



# **Financial Review**

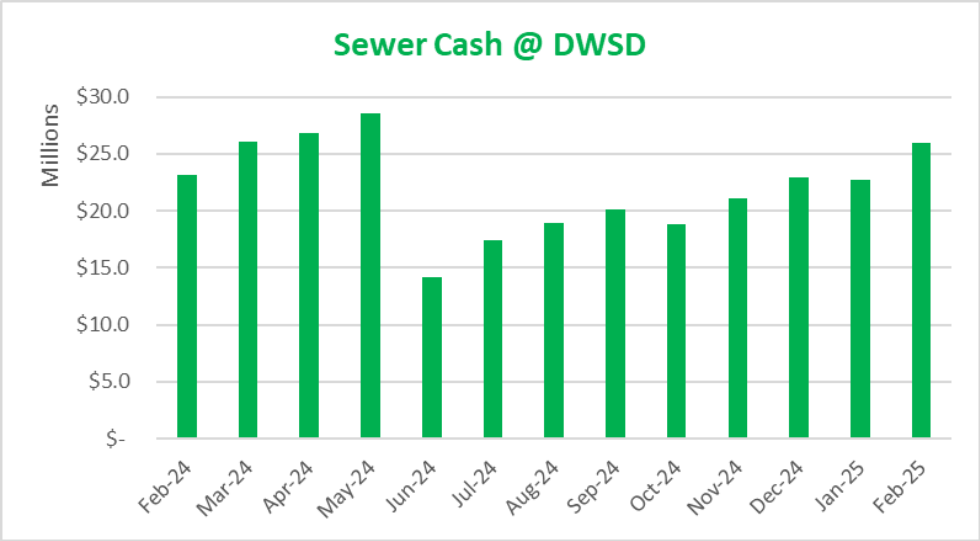
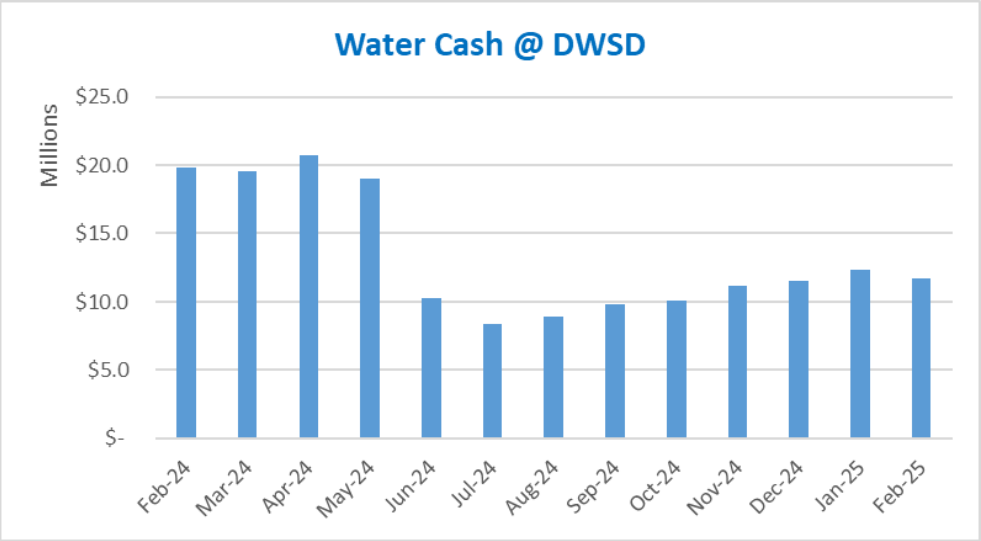
## **February 2025**

BOWC Finance Committee

May 7, 2025

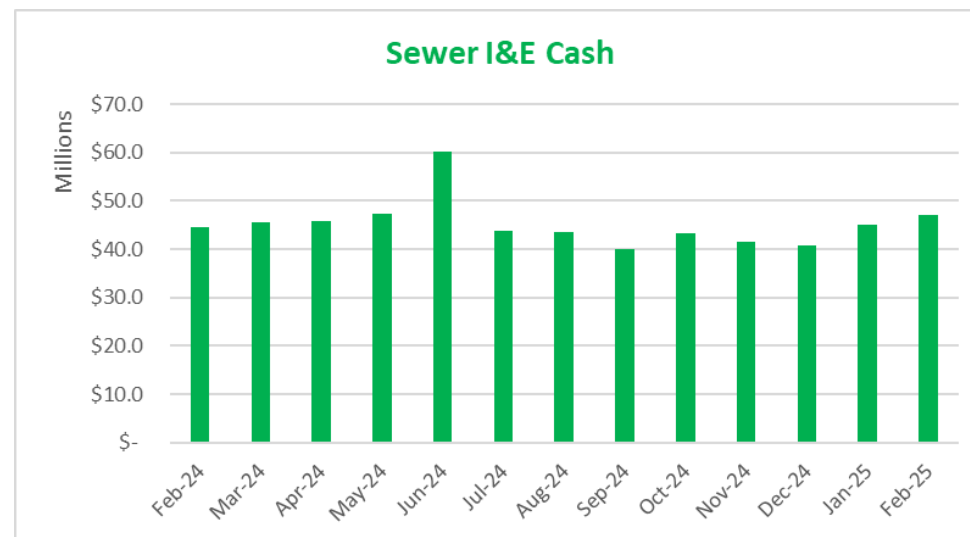
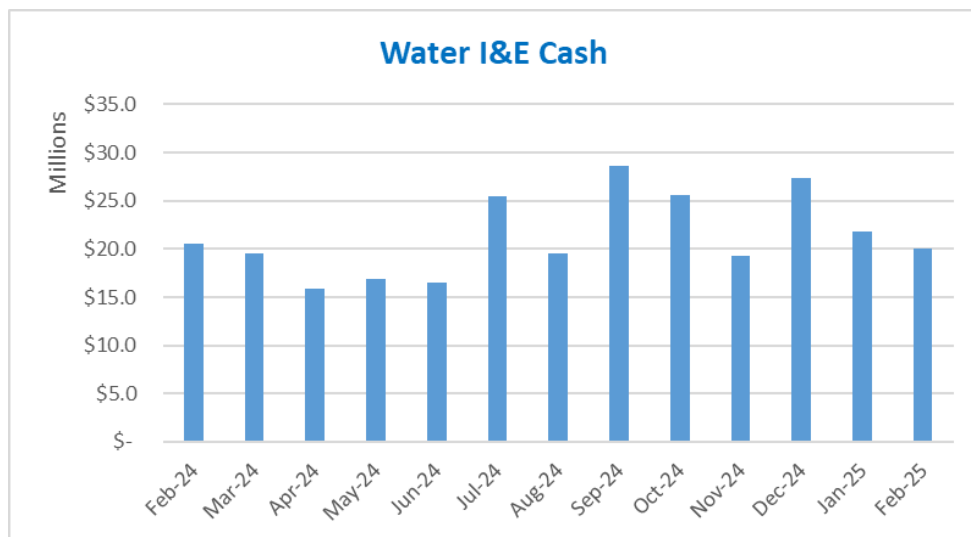
# February 2025 Highlights – Operating Cash

- DWSD continues to maintain adequate cash reserves to support its operating and capital programs.
- On a systemwide basis, Cash and Investments in the Operating, Improvement & Extension (I&E), Construction and Trust accounts amounted to \$289.0 million (\$129.2 million in the Water Fund and \$159.8 million in the Sewer Fund). This represents an overall decrease of \$1.6 million over the January balance.
- Water Operating Cash** of \$11.7 million decreased by \$613,000 over the previous month.
- Sewer Operating Cash** of \$25.9 million increased by \$3.2 million over the previous month.



## February 2025 Highlights – Improvement & Extension (I&E) Cash

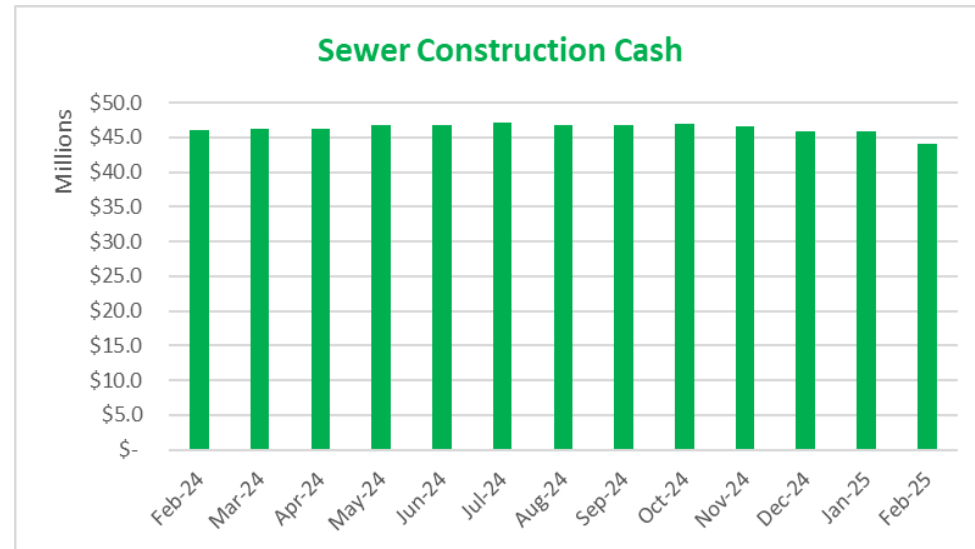
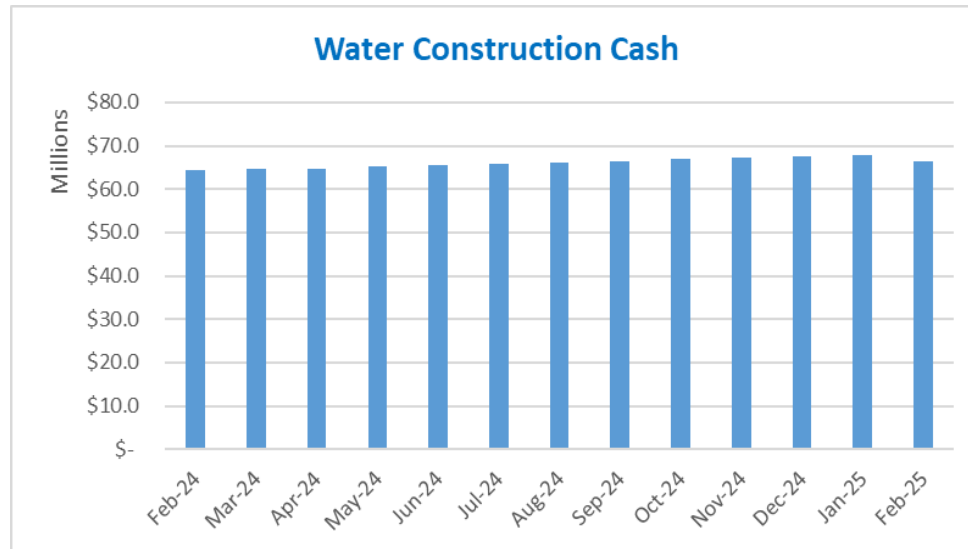
- DWSD continues to spend down I&E and Construction Cash in support of its Capital Improvement Program.
- Water I&E Cash** amounted to \$20.1 million at the end of February, a decrease of \$1.7 million over January balance. The decrease is mainly due to Lead Service Line disbursements.
- Sewer I&E Cash** amounted to \$47.1 million at the end of February, an increase of \$2.0 million over January balance. The increase is mainly due to reimbursements received for State Revolving Funded projects.



# February 2025 Highlights – Construction Cash

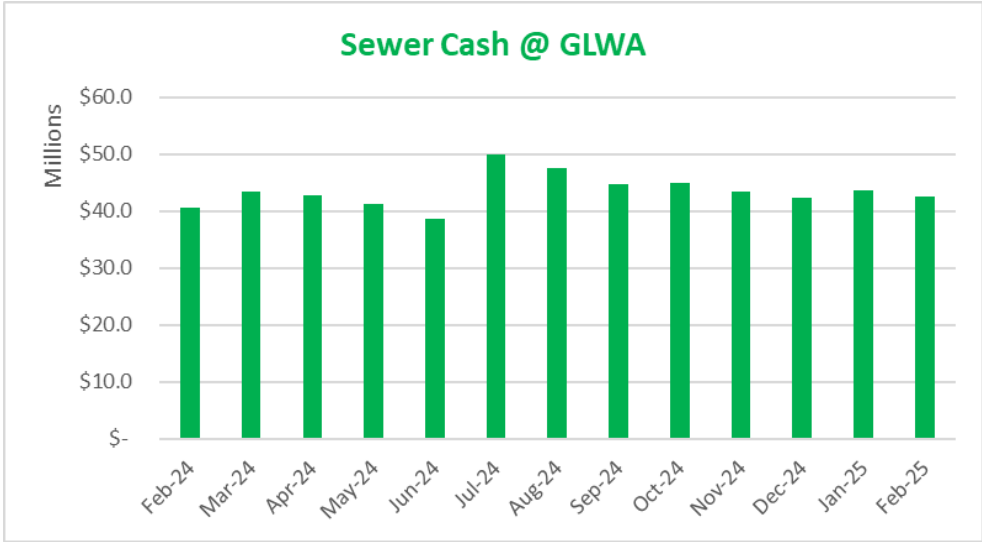
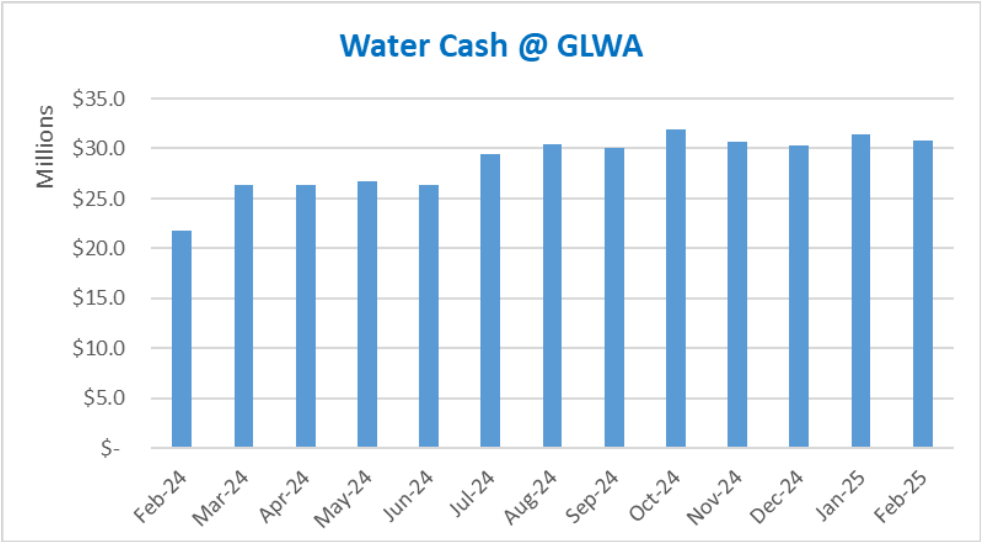


- **Water Construction Cash** amounted to \$66.5 million at the end of February, a decrease of \$1.3 million over January balance. The decrease is due to disbursements for capital projects.
- **Sewer Construction cash** amounted to \$44.2 million at the end of February, a decrease of \$1.7 million over January balance. The decrease is due to disbursements for capital projects.



# February 2025 Highlights – Cash Held in Trust

- **Water Cash @ GLWA** amounted to \$30.8 million at the end of February, a decrease of \$570,000 over January balance.
- Retail Water receipts of \$9.6 million in February fell short of the target collection by \$570,000 for the month.
- **Sewer Cash @ GLWA** amounted to \$42.6 million at the end of February, a decrease of \$973,000 over January balance.
- Retail Sewer receipts of \$24.1 million in February fell short of the target collection by \$973,000 for the month.



# Comparative Accounts Receivable

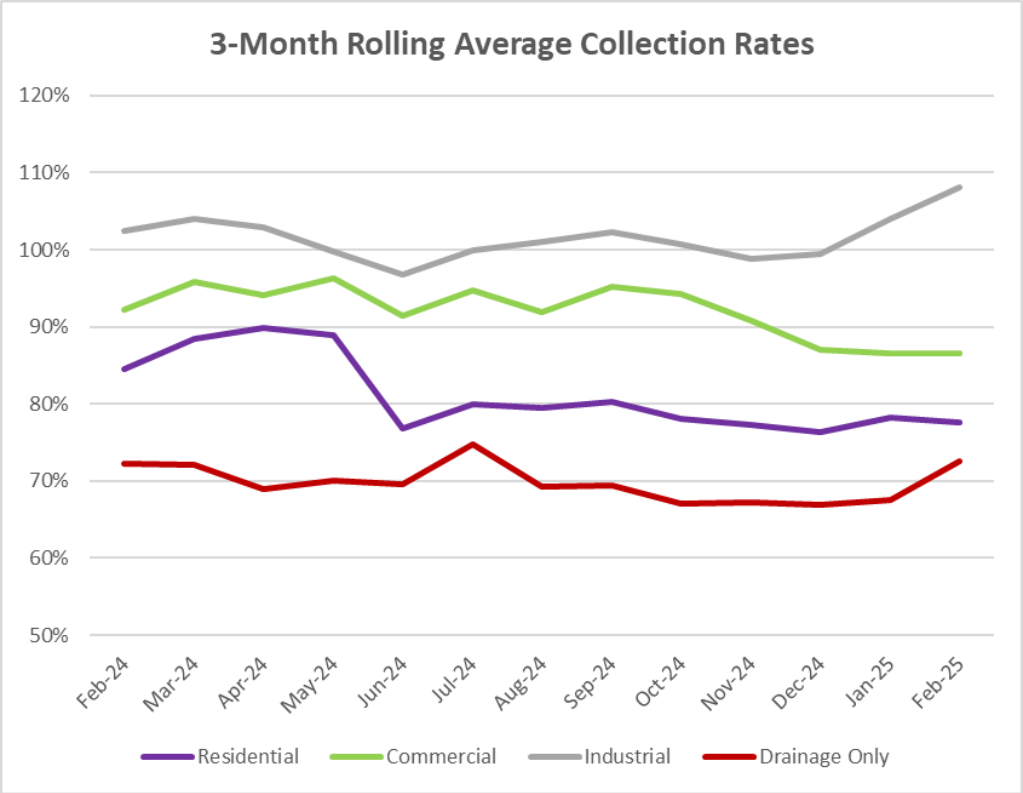


- February sales of \$40.2 million increased by \$2.5 million (6.6%) compared to January sales of \$37.8 million.
- Receivables of \$312.5 million for total active accounts increased by \$9.4 million (3.1%) compared to January receivables of \$303.1 million.
- February's cash collection \$32.8 million decreased by \$2.8 million (7.9%) compared to January's cash collection of \$35.6 million.
- Decreases mainly noted in Residential collections (\$1.6 million) and Government collections (\$1.0 million).
- Active Residential Accounts Receivable continue to increase by \$6.2 million (2.9%) while the days in receivables decreased by 6 days in February.
- Allowance for Doubtful Accounts are 76.1% of the Total Accounts Receivable (including Tax Roll Transfer) balance as of February. \*DWSD continues to monitor its Receivable balance, and appropriate allowances are made to account for uncertainty of collection.

Sales Class	June 30, 2024			January 31, 2025			February 28, 2025		
	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR
Residential	\$ 16,323,530	\$ 194,421,286	357	\$ 16,790,909	\$ 214,518,244	383	\$ 17,552,103	\$ 220,709,775	377
Commercial	8,418,084	28,005,835	100	8,426,339	26,860,460	96	8,462,020	28,918,106	103
Industrial	5,410,839	13,952,124	77	5,570,883	12,452,073	67	5,325,793	12,384,211	70
Tax Exempt	714,440	2,738,594	115	733,318	2,626,692	107	733,954	2,842,297	116
Government	4,639,256	19,324,545	125	2,744,840	20,652,170	226	4,663,081	20,878,981	134
Drainage Only	3,522,661	28,647,608	244	3,490,039	25,952,913	223	3,501,515	26,789,367	230
<b>Total Active Accounts</b>	<b>\$ 39,028,810</b>	<b>287,089,991</b>	<b>221</b>	<b>\$ 37,756,329</b>	<b>303,062,551</b>	<b>241</b>	<b>\$ 40,238,466</b>	<b>312,522,736</b>	<b>233</b>
Inactive Accounts Receivable		37,776,601			45,877,684			47,892,619	
<b>Total Accounts Receivable</b>		<b>324,866,592</b>			<b>348,940,236</b>			<b>360,415,356</b>	
Allowance for Doubtful Accounts		(249,922,100)			(285,228,512)			(290,349,894)	
<b>Net Accounts Receivable</b>		<b>\$ 74,944,492</b>			<b>\$ 63,711,724</b>			<b>\$ 70,065,462</b>	
Tax Roll Transfer					22,286,190			21,057,563	
<b>Total</b>					<b>\$ 85,997,914</b>			<b>\$ 91,123,025</b>	

\*DWSD continues to monitor its Receivable balance, and appropriate allowances are made to account for uncertainty of collection.

# Collection Rates

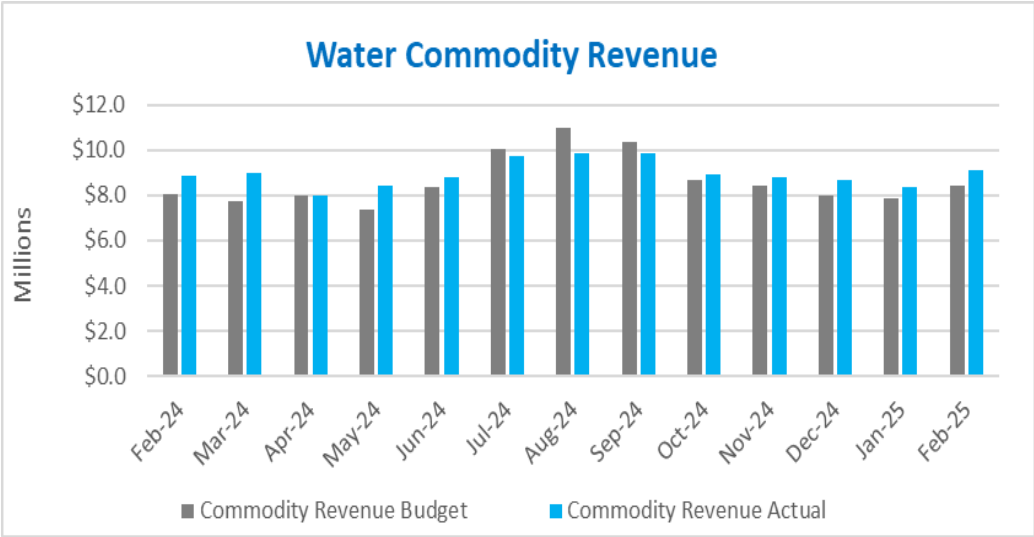
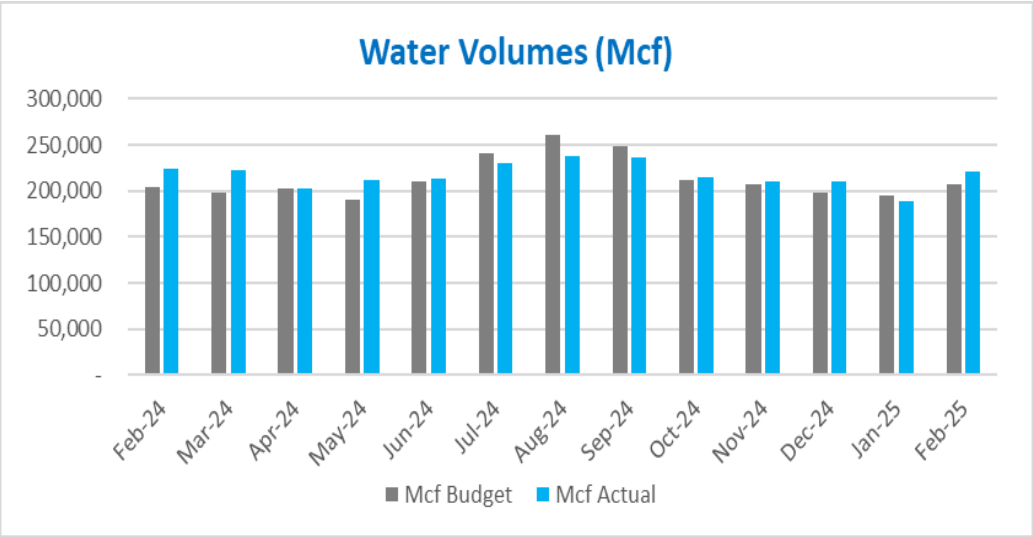


	Dec-24	Jan-25	Feb-25	3 - Month
Customer Class	Coll Rate	Coll Rate	Coll Rate	Rolling Average
Residential	73.5%	86.1%	73.4%	77.5%
Commercial	81.3%	98.9%	81.0%	86.6%
Industrial	98.2%	117.0%	109.4%	108.1%
Tax Exempt	83.6%	89.2%	81.2%	84.6%
Government	125.4%	66.5%	157.8%	100.7%
Drainage Only	70.2%	74.2%	73.5%	72.6%

- **Residential** collection rates for the last three months have averaged at 77.5%. February’s collection rate decreased to 73.4% compared to 86.1% in January.
- **Commercial and Industrial** Commercial 3-month rolling average stayed consistent at 86.6% while Industrial dropped slightly. Commercial collection rate dropped from 98.9% in January to 81.0% in February while Industrial collection rate remains strong.
- **Drainage Only** collections rate for February was 73.5%, remaining fairly consistent with January collection rate. The 3-month rolling average is at 72.6%.
- Residential and Drainage only collections rates continue to be a concern.
- February combined collection rate of 86.7% for all active customer classes was lower than January’s combined collection rate of 87.2%. The combined 3-month moving average rate for all active customer classes remained at 86.0%.

# Water Commodity Metrics and Revenues

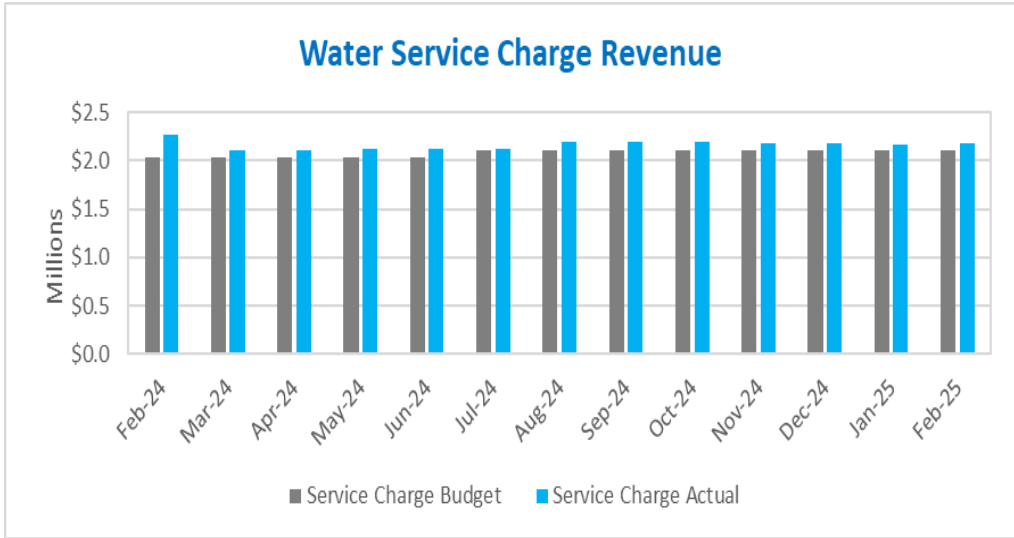
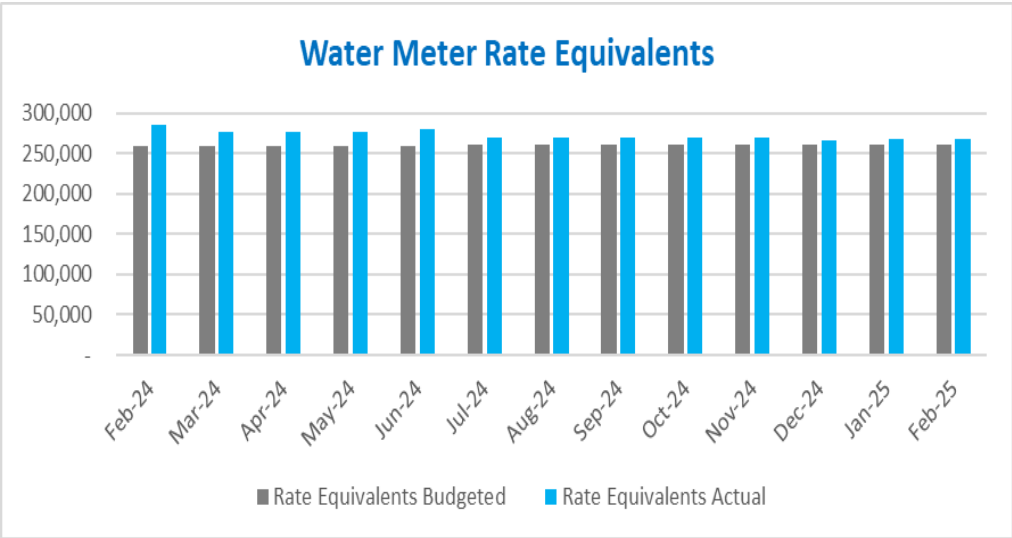
- February actual Volume exceeded the budget for the month by 7.1% and was 17.2% higher than actual January Volume but 1.3% below February 2024 Volume.
- Year-to-date actual Water Volume was 1.0% under seasonally adjusted budget.
- February actual Commodity Revenue exceeded the budget for the month by 8.6% and was 9.0% higher than actual January Revenue and 3.0% above February 2024 Revenue.
- Year-to-date actual Commodity Revenue was 0.9% above seasonally adjusted budget.





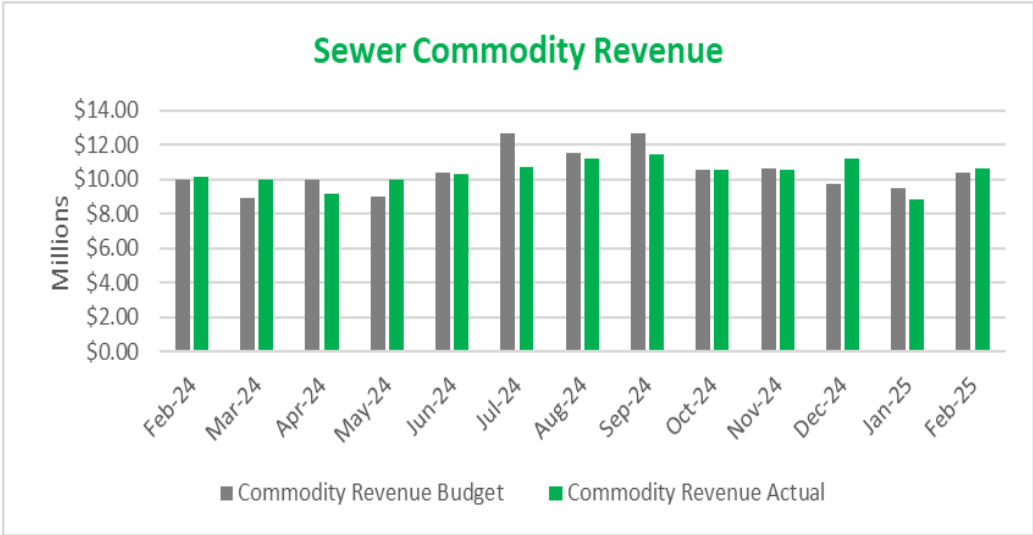
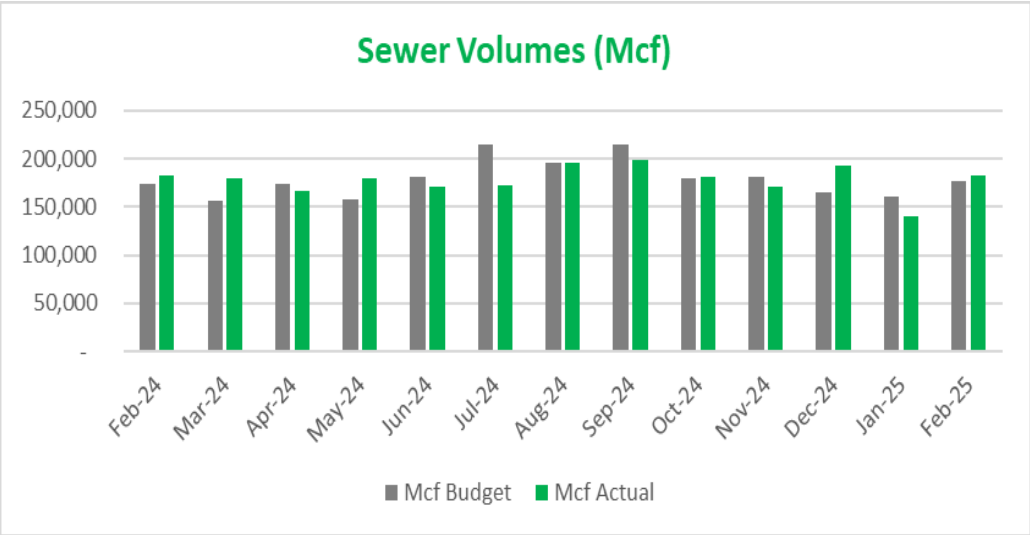
# Water Service Charge Metrics and Revenues

- February actual Meter Equivalents exceeded the budget for the month by 3.0% and was 0.2% higher than January Equivalents, but 5.7% below February 2024 Equivalents.
- Year-to-date actual Water Meter Equivalents exceeded budget by 3.0%.
- February actual Water Service Charge Revenue exceeded the budget for the month by 3.6% and was 1.1% higher than January Revenue, but 3.7% below February 2024 Revenue.
- Year-to-date actual Water Service Charge Revenue exceeded budget by 3.1%.



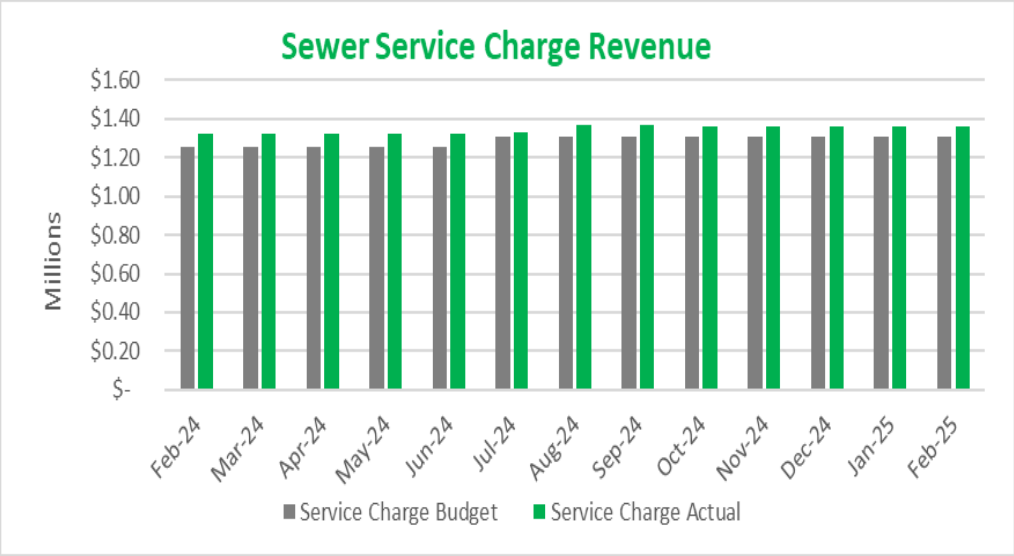
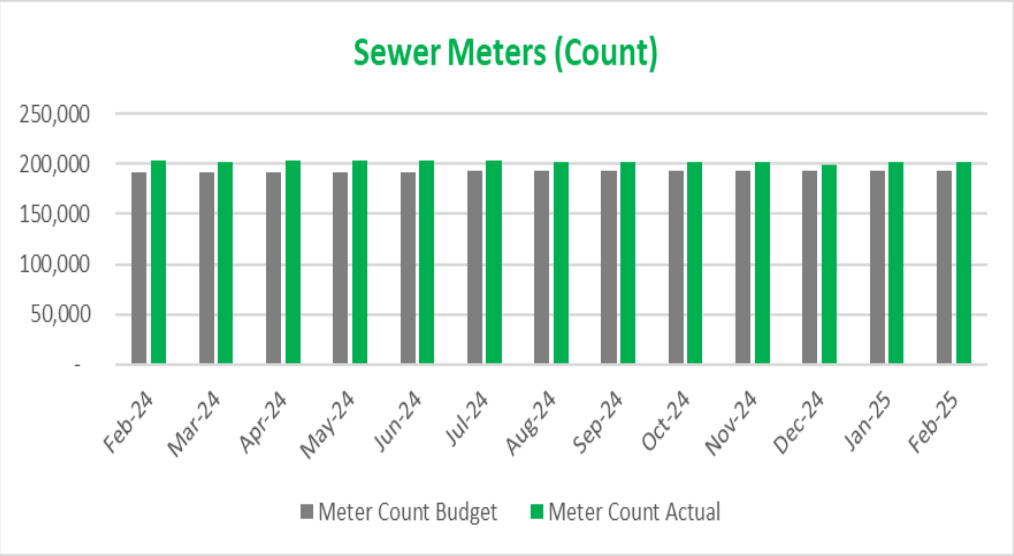
# Sewer Commodity Metrics and Revenues

- February actual Volume exceeded the budget for the month by 3.5% and 29.9% higher than actual January Volume and was 0.2% above February 2024 Volume.
- Year-to-date actual Sewer Volume was 3.5% under seasonally adjusted budget.
- February actual Commodity Revenue exceeded the budget for the month by 2.0% and 20.1% higher than actual January Revenue and 4.6% above February 2024 Revenue.
- Year-to-date actual Commodity Revenue was 2.9% under seasonally adjusted budget.



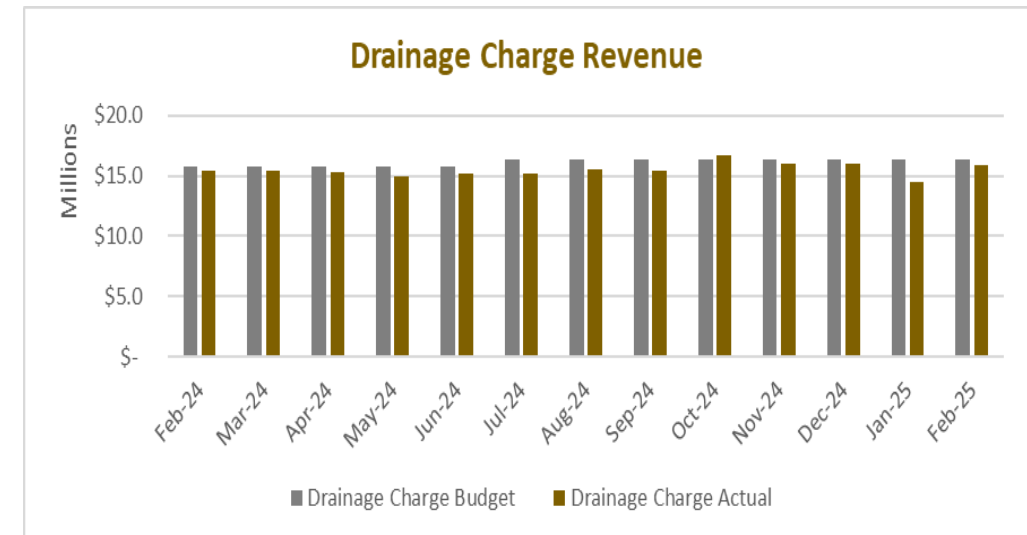
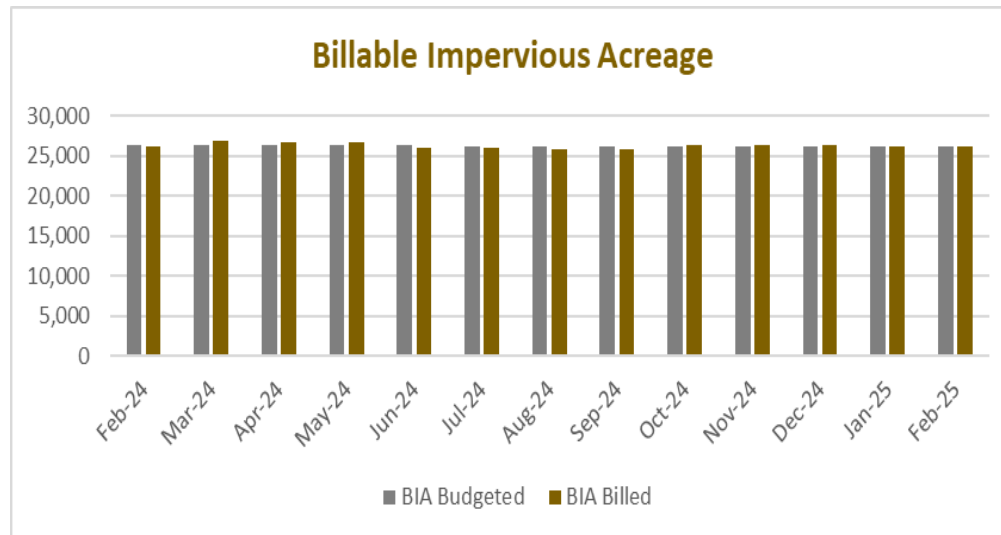
# Sewer Service Charge Metrics and Revenues

- February actual Sewer Meter Counts exceeded the budget for the month by 4.4% and was 0.1% higher than compared to January Counts but was 0.8% lower than February 2024 Counts.
- Year-to-date actual Sewer Meter Counts exceeded budget by 4.4%.
- February actual Sewer Service Charge Revenue exceeded the budget for the month by 4.4% but was 0.1% lower than compared to January Revenue and was 3.0% over February 2024 Revenue.
- Year-to-date actual Sewer Service Charge Revenue exceeded budget by 4.1%.



# Drainage Charge Metrics and Revenues

- February actual Billable Impervious Acreage (BIA) exceeded the budget for the month by 0.2% but was 0.1% lower than compared to January actual BIA and was 0.2% over February 2024 actual BIA.
- Year-to-date actual BIA was 0.1% over budget.
- February actual Drainage Revenue fell short of the budget for the month by 3.0% but was 9.8% higher than actual January Revenue and was 2.8% above February 2024 actual Revenue.
- Year-to-date actual Drainage Charge Revenue was 4.3% under budget.





# THANK YOU!

## **Detroit Water & Sewerage Department**

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