

Accomplishments and Highlights

- Audit completed on-time despite being the first fiscal year of new ERP (Workday)
- Unqualified (“clean”) audit opinion for FY 2025 Annual Comprehensive Financial Report
- Tenth year audit of no auditor adjustments; audited results align with internal year-end report
- First year of positive net position for Sewage Disposal Fund reflecting commitment to improved financial position; continued positive net position change for the Water Fund
- Demonstrated responsible budget management – modest positive variance overall

Positive Budget Performance within 3.5% of water and 1.2% of sewage disposal budgets.

	Adopted Budget	Amended Budget	Actual	% Adopted Budget	% Amended Budget
Water Operations					
Revenue from charges	\$ 374,852,800	\$ 374,852,800	\$ 370,294,117	98.8%	98.8%
Other revenue	10,274,300	16,218,000	16,960,041	165.1%	104.6%
Total revenues	385,127,100	391,070,800	387,254,158	100.6%	99.0%
Revenue requirements	385,127,100	391,070,800	373,914,875	97.1%	95.6%
Revenue requirement variance	\$ -	\$ -	\$ 13,339,283	3.5%	3.4%
Sewage Disposal Operations					
Revenue from charges	\$507,596,100	\$507,465,300	\$507,048,961	99.9%	99.9%
Other revenue	13,056,000	21,305,000	22,328,555	171.0%	104.8%
Total revenues	520,652,100	528,770,300	529,377,516	101.7%	100.1%
Revenue requirements	520,652,100	528,770,300	523,248,571	100.5%	99.0%
Revenue requirement variance	\$ -	\$ -	\$ 6,128,945	1.2%	1.2%

* Other revenue consists of investment earnings and miscellaneous nonoperating income

Debt Service Coverage is an indication of our ability to meet debt service payments and is an important ratio for our bondholders to demonstrate that GLWA has sufficient resources to pay its debt. GLWA uses two methodologies: the GAAP methodology based on an accrual basis; the rate covenant methodology is based on a cash basis.

Solid Credit Metrics

Debt Service Coverage for the year ended June 30, 2025	Water		Sewer	
	GAAP	Rate Covenant	GAAP	Rate Covenant
Senior Lien Bonds	1.95	1.81	2.18	2.03
Senior and second lien bonds	1.43	1.33	1.61	1.50
All bonds, including SRF junior lien	1.31	1.21	1.33	1.23

Days Cash on Hand demonstrates that sufficient funds are available to maintain and operate the systems. It also reduces GLWA’s reliance on borrowing which becomes a long-term burden on affordability. Days cash on hand is calculated as unrestricted cash and investments divided by one day of operating expense. At the end of fiscal year 2025, the days cash on hand are 642 days for the water system and 559 days for the sewer system. This level is comparable to FY 2024.