



# **Financial Review**

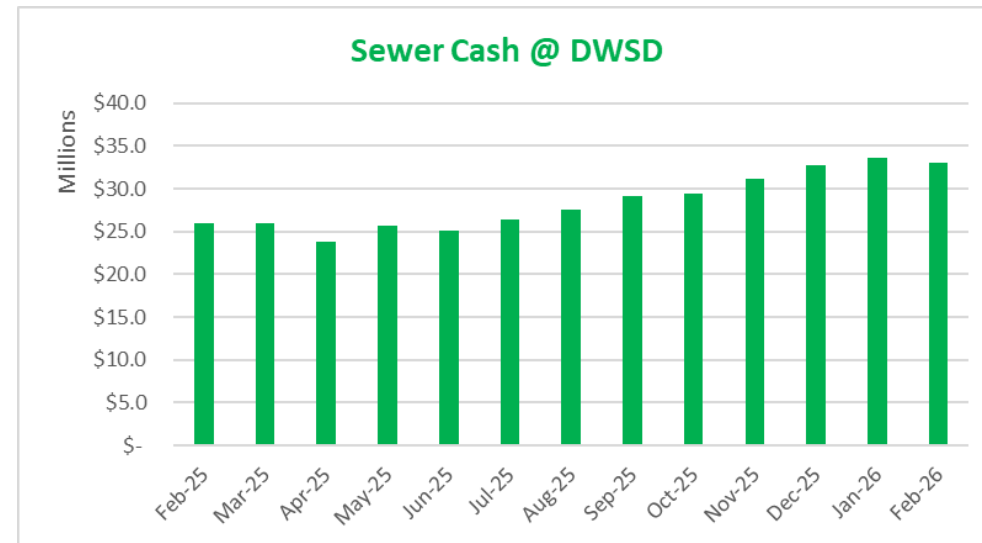
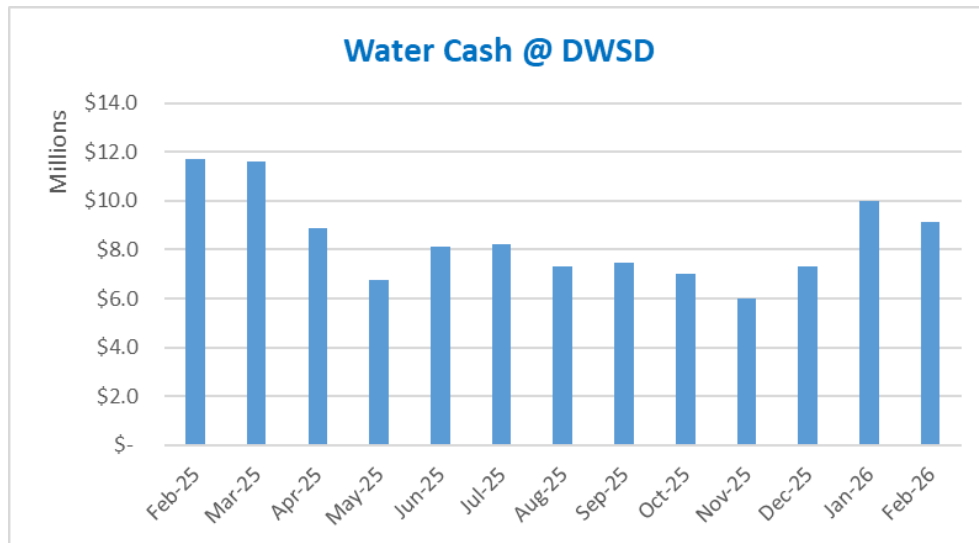
## **February 2026**

BOWC Finance Committee

May 6, 2026

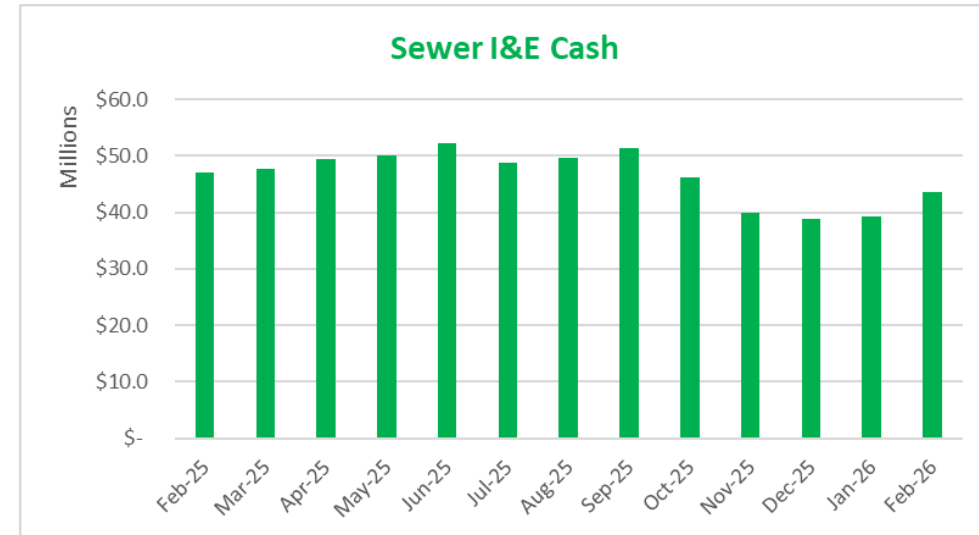
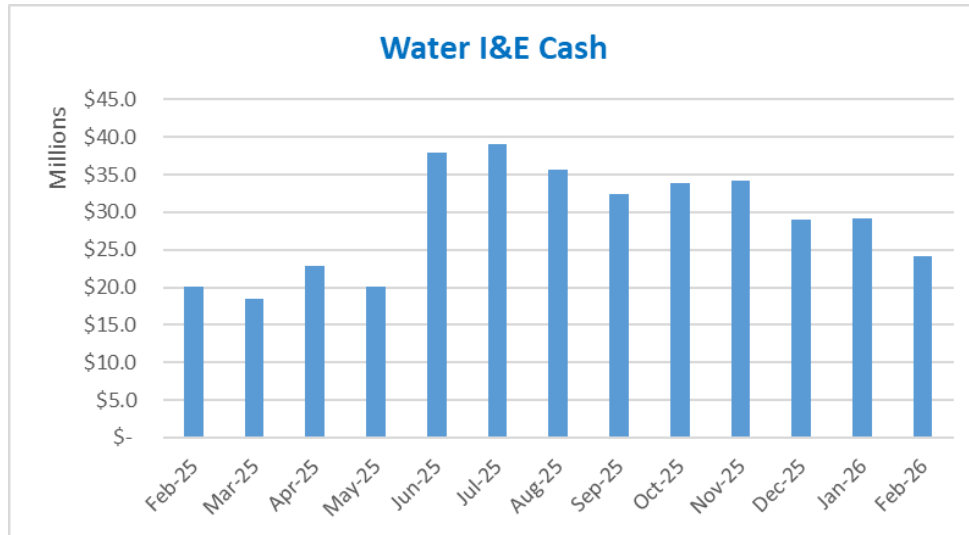
# February 2026 Highlights – Operating Cash

- 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), Trust accounts and Construction accounts amounted to \$240.7 million (\$85.1 million in the Water Fund and \$155.6 million in the Sewer Fund). This represents an overall decrease of \$4.6 million over the January balance.
- **Water Operating Cash** of \$9.1 million decreased by \$868,000 over January balance.
- **Sewer Operating Cash** of \$33.0 million decreased by \$643,000 over January balance.



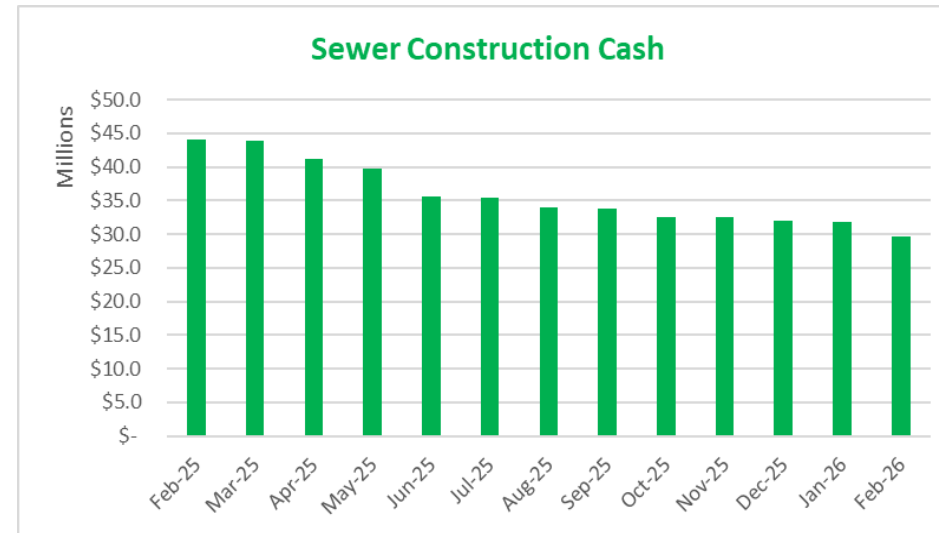
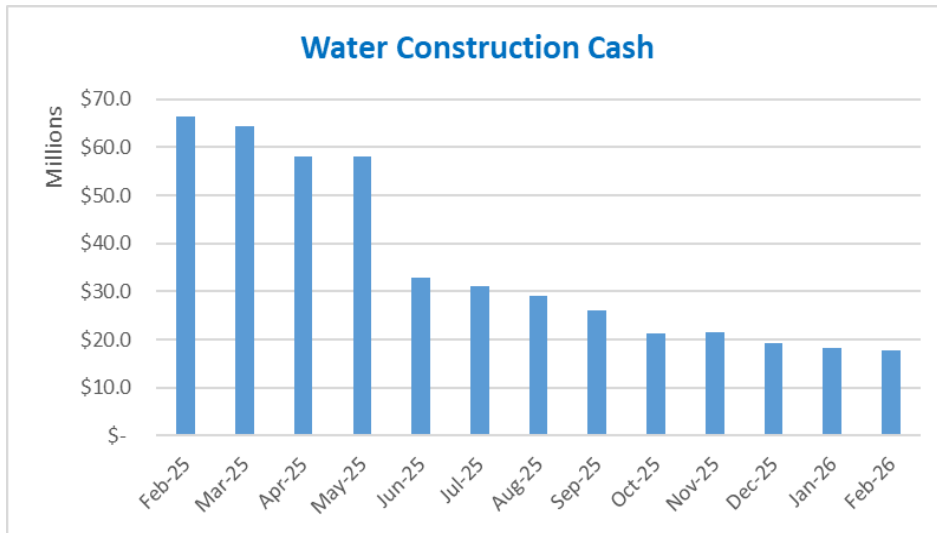
# February 2026 Highlights – Improvement & Extension (I&E) Cash

- DWSD continues to spend down I&E and Construction Cash in support of its Capital Improvement Program.
- **Water I&E Cash** of \$24.2 million decreased by \$5.0 million over January balance.
- **Sewer I&E Cash** of \$43.5 million increased by \$4.3 million over January balance.



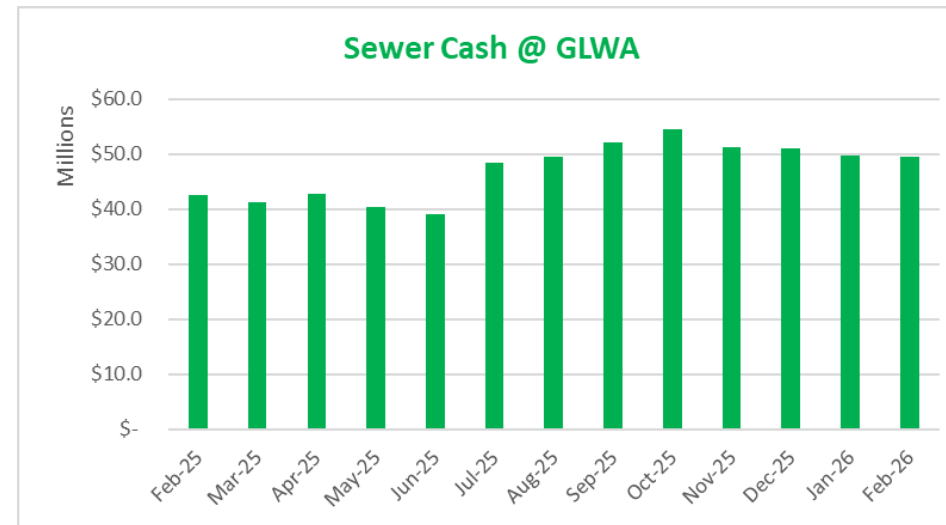
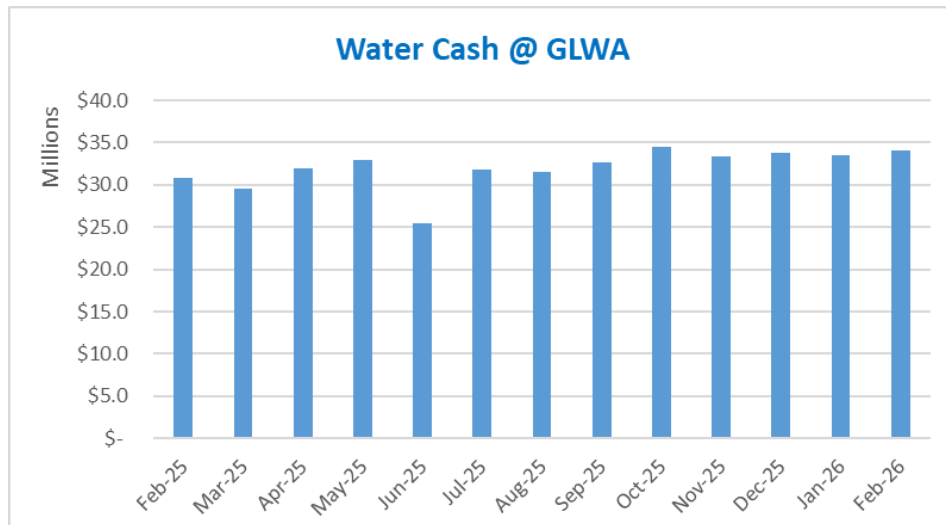
# February 2026 Highlights – Construction Cash

- **Water Construction Cash** of \$17.7 million decreased by \$500,000 over January balance.
- **Sewer Construction cash** of \$29.5 million decreased by \$2.3 million over January balance.



# February 2026 Highlights – Cash Held in Trust

- **Water Cash @ GLWA of \$34.1 million** increased by \$532,000 over January balance.
- Retail Water receipts of \$11.2 million in February exceeded the target collection by \$532,000 for the month.
- **Sewer Cash @ GLWA of \$49.6 million** decreased by \$121,000 over January balance.
- Retail Sewer receipts of \$25.9 million in February fell short of the target collection by \$121,000 for the month.



# February 2026 Highlights - Comparative Accounts Receivable

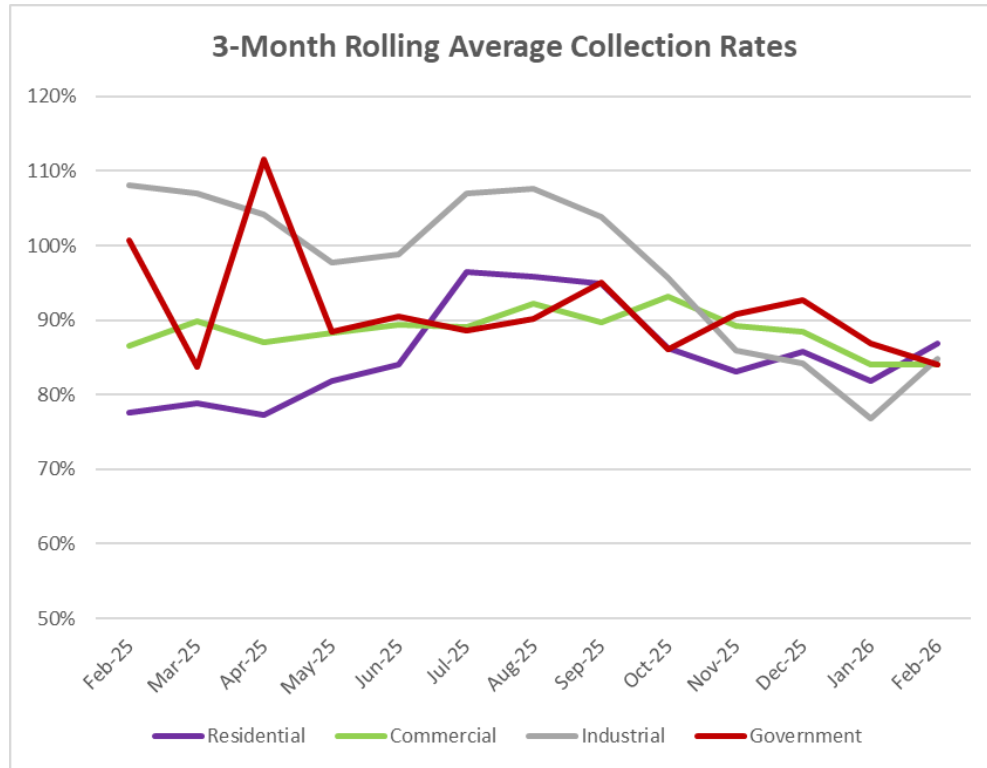


- February sales of \$41.3 million represents a slight (0.13%) decrease from January's sales.
- Receivables of \$340.8 million for total active accounts increased by \$5.8 million (1.7%) compared to January receivables of \$334.9 million.
- February's cash collection \$36.1 million increased by \$3.4 million (10.2%) compared to January's cash collection of \$32.7 million.
- February Tax Roll transfer amounted to \$21.3 million, a decrease of \$1.6 million (7.0%) from prior month.
- Active Residential Accounts Receivable increased by \$2.2 million (0.89%) and the aging increased by 13 days in February.
- Allowance for Doubtful Accounts are 82.8% of the Total Accounts Receivable (including Tax Roll Transfer) balance as of February.

Sales Class	June 30, 2025			January 31, 2026			February 28, 2026		
	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR
Residential	\$ 16,952,600	\$ 228,181,542	404	\$ 17,417,690	\$ 242,511,296	418	\$ 17,023,281	\$ 244,669,740	431
Commercial	8,683,254	32,053,891	111	8,377,416	31,658,233	113	8,420,307	33,498,810	119
Industrial	5,399,644	13,600,488	76	6,651,113	16,906,507	76	7,089,427	17,596,160	74
Tax Exempt	766,651	3,196,851	125	4,825,128	23,361,447	145	4,782,142	23,908,602	150
Government	4,856,313	23,664,329	146	4,080,985	20,517,912	151	3,984,401	21,095,814	159
Drainage Only	3,568,189	27,969,932	235	-	-	-	-	-	-
<b>Total Active Accounts</b>	<b>\$ 40,226,650</b>	<b>328,667,033</b>	<b>245</b>	<b>\$ 41,352,331</b>	<b>334,955,395</b>	<b>243</b>	<b>\$ 41,299,556</b>	<b>340,769,127</b>	<b>248</b>
Inactive Accounts Receivable		53,084,537			65,256,010			66,469,465	
<b>Total Accounts Receivable</b>		<b>381,751,570</b>			<b>400,211,405</b>			<b>407,238,592</b>	
Allowance for Doubtful Accounts		(310,878,978)			(349,362,147)			(354,869,110)	
<b>Net Accounts Receivable</b>		<b>\$ 70,872,592</b>			<b>\$ 50,849,258</b>			<b>\$ 52,369,482</b>	
Tax Roll Transfer		11,167,067			22,957,362			21,348,717	
<b>Total</b>		<b>\$ 82,039,659</b>			<b>\$ 73,806,620</b>			<b>\$ 73,718,199</b>	

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

# February 2026 Highlights - Collection Rates

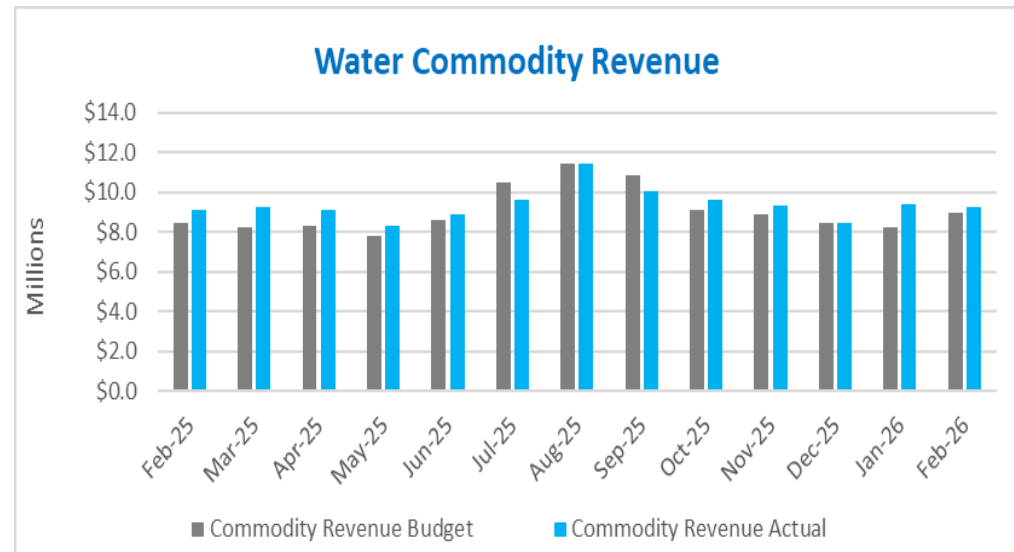
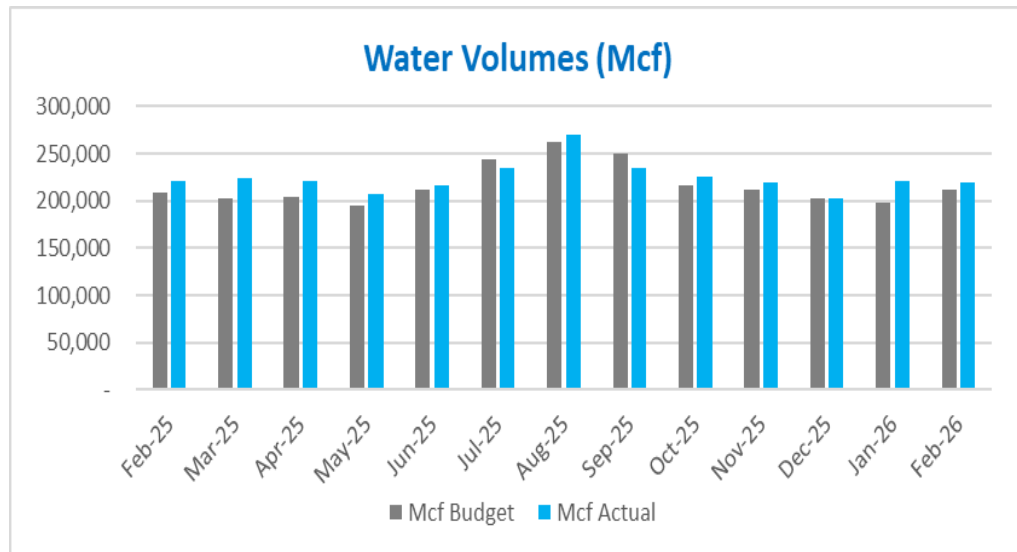


	Dec-25	Jan-26	Feb-26	3 - Month
Customer Class	Coll Rate	Coll Rate	Coll Rate	Rolling Average
Residential	89.6%	80.1%	90.7%	86.9%
Commercial	84.2%	86.4%	81.8%	84.1%
Industrial	86.5%	77.4%	90.0%	84.8%
Tax Exempt	91.9%	96.4%	90.9%	93.0%
Government	95.5%	78.4%	77.6%	84.0%

- **Residential** collection rates for the last three months have averaged at 86.9%. February collections increased to 90.7% compared to 80.1% in January.
- **Commercial and Industrial** - Commercial 3-month rolling averaged at 84.1%, it remained steady with January’s 3 month average. Industrial 3-month rolling averaged at 84.8%, an increase from January’s 3 month average of 76.9%. Although Commercial collection percentage in February shows a decrease compared to January, Industrial collection percentage increased from 77.4% in January to 90% in February.
- **Government** collection rates for the last three months have averaged at 84.0%. February collections decreased slightly compared to 78.4% in January.
- February combined collection rate of 87.5% for all active customer classes was higher than January’s combined collection rate of 82.6%. The 3-month moving average rate for all active customer classes was 86.4%.

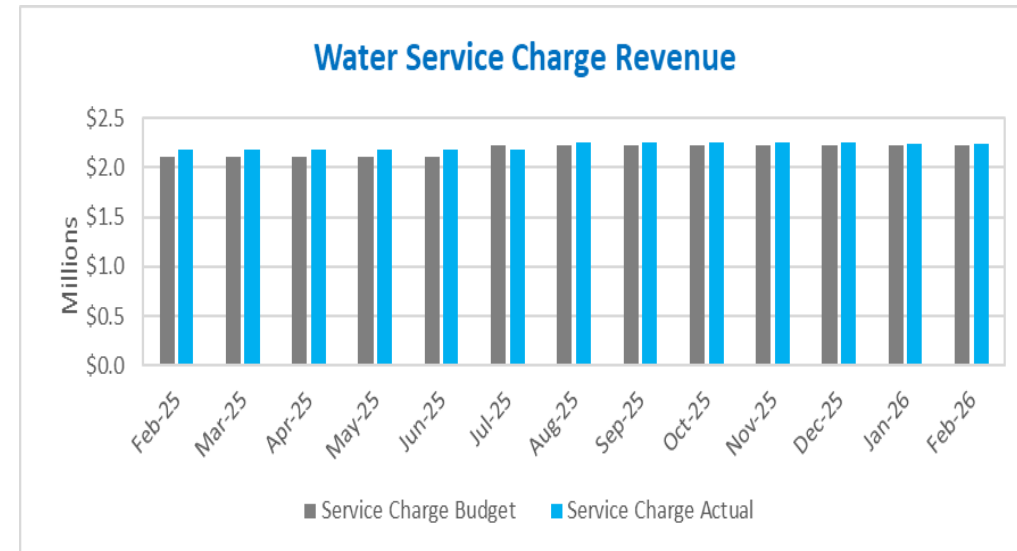
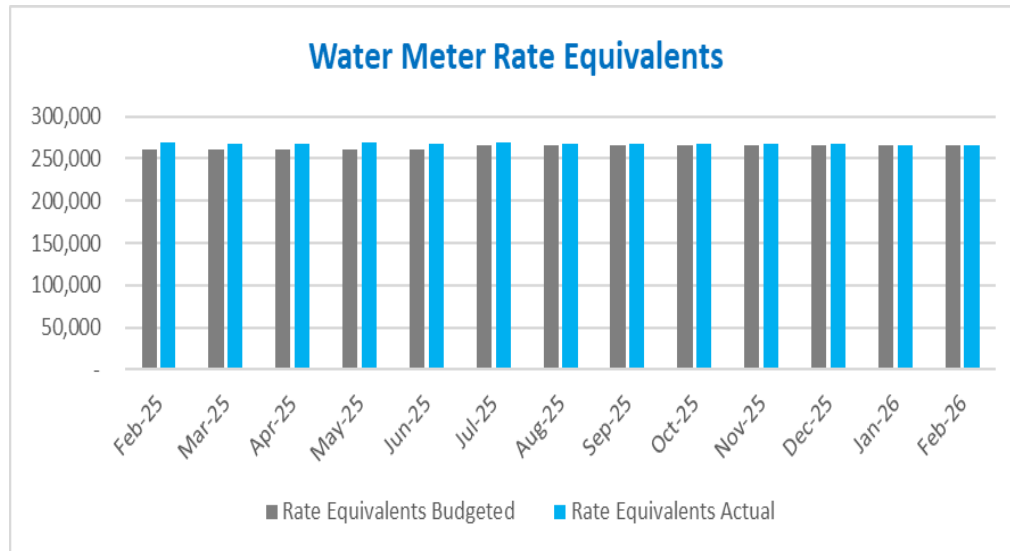
# February 2026 Highlights - Water Commodity Metrics and Revenues

- February actual Volume exceeded the budget for the month by 3.5% but was 0.7% lower than actual January Volume and 0.9% above actual February 2025 Volume.
- Year-to-date actual Water Volume was 1.6% above seasonally adjusted budget.
- February actual Commodity Revenue exceeded the budget for the month by 3.8% but was 1.5% lower than actual January Revenue and was 1.6% above actual February 2025 Revenue.
- Year-to-date actual Commodity Revenue was 1.0% above seasonally adjusted budget.



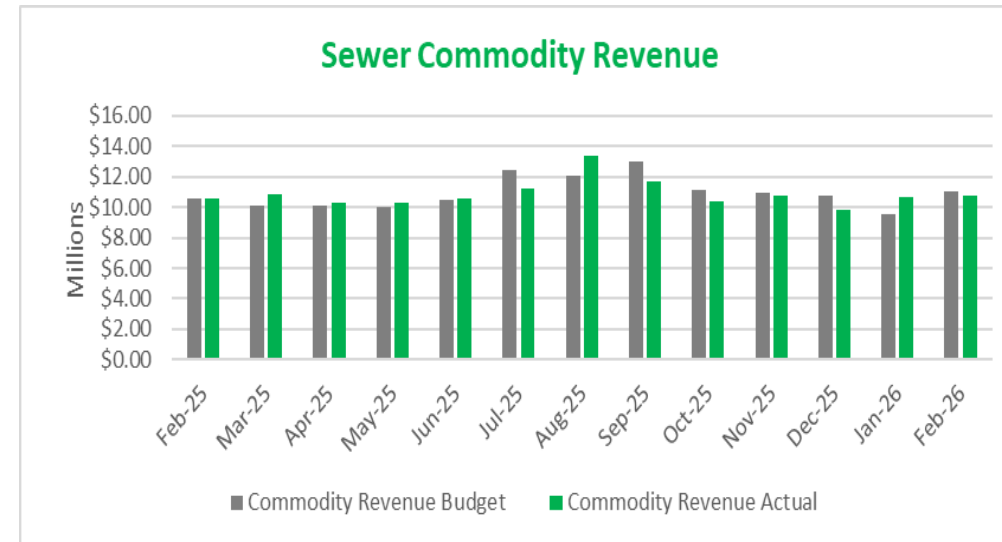
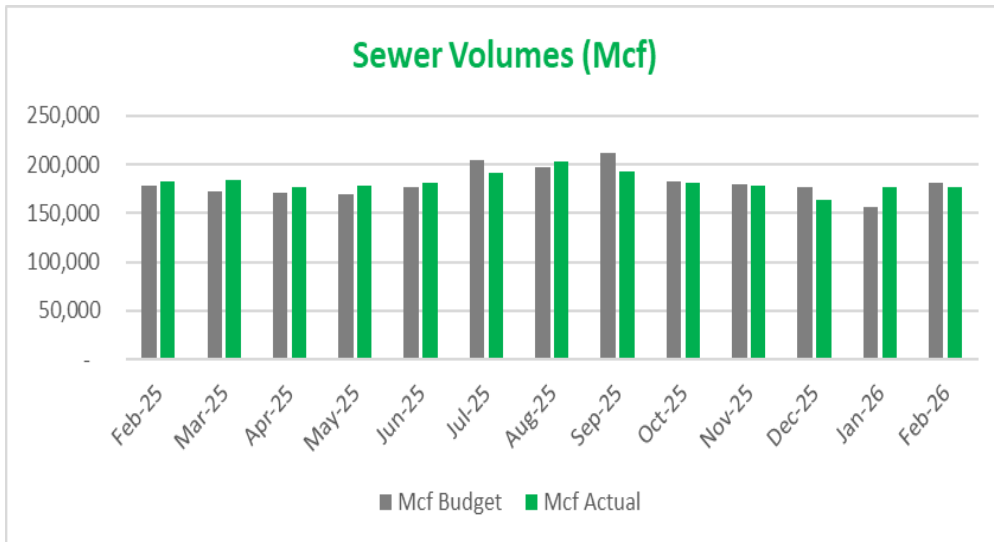
# February 2026 Highlights - Water Service Charge Metrics and Revenues

- February actual Meter Equivalents was steady with the budget for the month and with actual January Equivalents and was 1.0% below actual February 2025 Equivalents.
- Year-to-date actual Water Meter Equivalents exceeded budget by 0.4%.
- February actual Water Service Charge Revenue exceeded the budget for the month by 0.6% but was 0.2% below actual January Revenue and was 2.4% above actual February 2025 Revenue.
- Year-to-date actual Water Service Charge Revenue exceeded the budget by 0.5%



# February 2026 Highlights - Sewer Commodity Metrics and Revenues

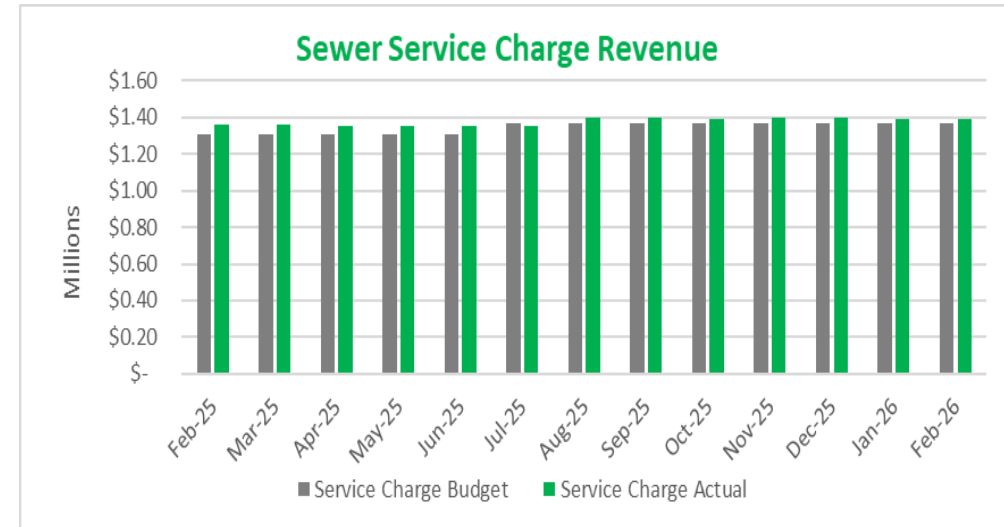
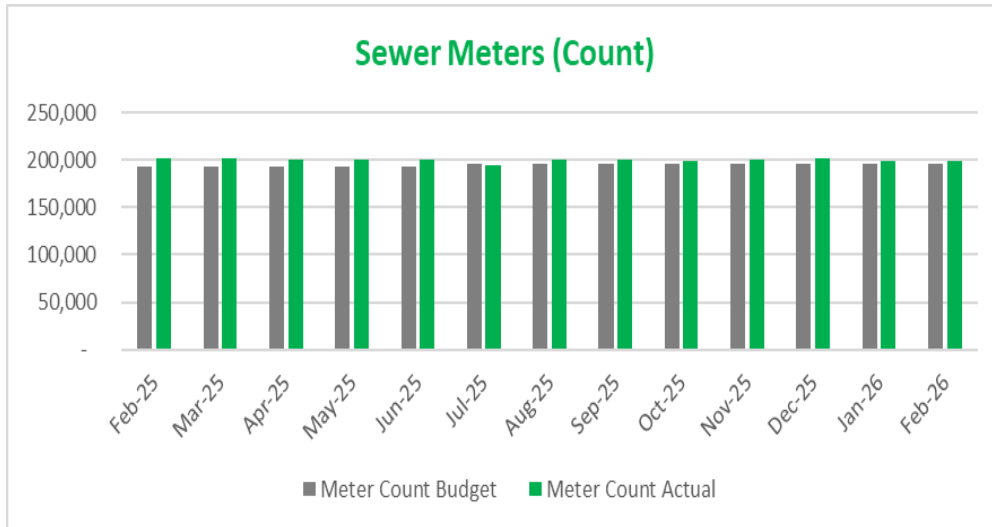
- February actual Volume fell short of the budget for the month by 1.8% but was 0.3% higher than actual January Volume but was 3.0% lower than actual February 2025 Volume.
- Year-to-date actual Sewer Volume was 1.6% below seasonally adjusted budget.
- February actual Commodity Revenue fell short of the budget for the month by 2.6% but was 0.6% higher than actual January Revenue and was 1.2% higher than actual February 2025 Revenue.
- Year-to-date actual Commodity Revenue was 2.5% below seasonally adjusted budget.



# February 2026 Highlights - Sewer Service Charge Metrics and Revenues

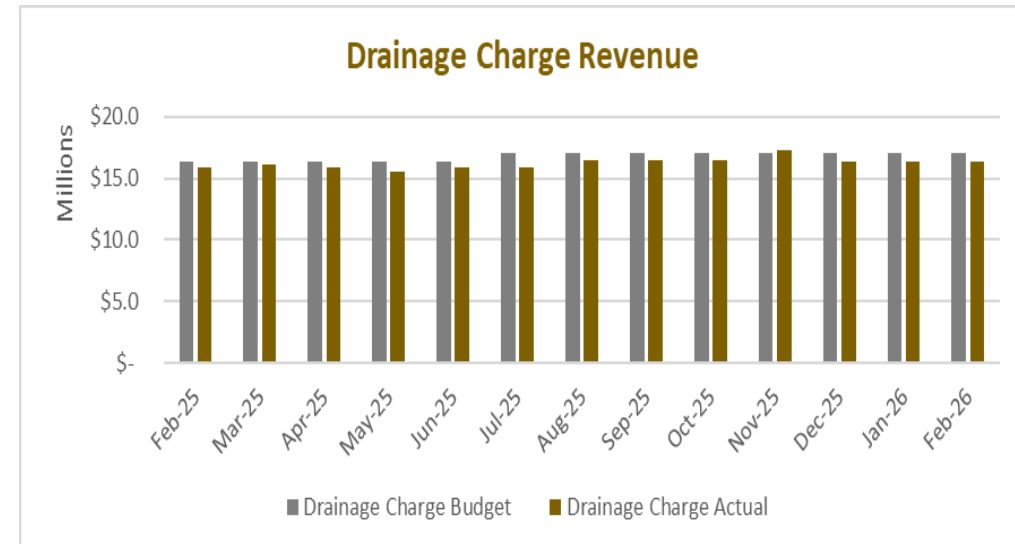
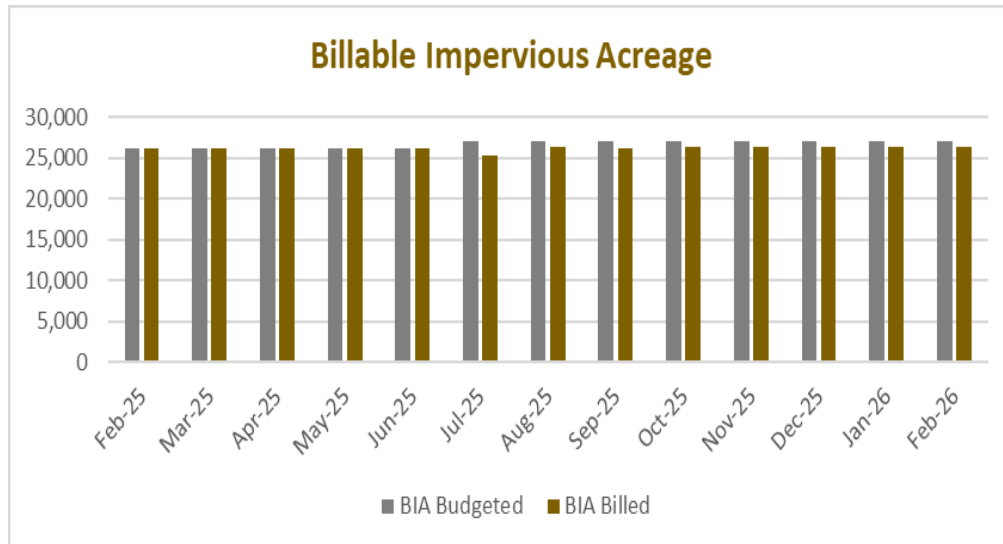


- February actual Sewer Meter Counts exceeded the budget for the month by 1.8% but were 0.2% below actual January Counts and were 1.5% below actual February 2025 Counts.
- Year-to-date actual Sewer Meter Counts exceeded budget by 1.9%.
- February actual Sewer Service Charge Revenue exceeded the budget for the month by 1.8% but was 0.2% below actual January Revenue and was 1.9% over actual February 2025 Revenue.
- Year-to-date actual Sewer Service Charge Revenue exceeded budget by 1.8%.



# February 2026 Highlights - Drainage Charge Metrics and Revenues

- February actual Billable Impervious Acreage (BIA) fell short of the budget for the month by 2.8% but was steady with January actual BIA and was 0.4% above February 2025 actual BIA.
- Year-to-date actual BIA was 3.2% below budget.
- February actual Drainage Revenue fell short of the budget for the month by 4.2% but was 0.3% higher than actual January Revenue and was 3.3% above February 2025 actual Revenue.
- Year-to-date actual Drainage Charge Revenue was 3.7% below budget.



# THANK YOU!

## **Detroit Water & Sewerage Department**

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