



Financial Review
Budget vs Actual Variance Report
Year Ended June 30, 2025

BOWC Finance Committee

January 13, 2026

Water and Sewer Operating Revenue - Budget vs. Actual

For the Twelve Month Ended June 30, 2025							
	(Amounts in thousands)						
	Budget		Actual	Variance	%		
Water Operating Revenue							
Commodity sales	\$	105,339	\$	109,002	\$	3,663	3.5%
Service charges	\$	25,352	\$	26,507	\$	1,154	4.6%
Private firelines	\$	2,138	\$	1,977	\$	(161)	-7.5%
Shared Services	\$	1,178	\$	1,138	\$	(39)	-3.3%
Other GLWA reimbursement	\$	2,283	\$	648	\$	(1,636)	-71.6%
Penalties and fees	\$	3,700	\$	9,231	\$	5,531	149.5%
Total Operating Revenue	\$	139,990	\$	148,502	\$	8,512	6.1%

For the Twelve Month Ended June 30, 2025						
	(Amounts in thousands)					
	Budget		Actual		Variance	%
Sewer Operating Revenue						
Commodity sales	\$	127,647	\$	127,626	\$ (21)	0.0%
Service charges	\$	15,664	\$	16,312	\$ 648	4.1%
Drainage charges	\$	196,352	\$	189,246	\$ (7,106)	-3.6%
Industrial waste charges	\$	1,600	\$	1,628	\$ 28	1.7%
Shared Services	\$	1,323	\$	1,279	\$ (44)	-3.3%
Other GLWA reimbursement	\$	4,846	\$	1,461	\$ (3,386)	-69.9%
Penalties and fees	\$	8,000	\$	7,630	\$ (370)	-4.6%
Total Operating Revenue	\$	355,432	\$	345,180	\$ (10,252)	-2.9%

- *Water Commodity Revenue* was \$3.7 million (3.5%) over budget. This is primarily due to increased volume (usage) over budgeted level for the year. Actual Water volume exceeded budget by 42,940 Mcf or 1.7% resulting in positive revenue variance.
- *Water Service Charge Revenue* was \$1.2 million (4.6%) over budget. This is primarily due to increase in actual meter equivalents over the budgeted level for the year. Actual meter equivalents exceeded budget by 90,460 equivalents (2.9%) resulting in positive revenue variance.
- Decrease in Other GLWA reimbursement is because the budgeted amount includes GLWA's share of pension expense and Debt Service on B & C Notes. The actual expense only includes the interest portion of GLWA's share.
- Penalties and fees variance is due to increased activities such as new connection fees, late fees and other services that exceeded budgetary expectations.
- *Drainage Charge Revenue* fell short of budget estimates by \$7.1 million (3.6%). Decrease is due increase in Green and Residential credits, although BIA exceeded the budget by 0.2%.
- Decrease in Other GLWA reimbursement is because the budgeted amount represents GLWA's share of pension expense and Debt Service on B & C Notes. The actual expense only includes the interest portion of GLWA's share.

Operating Expense By Appropriation - Budget vs. Actual

For the Twelve Month Ended June 30, 2025							
	(Amounts in thousands)						
	Budget		Actual	Variance	%		
Combined Departmental Expense							
Administration	\$	1,775	\$	1,612	\$	163	9.2%
Operations	\$	55,496	\$	56,172	\$	(676)	-1.2%
Compliance	\$	26,165	\$	22,437	\$	3,727	14.2%
Finance	\$	15,724	\$	12,622	\$	3,102	19.7%
Customer Service	\$	7,166	\$	6,723	\$	444	6.2%
Total Departmental	\$	106,326	\$	99,566	\$	6,760	6.4%

- **Compliance** variance due to Personnel savings attributable to 12 vacancies and savings on certain Contractual Services and Shared Services.
- **Finance** variance due to Personnel savings for 11 vacancies, Contractual Services savings due to certain delayed or canceled projects.

For the Twelve Month Ended June 30, 2025							
	(Amounts in thousands)						
	Budget		Actual	Variance	%		
Combined Nondepartmental Expense							
Wholesale charges	\$	234,619	\$	234,015	\$	604	0.3%
Legacy pension expense	\$	2,500	\$	-	\$	2,500	100.0%
Retail Assistance Program	\$	2,250	\$	1,389	\$	861	38.3%
Bad debt expense	\$	61,741	\$	61,637	\$	105	0.2%
Total Nondepartmental	\$	301,110	\$	297,040	\$	4,070	1.4%

- **Legacy Pension Expense** variance represents GLWA’s share of pension expense which is included in the budget for budgetary control purpose but not in actual expense.

Operating Expense By Object - Budget vs. Actual

For the Twelve Month Ended June 30, 2025						
	(Amounts in thousands)					
	Budget		Actual		Variance	%
Combined Operating Expense						
Salaries and Wages	\$	42,979	\$	39,119	\$ 3,860	9.0%
Employee Benefits	\$	16,270	\$	11,488	\$ 4,782	29.4%
Contractual Services	\$	23,523	\$	17,794	\$ 5,729	24.4%
Supplies	\$	12,134	\$	13,092	\$ (959)	-7.9%
Wholesale Charges	\$	234,619	\$	234,015	\$ 604	0.3%
Shared Services	\$	2,770	\$	2,750	\$ 20	0.7%
Utilities	\$	3,605	\$	3,034	\$ 571	15.8%
Other Operating	\$	9,795	\$	13,678	\$ (3,883)	-39.6%
Bad Debt Expense	\$	61,741	\$	61,637	\$ 105	0.2%
Total Operating	\$	407,436	\$	396,606	\$ 10,829	2.7%

- **Salaries and Wages** were 9.0% under budget for the year due to vacancies across multiple cost centers. Also, there was a hiring freeze for approximately 5 months to free up funding to finance the unexpected expenses relating to the Southwest Detroit flooding expenses.
- **Employee Benefits** were under budget due to lower vacancies and also due to the fact that GLWA’s share of pension expenses is included in this category for budgeting control purposes but not reflected in actual expenses.
- **Contractual Services** variance due to certain delayed or cancelled projects.
- **Other Operating** expense was over budget by \$3.8 million due to the funding of the watermain break in Southwest Detroit. This variance is covered by savings in the personnel category.