



Financial Review

July and August 2025

BOWC Finance Committee

November 5, 2025

July and August 2025 Highlights

Year-End Audit Status

- Plante & Moran, DWSD's external auditor, is in the process of completing field work for the FY 2025 Financial Statements audit. Currently waiting on certain entries from the City to complete the final close of books and completion of the audit.
- Expect the audit to be completed by December 2025.

4th Quarter and Year-End Budget vs Actual Revenue and Expense Variance Analysis

- The Budget vs Actual report for revenues and expenses for the 4th quarter and year ended June 30, 2025 will be presented after all the closing entries are posted.

July and August 2025 Highlights

Summary of Cash and Investments



	Jun-25	Jul-25	Aug-25
	Balance	Balance	Balance
Water - Operating	\$ 8,145,174	\$ 8,224,904	\$ 7,301,119
Water - I&E	37,883,940	39,149,719	35,705,009
Water - Construction	32,818,055	31,182,573	28,964,245
Water - Trust	25,487,610	31,807,197	31,487,752
Water Total	\$ 104,334,779	\$ 110,364,393	\$ 103,458,125
Sewer - Operating	\$ 25,121,654	\$ 26,454,645	\$ 27,499,691
Sewer - I&E	52,160,859	48,875,667	49,740,794
Sewer - Construction	35,559,233	35,415,440	33,922,329
Sewer - Trust	39,061,748	48,525,232	49,635,026
Sewer Total	\$ 151,903,494	\$ 159,270,984	\$ 160,797,840
Combined Total	\$ 256,238,273	\$ 269,635,377	\$ 264,255,965

On a Systemwide basis, Cash and Investments amounted to \$264.3 million as of August 2025. This represents a decrease of \$5.3 million over July and an increase of \$8.1 million over June balance.

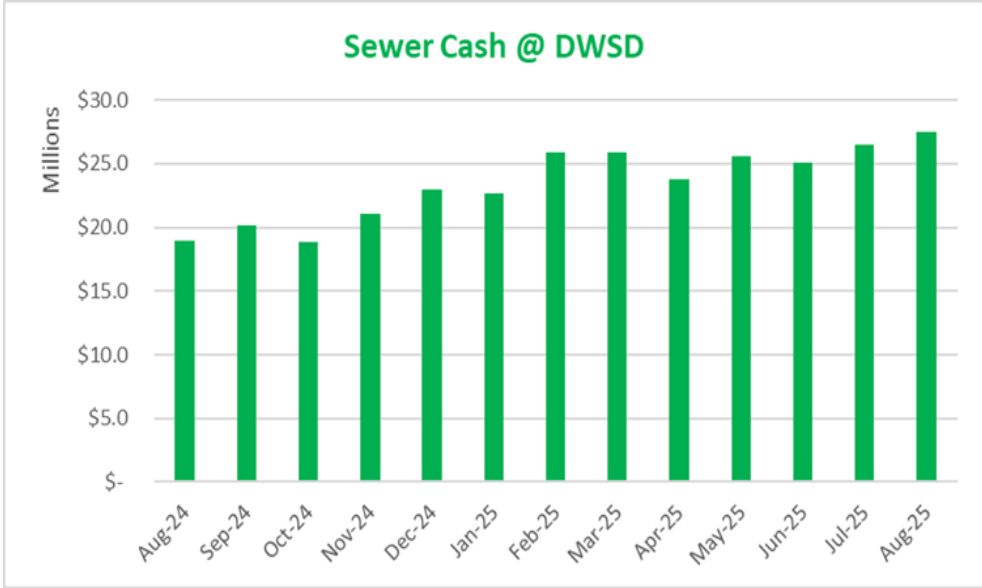
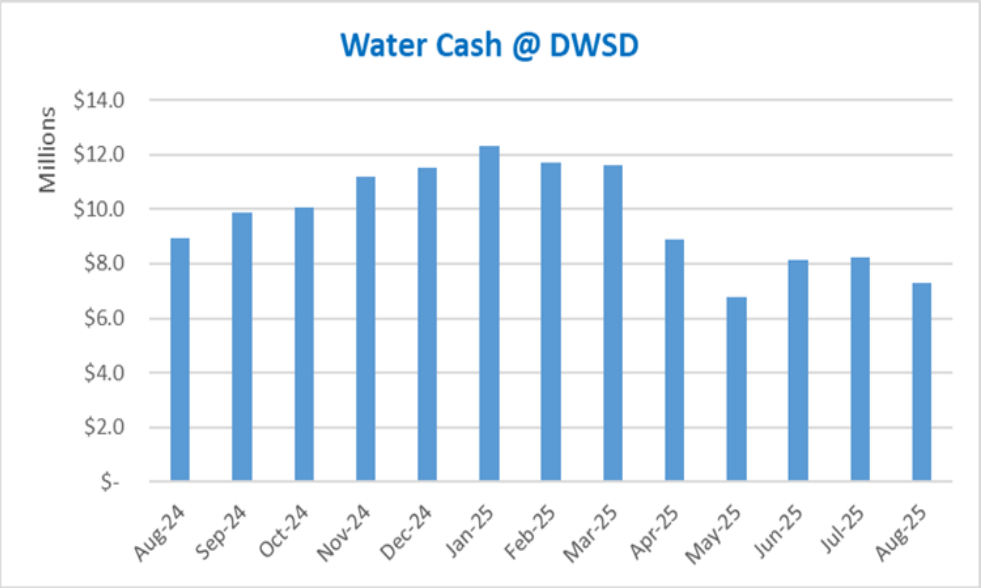
Within the Water Fund balances, I&E cash increased in July compared to June due to reimbursements from the funding sources and decreased in August due to capital expense disbursements. Water Construction cash decreased due to capital expense disbursements. The increase in Water Trust balance in July is mainly due to receipts from Wayne Metro in July.

Within the Sewer Fund balances, Sewer I&E cash decreased in July due to capital expense disbursements with a slight increase in August due to reimbursement from funding sources. Sewer construction balances decreased due to capital expense disbursements. The increase in Sewer Trust balance in July is mainly due to higher cash collections from Industrial, Government and Tax-Exempt classes of customers.

- Balances in the Operating accounts are stable over months.
- DWSD continues to maintain adequate operating cash balances to meet 3 months operating expense requirements for both the Funds.

July and August 2025 Highlights – Operating Cash

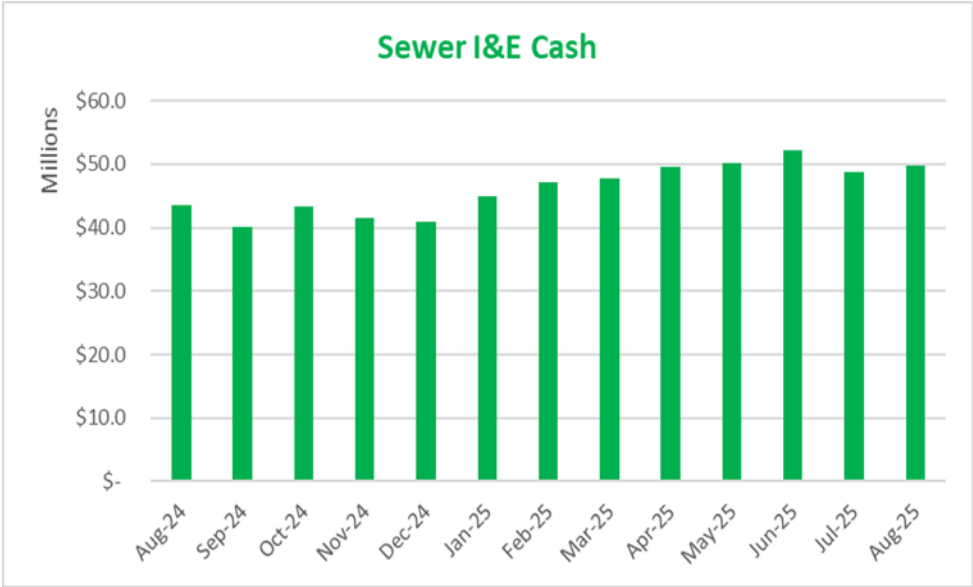
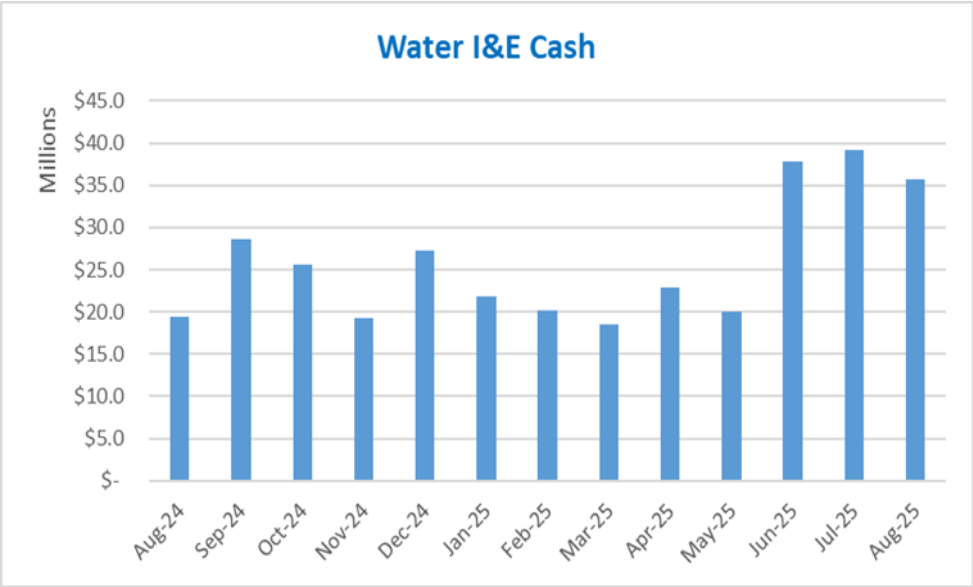
- Water Operating Cash** amounted to \$7.3 million at the end of August, a decrease of \$924,000 over July balance. Decrease is mainly due to higher Common Cash Pool payable disbursements in August over July disbursements.
- Sewer Operating Cash** amounted to \$27.5 million at the end of August, an increase of \$1.0 million over July balance. Increase is due to lower payable disbursements and lower Common Cash Pool payable disbursements in August over July disbursements.



July and August 2025 Highlights – Improvement & Extension (I&E) Cash

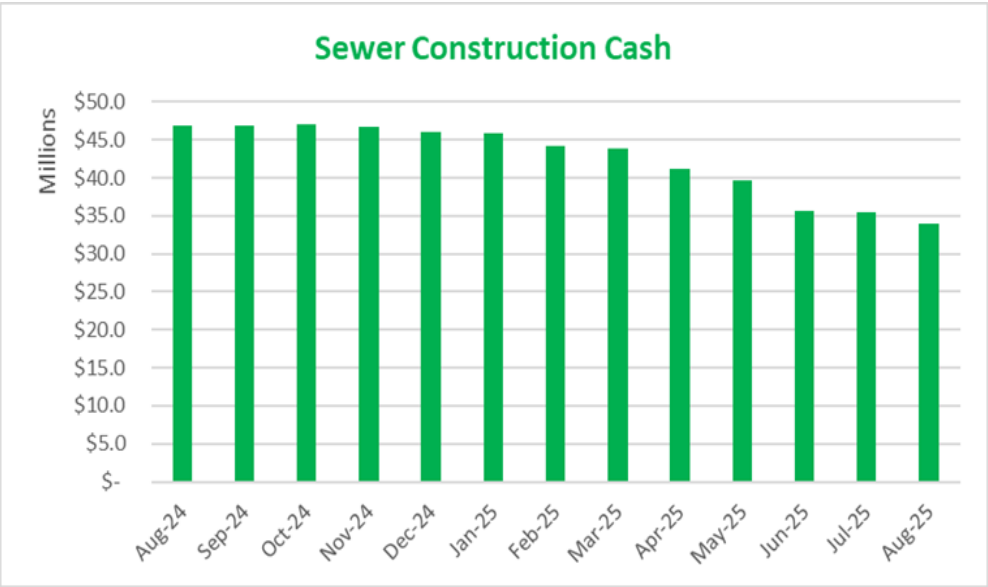
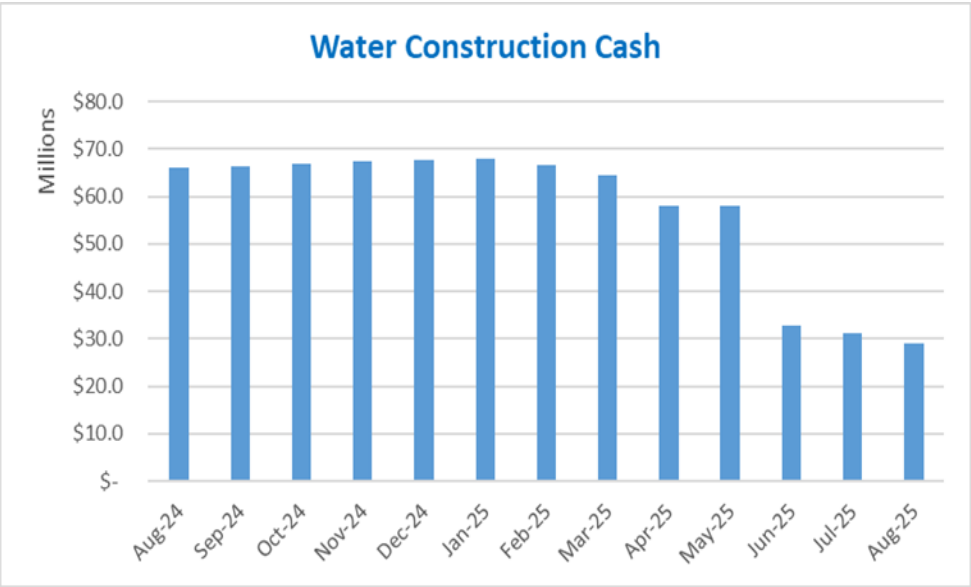


- **Water I&E Cash** amounted to \$35.7 million at the end of August, a decrease of \$3.4 million over July balance. Decrease is due to construction projects expenditures.
- **Sewer I&E Cash** amounted to \$49.7 million at the end of August, an increase of \$865,000 over July balance. Increase is related to Grant reimbursements.



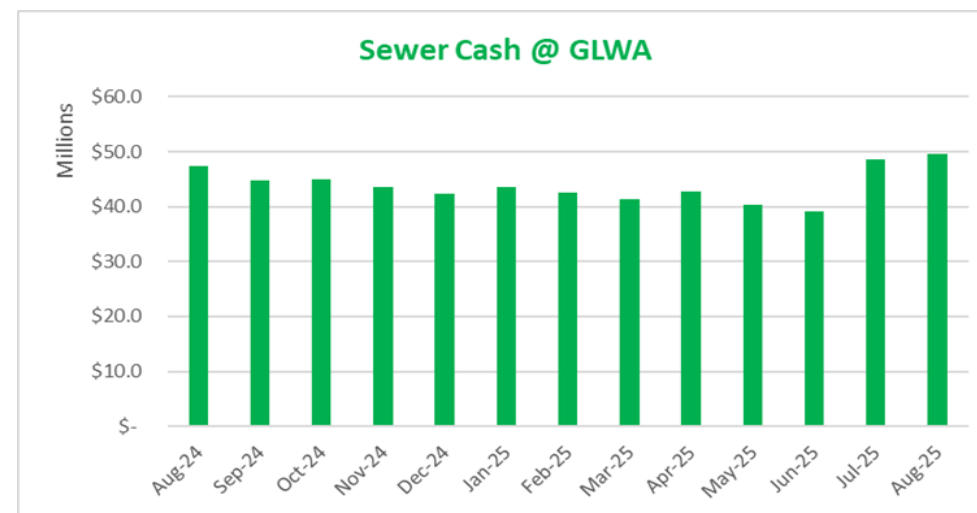
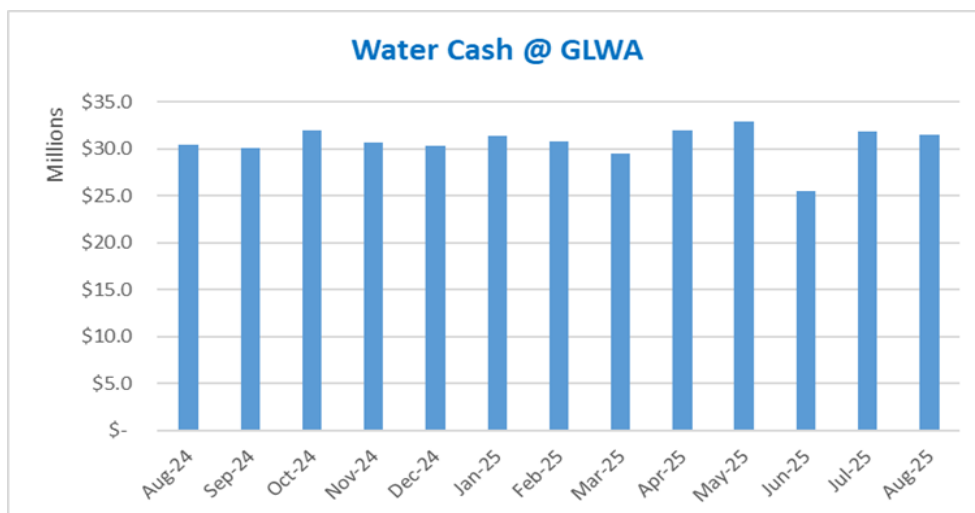
July and August 2025 Highlights – Construction Cash

- Water Construction Cash** amounted to \$29.0 million at the end of August, a decrease of \$2.2 million over July balance. Decrease is due to expenses related to Lead Service Line projects.
- Sewer Construction cash** amounted to \$33.9 million at the end of August, a decrease of \$1.5 million over July balance. Decrease is due to Construction project expenditures.



July and August 2025 Highlights – Cash Held in Trust

- **Water Cash at GLWA** amounted to \$31.5 million at the end of August, a decrease of \$319,000 over July balance. July balance shows an increase of \$6.3 million over June balance due to \$6.2 million receipt from Wayne Metro.
- Retail Water receipts of \$10.3 million in August fell short of the target collection by \$319,000 for the month. July retail receipts was approximately \$17 million and the increased receipts compared to June and even August was due to \$6.2 million received from Wayne Metro in July.
- **Sewer Cash at GLWA** amounted to \$49.6 million at the end of August, an increase of \$1.1 million over July balance. July balance shows an increase of \$9.4 million over June balance mainly due to higher collections from Industrial, Government and Tax-Exempt customer classes in July.
- Retail Sewer receipts of \$27.1 million in August exceeded the target collection by \$1.1 million for the month. July retail receipts was approximately \$35.5 million and the increased receipts compared to June and even August was due to higher collections from Industrial, Government and Tax-Exempt customer classes.



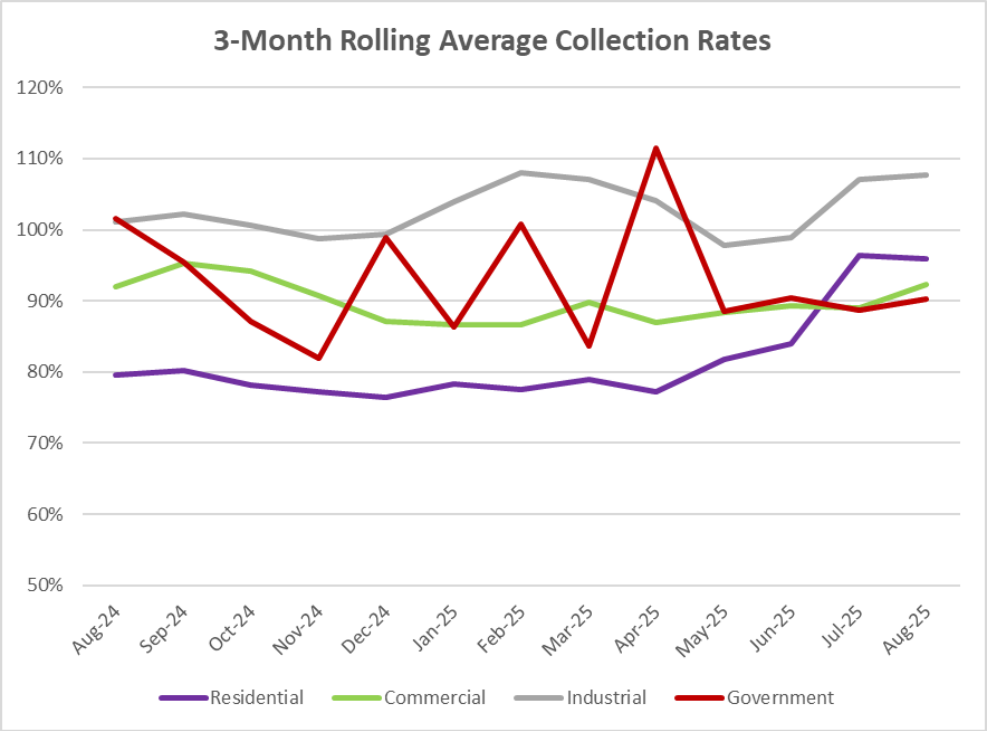
July and August 2025 Highlights - Comparative Accounts Receivables



Sales Class	June 30, 2025			July 31, 2025			August 31, 2025		
	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR
Residential	\$ 16,952,600	\$ 228,181,542	404	\$ 16,980,854	\$ 224,619,283	397	\$ 17,558,181	\$ 229,210,368	392
Commercial	8,683,254	32,053,891	111	8,302,072	34,744,951	126	9,048,185	35,836,213	119
Industrial	5,399,644	13,600,488	76	7,013,214	18,456,400	79	7,484,493	19,372,250	78
Tax Exempt	766,651	3,196,851	125	4,816,234	22,785,086	142	5,408,544	26,065,760	145
Government	4,856,313	23,664,329	146	4,525,576	22,822,267	151	4,367,336	23,629,830	162
Drainage Only	3,568,189	27,969,932	235	-	-	-	-	-	-
Total Active Accounts	\$ 40,226,650	328,667,033	245	\$ 41,637,949	323,427,986	233	\$ 43,866,739	334,114,422	228
Inactive Accounts Receivable		53,084,537			54,627,327			56,808,267	
Total Accounts Receivable		381,751,570			378,055,313			390,922,689	
Allowance for Doubtful Accounts		(310,878,978)			(316,201,065)			(321,569,106)	
Net Accounts Receivable		\$ 70,872,592			\$ 61,854,248			\$ 69,353,583	
Tax Roll Transfer		11,167,067			10,964,852			10,819,480	
Total		\$ 82,039,659			\$ 72,819,100			\$ 80,173,063	

- August sales of \$43.9 million exceeded July sales of \$41.6 million by \$2.2 million and July sales exceeded June sales of \$40.2 million by \$1.4 million.
- Active accounts receivables for all customer classes increased by \$10.7 million in August (3.3%) over July receivables. The is due to increased sales in August by \$2.3 million and lower August collection by \$8.3 million compared to July collection. The higher collections in July explains lower July receivable balance.
- Active residential receivables increased by \$4.6 million in August (2.0%) over July receivables. This is due to increased sales in August and lower August collection by \$5.6 million compared to July collection. The higher collections in July also explains lower July receivable balance compared to June receivable balance. Active residential receivable make up 68.6 % of total active receivables..
- Approximately \$178.6 million (53.4%) of total active receivables are outstanding for more than a year. Residential accounts make up \$137.7 million or 77.1%.
- DWSD continues to monitor allowance for doubtful accounts. The net carrying value of receivables of \$80.2 million (including Tax Roll) represents approximately 20% of total August receivables. Allowance stands at approximately 80 % of total receivables.

July and August 2025 Highlights - Collection Rates



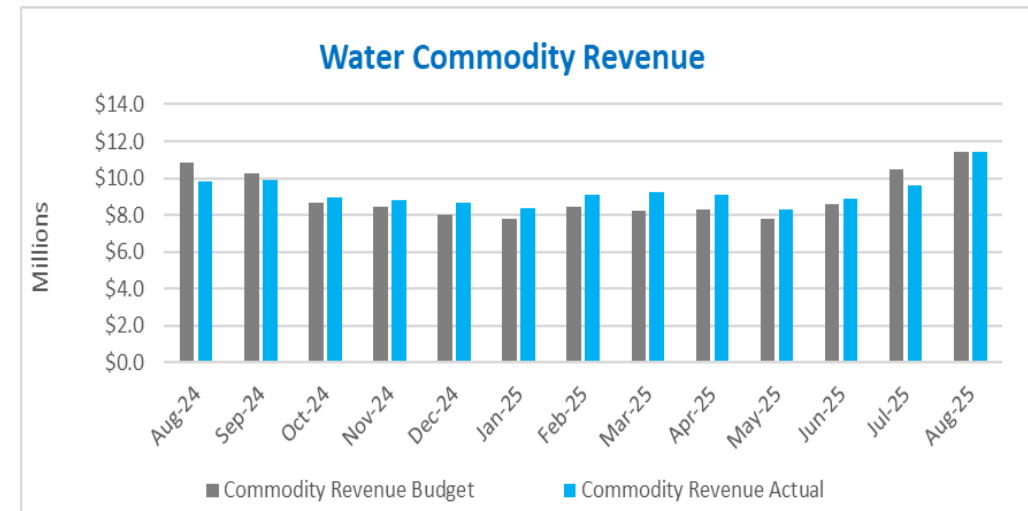
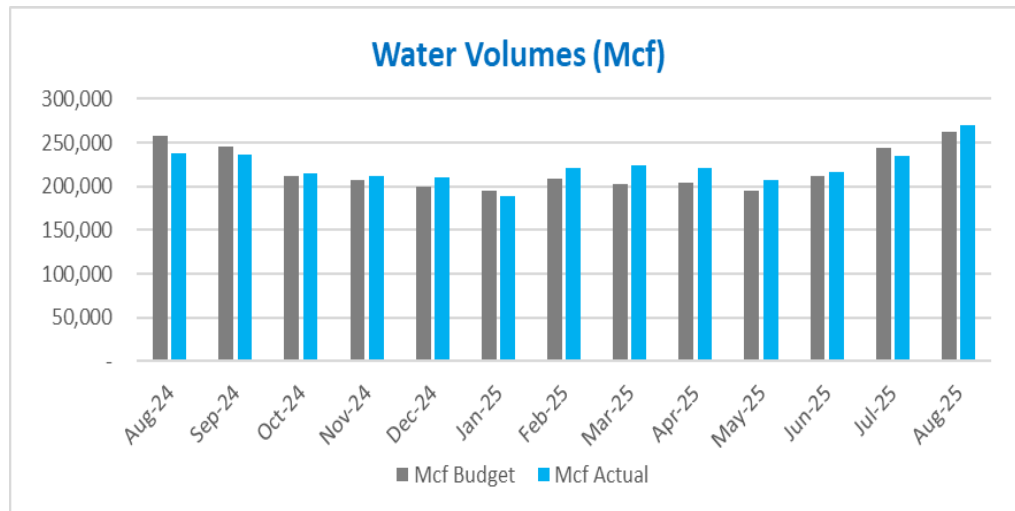
	Jun-25	Jul-25	Aug-25	3 - Month
Customer Class	Coll Rate	Coll Rate	Coll Rate	Rolling Average
Residential	84.0%	118.2%	85.4%	95.9%
Commercial	94.0%	88.6%	94.2%	92.2%
Industrial	99.2%	132.1%	95.2%	107.6%
Tax Exempt	89.7%	548.1%	88.2%	143.7%
Government	75.6%	119.8%	73.3%	90.2%

- Residential** collection rate for the last 3-months averaged 95.9%. This is due to increased collection rate in July due to collection of \$6.2 million received in July from Wayne Metro.
- Commercial and Industrial** Commercial 3-month rolling averaged at 92.2% and is fairly consistent with previous months’ averages. Industrial 3-month rolling averaged at 107.6%. This due to increased collections in July and reclass of industrial Drainage Only accounts to this class in July. Collection rates for both Commercial/industrial customer classes continue to show positive results.
- Tax Exempt** 3-month rolling averaged at 143.7%. This is because of high percent in July when all Tax- Exempt Drainage Only accounts were reclassified into this class.
- Government** collection rate for the last 3-months averaged at 90.2%. Increase is due to higher collection percent in July and also reclass of Government Drainage Only accounts to this class.
- Beginning in Fiscal Year 2026**, customer classes have been restructured to include Drainage-only accounts in the appropriate customer classes. As a result, larger changes were noted in most of the customer classes in July. Such changes evened out in August.
- August combined collection rate of 87.8% for all active customer classes was consistent with June rate but lower than July’s combined collection rate of 111.5%. July’s rate was higher due to increased collections during the month.

July and August 2025 Highlights - Water Commodity Metrics & Revenues



- August actual volume exceeded the budget for the month by 2.8%. July actual volume fell short of the budget by 3.8%. In June, actual volume beat expectation by 2.6%. August actual volume was 15.5% higher than actual July volume and 13.6% above August 2024 actual volume.
- Year-to-date actual volume was 0.4% under seasonally adjusted budget.
- August actual revenue exceeded the budget for the month by 0.1%. July actual revenue fell short of the budget by 8.2%. In June, actual revenue beat expectation by 2.8%, August actual revenue was 19.0% higher than actual July revenue and 16.3% above August 2024 actual revenue.
- Year-to-date actual revenue was 3.9% under seasonally adjusted budget.

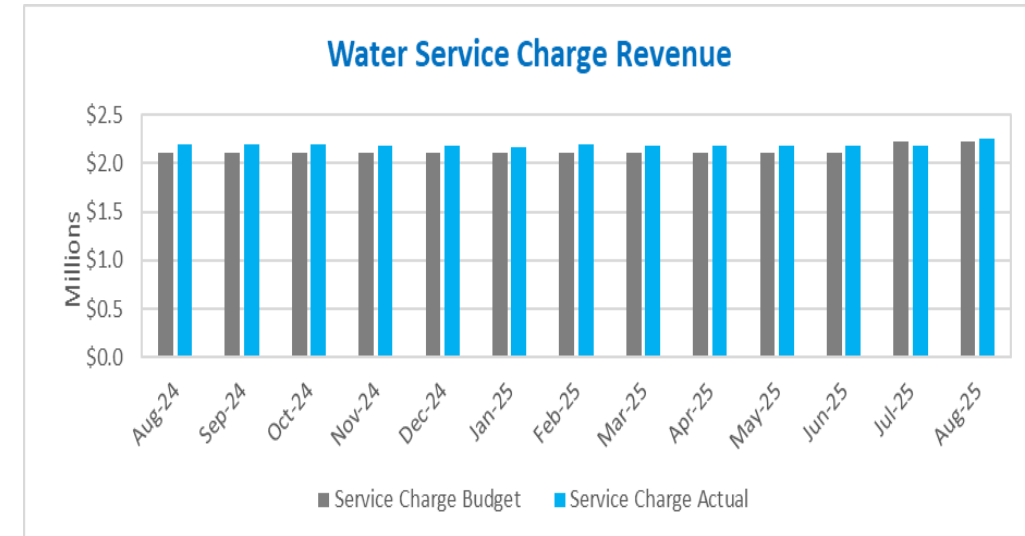
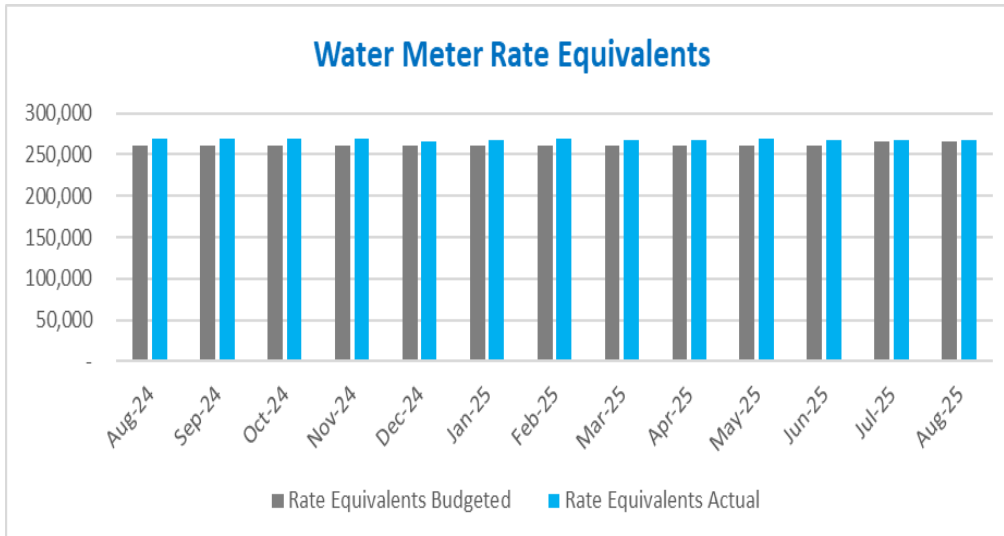


July and August 2025 Highlights - Water Service Charge Metrics & Revenues



Water & Sewerage
Department

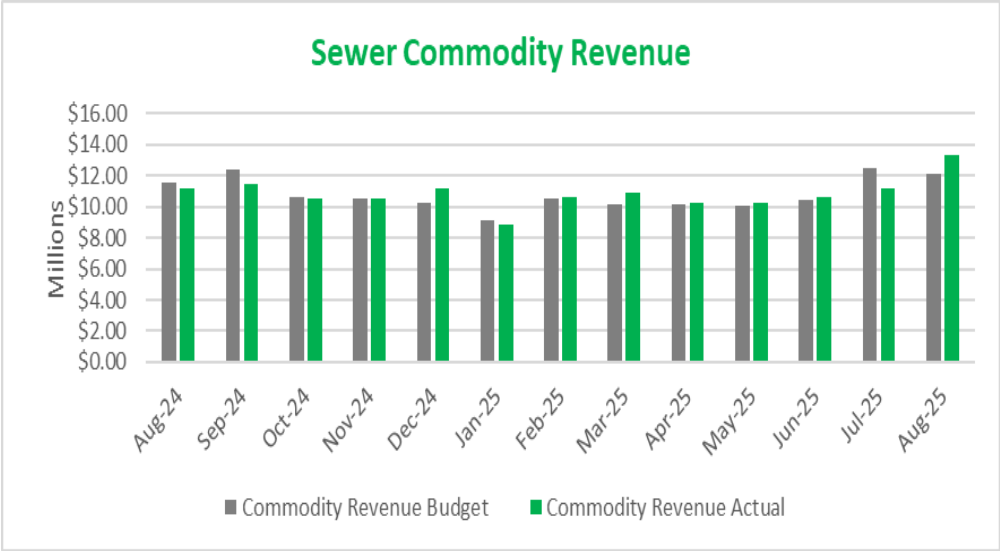
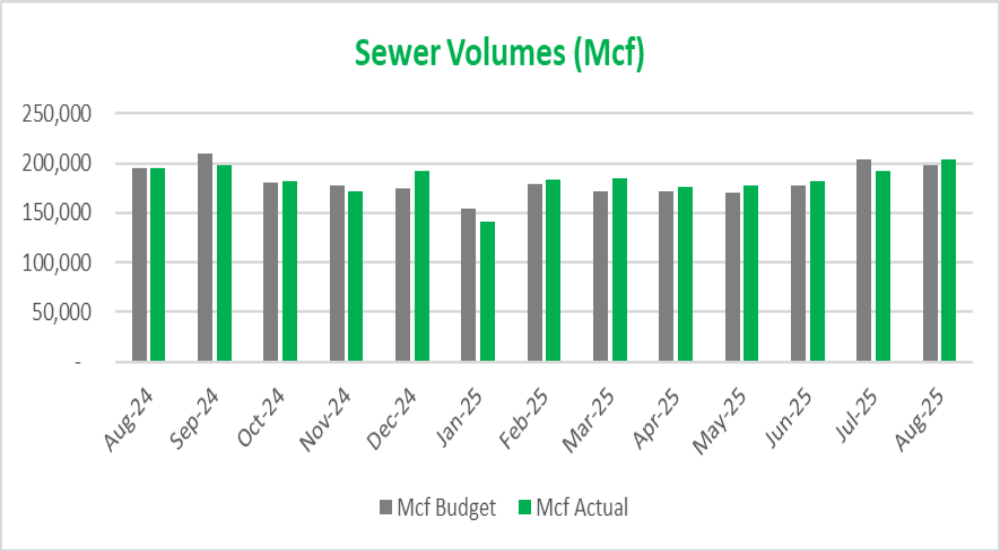
- August actual meter equivalents exceeded the budget for the month by 0.6%. July actual equivalents exceeded the budget by 0.9%. In June, actual equivalents beat expectation by 2.8%. August actual equivalents was 0.3% lower than actual July equivalents and 0.6% lower than August 2024 actual equivalents.
- Year-to-date actual equivalents exceeded budget by 0.7%.
- August actual revenue exceeded the budget for the month by 1.1%. July actual revenue fell short of the budget by 2.1%. In June, actual revenue beat expectation by 3.1%, August actual revenue was 3.3% higher than actual July revenue and 2.6% above August 2024 actual revenue.
- Year-to-date actual revenue was under budget by 0.5%.



July and August 2025 Highlights - Sewer Commodity Metrics & Revenues



- August actual volume exceeded the budget for the month by 3.0%. July actual volume fell short of the budget by 5.8%. In June, actual volume beat expectation by 2.5%. August actual volume was 6.0% higher than actual July volume and 4.4% above August 2024 actual volume.
- Year-to-date actual Sewer Volume was 1.5% under seasonally adjusted budget.
- August actual revenue exceeded the budget for the month by 10.7%. July actual revenue fell short of the budget by 10.0%. In June, actual revenue beat expectation by 1.5%, August actual revenue was 19.4% higher than actual July revenue and 19.1% above August 2024 actual revenue.
- Year-to-date actual revenue was 0.2% above seasonally adjusted budget.

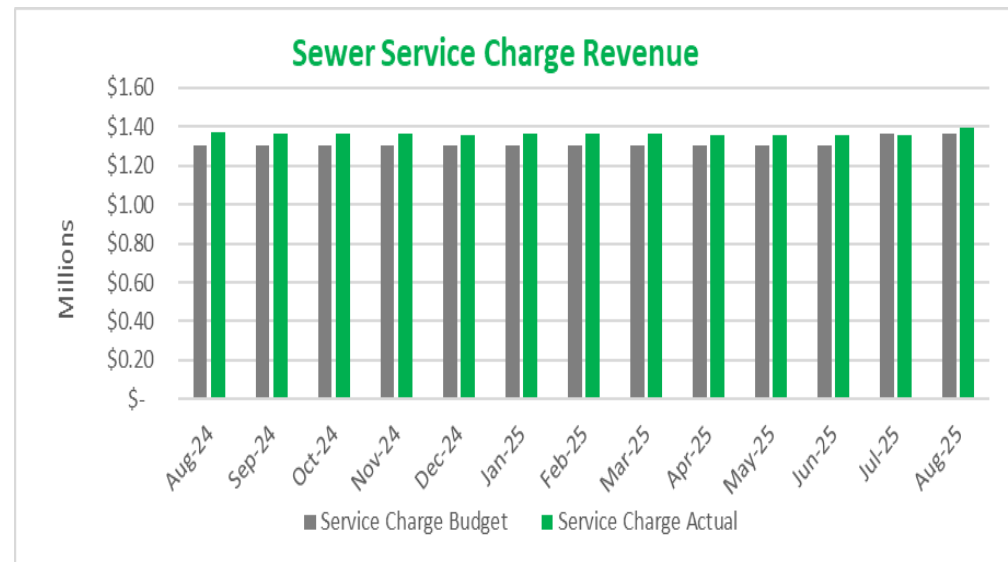
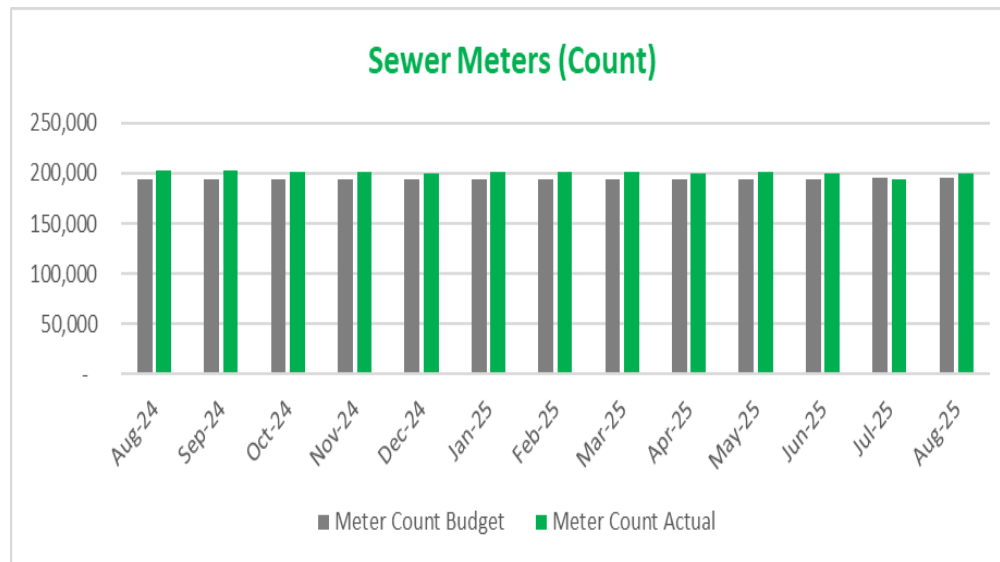


July and August 2025 Highlights - Sewer Service Charge Metrics & Revenues



Water & Sewerage
Department

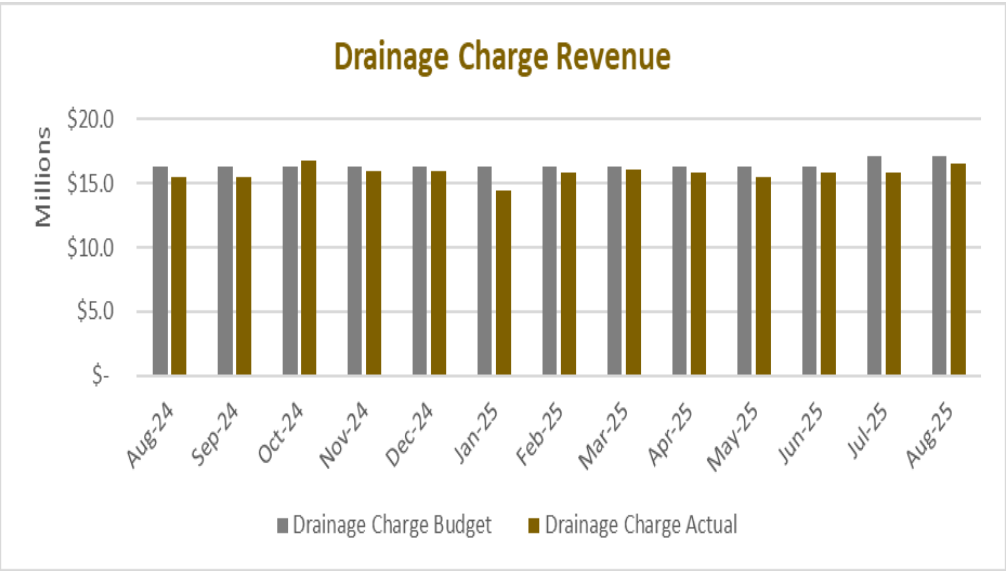
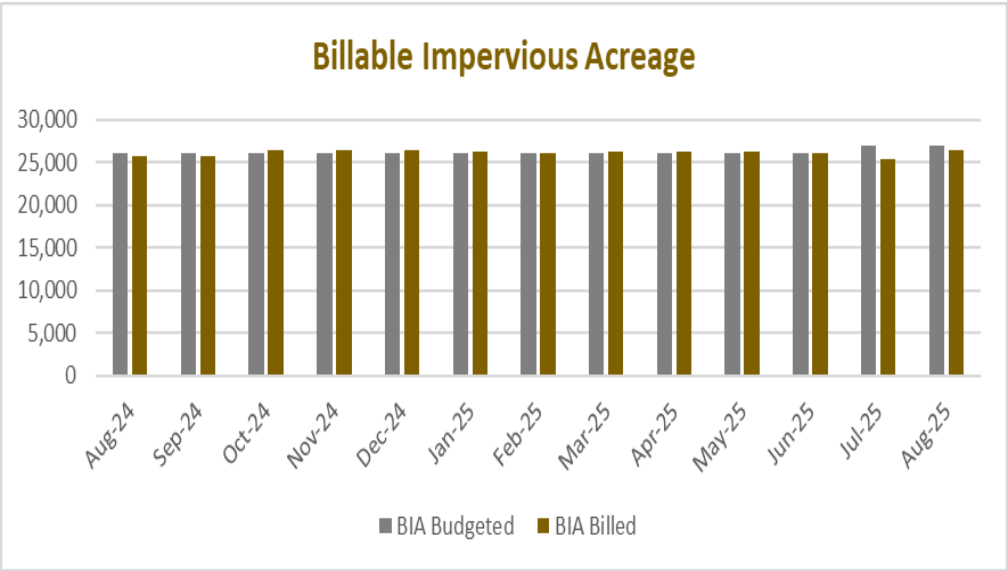
- August actual meter counts exceeded the budget for the month by 2.4%. July actual counts fell short of the budget by 0.7%. In June, actual counts beat expectation by 3.6%. August actual counts were 3.1% higher than actual July counts and 1.3% lower than August 2024 actual counts.
- Year-to-date actual meter counts exceeded budget by 0.8%.
- August actual revenue exceeded the budget for the month by 2.4%. July actual revenue fell short of the budget by 0.7%. In June, actual revenue beat expectation by 3.7%, August actual revenue was 3.2% higher than actual July revenue and 2.1% above August 2024 actual revenue.
- Year-to-date actual revenue exceeded budget by 0.9%.



July and August 2025 Highlights - Drainage Charge Metrics & Revenues



- August actual Billable Impervious Acreage (BIA) fell short of the budget for the month by 2.4%. July actual BIA fell short of the budget by 6.3%. In June, actual BIA beat expectation by 0.2%. August actual BIA was 4.1% higher than actual July BIA and 2.1% above August 2024 actual BIA.
- Year-to-date actual BIA was 4.4% under budget.
- August actual revenue fell short of the budget for the month by 3.6%. July actual revenue fell short of the budget by 7.1%. In June, actual revenue fell short of expectation by 3.0%, August actual revenue was 3.9% higher than actual July revenue and 6.2% above August 2024 actual revenue.
- Year-to-date actual revenue was 5.4% under budget.





THANK YOU!

Detroit Water & Sewerage Department

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