Monthly Financial Report Binder

March 2026

Presented to the
Great Lakes Water Authority
Audit Committee on June 26, 2026

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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. Operating and/or budget priorities are re-evaluated where appropriate. This report includes first quarter budget amendments as presented to the GLWA Board of Directors on January 28, 2026 and third quarter amendments approved on April 22, 2026. There were no budget amendments for the second quarter of FY 2026.

Investment earnings currently exceed the FY 2026 amended budget to date. Although interest rates are expected to continue to decline, this decline will not occur consistently throughout the year. In addition, current events may impact projections related to federal fund rate cuts. That driver behind positive news on investment earnings has a negative impact on commodity-based chemicals, supplies and materials. These variances are addressed in fourth quarter budget amendments in May.

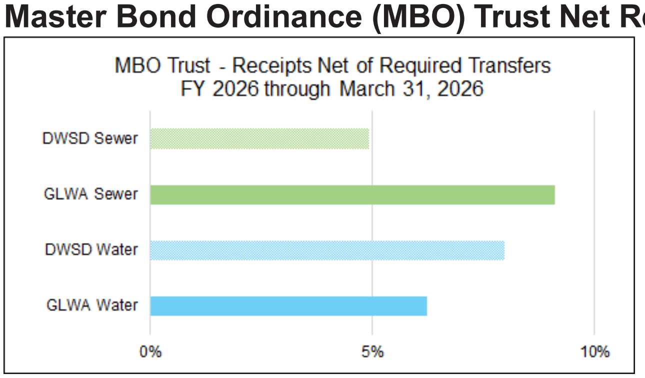
Water system variances for capital relate to delays in four projects as reported in a recent Key Performance Indicator Report (Legistar #2025-413). Sewer system capital spend is substantially above plan because of a recent increase in State Revolving Fund (SRF) loans awarded for projects that were approaching construction phase. In September 2025, GLWA was notified of 5 projects that received a total of $232.7 million in funding which advanced the pace of those projects.

As of March 31, 2026

Metric	FY 2026 Budget	FY 2026 Amended Budget	FY 2026 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Revenue ($M)	$274.2	$274.2	$277.8	1%	5
Wholesale Water Billed Usage (mcf)	8,798,000	9,745,000	9,998,000	3%	52
Wholesale Sewer Revenue ($M)	$225.2	$225.2	$225.0	0%	6
Wholesale Water Investment Earnings ($M)	$9.6	$9.6	$11.6	21%	5
Wholesale Sewer Investment Earnings ($M)	$11.0	$11.0	$14.6	33%	6
Wholesale Water Operations & Maintenance ($M)	$136.8	$139.4	$140.4	1%	5
Wholesale Sewer Operations & Maintenance ($M)	$177.1	$178.9	$178.3	0%	6
Water Prorated Capital Spend w/SRA* ($M)	$137.3	$120.8	$99.0	-18%	32
Sewer Prorated Capital Spend w/SRA* ($M)	$130.4	$130.4	$160.0	23%	33

*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 56)



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 $8.3 million and DWSD sewer reports a surplus of $12.1 million of net receipts over disbursements through March 2026.

Budget to Actual Analysis (page 4)

- The total revenue requirements are on target through March 2026.
- The total overall Operations & Maintenance expenses are 75.1% of budget through March 2026 which is slightly over the pro-rata benchmark of 75.0% but within a reasonable range.

Basic Financial Statements (page 13)

- The basic financial statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income March 2026 is $92.6 million for the Water fund (30.4% of total revenues) and $112.3 million for the Sewage Disposal fund (28.3% of total revenues).
- Water net position increased by $45.1 million, and sewage disposal net position increased by $73.7 million for the year to date through March 2026.

Capital Improvement Plan Financial Summary (page 31)

- Water system costs incurred to date are below the 88% Capital Spend Ratio assumption.
- Sewer system costs incurred to date are above the 90% Capital Spend Ratio assumption.

Master Bond Ordinance Transfers (page 34)

- For March 2026, transfers of $16.0 million and $20.7 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for March 2026, transfers of $6.0 million and $7.3 million were completed for the DWSD Water and Sewer funds, respectively.

Cash Balances & Investment Income (page 41)

- Total cash & investments are $696.0 million for Water and $690.0 million in the Sewer fund.
- Total, combined, cumulative, FY 2026 investment income through March 2026 is $38.0 million.

DWSD Retail Revenues, Receivables & Collections (page 45)

- Water usage through March 31, 2026 is 102.78% and revenues are 101.87% of budget.
- Sewer usage through March 31, 2026 is 98.83% and revenues are 97.74% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase
- of $41.3 million over the prior year.
- Past due balances over 180 days make up 76.7% of the total accounts receivable balance. The current bad debt allowance covers 100.6% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 51)

- GLWA accounts receivable past due balance net of Dearborn is 0.46% of the total accounts receivable balance. This balance will be resolved when the terms of the new water contract are executed and escrowed funds are transferred to GLWA by June 30, 2026.
- Average wholesale water collections of $29.9 million for the period of April 2025 through March 2026 are trending $1.7 million above the prior year.
- Average wholesale sewer collections of $24.6 million for the period of April 2025 through March 2026 are trending $2.0 million above the prior year.

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

Revenue Requirements Budget

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 requirements. 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 many stakeholder groups.

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 March 2026 therefore the pro-rata benchmark is 75% (9 of 12 months of the fiscal year). The budget includes the first quarter and third quarter budget amendments. There was no budget amendment for the second quarter of FY 2026.

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 March 31, 2026, these payments total $4.0 million for FY 2026.

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

Water System	FY 2025 Amended Budget	FY 2025 Activity Thru 3/31/2025	FY 2025 Percent of Amended Budget	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 3/31/2026	FY 2026 Percent of Amended Budget
Revenues							
Wholesale Charges	$ 347,758	$ 258,516	74.3%	$ 365,646	$ 365,646	$ 277,754	76.0%
Charges to Local System	27,095	20,321	75.0%	30,029	30,029	22,522	75.0%
Investment Earnings	15,818	12,087	76.4%	12,784	12,784	11,647	91.1%
Other Revenue	400	382	95.6%	303	303	590	194.8%
Total Revenues	$ 391,071	291,306	74.5%	$ 408,761	408,761	312,513	76.5%
Revenue Requirements							
Operations & Maintenance Expense	$ 182,227	$ 127,809	70.1%	$ 182,456	$ 185,833	$ 140,352	75.5%
Debt Service	161,945	123,573	76.3%	179,082	177,698	132,614	74.6%
General Retirement System Pension	1,653	1,712	103.6%	2,731	2,731	2,048	75.0%
Water Residential Assistance Program Contribution	1,877	1,461	77.8%	1,970	1,970	1,478	75.0%
Extraordinary Repair & Replacement Deposit	2,650	-	0.0%	320	320	-	0.0%
Regional System Lease	22,500	16,875	75.0%	22,500	22,500	16,875	75.0%
Working Capital Requirement	4,956	-	0.0%	600	-	-	0.0%
Improvement & Extension Fund Transfer Pending	13,263	5,453	41.1%	19,102	17,709	13,282	75.0%
Total Revenue Requirements	$ 391,071	276,883	70.8%	$ 408,761	408,761	306,648	75.0%
Net Difference		$ 14,423				$ 5,865	
Recap of Net Difference							
Revenue Variance		$ (1,997)				$ 5,942	
Revenue Requirement Variance		16,420				(77)	
Net Difference		$ 14,423				$ 5,865	

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

Sewer System	FY 2025 Amended Budget	FY 2025 Activity Thru 3/31/2025	FY 2025 Percent of Amended Budget	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 3/31/2026	FY 2026 Percent of Amended Budget
Revenues							
Wholesale Charges	$ 287,387	$ 215,821	75.1%	$ 300,317	$ 300,317	$ 224,984	74.9%
Charges to Local System	205,925	154,444	75.0%	215,324	215,324	161,493	75.0%
Industrial Waste Control Charges	8,719	6,625	76.0%	9,150	9,150	6,973	76.2%
Pollutant Surcharges	5,434	3,124	57.5%	5,113	5,113	3,540	69.2%
Investment Earnings	20,605	16,120	78.2%	14,615	14,615	14,626	100.1%
Other Revenue	700	310	44.2%	443	443	294	66.5%
Total Revenues	$ 528,770	396,443	75.0%	$ 544,962	544,962	411,910	75.6%
Revenue Requirements							
Operations & Maintenance Expense	$ 235,192	$ 168,879	71.8%	$ 236,099	$ 238,562	$ 178,271	74.7%
Debt Service	217,449	163,246	75.1%	220,885	216,274	162,358	75.1%
General Retirement System Pension	3,719	3,635	97.7%	5,633	5,633	4,225	75.0%
Water Residential Assistance Program Contribution	2,542	1,989	78.3%	2,639	2,639	1,979	75.0%
Extraordinary Repair & Replacement Deposit	276	-	0.0%	-	-	-	0.0%
Regional System Lease	27,500	20,625	75.0%	27,500	27,500	20,625	75.0%
Working Capital Requirement	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	42,094	21,106	50.1%	52,208	54,355	40,766	75.0%
Total Revenue Requirements	$ 528,770	379,479	71.8%	$ 544,962	544,962	408,223	74.9%
Net Difference		$ 16,964				$ 3,687	
Recap of Net Difference							
Revenue Variance		$ (135)				$ 3,188	
Revenue Requirement Variance		17,099				499	
Net Difference		$ 16,964				$ 3,687	

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

Revenues

1. ***Total Revenues***: For the *water* system, total revenues for FY 2026 are above the pro-rata benchmark; the *water* system is at 76.5%. For the *sewer* system, total revenues for FY 2026 are above the pro-rata benchmark at 75.6%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.
2. ***Investment Earnings:*** For the *water* system, investment earnings are above the pro-rata benchmark for FY 2026 at 91.1%. The *sewer* system is also above the pro-rata benchmark for FY 2026 at 100.1%. FY 2026 investment earnings are slightly lower than FY 2025 earnings due to the Federal Reserve monetary policy moving 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.
3. ***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 the 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 slightly above the pro-rata benchmark for FY 2026 at 75.5%, and the *sewer* system O&M is below the pro-rata benchmark for FY 2026 at 74.7%.
5. ***Debt Service:*** For FY 2026, the *water* system is below the pro-rate benchmark at 74.6% and *sewer* system is above the pro-rata benchmark at 75.1%. 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 in-line with the pro-rata benchmark at 75.0%. Total revenue requirements for the sewer system are below the pro-rata benchmark at 74.9%.

Operations & Maintenance Budget – Major Budget Categories

The benchmark ratio as of March 31, 2026, is 75% (nine months), with the total O&M budget slightly over the benchmark at 75.1%. 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 for nine 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 February 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 3/31/2025	FY 2025 Percent of Amended Budget	FY 2026 Board Adopted Budget	FY 2026 Amended Budget	FY 2026 Activity Thru 3/31/2026	FY 2026 Percent of Amended Budget
A Water System Operations	$ 94,398	$ 69,363	73.5%	$ 101,501	$ 102,090	$ 77,556	76.0%
B Wastewater System Operations	145,040	108,261	74.6%	156,573	156,573	117,648	75.1%
C Centralized Services	135,244	89,966	66.5%	117,388	121,764	88,725	72.9%
D Administrative & Other Services	42,737	29,060	68.0%	43,094	43,970	34,503	78.5%
Employee Benefits	-	38	100.0%	-	-	190	100.0%
Total O&M Budget	$ 417,419	$ 296,688	71.1%	$ 418,555	$ 424,396	$ 318,623	75.1%

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 an expense 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 Actual Thru 6/30/2025	FY 2025 Activity Thru 3/31/2025	FY 2025 Percent of Amended Budget	FY 2025 Percent of Actual 6/30/2025	FY 2026 Amended Budget	FY 2026 Prorated Amended Budget (9 Months)	FY 2026 Activity Thru 3/31/2026	FY 2026 Percent of Amended Budget	FY 2026 Variance (Over) Under Prorated Amended Budget
	A	B	C	= C / A	= C / B	D	E	F	= F / D	= E - F
Personnel Costs										
Salaries & Wages	$ 85,807	$ 84,979	$ 63,911	74.5%	75.2%	$ 91,087	$ 68,315	$ 70,997	77.9%	$ (2,682)
Workforce Development	2,363	2,811	2,177	92.1%	77.4%	3,777	2,833	1,585	42.0%	1,248
Overtime	9,605	10,125	7,407	77.1%	73.2%	8,911	6,684	7,787	87.4%	(1,104)
Employee Benefits	32,244	30,773	24,080	74.7%	78.3%	36,781	27,585	28,132	76.5%	(547)
Transition Services	8,516	8,195	5,890	69.2%	71.9%	8,491	6,369	6,109	71.9%	260
Employee Benefits Fund	-	-	38	100.0%	100.0%	-	-	190	100.0%	(190)
Total Personnel Costs	*138,535*	*136,883*	*103,502*	74.7%	75.6%	*149,047*	*111,785*	*114,800*	77.0%	*(3,015)*
Utilities										
Electric	48,121	46,578	35,316	73.4%	75.8%	49,515	37,136	33,943	68.6%	3,193
Gas	7,000	7,661	5,523	78.9%	72.1%	8,443	6,332	7,675	90.9%	(1,344)
Sewage Service	2,980	2,400	1,703	57.1%	71.0%	2,455	1,841	1,976	80.5%	(134)
Water Service	11,602	10,420	7,608	65.6%	73.0%	12,561	9,421	9,182	73.1%	239
Total Utilities	*69,703*	*67,059*	*50,150*	71.9%	74.8%	*72,973*	*54,730*	*52,776*	72.3%	*1,954*
Chemicals	38,235	34,385	24,266	63.5%	70.6%	34,520	25,890	23,495	68.1%	2,395
Supplies & Other	45,294	45,727	31,448	69.4%	68.8%	46,410	34,808	35,136	75.7%	(329)
Contractual Services	134,053	128,153	92,658	69.1%	72.3%	126,147	94,610	96,816	76.7%	(2,206)
Capital Program Allocation	(4,582)	(2,901)	(2,111)	46.1%	72.8%	(3,431)	(2,573)	(2,313)	67.4%	(260)
Shared Services	(2,280)	(2,583)	(1,695)	74.3%	65.6%	(2,264)	(1,698)	(2,088)	92.2%	390
Intergovernmental Agreement	(1,540)	(1,565)	(1,531)	99.4%	97.8%	-	-	-	0.0%	-
Unallocated Reserve	-	-	-	0.0%	0.0%	993	744	-	0.0%	744
Total Expenses	$ 417,419	$ 405,160	$ 296,688	71.1%	73.2%	$ 424,396	$ 318,297	$ 318,623	75.1%	$ (326)

Totals may be off due to rounding

Total Expenses: In total, the overall O&M expenses are 75.1%, which is slightly above the pro-rata benchmark of 75%. The Table 3 expense category commentary is provided below.

Personnel Costs: The year-to-date total personnel costs through March 2026 are at 77.0%, which is above the pro-rata benchmark of 75%. 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 quarter budget amendment. The third quarter amendment includes an adjustment for the increase in healthcare claims net of anticipated rebates. Vacant positions are being filled, which is driving the increase in salary and wages. The fourth quarter budget amendment will include an adjustment for salary and wages if needed at that time.

Utilities: The overall category is below the pro-rata benchmark; coming in at 72.3% through March 2026. 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 68.6%. When compared to the prior fiscal year the year-to-date value represents an approximate $1.4 million reduction. This is primarily due to a reduction in the Power Supply Cost Recovery (PSCR) charge through February 28, 2026. Beginning March 1, 2026 the PSCR was increased to the maximum allowed by the Public Service Commission. This change will have a significant impact on electric cost after that date. The first three months of GLWA's fiscal year (July, August, and September) 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** is at 90.9% of the amended budget. GLWA works with the State of Michigan to secure favorable rates of natural gas. A percentage of the annual forecast use is allowed to adjust with the current market. As reported by the U.S. Energy Administration the Henry Hub natural gas spot price 12-month average has increased, on average, 36.7% as of March 2026, over the preceding 12-month period. Variances are primarily related to these fluctuating costs.
- **Sewage service** is higher than the benchmark, coming in at 80.5%. This is largely due to the Southwest water plant which is over budget. Sewer is not based on water usage at this plant. It has a separate sewer meter; therefore costs are based on a measured discharge. During sludge removal the liquid portion is drained back to the sewer system. The budget will be reviewed to determine if the budget will need to be revised in the future for this water plant.
- **Water service** is lower than the benchmark, coming in at 73.1%. The majority of this variance is in wastewater operations, as the water resource recovery facility continues to manage their water use.

Chemicals: This category is lower than the benchmark; coming in at 68.1%. 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 drought in Southeast Michigan resulted in a decrease in chemicals used to handle wet weather events (sodium hypochlorite).

Supplies & Other: This category is slightly above the pro-rata benchmark; coming in at 75.7%. The are many different items in this expense category, some of which, 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: This category is above the pro-rata benchmark; coming in at 76.7%. 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 lower than the benchmark; coming in at 67.4%. 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 92.2%. The shared services reimbursement comprises both labor 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 March 2026 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.

GAAP-Basis Financial Statements

(Unaudited)

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 March 31, 2026
($000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Assets				
Cash - unrestricted (a)	$ 202,856	$ 235,511	$ 438,366	$ 435,531
Cash - restricted (a)	109,278	143,101	252,379	631,066
Investments - unrestricted (a)	142,042	190,775	332,818	219,969
Investments - restricted (a)	233,401	129,007	362,409	259,388
Accounts Receivable	78,359	57,302	135,661	163,009
Due from (to) Other Funds (b)	6,201	(6,201)	-	-
Other Assets (c)	605,678	363,051	968,729	977,212
Capital Assets, net of Depreciation	1,150,140	1,736,123	2,886,263	3,048,416
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	647,304	649,873	1,297,177	1,039,383
Total assets	3,468,883	3,625,358	7,094,241	7,194,414
Deferred Outflows (f)	23,138	45,277	68,415	71,631
Liabilities				
Liabilities - Liabilities-ST	243,384	268,879	512,263	538,933
Other Liabilities (h)	2,504	6,261	8,764	7,500
Cash Held FBO DWSD (d)	36,584	48,787	85,371	57,578
Liabilities - Long-Term (i)	3,161,667	3,171,838	6,333,505	6,546,932
Total liabilities	3,444,139	3,495,764	6,939,903	7,150,943
Deferred Inflows (f)	79,078	89,165	168,243	179,444
Total net position (j)	$ (31,196)	$ 85,707	$ 54,511	$ (64,342)

Totals may be off due to rounding

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 March 31, 2026 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 (for benefit of) 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 87, 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 87, 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 June 30, 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 March 2026 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 Nine Months ended March 31, 2026
($000)

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business Type Activities	Comparative June 30, 2025
Revenue						
Wholesale customer charges	$ 281,762	92.4%	$ 224,984	56.6%	$ 506,746	$ 636,667
Local system charges	22,522	7.4%	161,493	40.6%	184,015	233,020
Industrial waste charges	-	0.0%	6,973	1.8%	6,973	8,849
Pollutant surcharges	-	0.0%	3,540	0.9%	3,540	4,584
Other revenues	575	0.2%	293	0.1%	868	948
Total Revenues	**304,859**	**100.0%**	**397,283**	**100.0%**	**702,142**	**884,068**
Operating expenses						
Operations and Maintenance	139,789	45.9%	177,318	44.6%	317,108	402,118
Depreciation	68,609	22.5%	106,133	26.7%	174,742	242,487
Amortization of intangible assets	3,870	1.3%	1,524	0.4%	5,394	6,774
Total operating expenses	**212,268**	**69.6%**	**284,976**	**71.7%**	**497,244**	**651,379**
Operating Income	92,591	30.4%	112,307	28.3%	204,898	232,689
Total Nonoperating revenue (expense)	(47,463)	-15.6%	(38,581)	-9.7%	(86,045)	(106,607)
Increase/(Decrease) in Net Position	**45,128**	**14.8%**	**73,725**	**18.6%**	**118,853**	**126,082**
Net Position (deficit), beginning of year	(76,324)		11,981		(64,342)	(190,425)
Net position (deficit), end of year	$ (31,196)		$ 85,707		$ 54,511	$ (64,342)

Totals may be off due to rounding

Water Fund

- ✓ The increase in Water Fund Net Position is $45.1 million.
- ✓ Wholesale water customer charges of $281.8 million account for 92.4% of Water System revenues.
- ✓ Operating expenses of $212.3 million represent 69.6% of total operating revenue. Depreciation is the largest operating expense at $68.6 million or 32.3% 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 $92.6 million or 30.4% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of $72.9 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 $73.7 million.
- ✓ Wholesale customer charges of $225.0 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 $161.5 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of $285.0 million represent 71.7% of total operating revenue. Depreciation is the largest operating expense at $106.1 million or 37.2% 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 $112.3 million or 28.3% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of $75.5 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 March 2026 Financial Report Binder. Explanatory notes follow this schedule.

Table 3 – Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined For the Nine Months ended March 31, 2026 ($000)

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business-Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	26,353	18.9%	52,337	29.5%	78,691	24.8%
Overtime	5,206	3.7%	2,581	1.5%	7,787	2.5%
Employee Benefits	20,098	14.4%	8,225	4.6%	28,322	8.9%
Total Personnel	$ 51,657	37.0%	$ 63,144	35.6%	$ 114,800	36.2%
Utilities						
Electric	22,095	15.8%	11,848	6.7%	33,943	10.7%
Gas	1,472	1.1%	6,203	3.5%	7,675	2.4%
Sewage	718	0.5%	1,258	0.7%	1,976	0.6%
Water	2	0.0%	9,179	5.2%	9,182	2.9%
Total Utilities	$ 24,288	17.4%	$ 28,488	16.1%	$ 52,776	16.6%
Chemicals	9,801	7.0%	13,694	7.7%	23,495	7.4%
Supplies and other	11,974	8.6%	22,246	12.5%	34,220	10.8%
Contractual services	44,958	32.2%	51,274	28.9%	96,232	30.3%
Capital Program allocation	(1,537)	-1.1%	(776)	-0.4%	(2,313)	-0.7%
Intergovernmental Agreement	-	0.0%	(15)	0.0%	(15)	0.0%
Shared Services allocation	(1,351)	-1.0%	(736)	-0.4%	(2,088)	-0.7%
Operations and Maintenance Expenses	**$ 139,789**	**100.0%**	**$ 177,318**	**100.0%**	**$ 317,108**	**100.0%**

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (16.6% of total O&M expenses) and chemicals (7.4% of total O&M expenses).
- ✓ Personnel costs (36.2% 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 (30.3%) includes:
  - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately $7.8 million);
  - Sewage Disposal System costs for the operation and maintenace of the biosolids dryer facility (approximately $13.5 million); and
  - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenace, 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 offets 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 Nine Months ended March 31, 2026
($000)

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2025
Nonoperating Revenue/(Expense)				
Interest income contractual obligation	$ 16,693	$ 10,797	$ 27,490	$ 38,291
Investment earnings	17,560	16,642	34,203	47,263
Net (incr) decr in fair value of invstmt	49	87	136	1,532
Other nonoperating revenue	(101)	12,364	12,263	18,212
Interest Expense				
Bonded debt	(89,585)	(86,259)	(175,844)	(230,256)
Lease obligation	(12,051)	(14,729)	(26,780)	(36,218)
Other obligations	(2,115)	(1,140)	(3,255)	(5,033)
	(103,751)	(102,128)	(205,879)	(271,507)
Capital Contribution	298	7,699	7,998	40,693
Amortization, issuance costs, debt	17,586	7,975	25,561	25,936
(Gain) loss on disposal of capital assets	23	13	36	(172)
Water Residential Assistance Program	(1,087)	(1,456)	(2,542)	(3,828)
Legacy pension expense	5,266	9,425	14,691	(3,026)
Total Nonoperating Revenue/(Expense)	**$ (47,463)**	**$ (38,581)**	**$ (86,045)**	**$ (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.

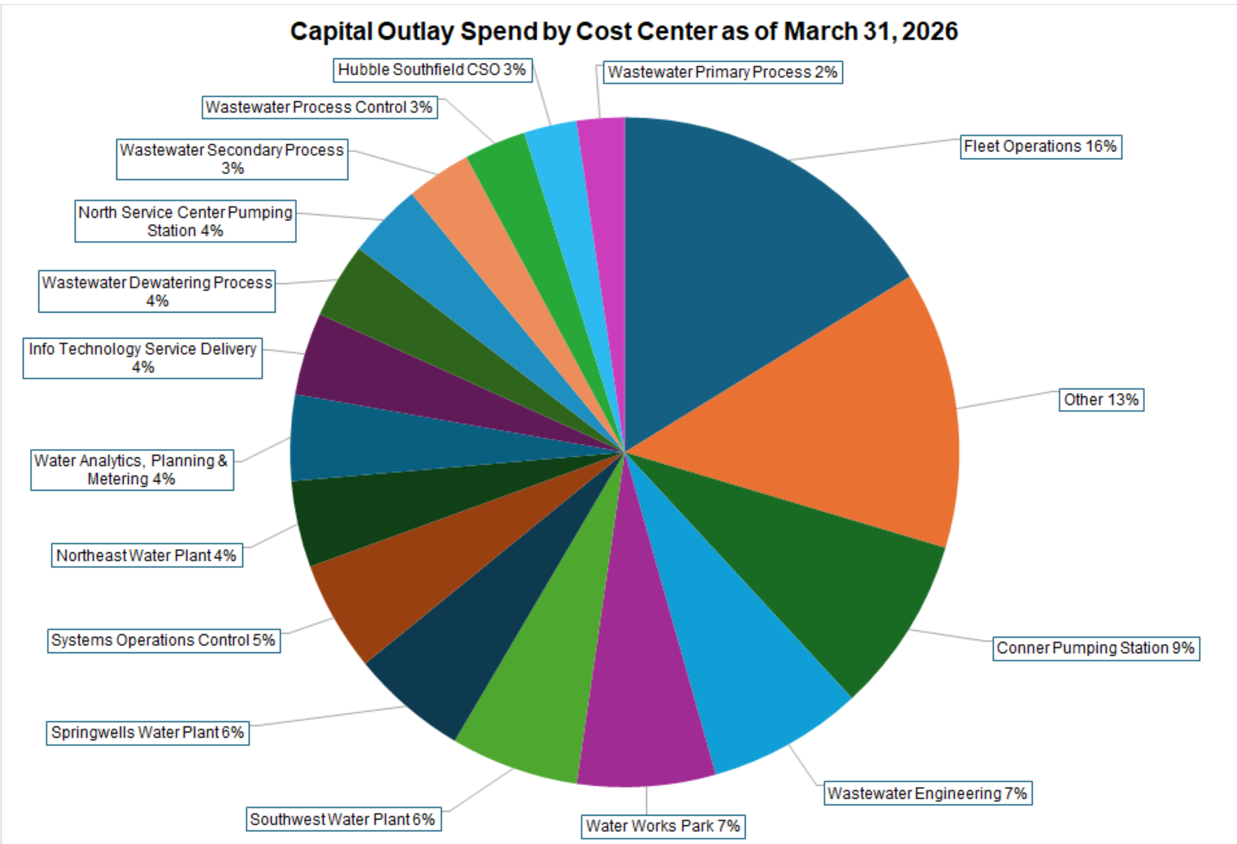
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
  - o Bonded debt;
  - o Lease obligation for the regional assets from the City of Detroit; and
  - o Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2025 other non-operating revenue includes $18.4 million in debt forgiveness on Clean Water State Revolving Fund loans (CWSRF) for the Sewage Disposal system. FY 2026 other non-operating revenue includes $12.6 million of debt forgiveness on CWSRF 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. The FY 2026 capital contribution in Nonoperating (revenue) expense represents ARPA ($298 thousand) grant revenue for the Water system and ($7.7 million) grant revenue for the Sewage Disposal system.
- ✓ Legacy pension expense reflects a credit for FY 2026 due to the recognition of increased investment earnings on the part of GLWA and DWSD within the City of Detroit General Retirement System (GRS) for the period ending June 30, 2025.

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 March 31, 2026, total capital outlay spend is $12.8 million. Following this chart is a sample list of projects and purchases from the total spend of $12.8 million.



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

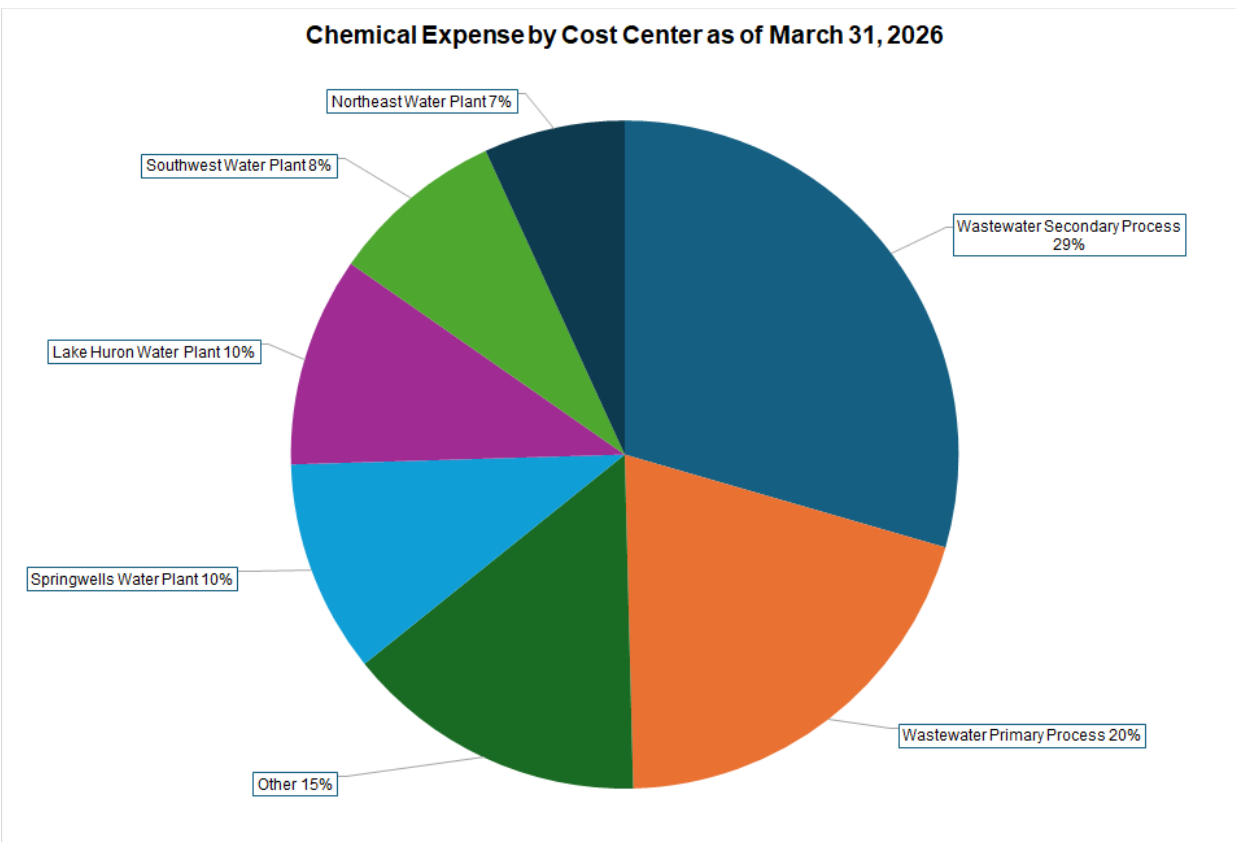
Water Operations: Steam generator replacement ($529k); low lift elevator ($424k); Springwells low lift modernization ($327k); Water Works Park HVAC boiler ($301k); North Service Center variable frequency drive ($270k); North Service Center fire alarm protection ($197k); plasma mass spectrometer ($149k); Ovations power supply upgrade ($149k); Adams Road Pumping Station fire protection system ($79k); Southwest Water Plant kitchen remodel ($76k) and Franklin fire protection ($67k).

Wastewater Operations: Ovation upgrade and cabinet replacement ($1.1m); WRRF incinerator freight elevator ($937k); Conner Creek elevator maintenance ($523k); WRRF fire detection system ($422k); Conner Pumping Station priming level switch addition ($410k); ferric chloride buffering pilot ($331k); Hubble Southfield CSO proximity switches ($269k); sludge feed pump ($231k); D conveyor ($185k); Conner Creek fire alarm system integration ($160k); scum concentrator pump ($150k); Connor Creek rotork gate actuator ($99k); scum hopper pump ($76k); WRRF process camera ($74k) and accusonic flowmeters ($63k).

Centralized & Administrative Facilities: Trucks and vehicles ($1.9m); computer hardware and software ($655k); sewer meter support ($272k); SMAR gauge transmitters ($197k); Polaris UTV ($112k); permanent easement ($98k) and video system equipment ($69k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

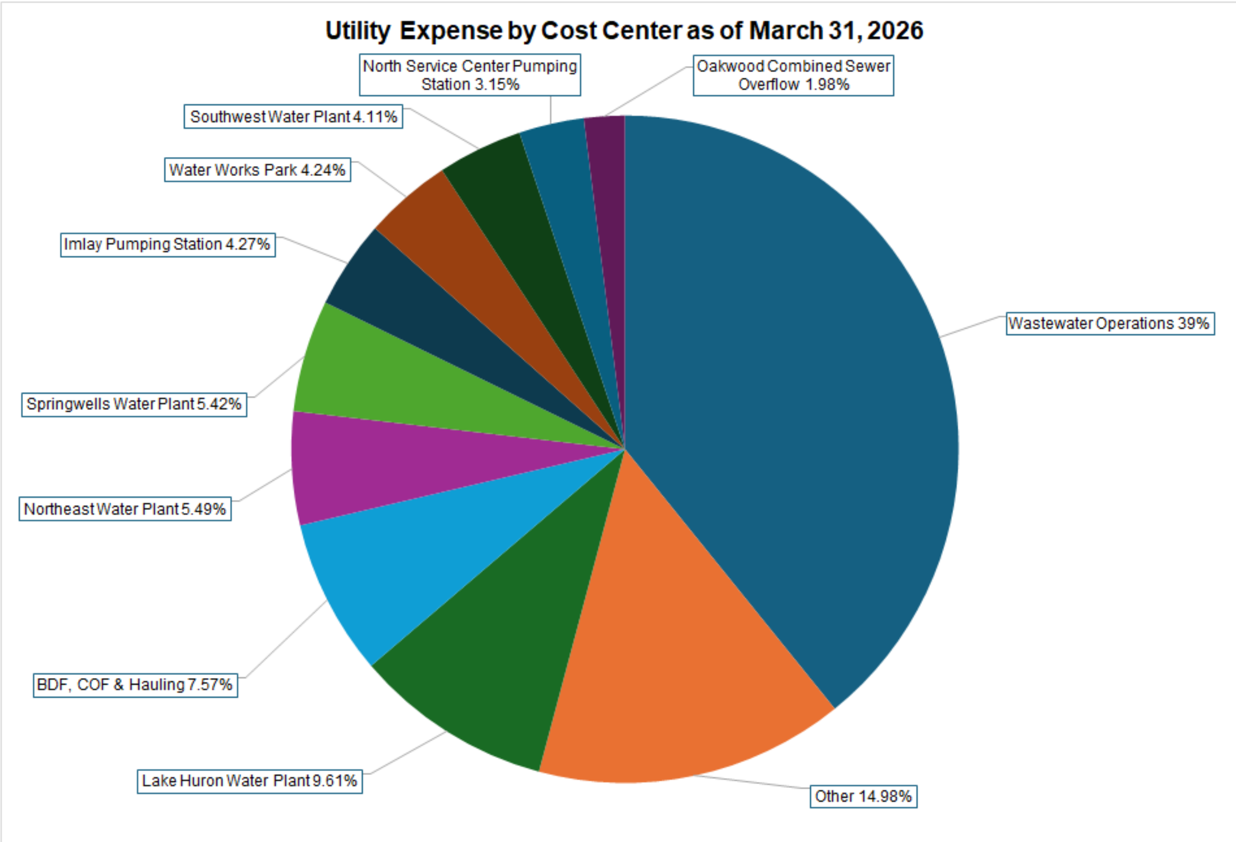
Chemical expenses are $23.5 million through March 31, 2026. The allocation is shown in the chart below and remains consistent with prior periods.



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

Chart 3 – Utility Expenses – Water and Sewer System Combined

Utility expenses are $52.8 million through March 31, 2026. The allocation is shown in the chart below and consistent with prior periods.



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

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 Nine Months Ended March 31, 2026

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	$ 5,865	3,687	$ 9,552
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	831	1,488	2,319
Debt service (f)	59,722	86,896	146,618
Accelerated pension B&C notes obligation portion (g)	762	1,713	2,475
Regional System lease (h)	4,824	5,896	10,720
GASB 87 & GASB 96 adjustments (h)	514	838	1,351
WRAP (i)	391	523	914
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	13,282	40,766	54,048
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(72,479)	(107,657)	(180,136)
Amortization - debt related (k)	17,586	7,975	25,561
Other nonoperating income (k)	(116)	12,362	12,246
Other nonoperating expense (k)	-		-
Gain(loss) on disposal of capital assets (k)	23	13	36
Raw water rights obligation (l)	2,397	-	2,397
Investment earnings for construction fund (m)	5,913	2,014	7,927
Other	-	-	-
Investment earnings unrealized gain/loss (n)	49	87	136
Improvement & extension fund operating expenses (o)	-	-	-
Capital Contribution (p)	298	7,699	7,997
Net Position Increase/(Decrease) per Financial Statements (b)	$ 45,128	$ 73,725	$ 118,852

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. During fiscal year 2025, it was agreed-upon that the remaining prepaid administrative amount be transferred from the general division reserve at the System to the DWSD Division.

(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) 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.

(o) 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.

(p) The FY 2026 capital contribution in Nonoperating (revenue) expense represents ARPA ($0.3 million) grant revenue for the Water system and ($7.7 million) for the Sewage Disposal system. This nonoperating revenue is reported only in the GAAP-basis financial statements.

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 March 31, 2026, all bank accounts are reconciled.

Chart 1 – Bank Reconciliation Completion Status

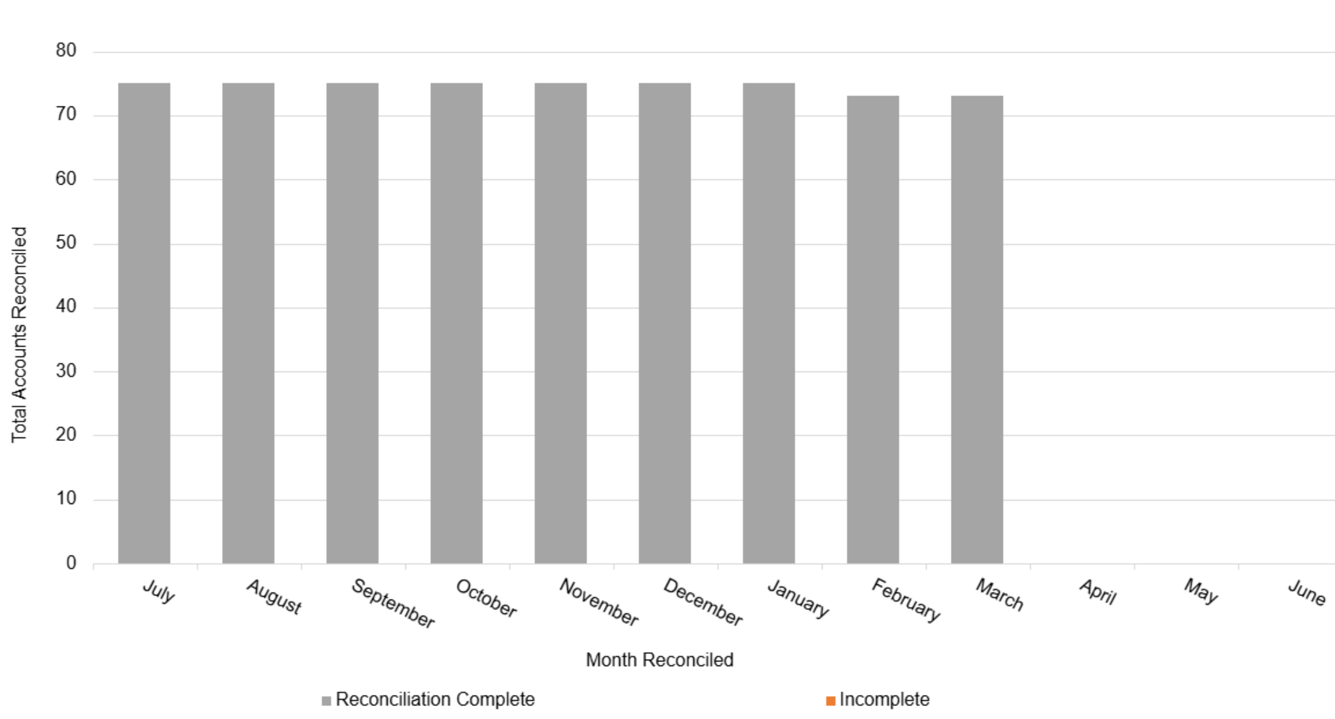


Table 1 – Fiscal Year 2026 GL Cash Account Roll-forward

Total GL Cash accounts as of March 1, 2026	75
New GL Cash accounts since March 1, 2026	0
Inactivated GL Cash accounts since March 1, 2026	(2)
Total GL Cash accounts as of March 31, 2026	73

Supplemental Sections

GLWA
Great Lakes Water Authority

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 Contruent Software 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 88% of the Board approved CIP planned spend for the water fund and 90% of the Board approved CIP planned spend for the sewer fund.

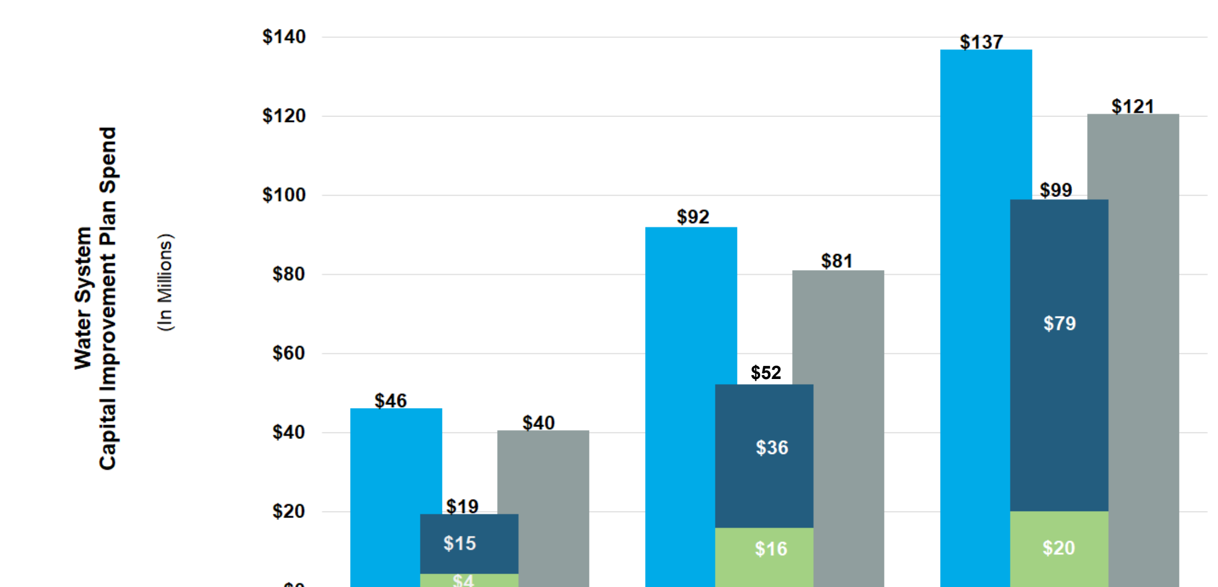
The State Revolving Fund (SRF) activity reported in Charts 1 and 2 is revised as needed to reflect ongoing changes in approved GLWA SRF funding.

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

As of March 2026, the water system incurred $99 million of construction costs to date. This spend represents 72% of the original, Board-approved CIP, and 82% 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.

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



	YTD Thru FY 2026 Q1	YTD Thru FY 2026 Q2	YTD Thru FY 2026 Q3
FY 2026 CIP	$46	$92	$137
Spend Rate Adjusted (88% CIP)	$40	$81	$121
Actual - O&M	$0	$0	$0
Actual - Revenue Bond	$15	$36	$79
Actual - SRF	$4	$16	$20

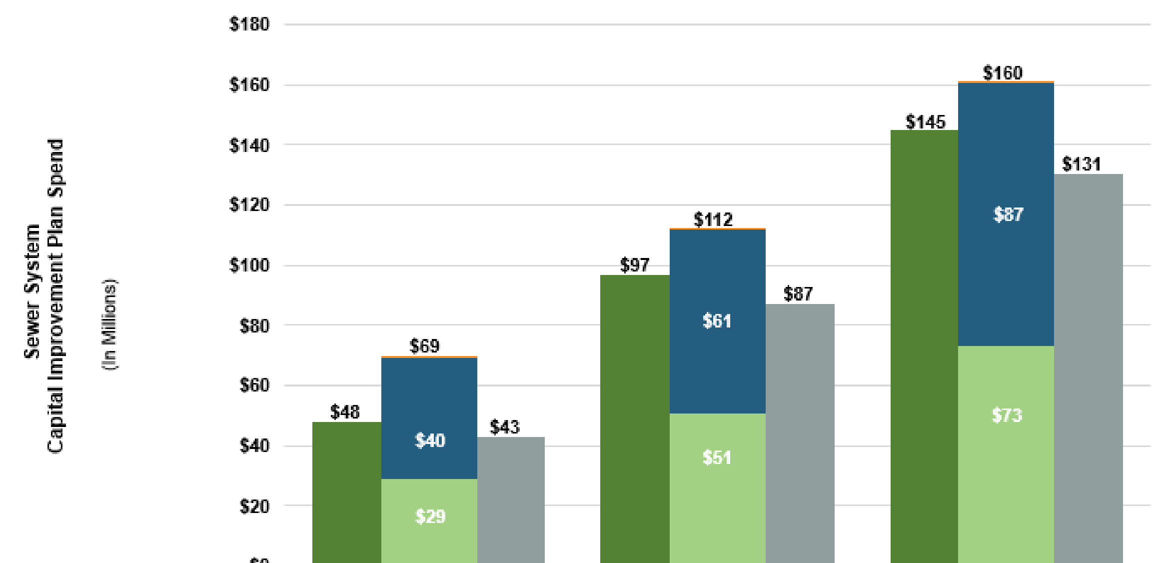
*SRF spend in the chart above reflects total costs associated with active SRF projects and may include some costs not reimbursed through the SRF program.

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

As of March 2026, the Sewer system incurred $160 million of construction costs to date. This spend represents 110% of the original, Board-approved CIP, and 122% of the Board-reviewed spend rate adjustment.

Sewer spending is significantly above plan due to a substantial increase in SRF funding for FY 2026, which has enabled the acceleration of several projects originally scheduled for later years in the CIP and ten-year plan.

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



	YTD Thru FY 2026 Q1	YTD Thru FY 2026 Q2	YTD Thru FY 2026 Q3
FY 2026 CIP	$48	$97	$145
Spend Rate Adjusted (90% CIP)	$43	$87	$131
Actual - O&M	$0	$0	$0
Actual - Revenue Bond	$40	$61	$87
Actual - SRF	$29	$51	$73

*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 are 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 March 2026. MBO transfers for water totaling $143.6 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2026 Sewer MBO Transfers reflects the required transfers for FY 2026 completed through March 2026. MBO transfers for sewer totaling $186.6 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							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary 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	$ 15,204,667	$ -	$ 388,267	$ 242,950	$ -	$ -	$ 15,835,884
December 2025	$ 15,204,667	$ -	$ 388,267	$ 242,950	$ -	$ -	$ 15,835,884
January 2026	$ 16,052,481	$ -	$ 388,267	$ 242,951	$ -	$ -	$ 16,683,699
February 2026	$ 15,325,783	$ -	$ 388,267	$ 242,951	$ -	$ -	$ 15,957,001
March 2026	$ 15,325,783	$ -	$ 388,267	$ 242,951	$ -	$ -	$ 15,957,001
April 2026							
May 2026							
June 2026							
Total FY 2026	$137,932,049	$ -	$ 3,494,403	$2,186,553	$ -	$ -	$ 143,613,005

Table 2 – GLWA FY 2026 Sewer MBO Transfers

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary 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	$ 19,674,892	$ -	$ 593,350	$ 338,833	$ -	$ -	$ 20,607,075
December 2025	$ 19,674,892	$ -	$ 593,350	$ 338,833	$ -	$ -	$ 20,607,075
January 2026	$ 20,522,648	$ -	$ 593,350	$ 338,834	$ -	$ -	$ 21,454,832
February 2026	$ 19,796,000	$ -	$ 593,350	$ 338,834	$ -	$ -	$ 20,728,184
March 2026	$ 19,796,000	$ -	$ 593,350	$ 338,834	$ -	$ -	$ 20,728,184
April 2026							
May 2026							
June 2026							
Total FY 2026	$178,164,000	$ -	$ 5,340,150	$3,049,500	$ -	$ -	$ 186,553,650

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
Total FY 2026 (year to date)	137,932,049	-	3,494,403	2,186,553	-	-	143,613,005
Life to Date	$ 1,476,738,061	$ 48,362,300	$ 93,652,378	$ 25,234,857	$ 2,686,900	$ 7,786,000	$ 1,654,460,496

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
Total FY 2026 (year to date)	178,164,000	-	5,340,150	3,049,500	-	-	186,553,650
Life to Date	$ 2,057,365,192	$ 86,620,800	$ 130,133,259	$ 35,793,299	$ 8,246,100	$ 1,124,600	$ 2,319,283,249

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 <u>Water</u> MBO Transfers reflects the required transfers for FY 2026 completed through March 2026. MBO transfers for Water totaling $54.1 million have been transferred to accounts held by DWSD.

Table 5 – DWSD FY 2026 <u>Sewer</u> MBO Transfers reflects the required transfers for FY 2026 completed through March 2026. MBO transfers for Sewer totaling $65.7 million have been transferred to accounts held by DWSD.

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

Table 7 – DWSD <u>Sewer</u> 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				
	Operations & Maintenance	Pension	Lease Payment (I&E Fund)	Total Water
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	$ 4,140,333	$ -	$ 1,875,000	$ 6,015,333
December 2025	$ 4,140,333	$ -	$ 1,875,000	$ 6,015,333
January 2026	$ 4,140,334	$ -	$ 1,875,000	$ 6,015,334
February 2026	$ 4,140,334	$ -	$ 1,875,000	$ 6,015,334
March 2026	$ 4,140,334	$ -	$ 1,875,000	$ 6,015,334
April 2026				
May 2026				
June 2026				
Total FY 2026	$ 37,263,000	$ -	$ 16,875,000	$ 54,138,000

Table 5 – DWSD FY 2026 Sewer MBO Transfers

SEWER				
	Operations & Maintenance	Pension	Lease Payment (I&E Fund)	Total Sewer
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	$ 5,008,692	$ -	$ 2,291,667	$ 7,300,359
December 2025	$ 5,008,692	$ -	$ 2,291,667	$ 7,300,359
January 2026	$ 5,008,691	$ -	$ 2,291,666	$ 7,300,357
February 2026	$ 5,008,691	$ -	$ 2,291,666	$ 7,300,357
March 2026	$ 5,008,691	$ -	$ 2,291,666	$ 7,300,357
April 2026				
May 2026				
June 2026				
Total FY 2026	$ 45,078,225	$ -	$ 20,625,000	$ 65,703,225

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	37,263,000	-	16,875,000	54,138,000
Offset to Debt Service	-	-	-	-
Total MBO Transfer	37,263,000	-	16,875,000	54,138,000
Life-to-Date				
MBO/Lease Requirement	401,901,404	34,157,100	241,875,000	677,933,504
Offsets	-	-	(31,847,900)	(31,847,900)
Total Water	**$ 401,901,404**	**$ 34,157,100**	**$ 210,027,100**	**$ 646,085,604**

* Note: FY 2016 lease transfer amounts shown do not incude 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	45,078,225	-	20,625,000	65,703,225
Offset to Debt Service	-	-	-	-
Total MBO Transfer	45,078,225	-	20,625,000	65,703,225
Life-to-Date				
MBO/Lease Requirement	581,693,237	22,859,800	295,625,004	899,256,494
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
Total Sewer	**$ 574,593,237**	**$ 22,859,800**	**$ 243,844,343**	**$ 841,297,380**

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

This report includes the following:

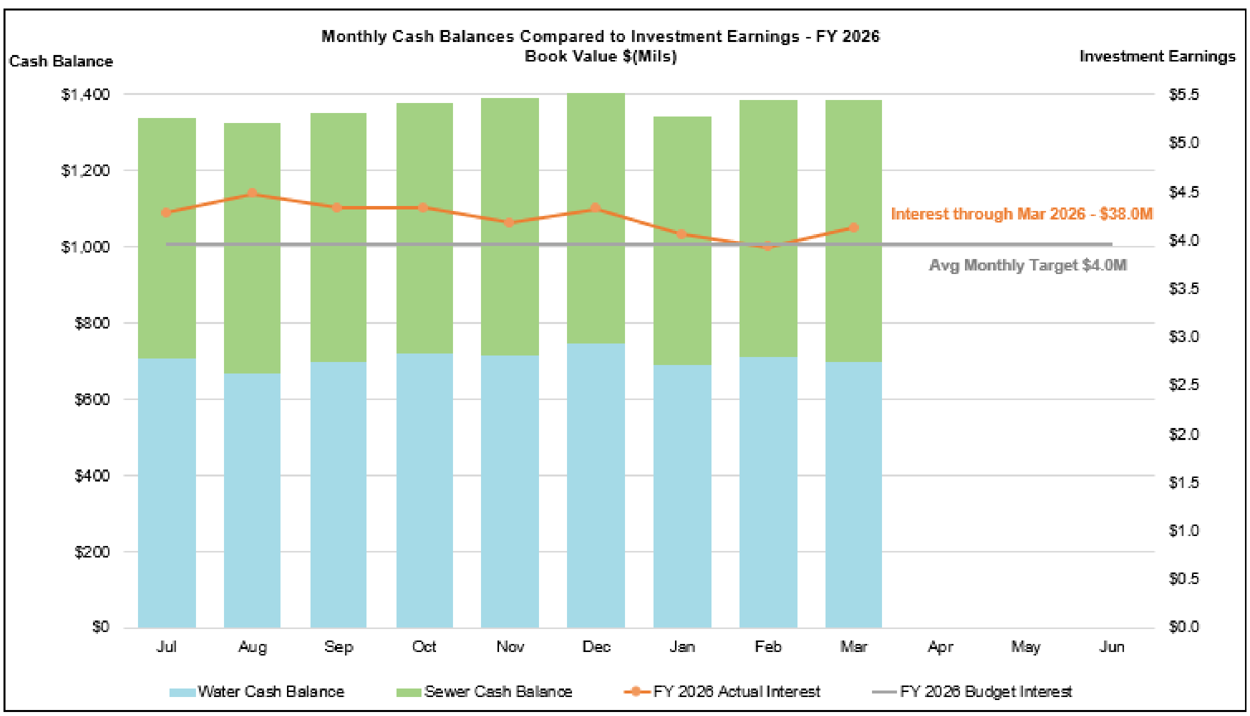
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

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 March 2026, GLWA earned investment income of $4.1 million and cumulative FY 2026 earnings through March 2026 of $38.0 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 March 2026



$(Mils)	July	August	September	October	November	December	January	February	March
Water	707	667	697	719	716	748	690	711	696
Sewer	633	659	655	659	676	681	653	676	690
Total	1,340	1,326	1,352	1,377	1,392	1,428	1,344	1,387	1,386
Investment Income	4.3	4.5	4.3	4.3	4.2	4.3	4.1	3.9	4.1

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:

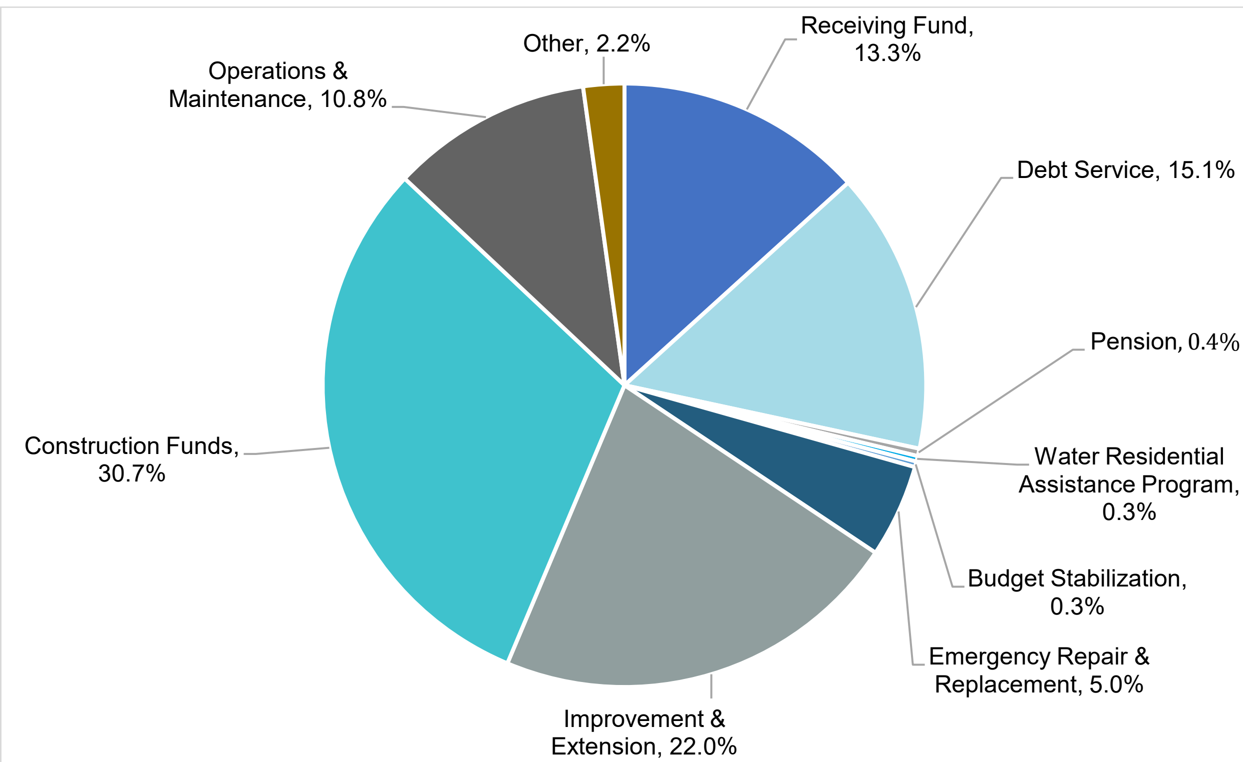
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 March 2026 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of March 2026 is $696 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 March 2026

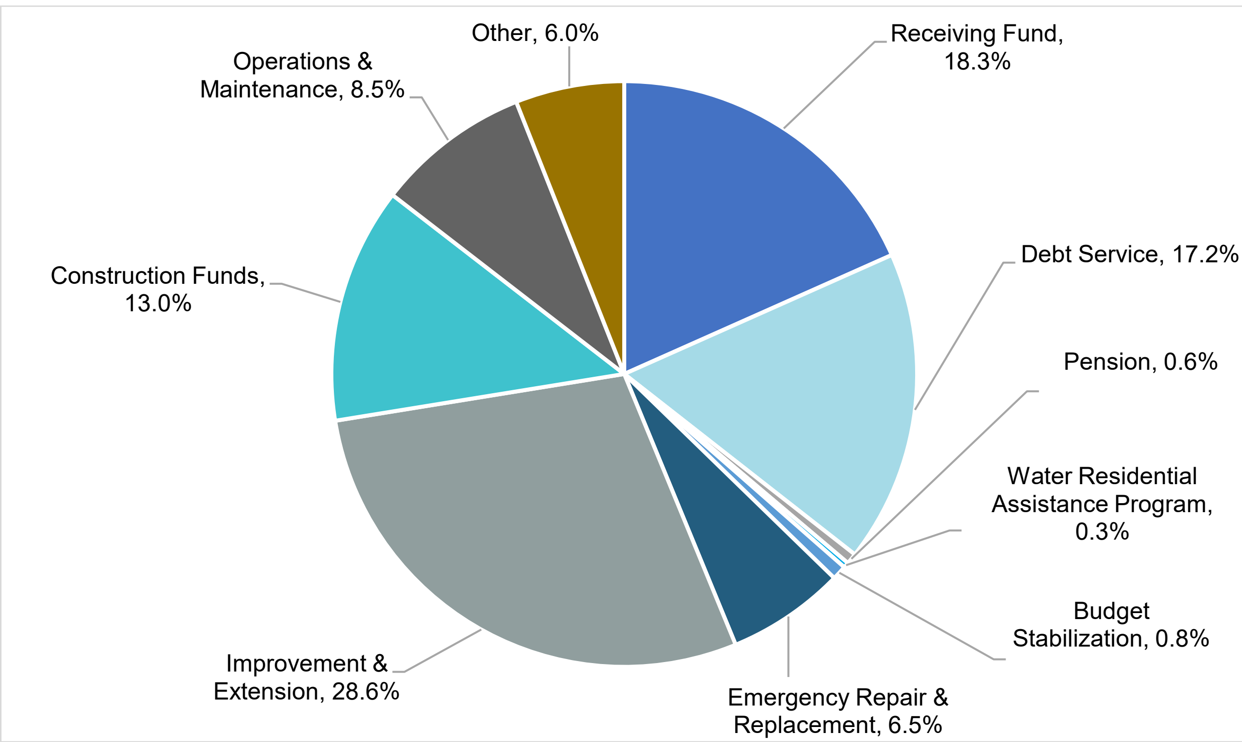


Note: *Due to rounding totals may not equal 100%.*

Chart 3 – Cash Balances - Sewer Funds as of March 2026 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of February 2026 is $690 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 February 2026



***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 March 31, 2026, the DWSD usage was 102.78% of the budget and billed revenue was 101.87% 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 CUSTOMERS

Month (1)	FY 2026 - Original Budget Volume Mcf	FY 2026 - Original Budget Revenue $	FY 2026 - Actual Volume Mcf	FY 2026 - Actual Revenue (2) $	FY 2026 - Variance Volume Mcf	FY 2026 - Variance Revenue $	FY 2025 - Actuals Volume Mcf	FY 2025 - Actuals Revenue $
July	244,000	12,892,300	236,214	12,041,875	(7,786)	(850,425)	226,703	11,590,136
August	263,000	13,853,800	272,574	14,148,381	9,574	294,581	240,621	12,171,324
September	251,000	13,253,400	237,179	12,513,086	(13,821)	(740,314)	238,868	12,205,143
October	216,000	11,549,800	226,626	12,063,899	10,626	514,099	216,527	11,222,004
November	212,000	11,324,500	221,379	11,775,893	9,379	451,393	212,832	11,115,046
December	203,000	10,882,100	203,161	10,958,929	161	76,829	212,252	11,100,382
January	198,000	10,646,500	223,074	11,821,439	25,074	1,174,939	190,716	10,661,000
February	212,000	11,339,300	221,065	11,770,966	9,065	431,666	222,769	11,469,800
March	207,000	11,091,000	220,445	11,735,551	13,445	644,551	229,724	11,649,351
April	208,000	11,145,700					222,774	11,403,695
May	198,000	10,642,800					209,658	10,767,180
June	216,000	11,518,900					219,077	11,249,137
Total	2,628,000	140,140,100	2,061,718	108,830,020	55,718	1,997,320	2,642,521	136,604,198
Subtotals YTD	*2,006,000*	*106,832,700*	*2,061,718*	*108,830,020*	*55,718*	*1,997,320*		
Achievement of Budget			*102.78%*	*101.87%*				

(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
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%
November	9,532,650	8,572,356	960,295	11.20%
December	11,046,334	10,277,979	768,355	7.48%
January	10,418,033	10,935,031	(516,998)	-4.73%
February	11,170,799	9,632,511	1,538,288	15.97%
March	10,393,304	9,132,694	1,260,610	13.80%
Rolling, 12-Month Total	137,016,132	123,192,746		
Rolling, 12-Month Average	11,418,011	10,266,062		

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 March 31, 2026, the DWSD usage was at 98.83% of the budget and billed revenue was at 97.74% 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

RETAIL SEWER CUSTOMERS								
	FY 2026 - Original Budget		FY 2026 - Actual		FY 2026 - Variance		FY 2025 - Actuals	
Month (1)	Volume	Revenue	Volume (2)	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	*$*	*Mcf*	*$*	*Mcf*	*$*	Mcf	*$*
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	177,741	28,733,319	(2,259)	(725,281)	171,499	28,166,266
December	176,000	29,233,100	162,984	27,880,945	(13,016)	(1,352,155)	192,915	28,831,326
January	156,000	28,015,300	176,949	28,716,193	20,949	700,893	140,835	26,273,695
February	181,000	29,507,800	177,466	28,747,508	(3,534)	(760,292)	182,920	28,075,547
March	174,000	29,074,500	178,557	28,815,945	4,557	(258,555)	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	1,644,584	261,757,335	(19,416)	(6,066,165)	2,157,619	334,637,121
Subtotals YTD	*1,664,000*	*267,823,500*	*1,644,584*	*261,757,335*	*(19,416)*	*(6,066,165)*		
Achievement of Budget/Goal			*98.83%*	*97.74%*				

(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**
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%
November	22,598,245	23,609,169	(1,010,924)	-4.28%
December	25,994,879	23,914,649	2,080,230	8.70%
January	24,570,153	26,416,591	(1,846,438)	-6.99%
February	25,891,944	24,116,823	1,775,121	7.36%
March	27,561,130	23,871,284	3,689,846	15.46%
Rolling 12-Month Total	317,402,285	295,381,800		
Rolling, 12-Month Average	26,450,190	24,615,150		

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 March 31, 2026, 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 March 31, 2026, with comparative totals March 31, 2025. 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 March 31, 2026, 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					
		Receivables			
Period Ending	**Monthly Sales**	**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 (2)	39,029,000	324,867,000	(249,922,000)	74,944,000	58
June 30, 2025 (3)	40,227,000	381,752,000	(310,878,000)	70,873,000	53
March 31, 2026 (4)	41,603,000	409,599,000	(360,315,000)	49,284,000	36

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 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.

(3) 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.

(4) The annual AR Tax Roll Transfer totaling $16,150,000 was made in December 2025.

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

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	$ 999.77	$ 15,636,424	$ 8,901,172	$ 26,768,865	$ 193,205,438	$ 244,511,900
		6.4%	*3.6%*	*10.9%*	*79.0%*	*100.0%*
Commercial	1,170.84	7,036,000	2,724,000	7,148,000	16,871,000	33,779,000
		20.8%	*8.1%*	*21.2%*	*49.9%*	*100.0%*
Industrial	2,865.63	5,246,000	1,179,000	3,114,000	8,174,000	17,712,000
		29.6%	*6.7%*	*17.6%*	*46.1%*	*100.0%*
Tax Exempt	481.28	4,180,000	1,017,000	2,882,000	15,761,000	23,839,000
		17.5%	*4.3%*	*12.1%*	*66.1%*	*100.0%*
Government	2,696.50	3,520,000	1,665,000	2,845,000	13,553,000	21,583,000
		16.3%	*7.7%*	*13.2%*	*62.8%*	*100.0%*
Drainage	-	-	-	-	-	-
Subtotal - Active Accounts	**1,012.72**	**35,618,000**	**15,486,000**	**42,758,000**	**247,563,000**	**341,425,000**
		10.4%	*4.5%*	*12.5%*	*72.5%*	*100.0%*
Inactive Accounts	168.49	186,000	178,000	1,200,000	66,611,000	68,174,000
		0.3%	*0.3%*	*1.8%*	*97.7%*	*100.0%*
Total	**552.20**	**35,803,000**	**15,664,000**	**43,957,000**	**314,174,000**	**409,599,000**
% of Total A/R		*8.7%*	*3.8%*	*10.7%*	*76.7%*	*100.0%*
Water Fund	124.12	10,566,000	3,786,000	10,700,000	67,014,000	92,065,000
Sewer Fund	428.08	25,238,000	11,878,000	33,258,000	247,160,000	317,534,000
Total Mar 31, 2026 (a)	**552.20**	**35,803,000**	**15,664,000**	**43,957,000**	**314,174,000**	**409,599,000**
Water Fund- Allowance						(73,411,000)
Sewer Fund- Allowance						(286,904,000)
Total- Bad Debt Allowance						**(360,315,000)**
Comparative - Mar 2025 (b)	**658.50**	**37,152,000**	**17,913,000**	**49,979,000**	**263,286,000**	**368,330,000**
Difference (a) - (b)		**(1,348,000)**	**(2,249,000)**	**(6,022,000)**	**50,888,000**	**41,269,000**

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	87

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 March 31, 2026, the billed usage was at 102.60% of the original plan and billed revenue at 101.30% 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 March 31, 2026.

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 Mcf	Revenue $	Volume Mcf	Revenue (3) $	Volume Mcf	Revenue $	Volume Mcf	Revenue $
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	31,977,986
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	886,345	28,592,350	(855)	62,950	872,926	26,975,632
December	962,000	29,287,500	978,599	29,497,185	16,599	209,685	866,671	27,877,869
January	977,400	29,446,100	981,881	29,568,986	4,481	122,886	989,175	28,114,300
February	873,200	28,325,000	920,661	28,874,247	47,461	549,247	888,053	27,055,774
March	946,800	29,098,400	976,718	29,476,822	29,918	378,422	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	9,997,947	281,130,901	253,147	3,607,001	12,897,411	351,974,691
Subtotals YTD	9,744,800	277,523,900	9,997,947	281,130,901	253,147	3,607,001		
Achievement of Original Plan			102.60%	101.30%				

(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.
(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**
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%
November	34,874,119	29,728,772	5,145,347	17.31%
December	34,704,987	33,080,276	1,624,711	4.91%
January	25,508,162	28,917,330	(3,409,168)	-11.79%
February	28,036,322	25,874,160	2,162,162	8.36%
March	30,058,097	26,649,141	3,408,956	12.79%
Rolling 12-Month Total	358,582,088	337,888,631		
Rolling, 12-Month Average	29,881,841	28,157,386		

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	18

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 March 31, 2026, 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 March 31, 2026.

Table 3 – FY 2026 Wholesale Sewer Billings Report

WHOLESALE SEWER CHARGES								
	FY 2026 Charges		FY 2026 – Actual		FY 2026 - Variance		FY 2025 - Actuals	
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	24,932,600	N/A	-	N/A	23,883,900
December	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
January	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
February	N/A	24,932,600	N/A	24,932,600	N/A	-	N/A	23,883,900
March	N/A	24,932,600	N/A	24,932,600	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		224,393,400		-		286,606,800
Subtotals YTD		224,393,400		224,393,400		-		
Achievement of Original Plan				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**
April	24,138,802	26,856,179	(1,233,473)	-4.59%
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%
November	18,532,800	33,933,304	(15,400,504)	-45.38%
December	24,881,961	23,958,644	923,317	3.85%
January	24,892,429	23,850,161	1,042,268	4.37%
February	31,514,572	23,509,614	8,004,958	34.05%
March	18,243,900	24,230,161	(5,986,261)	-24.71%
Rolling, 12-Month Total	295,125,531	270,745,638		
Rolling, 12-Month Average	24,593,794	22,562,137		

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 March 31, 2026.

Table 6 - Wholesale Accounts Receivable Aging Summary, Net Dearborn is the same summary *without* the past due balances for Dearborn. Three water accounts comprise the total past due balance of $186,770 reported of which $23,557 was paid in April and $18,499 was paid in May. The Billing Team continues to work with member partner on the remaining $144,714 unpaid balance.

All sewer accounts are current in March. The IWC past due balance reflects two accounts totaling $940 of which $673 was paid in April and $267 in May. 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	45,151,400	36,334,083	138,545	114,359	69,421	8,494,991
Sewer	15,036,849	15,036,849	-	-	-	-
IWC	695,450	694,510	673	-	267	-
Pollutant	458,345	408,537	34,993	950	647	13,218
Total	61,342,043	52,473,979	174,211	115,309	70,335	8,508,209
	100.00%	85.54%	0.28%	0.19%	0.11%	13.87%

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

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	35,669,553	35,482,782	74,378	50,192	5,254	56,946
Sewer	15,036,849	15,036,849	-	-	-	-
IWC	695,450	694,510	673	-	267	-
Pollutant	458,345	408,537	34,993	950	647	13,218
Total	51,860,196	51,622,678	110,044	51,142	6,168	70,164
	100.00%	99.54%	0.21%	0.10%	0.01%	0.14%

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 nine months of activity to date.

Water fund receipts exceeded required disbursements by 7% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2021.

Sewer fund receipts exceeded required disbursements by 10% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% 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 March 31
	Water					
1	Receipts	338,117,694	363,335,474	374,252,221	379,199,823	310,282,210
2	MOU Adjustments	-	-	-	-	-
3	Adjusted Receipts	338,117,694	363,335,474	374,252,221	379,199,823	310,282,210
4	Disbursements	(316,495,360)	(349,186,375)	(353,639,121)	(367,467,244)	(290,946,397)
5	Receipts Net of Required Transfers	21,622,334	14,149,099	20,613,100	11,732,579	19,335,813
6	I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(8,289,600)	(14,822,401)
7	Net Receipts	(5,000,528)	4,250,999	(8,005,400)	3,442,979	4,513,412
8	*Ratio of Receipts to Required Disbursements (Line 3/Line 4)*	*107%*	*104%*	*106%*	*103%*	*107%*
	Sewer					
9	Receipts	471,979,297	498,888,416	506,731,576	508,344,972	404,182,489
10	MOU Adjustments	-	-	-	-	-
11	Adjusted Receipts	471,979,297	498,888,416	506,731,576	508,344,972	404,182,489
12	Disbursements	(450,701,751)	(473,516,238)	(477,450,794)	(481,372,746)	(367,350,482)
13	Receipts Net of Required Transfers	21,277,546	25,372,178	29,280,782	26,972,226	36,832,007
14	I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(59,252,750)
15	DWSD Shortfall Advance	-	-	-	-	-
16	Shortfall Repayment	8,296,578	-	-	-	-
17	Net Receipts	(8,077,664)	(1,394,022)	16,812,782	15,517,226	(22,420,743)
18	*Ratio of Receipts to Required Disbursements (Line 11/Line*	*105%*	*105%*	*106%*	*106%*	*110%*
	Combined					
19	Receipts	810,096,991	862,223,890	880,983,797	887,544,795	714,464,699
20	MOU Adjustments	-	-	-	-	-
21	Adjusted Receipts	810,096,991	862,223,890	880,983,797	887,544,795	714,464,699
22	Disbursements	(767,197,111)	(822,702,613)	(831,089,915)	(848,839,991)	(658,296,879)
23	Receipts Net of Required Transfers	42,899,880	39,521,277	49,893,882	38,704,805	56,167,820
24	I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(19,744,600)	(74,075,151)
25	Shortfall Advance	-	-	-	-	-
26	Shortfall Repayment	8,296,578	-	-	-	-
27	Net Receipts	(13,078,192)	2,856,977	8,807,382	18,960,205	(17,907,331)
28	*Ratio of Receipts to Required Disbursements (Line 21/Line 22)*	*106%*	*105%*	*106%*	*105%*	*109%*

Chart 1 – GLWA 12-Month Net Receipts – Water

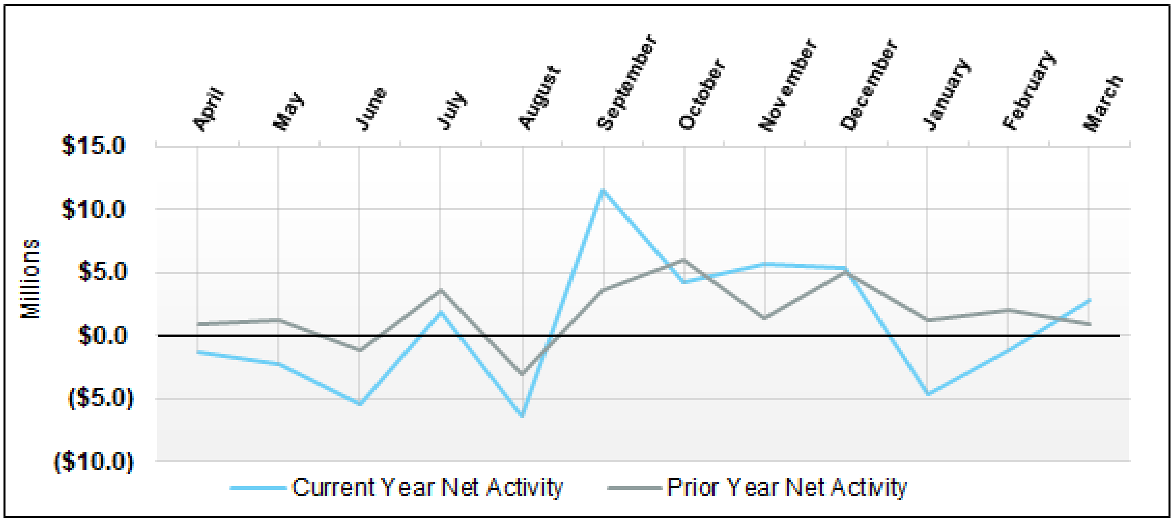
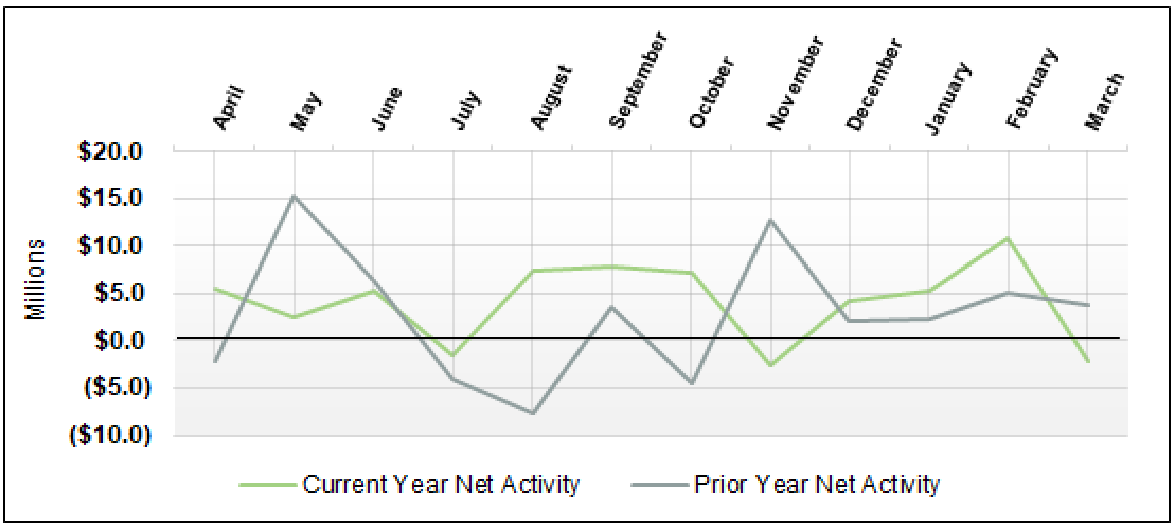


Chart 2 – GLWA 12-Month Net Receipts – Sewer



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 nine months of activity to date.

Water fund receipts exceeded required disbursements by 9% through March 31, 2026 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 5% through March 31, 2026 compared to the four-year historical average of required receipts exceeding disbursements by 3% 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 March 31
	Water					
1	Receipts	101,964,963	123,766,624	123,818,287	127,313,152	104,116,685
2	MOU Adjustments	-	-	-	-	-
3	Adjusted Receipts	101,964,963	123,766,624	123,818,287	127,313,152	104,116,685
4	Disbursements	(94,495,601)	(117,666,100)	(117,290,591)	(119,923,334)	(95,815,068)
5	Receipts Net of Required Transfers	7,469,362	6,100,524	6,527,696	7,389,818	8,301,617
6	I&E Transfer	-	-	-	(8,000,000)	
7	Net Receipts	7,469,362	6,100,524	6,527,696	(610,182)	8,301,617
8	*Ratio of Receipts to Required Disbursements (Line 3/Line 4)*	*108%*	*105%*	*106%*	*106%*	*109%*
	Sewer					
9	Receipts	291,280,896	298,897,942	296,088,194	299,683,584	246,273,908
10	MOU Adjustments	-	-	-	-	-
11	Adjusted Receipts	291,280,896	298,897,942	296,088,194	299,683,584	246,273,908
12	Disbursements	(285,256,000)	(283,095,100)	(288,119,517)	(299,393,959)	(234,141,622)
13	Receipts Net of Required Transfers	6,024,896	15,802,842	7,968,677	289,624	12,132,286
14	I&E Transfer	-	-	-	-	-
15	Shortfall Advance from GLWA	-	-	-	-	-
16	Net Receipts	6,024,896	15,802,842	7,968,677	289,624	12,132,286
17	*Ratio of Receipts to Required Disbursements (Line 11/Line 12)*	*102%*	*106%*	*103%*	*100%*	*105%*
	Combined					
18	Receipts	393,245,859	422,664,566	419,906,481	426,996,735	350,390,593
19	MOU Adjustments	-	-	-	-	-
20	Adjusted Receipts	393,245,859	422,664,566	419,906,481	426,996,735	350,390,593
21	Disbursements	(379,751,601)	(400,761,200)	(405,410,108)	(419,317,293)	(329,956,690)
22	Receipts Net of Required Transfers	13,494,258	21,903,366	14,496,373	7,679,442	20,433,903
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)	20,433,903
26	*Ratio of Receipts to Required Disbursements (Line 20/Line 21)*	*104%*	*105%*	*104%*	*102%*	*106%*

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

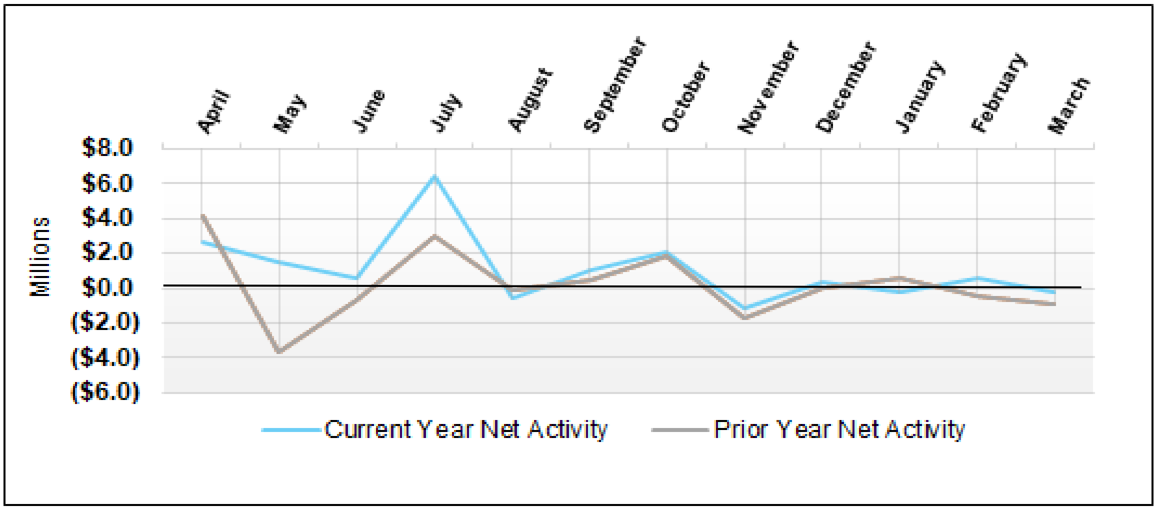
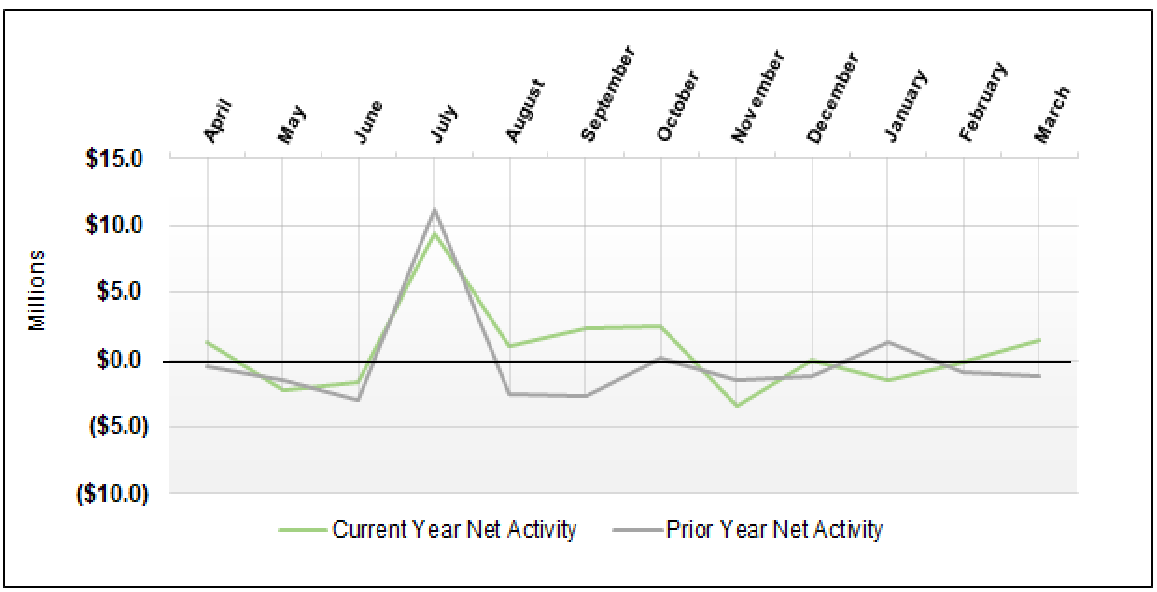


Chart 4 – DWSD 12-Month Net Receipts – Sewer



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 nine months of activity to date.

> Water fund net receipts exceeded required disbursements by 7% through March 31, 2026 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 8% through March 31, 2026 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2021.

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

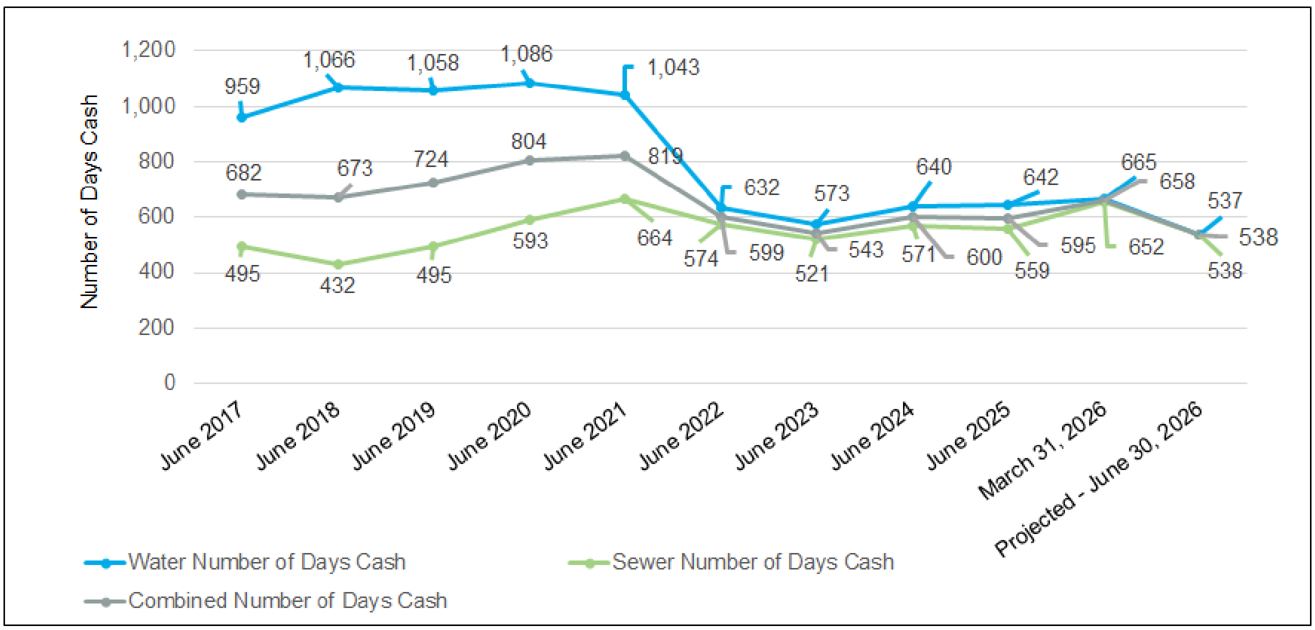
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Through March 31
	Water					
1	Receipts	440,082,657	487,102,098	498,070,508	508,868,741	414,398,895
2	MOU Adjustments	-	-	-	-	-
3	Adjusted Receipts	440,082,657	487,102,098	498,070,508	508,868,741	414,398,895
4	Disbursements	(410,990,961)	(466,852,475)	(470,929,712)	(487,390,578)	(386,761,465)
5	Receipts Net of Required Transfers	29,091,696	20,249,623	27,140,796	21,478,162	27,637,430
6	I&E Transfer	(26,622,862)	(9,898,100)	(28,618,500)	(16,289,600)	(14,822,401)
7	Net Receipts	2,468,834	10,351,523	(1,477,704)	5,188,562	12,815,029
8	Ratio of Receipts to Required Disbursements (Line 3/Line 4)	107%	104%	106%	104%	107%
	Sewer					
9	Receipts	763,260,193	797,785,358	802,819,770	808,374,074	650,456,397
10	MOU Adjustments	-	-	-	-	-
11	Adjusted Receipts	763,260,193	797,785,358	802,819,770	808,374,074	650,456,397
12	Disbursements	(735,957,751)	(756,611,338)	(765,570,311)	(780,766,706)	(601,492,104)
13	Receipts Net of Required Transfers	27,302,442	41,174,020	37,249,459	27,607,369	48,964,293
14	I&E Transfer	(37,651,788)	(26,766,200)	(12,468,000)	(11,455,000)	(59,252,750)
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	(10,288,457)
18	Ratio of Receipts to Required Disbursements (Line 11/Line 12)	104%	105%	105%	103%	108%
	Combined					
19	Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	1,064,855,292
20	MOU Adjustments	-	-	-	-	-
21	Adjusted Receipts	1,203,342,850	1,284,887,456	1,300,890,278	1,317,242,815	1,064,855,292
22	Disbursements	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(1,268,157,284)	(988,253,569)
23	Receipts Net of Required Transfers	56,394,138	61,423,643	64,390,255	49,085,531	76,601,723
24	I&E Transfer	(64,274,650)	(36,664,300)	(41,086,500)	(27,744,600)	(74,075,151)
25	Shortfall advance	-	-	-	-	-
26	Shortfall Repayment	8,296,578	-	-	-	-
27	Net Receipts	416,066	24,759,343	23,303,755	21,340,931	2,526,572
28	Ratio of Receipts to Required Disbursements (Line 21/Line 22)	105%	105%	105%	104%	108%

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 665 and Sewer at 652 days cash on hand as of March 31, 2026. 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. 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	March 31, 2026	Projected June 30, 2026
Water Fund			
Cash and Investments - Unrestricted	306,425,000	344,898,000	278,800,000
Operating Expense			
Operating Expense (a)	274,020,000	221,400,000	295,200,000
Less: Depreciation (a)	(94,928,000)	(76,675,000)	(102,233,000)
Less: Amortization of Intangible Asset (a)	(4,951,000)	(2,675,000)	(3,567,000)
Net Operating Expense	174,142,000	142,050,000	189,400,000
Operating Expense per Day	477,000	519,000	519,000
Days Cash			
Number of Days Cash	642	665	537
Sewage Disposal Fund			
Cash and Investments - Unrestricted	349,076,000	426,286,000	351,600,000
Operating Expense			
Operating Expense (a)	377,359,000	292,922,000	390,562,000
Less: Depreciation (a)	(147,559,000)	(114,000,000)	(152,000,000)
Less: Amortization of Intangible Asset (a)	(1,824,000)	-	-
Net Operating Expense	227,976,000	178,922,000	238,562,000
Operating Expense per Day	625,000	654,000	654,000
Days Cash			
Number of Days Cash	559	652	538
Combined			
Cash and Investments - Unrestricted	655,501,000	771,184,000	630,400,000
Operating Expense			
Operating Expense (a)	651,379,000	514,322,000	685,762,000
Less: Depreciation (a)	(242,487,000)	(190,675,000)	(254,233,000)
Less: Amortization of Intangible Asset (a)	(6,774,000)	(2,675,000)	(3,567,000)
Net Operating Expense	402,118,000	320,972,000	427,962,000
Operating Expense per Day	1,102,000	1,172,000	1,172,000
Days Cash			
Number of Days Cash	595	658	538

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.