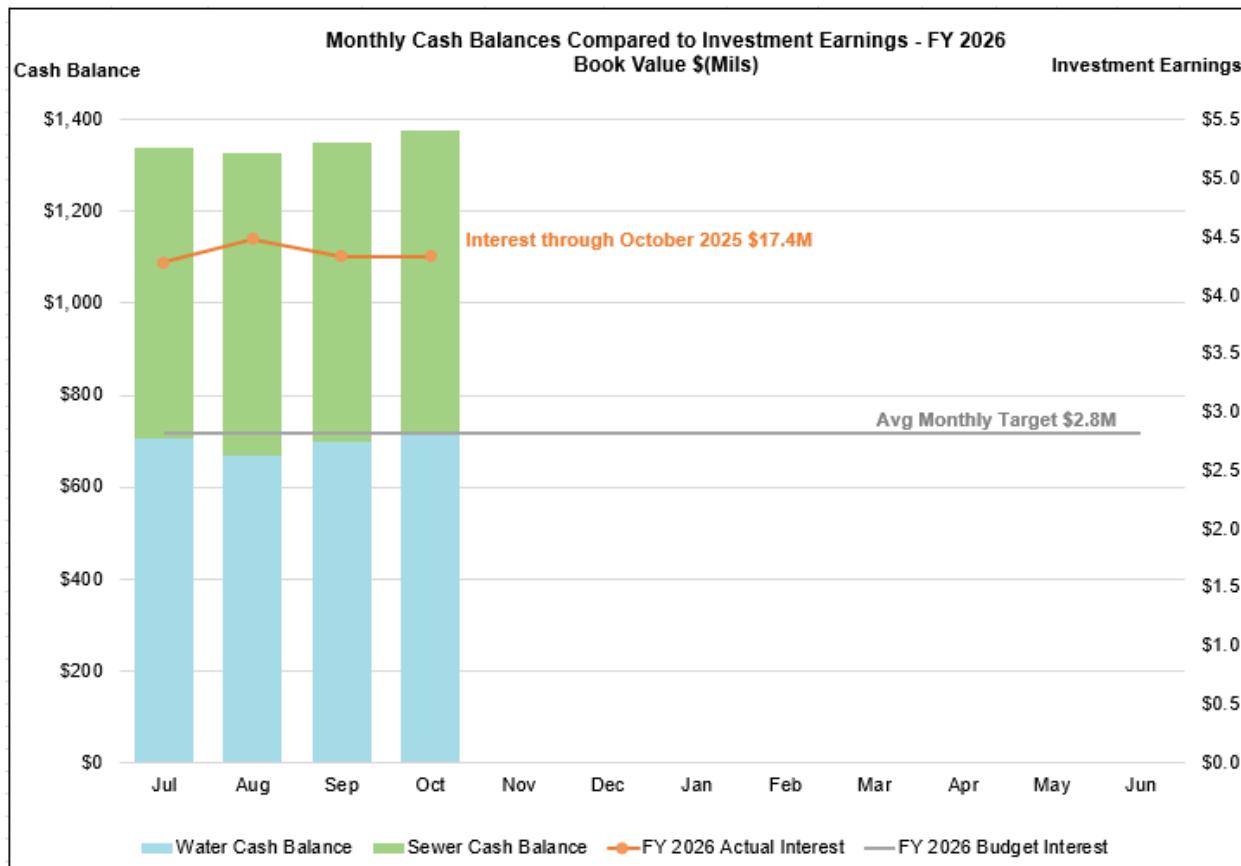
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

Monthly Cash Balances Compared to Investment Income

GLWA's investment holdings comply with the requirements of Public Act 20 of 1948, as amended and the GLWA Investment Policy. The cash balances shown in this report include bank deposits, money market funds, a local government investment pool, U.S. Treasuries, Federal Agencies, and commercial paper.

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. For the month of October 2025, GLWA earned investment income of \$4.3 million and cumulative FY 2026 earnings through October 2025 of \$17.4 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

Chart 1 – Monthly Cash Balances Compared to Investment Income – Through October 2025



All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2025

\$(Mils)	July	August	September	October
Water	707	667	697	719
Sewer	633	659	655	659
Total	1,340	1,326	1,352	1,377
Investment Income	4.3	4.5	4.3	4.3

GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize future investment income while meeting the objectives of safety and liquidity.

Cash Balance Detail

Funds Held By GLWA: GLWA cash balances are held in accounts as defined by the Master Bond Ordinance. The accounts are funded by monthly transfers, as stipulated in the MBO, on the first business day of each month. The “operations and maintenance” (O&M) fund transfer amounts are based upon the annual O&M budget approved by the GLWA Board of Directors for the regional systems and by the Board of Water Commissioners for the Detroit Water & Sewerage Department (DWSD) local system budgets. The water and sewer funds held by GLWA and their purpose, as defined by the MBO, are listed below.

Funds Held Within Trust:

- Receiving – all retail and wholesale revenues collected which are distributed in subsequent month(s)
- Debt Service – funds set aside for debt service and debt reserve requirements
- Pension Obligation – funds set aside to meet GLWA’s annual funding requirements for the legacy General Retirement System Pension Plan
- Water Residential Assistance Program (WRAP) – funds set aside to be used to provide financial assistance to qualified residents throughout the local and regional water system as directed by program guidelines
- Budget Stabilization – funds held by GLWA on behalf of DWSD that can be applied against shortfalls in retail revenues
- Emergency Repair & Replacement (ER&R) – funds set aside to pay the costs for major unanticipated repairs and replacements of the local and regional systems
- Improvement & Extension (I&E) – funds set aside to be used for the improvements, enlargements, and extensions of the regional system

Funds Held Outside Trust:

- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system

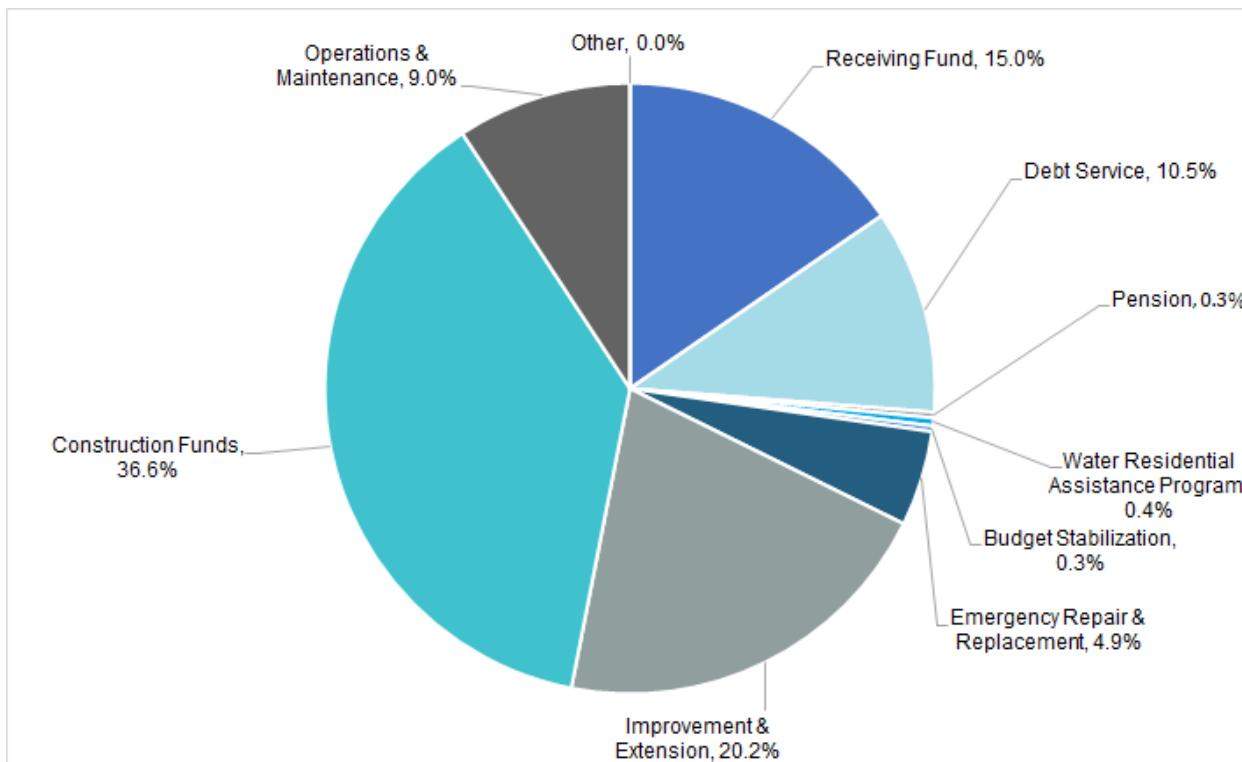
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors and security deposit funds held on behalf of the City of Flint, and capital contribution funds provided by the Evergreen Farmington Sewer District recognized as related project work is completed

A [chart](#) depicting the follow of funds is online at glwater.org as well as the [MBO](#) documents.

Chart 2 – Cash Balances - Water Funds as of October 2025 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of October 2025 is \$719 million. The allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

GLWA completed a bond transaction of \$231.8 million in June 2025 to support water system improvements. Those proceeds, along with I&E and SRF low-interest loans, will fund the capital program going forward.

Chart 2 – Cash Balances - Water Funds as of October 2025

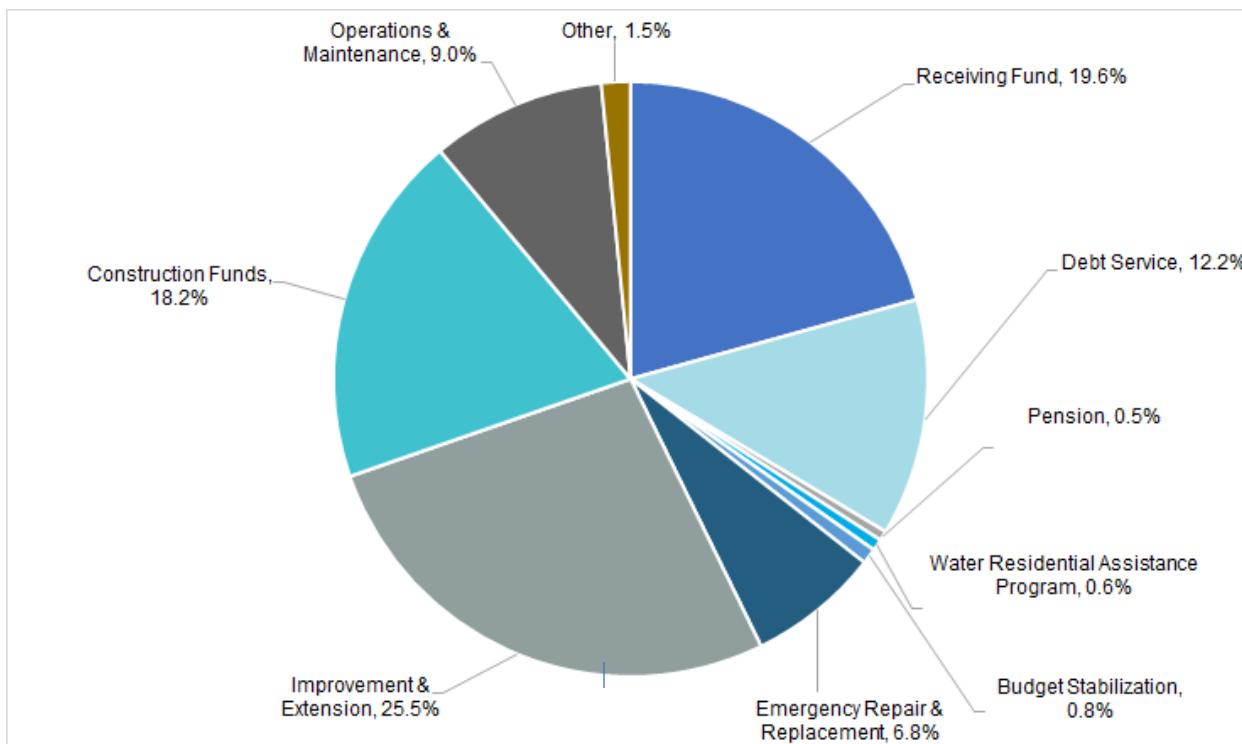


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of October 2025 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of October 2025 is \$659 million. Like the Water Funds, the allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

In conjunction with the Water Fund transaction, GLWA completed a bond transaction of \$51.7 million in June 2025 to support sewage disposal system improvements. Those proceeds, along with I&E and SRF low-interest loans, will fund the capital program going forward.

Chart 3 – Cash Balances - Sewer Funds as of October 2025



Note: Due to rounding totals may not equal 100%.

Retail Revenues, Receivables, and Collections: Pursuant to the terms of the lease agreement between the City of Detroit and the Great Lakes Water Authority (GLWA), the Detroit Water & Sewerage Department (DWSD) serves as GLWA's agent for billing activities for the City of Detroit retail customer class. All water and sewer service collections from DWSD customers are deposited in a trust account and are administered in accordance with the GLWA Master Bond Ordinance.

The Monthly Retail Revenues, Receivables, & Collections Report includes the following.

1. DWSD Retail Water Revenue Billings and Collections
2. DWSD Retail Sewer Revenue Billings and Collections
3. DWSD Retail Water and Sewer System Accounts Receivable Aging Report

Note: Wholesale customer revenues are billed by the Great Lakes Water Authority.

DWSD Retail Water Billings and Collections

Retail Billing Basis: DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

Table 1 - DWSD Retail Billings shows the FY 2026 water usage and billed revenue which are provided by DWSD staff. As of October 31, 2025, the DWSD usage was 99.86% of the budget and billed revenue was 98.48% of budget.

DWSD Retail Water Collections: The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

Table 2 - Retail Water Collections shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

Table 1 – DWSD Retail Water Billing

Retail Water Billing								
Retail Water Customers								
Month (1)	FY 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume Mcf	Revenue \$	Volume Mcf	Revenue (2) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$
1 July	244,000	12,892,300	236,214	12,041,875	(7,786)	(850,425)	226,703	11,590,136
2 August	263,000	13,853,800	272,574	14,148,381	9,574	294,581	240,621	12,171,324
3 September	251,000	13,253,400	237,179	12,513,086	(13,821)	(740,314)	238,868	12,205,143
4 October	216,000	11,549,800	226,626	12,063,899	10,626	514,099	216,527	11,222,004
5 November	212,000	11,324,500					212,832	11,115,046
6 December	203,000	10,882,100					212,252	11,100,382
7 January	198,000	10,646,500					190,716	10,661,000
8 February	212,000	11,339,300					222,769	11,469,800
9 March	207,000	11,091,000					229,724	11,649,351
10 April	208,000	11,145,700					222,774	11,403,695
11 May	198,000	10,642,800					209,658	10,767,180
12 June	216,000	11,518,900					219,077	11,249,137
Total	2,628,000	140,140,100	972,594	50,767,242	(1,406)	(782,058)	2,642,521	136,604,198
Subtotals YTD	974,000	51,549,300	972,594	50,767,242	(1,406)	(782,058)		
<i>Achievement of Budget</i>			99.86%		98.48%			

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) *Retail revenues include miscellaneous revenues and penalties*

Table 2 – DWSD Retail Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
November	8,572,356	10,499,606	(1,927,250)	-18.36%
December	10,277,979	13,663,688	(3,385,709)	-24.78%
January	10,935,031	8,506,008	2,429,023	28.56%
February	9,632,511	8,996,740	635,771	7.07%
March	9,132,694	15,842,538	(6,709,844)	-42.35%
April	11,714,224	13,840,518	(2,126,294)	-15.36%
May	11,107,278	5,960,146	5,147,132	86.36%
June	10,096,555	9,045,195	1,051,360	11.62%
July	16,948,502	12,645,121	4,303,381	34.03%
August	10,140,353	10,203,737	(63,384)	-0.62%
September	11,666,527	10,837,378	829,148	7.65%
October	12,781,574	12,110,080	671,494	5.54%
Rolling, 12-Month Total	133,005,582	132,150,755		
Rolling, 12-Month Average	11,083,799	11,012,563		

DWSD Retail Sewer Billings and Collections

Retail billing basis: DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

Table 3 - DWSD Retail Sewer Billings shows the FY 2026 sewer billed revenue which is provided by DWSD staff. As of October 31, 2025, the DWSD usage was at 96.72% of the budget and billed revenue was at 97.00% of budget.

DWSD Retail Sewer Collections: The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

Table 4 – DWSD Retail Sewer Collections shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

Table 3 - DWSD Retail Sewer Billings

Month (1)	RETAIL SEWER CUSTOMERS							
	FY 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
	Volume Mcf	Revenue \$	Volume (2) Mcf	Revenue (3) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$
July	204,000	30,924,900	192,183	28,662,775	(11,817)	(2,262,125)	173,084	26,350,527
August	198,000	30,551,600	203,783	31,930,819	5,783	1,379,219	195,207	28,301,325
September	213,000	31,445,600	193,046	29,790,797	(19,954)	(1,654,803)	198,474	28,536,169
October	182,000	29,612,100	181,876	28,479,034	(124)	(1,133,066)	181,932	28,141,699
November	180,000	29,458,600					171,499	28,166,266
December	176,000	29,233,100					192,915	28,831,326
January	156,000	28,015,300					140,835	26,273,695
February	181,000	29,507,800					182,920	28,075,547
March	174,000	29,074,500					184,249	28,353,310
April	173,000	29,059,800					176,337	27,741,237
May	172,000	28,967,700					178,327	27,806,874
June	179,500	29,415,100					181,839	28,059,145
Total	2,188,500	355,266,100	770,887	118,863,425	(26,113)	(3,670,775)	2,157,619	334,637,121
Subtotals YTD	797,000	122,534,200	770,887	118,863,425	(26,113)	(3,670,775)		
Achievement of Budget/Goal			96.72%	97.00%				

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Reflects billed volume based on actual usage except for residential customers where the billed volume differs from actual usage due to residential sewer volume caps implemented in FY 2023.

(3) Retail revenues include miscellaneous revenues and penalties

Table 4 – DWSD Retail Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
November	23,609,169	25,951,736	(2,342,568)	-9.03%
December	23,914,649	23,249,973	664,676	2.86%
January	26,416,591	26,248,512	168,079	0.64%
February	24,116,823	24,230,304	(113,481)	-0.47%
March	23,871,283	26,438,687	(2,567,405)	-9.71%
April	25,340,397	23,532,381	1,808,016	7.68%
May	22,575,530	22,487,372	88,158	0.39%
June	23,278,350	20,945,929	2,332,421	11.14%
July	35,487,541	36,297,569	(810,027)	-2.23%
August	27,119,685	22,591,511	4,528,174	20.04%
September	28,474,877	22,367,425	6,107,452	27.31%
October	28,509,554	25,231,098	3,278,456	12.99%
Rolling 12-Month Total	312,714,449	299,572,497		
Rolling, 12-Month Average	26,059,537	24,964,375		

DWSD Retail Water and Sewer Accounts Receivable Aging Report

The DWSD detailed accounts receivable aging are categorized by customer category.

Table 5 is a summary of the monthly sales, total receivables, bad debt allowance and net water and sewer receivables as of October 31, 2025, with comparative totals from June 30, 2025, June 30, 2024, and June 30, 2023. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The table provides a comparison of days in accounts receivable calculated as net receivables divided by daily sales and confirms that over time, days in AR is held in check overall due to a consistent practice of adjusting the allowance for doubtful accounts monthly. To the extent this allowance is adjusted, and bad debt expense is recognized in the DWSD budget, it does not impact GLWA.

Table 6 is a summary of the total, current and non-current Water and Sewer receivables by category as of October 31, 2025, with comparative totals from October 31, 2024. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The Total Balance and Total Bad Debt Allowance as of October 31, 2025, are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary

Summary					
Period Ending	Monthly Sales	Receivables			
		Total	Allowance	Net	Days in AR (1)
June 30, 2023	39,443,000	327,023,000	(272,012,000)	55,011,000	42
June 30, 2024 (3)	39,029,000	324,867,000	(249,922,000)	74,944,000	58
June 30, 2025 (2)(4)	40,227,000	381,752,000	(310,878,000)	70,873,000	53
October 31, 2025	42,169,000	392,590,000	(332,848,000)	59,742,000	43

Totals may be off due to rounding

(1) Days in AR is calculated as net receivables divided by daily sales (monthly sales/30 days).

(2) The annual AR Tax Roll Transfer totaling \$25,890,000 was made in October 2024.

(3) The June 30, 2024 monthly sales amount was updated in April 2025 reporting to include an increase of approximately \$675,000 that was made subsequent to the original reporting.

(4) The June 30, 2025 year-end allowance amount was updated in July 2025 reporting to include an increase of approximately \$153,000 that was made subsequent to the original reporting.

Table 6 – DWSD Retail Accounts Receivable Aging Report – Water & Sewer Combined

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	948.65	13,153,000 5.7%	9,415,000 4.1%	27,918,000 12.0%	181,941,000 78.3%	232,426,000 100.0%
Commercial	1,281.53	6,650,000 18.0%	2,339,000 6.3%	5,777,000 15.6%	22,210,000 60.1%	36,976,000 100.0%
Industrial	2,972.92	3,724,000 20.3%	1,262,000 6.9%	2,807,000 15.3%	10,572,000 57.6%	18,364,000 100.0%
Tax Exempt	470.87	4,299,000 18.4%	1,091,000 4.7%	2,579,000 11.0%	15,431,000 65.9%	23,401,000 100.0%
Government	2,428.91	3,813,000 19.6%	1,389,000 7.1%	2,425,000 12.5%	11,811,000 60.8%	19,439,000 100.0%
Drainage	-	-	-	-	-	-
Subtotal - Active Accounts	978.88	31,639,000 9.6%	15,495,000 4.7%	41,506,000 12.6%	241,965,000 73.2%	330,605,000 100.0%
Inactive Accounts	156.09	83,000 0.1%	153,000 0.2%	1,353,000 2.2%	60,396,000 97.4%	61,985,000 100.0%
Total	534.24	31,722,000	15,648,000	42,859,000	302,362,000	392,590,000
% of Total A/R		8.1%	4.0%	10.9%	77.0%	100.0%
Water Fund	115.76	9,050,000	3,816,000	10,593,000	61,606,000	85,065,000
Sewer Fund	418.48	22,672,000	11,832,000	32,266,000	240,756,000	307,525,000
Total Oct 31, 2025 (a)	534.24	31,722,000	15,648,000	42,859,000	302,362,000	392,590,000
Water Fund- Allowance						(66,898,000)
Sewer Fund- Allowance						(265,950,000)
Total- Bad Debt Allowance						(332,848,000)
Comparative - Oct 2024 (b)	651.21	35,991,000	22,174,000	50,471,000	244,262,000	352,897,000
Difference (a) - (b)		(4,269,000)	(6,526,000)	(7,611,000)	58,100,000	39,693,000

The Monthly Wholesale Billings, Receivables, and Collections Report include the following.

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. Wholesale Water & Sewer Accounts Receivable Aging Summary

Wholesale Water Billings and Collections

Wholesale Water Contracts: The Great Lakes Water Authority (GLWA) provides wholesale water service to 87 member-partners through a variety of service arrangements.

Service Arrangement Type	
Model Contract	85
Emergency	0
Older Contracts	2
Total	<u>87</u>

Note: Services are provided to the Detroit Water & Sewerage Department (DWSD) via a Water and Sewer Services Agreement (WSSA). See the "Retail Revenues, Receivables, and Collections Report" section of this monthly report.

Wholesale Water Billing Basis: Beginning with FY 2016, wholesale water charges were restructured to create a more stable revenue stream by using a historical rolling average to project customer volumes which accounts for 40% of the monthly charges and 60% of the annual customer revenue requirement as a monthly fixed charge.

Table 1 - Wholesale Water Billings shows the FY 2026 water billed usage and revenues. As of October 31, 2025, the billed usage was at 103.05% of the original plan and billed revenue at 101.72% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2026 Budget.

Wholesale Water Collections: The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

Table 2 - Wholesale Water Collections shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. Current year collections are trending above the prior year for the twelve-month period ending October 31, 2025.

Table 1 – FY 2026 Wholesale Water Billings Report

WHOLESALE WATER CHARGES

	FY 2026 Charges (2)		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
Month (1)	Volume	Revenue	Volume	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	1,459,700	35,523,100	1,443,326	35,332,100	(16,374)	(191,000)	1,347,527	32,449,201
August	1,327,600	33,953,000	1,389,530	34,819,742	61,930	866,742	1,297,169	31,979,686
September	1,270,300	33,143,000	1,322,813	33,872,313	52,513	729,313	1,315,030	32,104,405
October	1,040,600	30,218,400	1,098,074	31,097,156	57,474	878,756	1,051,234	28,946,404
November	887,200	28,529,400					872,926	26,975,632
December	962,000	29,287,500					866,671	27,877,869
January	977,400	29,446,100					989,175	28,114,300
February	873,200	28,325,000					888,053	27,055,774
March	946,800	29,098,400					966,088	27,862,863
April	905,200	28,703,100					928,903	27,482,932
May	1,099,400	31,132,100					1,049,087	28,969,431
June	1,393,800	34,734,300					1,325,550	32,157,894
Total	13,143,200	372,093,400	5,253,743	135,121,311	155,543	2,283,811	12,897,411	351,976,391
<i>Subtotals YTD</i>	5,098,200	132,837,500	5,253,743	135,121,311	155,543	2,283,811		

Achievement of Original Plan 103.05% 101.72%

(1) Figures are stated as "Service Months:" that is, July figures represent bills issued in August, etc.

(2) Charges are based on the approved FY 2026 water supply system charge schedule.

(2) Charges are based on the approved 1/1/2020 water supply system charge schedule.
 (3) Water Revenues differ from Table 1A within the budget to actual analysis section because amounts are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract in Table 1A.

Table 2 - Wholesale Water Collections

Water				
Month	Current Year	Prior Year	Variance	Ratio
November	29,728,772	35,490,010	(5,761,238)	-16.23%
December	33,080,276	28,246,829	4,833,447	17.11%
January	28,917,330	24,448,936	4,468,394	18.28%
February	25,874,160	29,100,065	(3,225,905)	-11.09%
March	26,649,141	24,740,554	1,908,587	7.71%
April	25,622,706	26,856,179	(1,233,473)	-4.59%
May	26,976,277	25,838,255	1,138,022	4.40%
June	25,164,355	24,182,036	982,319	4.06%
July	30,792,996	30,278,936	514,060	1.70%
August	23,138,830	25,054,796	(1,915,966)	-7.65%
September	40,509,372	31,569,804	8,939,568	28.32%
October	33,195,865	29,858,946	3,336,919	11.18%
Rolling 12-Month Total	349,650,080	335,665,346		
Rolling, 12-Month Average	29,137,507	27,972,112		

Wholesale Sewer Billings and Collections

Wholesale Sewer Contracts: GLWA provides wholesale sewer service to 18 member-partners via multiple service arrangements.

Service Arrangement Type	
Model Contract	14
Emergency	0
Older Contracts	4
Total	<u>18</u>

Note: Services are provided to the Detroit Water & Sewerage Department via a Water and Sewer Services Agreement (WSSA). See the “Retail Revenues, Receivables, and Collections Report” section of the monthly report.

Wholesale Sewer Billing Basis: Beginning in FY 2015, the “sewer rate simplification” initiative was applied which provides for a stable revenue stream and predictability for our member partners. Wholesale sewer customers are billed a fixed monthly fee based upon the annual revenue requirement.

Table 3 - Wholesale Sewer Billings shows the FY 2026 sewer billed revenue. As of October 31, 2025, the billed revenue reflects 100.00% of the original plan.

Wholesale Sewer Collections: The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA’s Master Bond Ordinance.

Table 4 - Wholesale Sewer Collections shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Current year collections are trending above the twelve-month period ending October 31, 2025.

Table 3 – FY 2026 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES									
Month (1)	FY 2026 Charges		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals		
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue	
Month (1)	Volume (2) Mcf	Revenue \$	Volume (2) Mcf	Revenue \$	Volume (2) Mcf	Revenue \$	Volume Mcf	Revenue \$	
July	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
August	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
September	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
October	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900	
November	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
December	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
January	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
February	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
March	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
April	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
May	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
June	N/A	24,932,600	N/A		N/A		N/A	23,883,900	
Total	299,191,200		99,730,400		-		286,606,800		
Subtotals YTD	99,730,400		99,730,400		-				
<i>Achievement of Original Plan</i>		100.00%							

(1) Figures are stated as "Service Months," that is, July figures represent bills issued in August, etc.

(2) Not tracked as part of the wholesale sewer charges.

Table 4 - Wholesale Sewer Collections

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
November	33,933,304	27,958,885	5,974,419	21.37%
December	23,958,644	21,351,498	2,607,146	12.21%
January	23,850,161	21,117,470	2,732,691	12.94%
February	23,509,614	27,856,400	(4,346,786)	-15.60%
March	24,230,161	23,460,900	769,261	3.28%
April	24,138,802	18,685,600	5,453,202	29.18%
May	23,965,586	28,363,300	(4,397,714)	-15.50%
June	24,053,386	23,300,100	753,286	3.23%
July	19,273,207	18,438,961	834,246	4.52%
August	28,754,028	13,987,797	14,766,231	105.57%
September	28,754,500	25,450,281	3,304,219	12.98%
October	28,120,360	13,037,715	15,082,645	115.68%
Rolling 12-Month Total	306,541,753	263,008,907		
Rolling, 12-Month Average	25,545,146	21,917,409		

Wholesale Water & Sewer Accounts Receivable Aging Summary

GLWA operational invoices reflect 45-day payment terms. This allows Member Partners the ability to collect payment for services rendered under typical 30-day payment terms with an additional 15-day window to make payment to GLWA for wholesale services provided during that service period.

Table 5 - Wholesale Accounts Receivable Aging Summary is a summary of the total, current and non-current receivables by category as of October 31, 2025.

Table 6 - Wholesale Accounts Receivable Aging Summary, Net Dearborn is the same summary *without* the past due balances for Dearborn. Four water accounts comprise the past due balance of \$489,935 reported of which \$67,963 was paid in November and \$421,972 in December.

All sewer accounts are current in October. The IWC past due balance reflects four accounts totaling \$10,730 of which \$6,096 was paid in November and \$267 was paid in December. The Billing Team continues to work with the member partner on the remaining \$4,367 unpaid balance. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

Table 5 - Wholesale Accounts Receivable Aging Summary

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	52,948,455	44,148,809	365,010	185,295	64,167	8,185,175
Sewer	8,107,000	8,107,000	-	-	-	-
IWC	640,115	629,385	4,722	2,303	-	3,705
Pollutant	836,404	775,343	36,332	3,827	1,753	19,149
Total	62,531,975	53,660,537	406,065	191,424	65,920	8,208,029
	100.00%	85.81%	0.65%	0.31%	0.11%	13.13%

Table 6 - Wholesale Accounts Receivable Aging Summary, Net of Dearborn

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	43,319,055	42,829,120	300,844	121,128	-	67,963
Sewer	8,107,000	8,107,000	-	-	-	-
IWC	640,115	629,385	4,722	2,303	-	3,705
Pollutant	836,404	775,343	36,332	3,827	1,753	19,149
Total	52,902,574	52,340,848	341,898	127,258	1,753	90,817
	100.00%	98.94%	0.65%	0.24%	0.00%	0.17%

Note: percentages vary from 100% due to rounding.

The Monthly Trust Receipts & Disbursements Report includes the following.

1. GLWA Trust Receipts & Disbursements – Net Cash Flows and Receipts
2. DWSD Trust Receipts & Disbursements – Net Cash Flows and Receipts
3. Combined System Trust Receipts & Disbursements – Net Cash Flows

GLWA Trust Receipts & Disbursements

Net Cash Flows and Receipts Basis: The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e., Great Lakes Water Authority or GLWA) and local retail (i.e., Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flows of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2026 reflects four months of activity to date.

Water fund receipts exceeded required disbursements by 9% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 13% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2021.

Chart 1 – GLWA 12-Month Net Receipts – Water outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior years. The black line at zero highlights the minimum goal for net receipts.

Chart 2 – GLWA 12-Month Net Receipts – Sewer outlines monthly cash receipt trends across two points of reference for the regional sewer system—current year and prior years. The black line at zero highlights the minimum goal for net receipts.

Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Through October 31
Water					
1 Receipts	338,117,694	363,335,474	374,252,221	379,199,823	140,789,238
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	338,117,694	363,335,474	374,252,221	379,199,823	140,789,238
4 Disbursements	(316,495,360)	(349,186,375)	(353,639,121)	(367,467,244)	(129,579,656)
5 Receipts Net of Required Transfers	21,622,334	14,149,099	20,613,100	11,732,579	11,209,582
6 I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(8,289,600)	(5,000,000)
7 Net Receipts	(5,000,528)	4,250,999	(8,005,400)	3,442,979	6,209,582
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	104%	106%	103%	109%
Sewer					
9 Receipts	471,979,297	498,888,416	506,731,576	508,344,972	185,239,485
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	471,979,297	498,888,416	506,731,576	508,344,972	185,239,485
12 Disbursements	(450,701,751)	(473,516,238)	(477,450,794)	(481,372,746)	(164,251,500)
13 Receipts Net of Required Transfers	21,277,546	25,372,178	29,280,782	26,972,226	20,987,985
14 I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(31,570,300)
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	8,296,578	-	-	-	-
17 Net Receipts	(8,077,664)	(1,394,022)	16,812,782	15,517,226	(10,582,315)
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	105%	105%	106%	106%	113%
Combined					
19 Receipts	810,096,991	862,223,890	880,983,797	887,544,795	326,028,723
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	810,096,991	862,223,890	880,983,797	887,544,795	326,028,723
22 Disbursements	(767,197,111)	(822,702,613)	(831,089,915)	(848,839,991)	(293,831,156)
23 Receipts Net of Required Transfers	42,899,880	39,521,277	49,893,882	38,704,805	32,197,567
24 I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(19,744,600)	(36,570,300)
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	8,296,578	-	-	-	-
27 Net Receipts	(13,078,192)	2,856,977	8,807,382	18,960,205	(4,372,733)
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	106%	105%	106%	105%	111%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2026

Chart 1 – GLWA 12-Month Net Receipts – Water

Chart 2 – GLWA 12-Month Net Receipts – Sewer


DWSD Trust Receipts & Disbursements

Net Cash Flows and Receipts Basis: The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flows of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2026 reflects four months of activity to date.

Water fund receipts exceeded required disbursements by 21% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 9% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 15% through October 31, 2025 compared to the four-year historical average of required receipts exceeding disbursements by 5% since July 1, 2021.

Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 through October 31
Water					
1 Receipts	101,964,963	123,766,624	123,818,287	127,313,152	51,543,457
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	101,964,963	123,766,624	123,818,287	127,313,152	51,543,457
4 Disbursements	(94,495,601)	(117,666,100)	(117,290,591)	(119,923,334)	(42,593,576)
5 Receipts Net of Required Transfers	7,469,362	6,100,524	6,527,696	7,389,818	8,949,881
6 I&E Transfer	-	-	-	(8,000,000)	-
7 Net Receipts	7,469,362	6,100,524	6,527,696	(610,182)	8,949,881
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	108%	105%	106%	106%	121%
Sewer					
9 Receipts	291,280,896	298,897,942	296,088,194	299,683,584	119,624,000
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	291,280,896	298,897,942	296,088,194	299,683,584	119,624,000
12 Disbursements	(285,256,000)	(283,095,100)	(288,119,517)	(299,393,959)	(104,081,810)
13 Receipts Net of Required Transfers	6,024,896	15,802,842	7,968,677	289,624	15,542,190
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	6,024,896	15,802,842	7,968,677	289,624	15,542,190
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	102%	106%	103%	100%	115%
Combined					
18 Receipts	393,245,859	422,664,566	419,906,481	426,996,735	171,167,457
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	393,245,859	422,664,566	419,906,481	426,996,735	171,167,457
21 Disbursements	(379,751,601)	(400,761,200)	(405,410,108)	(419,317,293)	(146,675,386)
22 Receipts Net of Required Transfers	13,494,258	21,903,366	14,496,373	7,679,442	24,492,070
23 I&E Transfer	-	-	-	(8,000,000)	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	13,494,258	21,903,366	14,496,373	(320,558)	24,492,070
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	105%	104%	102%	117%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2026

Chart 3 – DWSD 12-Month Net Receipts – Water outlines monthly activity trends across two points of reference for the local water system—current year and prior year. The black line at zero highlights the breakeven goal for net receipts.

Chart 4 – DWSD 12-Month Net Receipts – Sewer outlines monthly activity trends across two points of reference for the local sewer system—current year and prior year. The black line at zero highlights the breakeven goal for net receipts

Chart 3 – DWSD 12-Month Net Receipts – Water

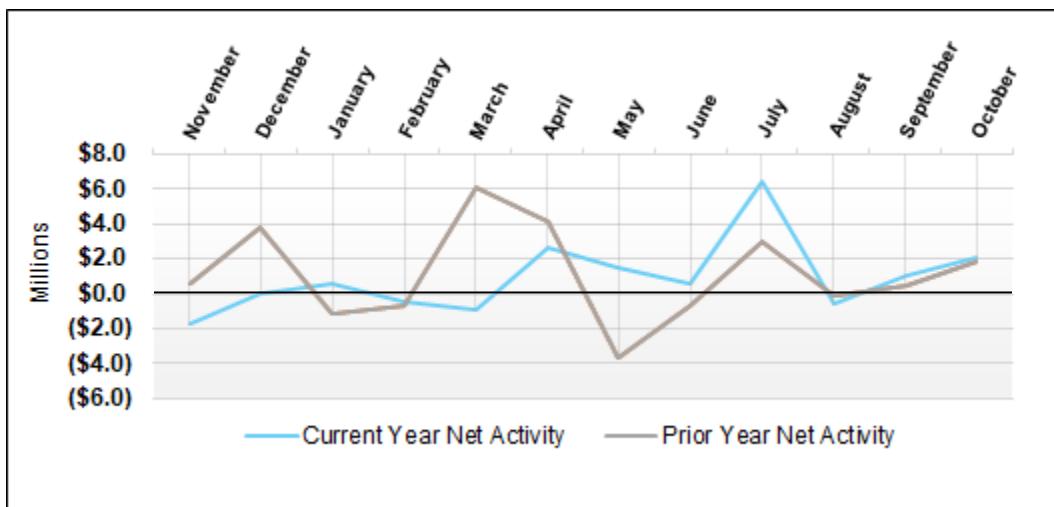


Chart 4 – DWSD 12-Month Net Receipts – Sewer



Combined System Trust Receipts & Disbursements

Net Cash Flows and Receipts Basis: The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e., Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

Table 3 – Combined Net Cash Flows from Trust Receipts & Disbursements provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2026 reflects four months of activity to date.

Water fund net receipts exceeded required disbursements by 12% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 14% through October 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2021.

Table 3 – Combined Net Cash Flows from Trust Receipts & Disbursements

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 through October 31
Water					
1 Receipts	440,082,657	487,102,098	498,070,508	508,868,741	192,332,695
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	440,082,657	487,102,098	498,070,508	508,868,741	192,332,695
4 Disbursements	(410,990,961)	(466,852,475)	(470,929,712)	(487,390,578)	(172,173,232)
Receipts Net of Required					
5 Transfers	29,091,696	20,249,623	27,140,796	21,478,162	20,159,463
6 I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(16,289,600)	(5,000,000)
7 Net Receipts	2,468,834	10,351,523	(1,477,704)	5,188,562	15,159,463
Ratio of Receipts to Required					
8 Disbursements (Line 3/Line 4)	107%	104%	106%	104%	112%
Sewer					
9 Receipts	763,260,193	797,785,358	802,819,770	808,374,074	304,863,486
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	763,260,193	797,785,358	802,819,770	808,374,074	304,863,486
12 Disbursements	(735,957,751)	(756,611,338)	(765,570,311)	(780,766,706)	(268,333,310)
Receipts Net of Required					
13 Transfers	27,302,442	41,174,020	37,249,459	27,607,369	36,530,175
14 I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(31,570,300)
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	8,296,578	-	-	-	-
17 Net Receipts	(2,052,768)	14,407,820	24,781,459	16,152,369	4,959,875
Ratio of Receipts to Required					
18 Disbursements (Line 11/Line 12)	104%	105%	105%	103%	114%
Combined					
19 Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	497,196,180
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	497,196,180
22 Disbursements	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(1,268,157,284)	(440,506,542)
Receipts Net of Required					
23 Transfers	56,394,138	61,423,643	64,390,255	49,085,531	56,689,638
24 I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(27,744,600)	(36,570,300)
25 Shortfall advance	-	-	-	-	-
26 Shortfall Repayment	8,296,578	-	-	-	-
27 Net Receipts	416,066	24,759,343	23,303,755	21,340,931	20,119,338
Ratio of Receipts to Required					
28 Disbursements (Line 21/Line 22)	105%	105%	105%	104%	113%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee January 30, 2026