



Financial Review

April 2024

BOWC Finance Committee

July 8, 2024

April Highlights



Cash and Investments

- DWSD continues to maintain adequate cash reserves to support its operating and capital programs. Combined Cash and Investments balance of \$289.3 million at month end shows a decrease of \$2 million over March balance.

Sales and Receivables

- April Sales of \$37.3million fell short of March sales by \$1.7 million.
- April Water retail receipts equaled target receipts of \$9.7 million whereas Sewer retail receipts of \$23.3 million fell short of target receipts by \$0.6 million.
- Receivables for all active accounts increased by \$3.7 million (1.3%) over March receivables and days in receivables increased by 13 days to 228 days for all active customer classes.
- Active residential receivables increased by \$2.0 million or 1.1% over March receivables. Days in receivables for actives residential accounts increased by 26 day to 361 days from 335 days in March.
- April's combined collection rate of 82.8% for all active customer classes fell short of March collection rate of 109.5%. Increase in March collection rate was primarily due to receipt of \$4.8 million from Wayne Metro and \$4.5 million from GLWA for back billings. The 3-month combined moving average collection rate of 94.0% also fell short of March rate of 96.6%.

Volume and Revenue Metrics

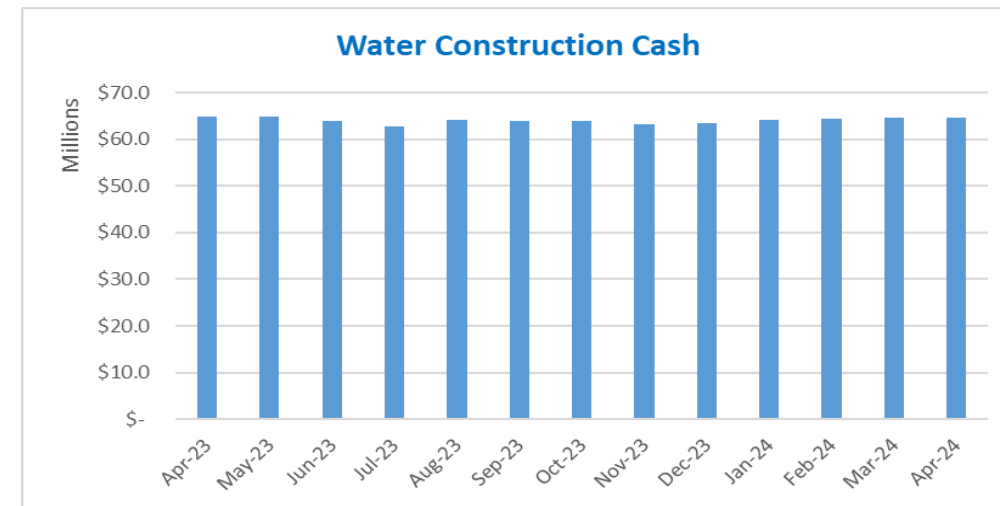
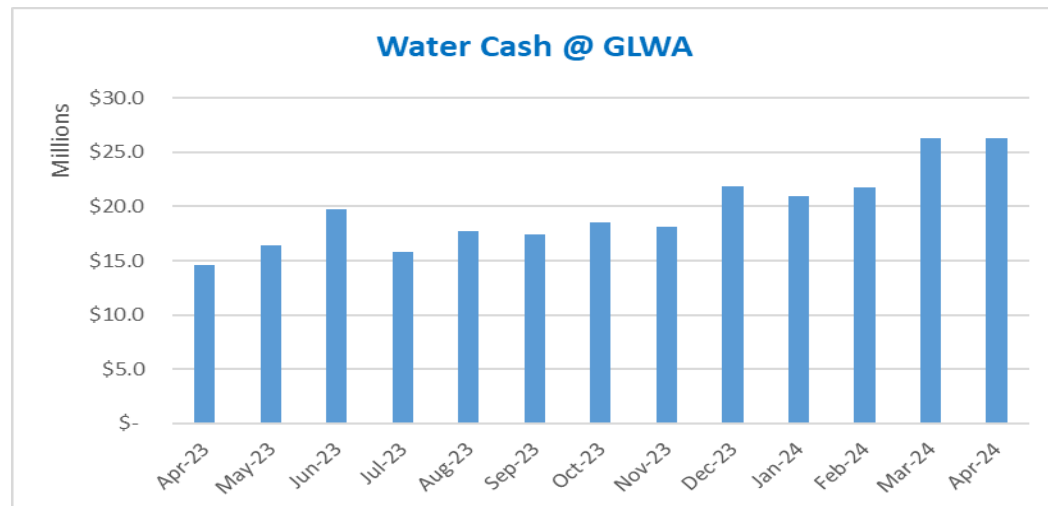
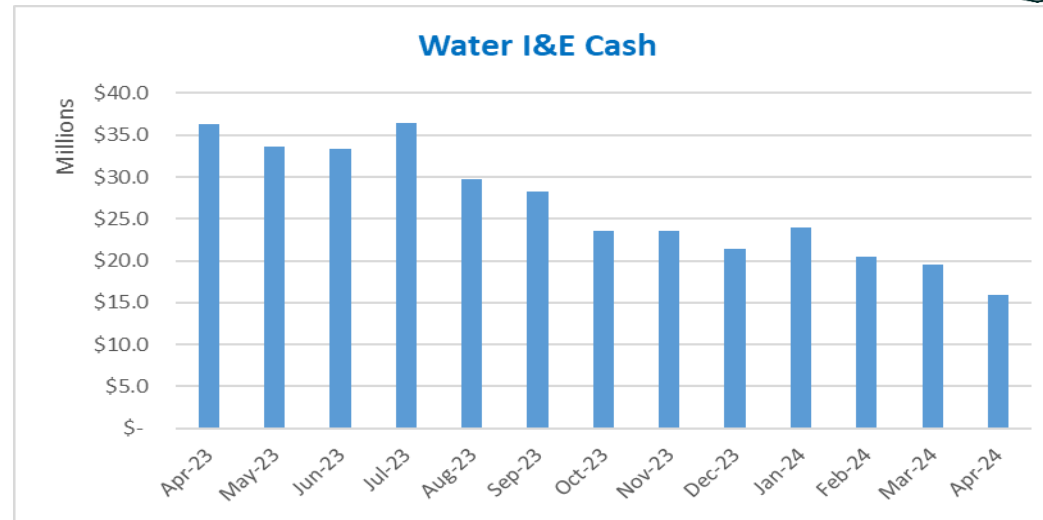
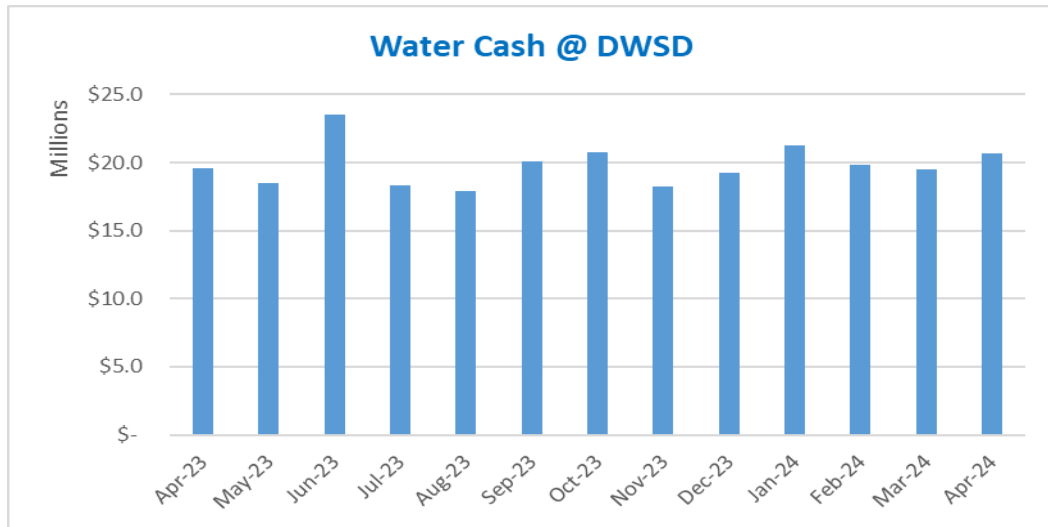
- Water Volume and Water Commodity Revenue exceeded budgeted levels by 5.6% and 0.7%, respectively. Water Meter Equivalents and Water Service Charge Revenue also exceeded budgeted levels by 7% and 4%, respectively.
- Sewer Volume fell short of budgeted levels by 4.8% and Sewer Commodity Revenue fell short of budget by 7.5%, respectively. Sewer Meter Counts and Sewer Service Charge Revenue exceeded budget by 5.6% and 5.1%, respectively.
- Billed Impervious Acreage exceeded the budget by 1.5% while Drainage Revenue fell short of the budgeted level by 3.1%.

Cash and Investments

	Feb-24	Mar-24	Apr-24
	Balance	Balance	Balance
Water - Operating	\$ 19,805,198	\$ 19,518,263	20,682,221
Water - I&E	20,524,703	19,530,241	15,919,088
Water - Construction	64,398,732	64,692,752	64,692,727
Water - Trust	21,767,208	26,308,491	26,305,364
Water Total	\$ 126,495,841	\$ 130,049,747	\$ 127,599,400
Sewer - Operating	\$ 23,104,018	\$ 26,074,663	26,817,264
Sewer - I&E	44,594,205	45,551,987	45,815,072
Sewer - Construction	46,117,707	46,327,959	46,327,959
Sewer - Trust	40,684,350	43,374,776	42,771,235
Sewer Total	\$ 154,500,280	\$ 161,329,385	\$ 161,731,530
Combined Total	\$ 280,996,121	\$ 291,379,132	\$ 289,330,930

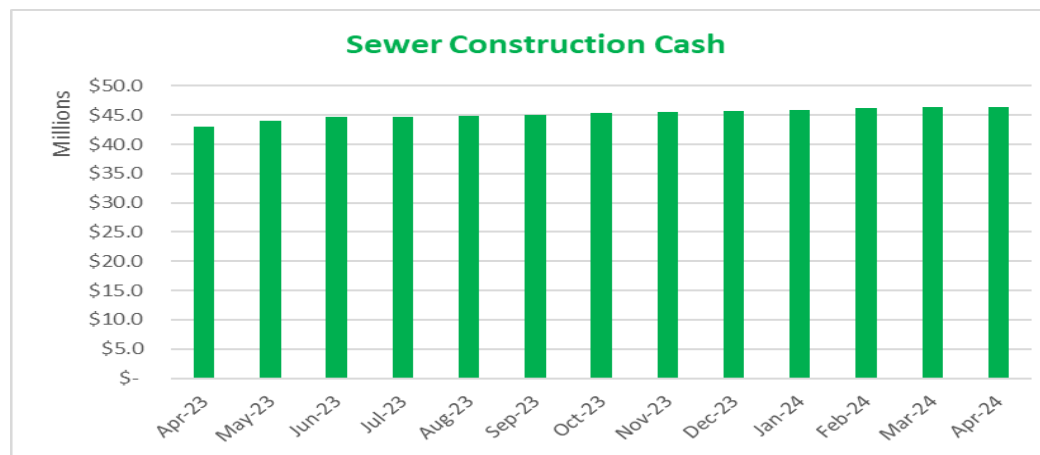
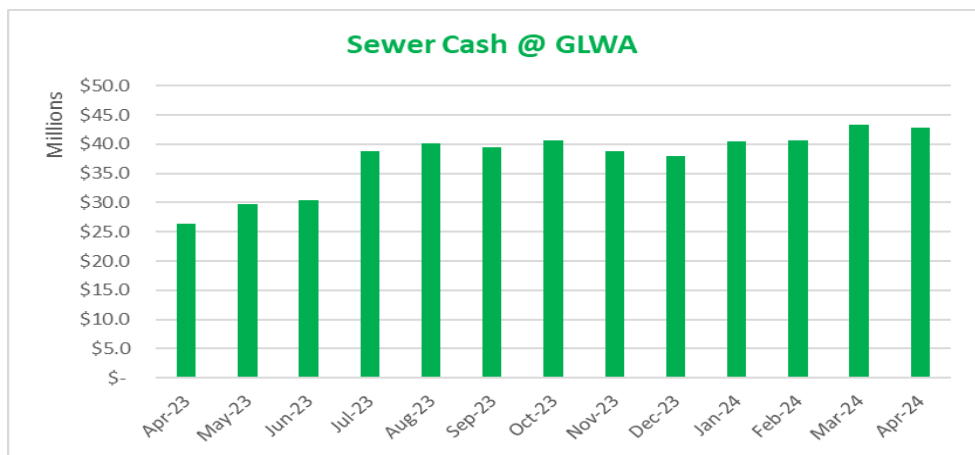
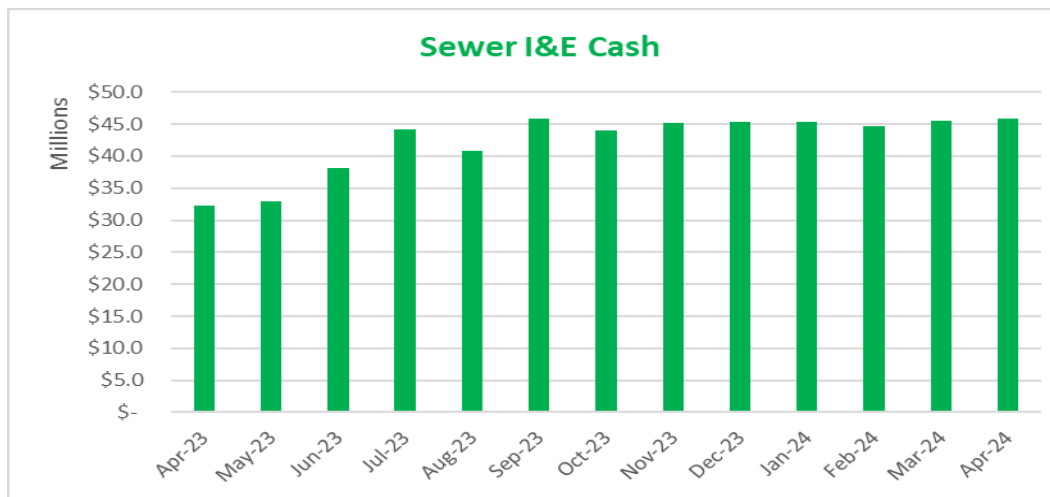
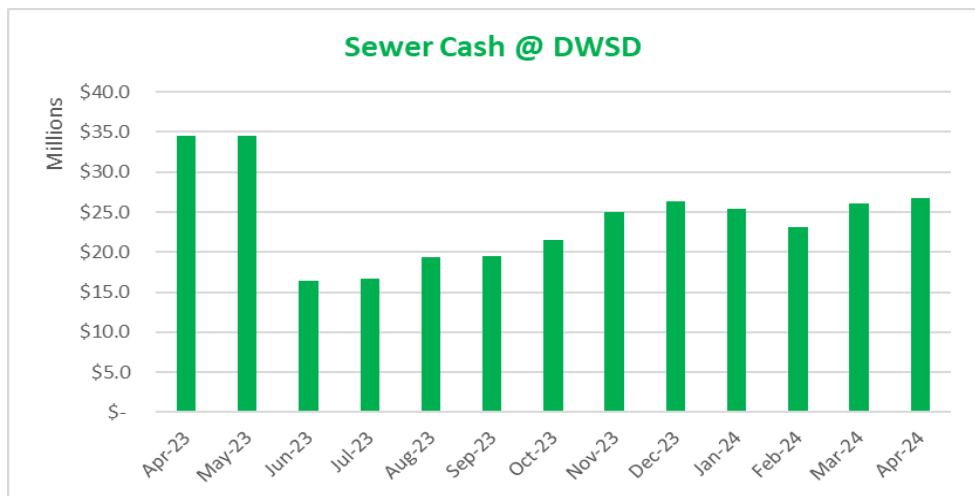
- On a Systemwide basis, Cash and Investments amounted to \$289.3 million as of April 2024. This represents a decrease of \$2.1 million over March balance.
- Decrease of \$2.5 million in the Water Fund is mainly due to decrease of \$3.6 million in I&E account offset by an increase of \$1.1 million in the Operating account.
- Decrease in the I&E account is due to disbursements for capital projects offset by lease receipts, State Revolving Fund reimbursements and investment income.
- The balances in both the Water and Sewer Operating accounts exceed the 3 months operating needs for the respective Funds.
- Retail Water receipts of \$9.7 million equaled the target collection of \$9.7 million for the month. Fell short of March receipts of \$14.2 million.
- Retail Sewer receipts of \$23.3 million fell slightly short of target collection of \$23.9 million for the month. Fell short of March receipts of \$26.6 million.
- The next 2 slides present DWSD’s cash position in graphical format.

Cash and Investments – Water Fund





Cash and Investments – Sewer Fund



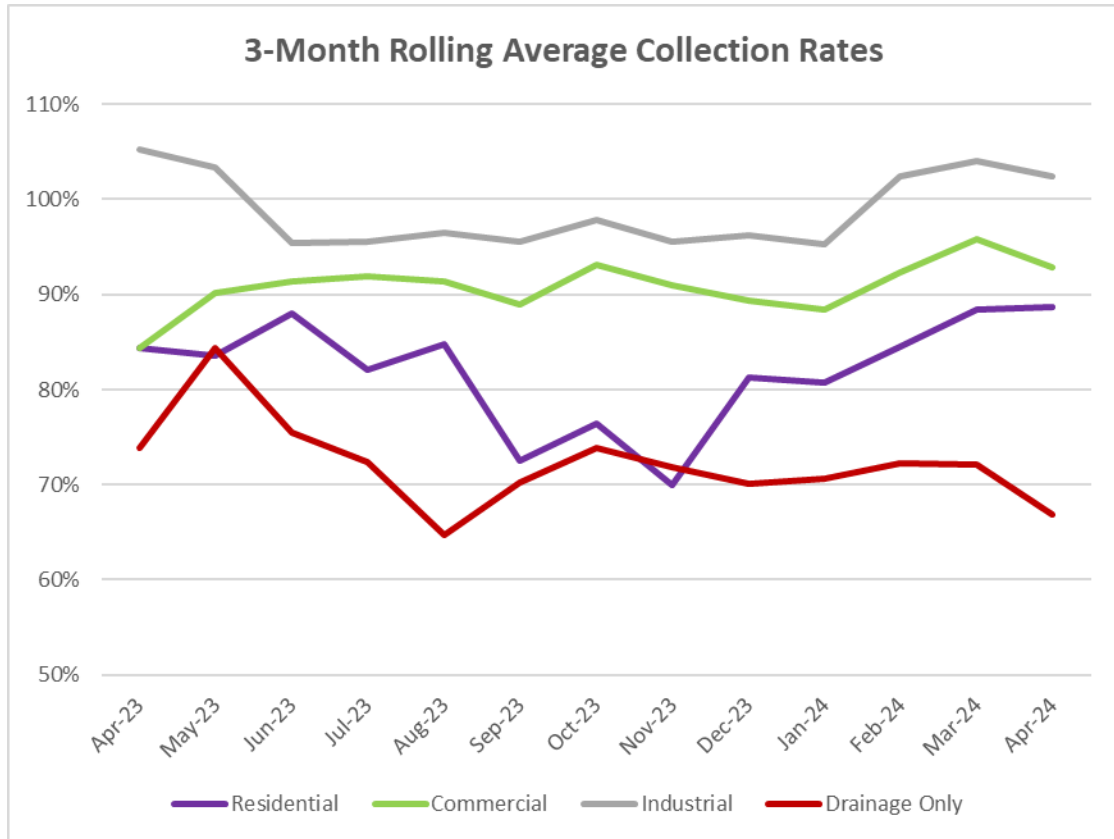
Comparative Accounts Receivable



Sales Class	February 29, 2024			March 31, 2024			April 30, 2024		
	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR
Residential	\$ 16,880,502	\$ 188,176,450	334	\$ 16,754,584	\$ 187,005,042	335	\$ 15,729,066	\$ 189,029,702	361
Commercial	8,379,340	26,357,078	94	7,941,308	27,215,598	103	7,698,193	27,680,181	108
Industrial	5,240,971	13,108,605	75	5,327,992	13,368,288	75	5,101,015	13,577,269	80
Tax Exempt	724,995	2,435,760	101	711,194	2,462,217	104	713,231	2,568,229	108
Government	4,771,194	21,664,411	136	4,633,783	22,661,500	147	4,460,653	22,666,946	152
Drainage Only	3,557,973	25,814,657	218	3,591,327	26,555,859	222	3,586,643	27,474,032	230
Total Active Accounts	\$ 39,554,975	277,556,962	211	\$ 38,960,187	279,268,503	215	\$ 37,288,801	282,996,359	228
Inactive Accounts Receivable		31,202,038			32,705,166			34,322,183	
Total Accounts Receivable		308,759,000			311,973,669			317,318,542	
FY 2023 End of Year Writeoff									
Allowance for Doubtful Accounts		(246,940,281)			(251,908,844)			(256,691,369)	
Net Accounts Receivable		\$ 61,818,719			\$ 60,064,825			\$ 60,627,173	

- April sales of \$37.3 million fell short of March sales \$39.0 million.
- Active accounts receivables increased by \$3.7 million (1.3%) over March receivables. Increases noted primarily in residential (\$2 m) and Drainage only (\$900K) customer classes.
- Active residential receivables represents an increase of approximately \$2 million (1.1%) over March receivables. Active residential receivable make up 66.8 % of total active receivables.
- DWSD continues to monitor allowance for doubtful accounts. The net carrying value of receivables of \$60.6 million represents approximately 19.1% of total receivables at the end of April.

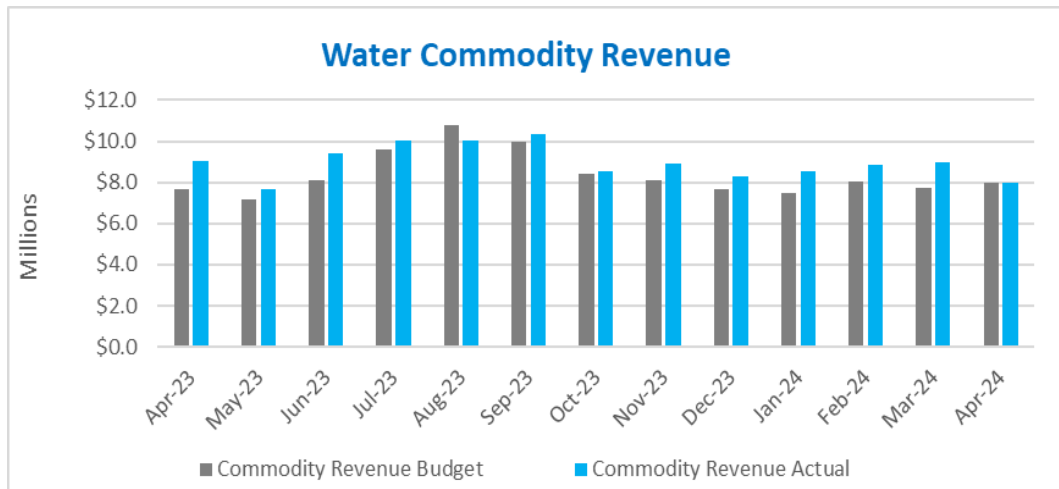
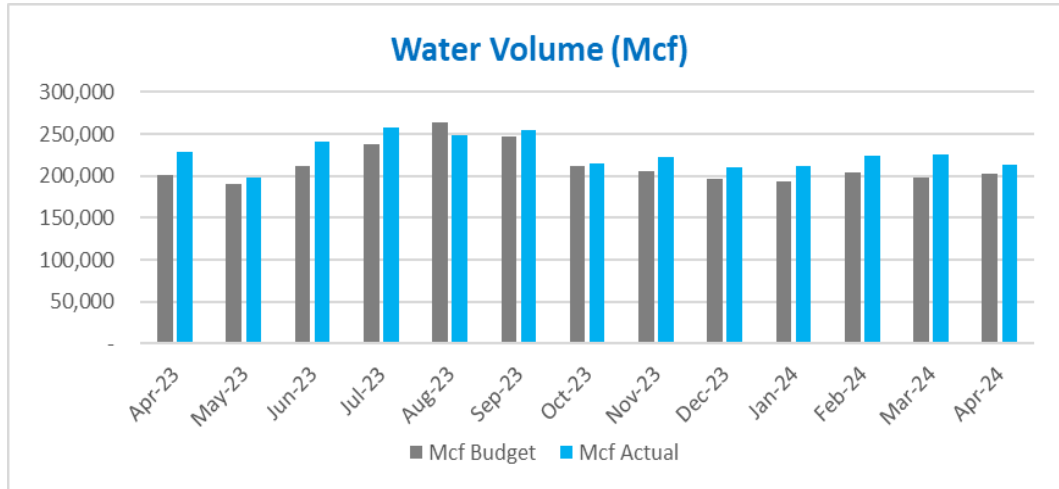
Collection Rates



Customer Class	Feb-24 Coll Rate	Mar-24 Coll Rate	Apr-24 Coll Rate	3 - Month Rolling Average
Residential	81.8%	109.3%	73.8%	88.7%
Commercial	94.2%	96.0%	88.4%	92.9%
Industrial	110.5%	101.5%	96.0%	102.4%
Tax Exempt	97.2%	103.3%	78.2%	92.9%
Government	93.1%	171.6%	110.7%	126.7%
Drainage Only	70.6%	72.0%	58.2%	66.9%

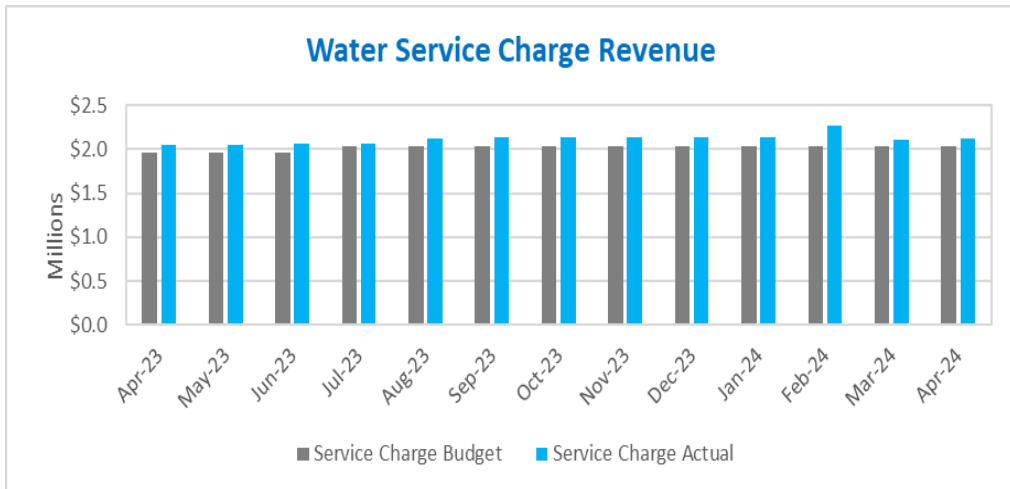
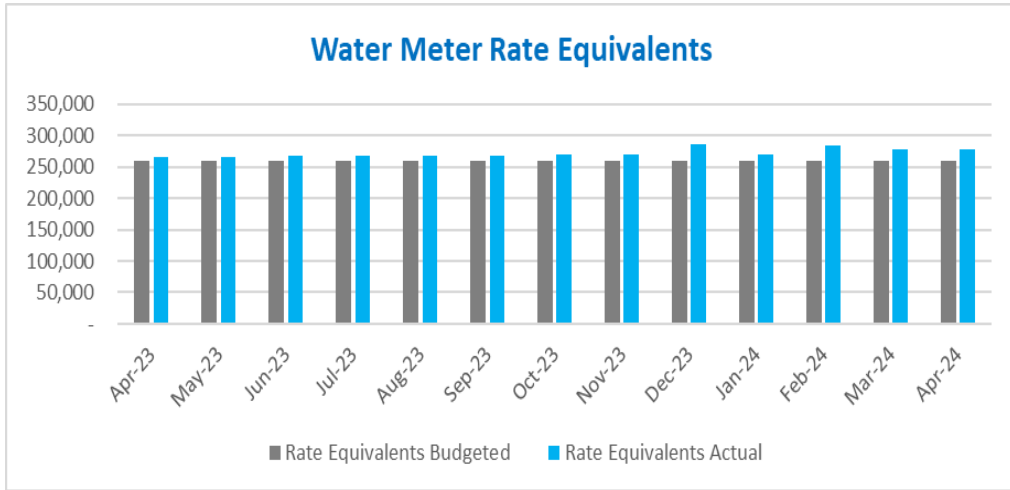
- **Residential** collection rate for April stands at 73.8%. This is down from March’s collection rate mainly due to receipt of \$4.8 million from Wayne Metro in March. Also, the collection rate in April is lower than February’s rate of 81.8%.
- **Residential collection rate continues to be a concern.**
- **Commercial and Industrial** collection rate for April continues to be strong although the collection rate fell in April compared to February and March rates.
- **Government** collection rate for March was high due to the receipt of \$4.5 million from GLWA for back billings.
- **Drainage Only** collections rate fell significantly in April compared to February and March. The 3-month average rate continues to fall and remains a major concern.

Water Commodity Metrics and Revenue



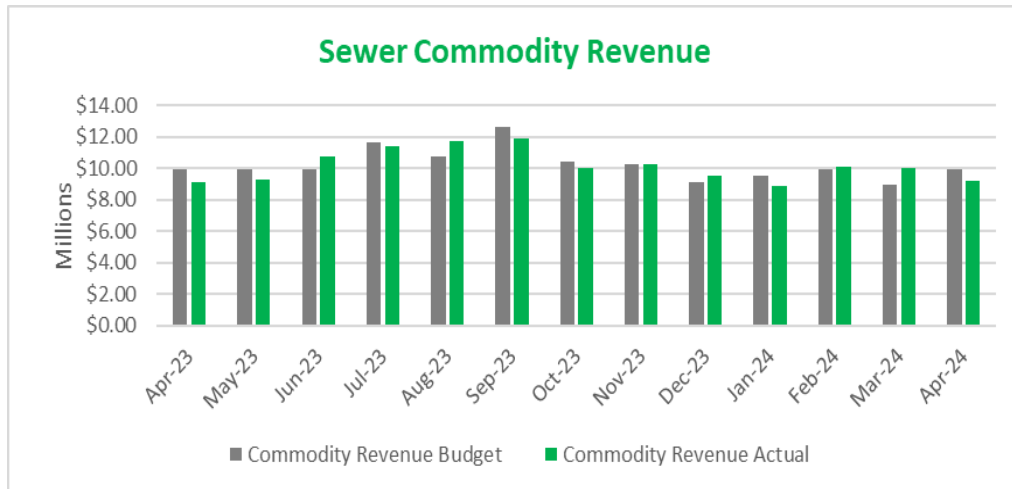
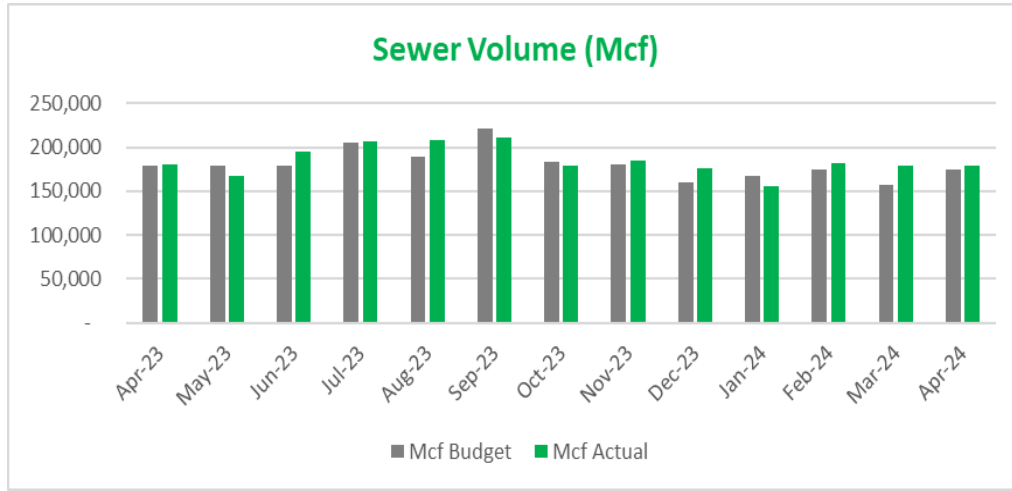
- Actual *Water Volume* for the month exceeded seasonally adjusted budgeted volume by 5.6%; April’s actual volume fell short of March’s volume by 4.9% and April 2023 volume by 6.7%.
- Year-to-date actual *Water Volume* is trending at 5.8% over seasonally adjusted budget.
- Actual *Water Commodity Revenue* for the month exceeded budgeted revenue by 0.7%. April’s actual revenue fell short of March’s revenue by 10.6 % and April 2023 revenue by 11.2%.
- Year-to-date actual *Water Commodity Revenue* exceeded seasonally adjusted budget by 5.6%.

Water Service Charge Metrics and Revenue



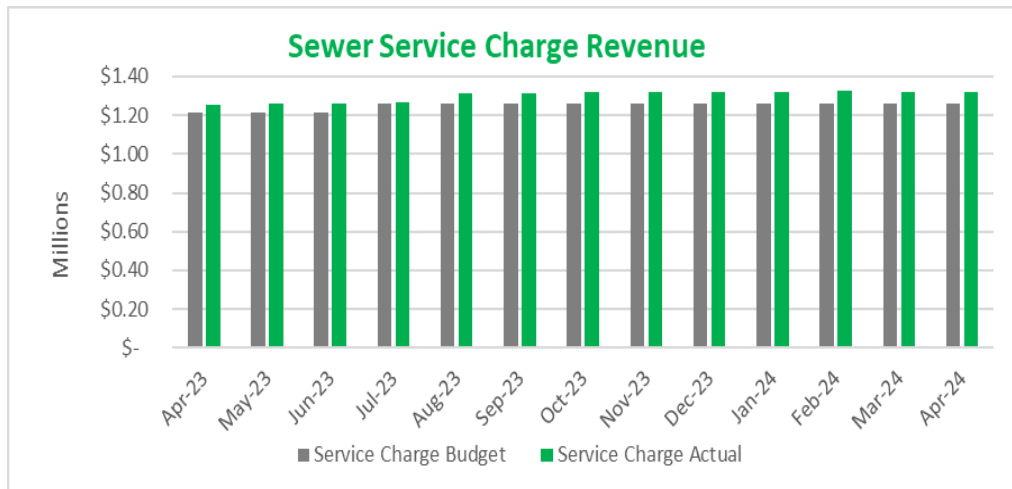
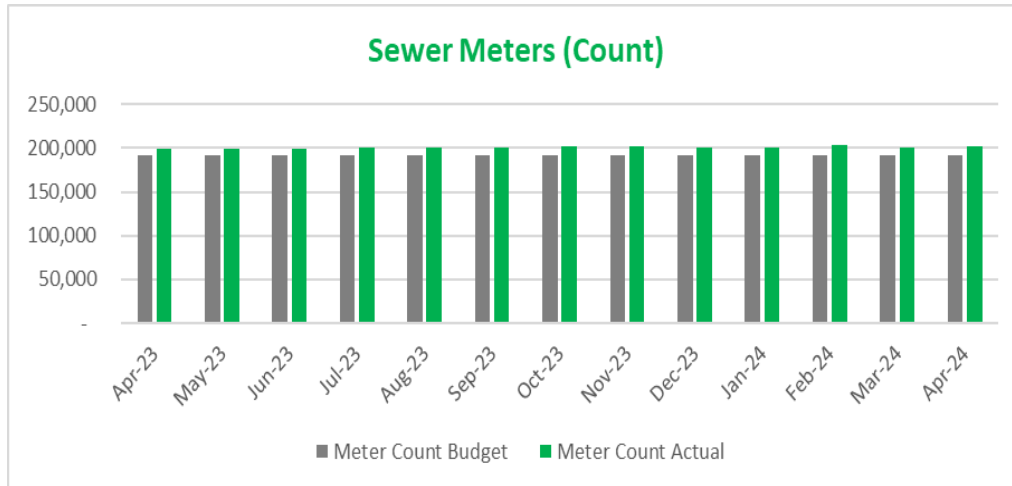
- Actual *Water Meter Equivalents* for the month exceeded budget equivalents by 7.0%; No change in April Meter equivalents compared to March but was ahead of March 2023 equivalents by 4.2%.
- Year-to-date actual *Water Meter Equivalents* remained ahead of budgeted levels by 5.7%.
- Actual *Water Service Charge Revenue* for the month exceeded budgeted revenue by 4.0%; *Water Service Charge Revenue* in April was slightly ahead of March revenue by 0.2% and was ahead of April 2023 revenue by 3.5%.
- Year-to-date actual *Water Service Charge Revenue* was 5.0% above budget reflecting higher meter equivalents.

Sewer Commodity Metrics and Revenue



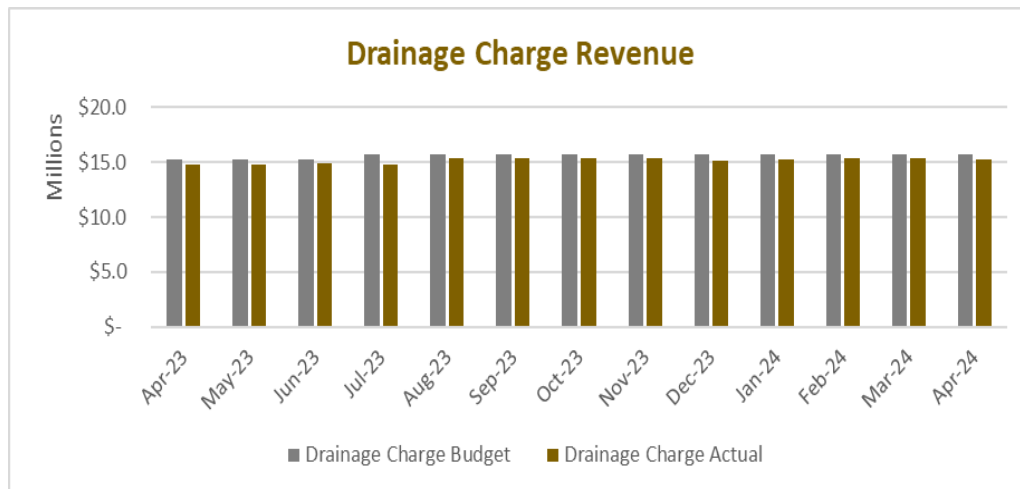
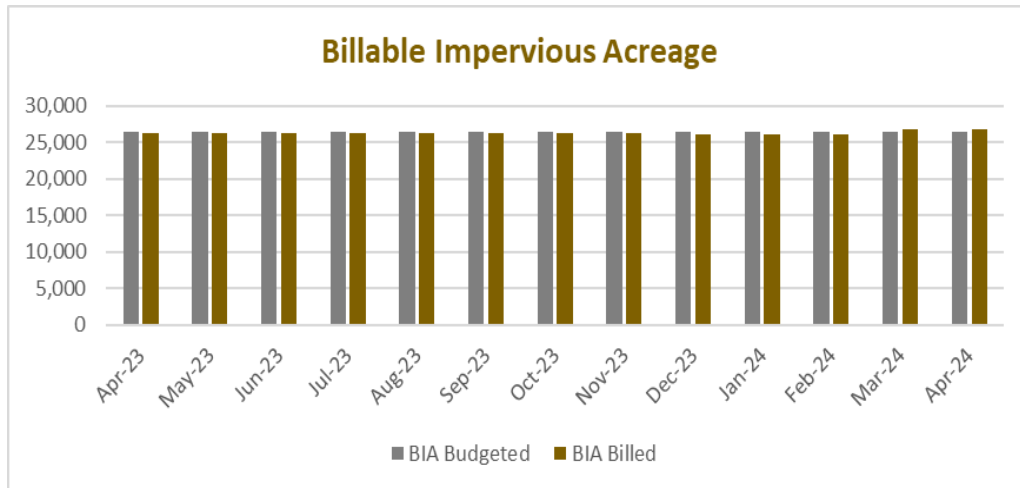
- Actual *Sewer Volume* for the month fell short of the budget by 4.8%. April volume fell short of March by 7.6% and short of April 2023 volume by 8.4%.
- Year-to-date actual *Sewer Volume* is trending at 2.0% over budget.
- *Actual Sewer Commodity Revenue* for the month fell short of budgeted revenue by 7.5%. April revenue fell short of March revenue by 7.9% but exceeded April 2023 revenue by 1.2%.
- Year-to-date actual *Sewer Commodity Revenue* fell short of the seasonally adjusted budget by 0.4%.

Sewer Service Charge Metrics and Revenue



- Actual *Sewer Meters* (Count) for the month exceeded budget by 5.6%. April meter count exceeded March count by 0.8% and April 2023 count by 2.1%.
- Year-to date actual *Sewer Meters* (Count) remained ahead of budgeted levels by 4.8%.
- Actual *Sewer Service Charge Revenue* exceeded budgeted revenue by 5.1%. April revenue exceeded March revenue by 0.1% and April 2023 revenue by 5.2%.
- Year-to-date actual *Sewer Service Charge Revenue* was 4.5% above budget reflecting higher meter counts.

Drainage Charges Metrics and Revenue



- Actual *Billed Impervious Acreage (BIA)* in April was 1.5% over the budget. April *BIA* fell short of March *BIA* by 0.1% but exceeded April 2023 *BIA* by 1.9%..
- Year-to-date actual *BIA* has been trending lower than budget estimates by 0.2%.
- *Drainage Charge Revenue* for the month fell short of the budget by 3.1%. April revenue fell short of March revenue by 0.9% but exceeded April 2023 revenue by 2.8%.
- Year-to-date *actual Drainage Charge Revenue* fell short of the budget by 3.0%.
- Shortfall is due to a combination of additional residential credits, and an increase in green credits.

THANK YOU!

Detroit Water & Sewerage Department

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