



Financial Review

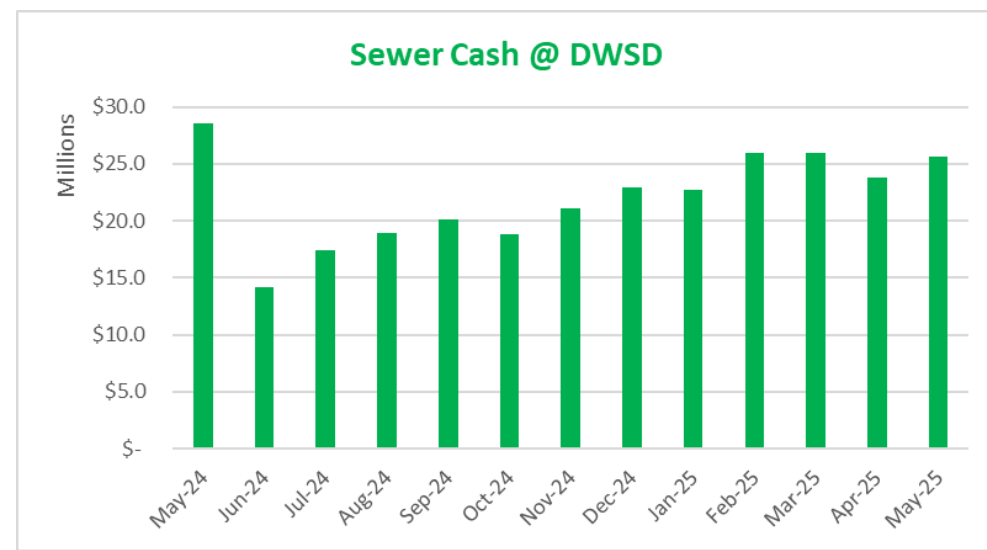
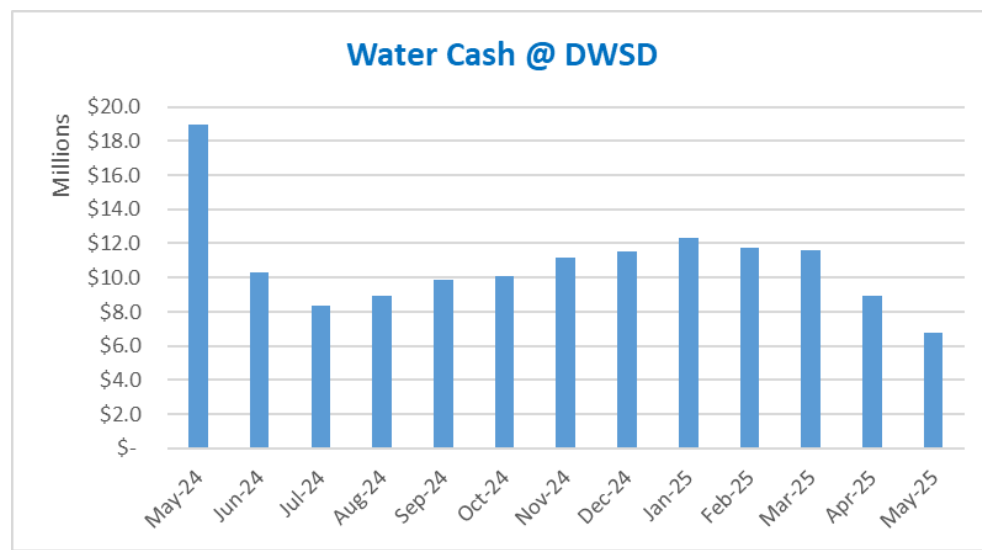
May 2025

BOWC Finance Committee

August 6, 2025

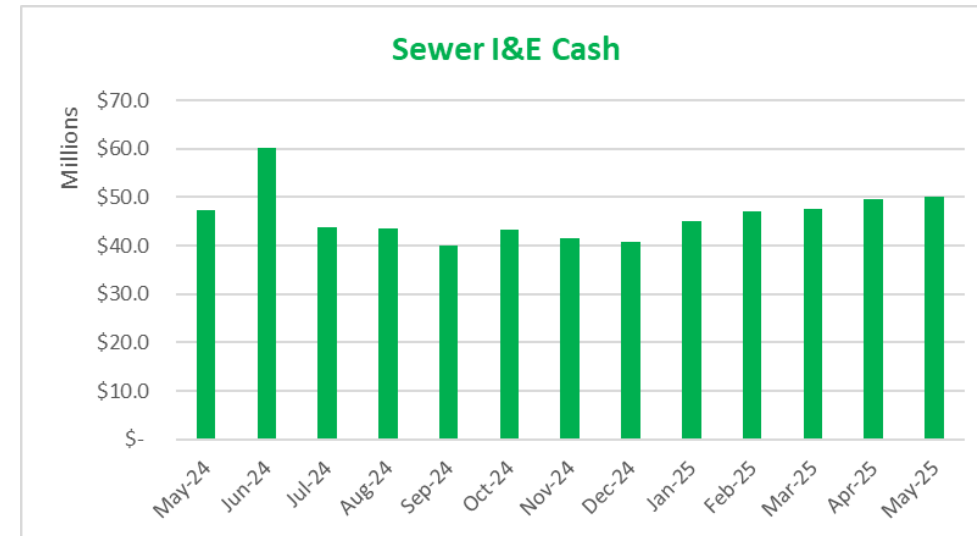
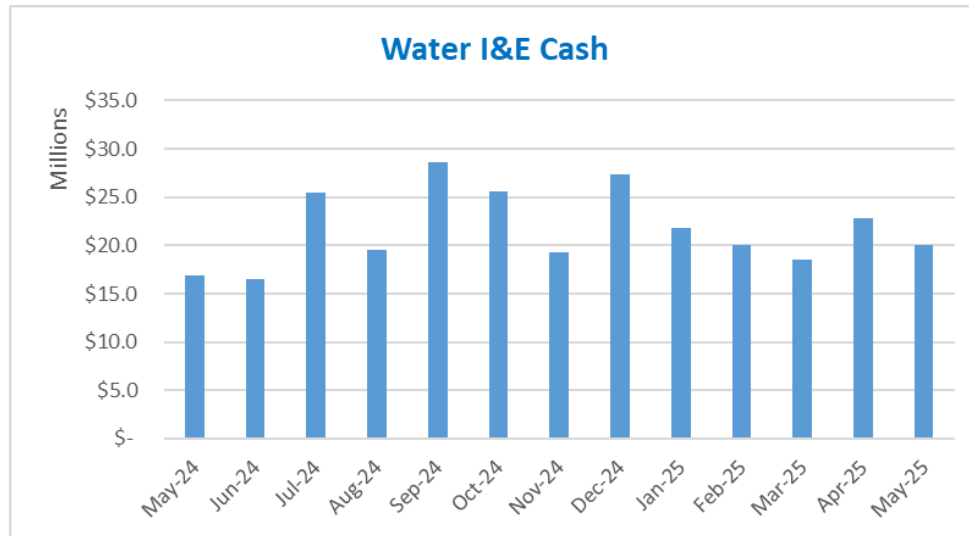
May 2025 Highlights – Operating Cash

- 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), Trust accounts and Construction accounts amounted to \$273.6 million (\$117.8 million in the Water Fund and \$155.8 million in the Sewer Fund). This represents an overall decrease of \$5.5 million over the April balance.
- Water Operating Cash** amounted to \$6.8 million at the end of May, a decrease of \$2.1 million over April balance.
- Sewer Operating Cash** amounted to \$25.6 million at the end of May, an increase of \$1.8 million over April balance.



May 2025 Highlights – Improvement & Extension (I&E) Cash

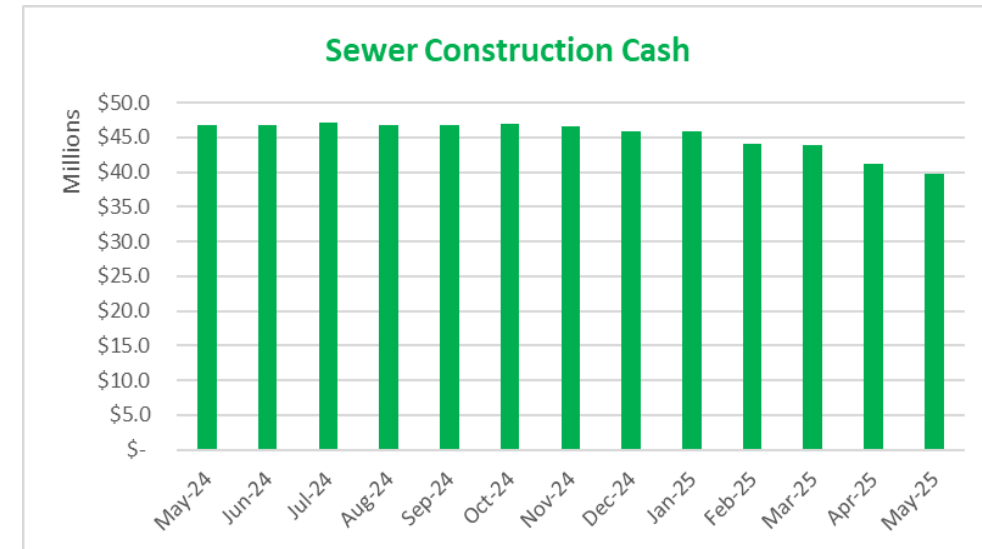
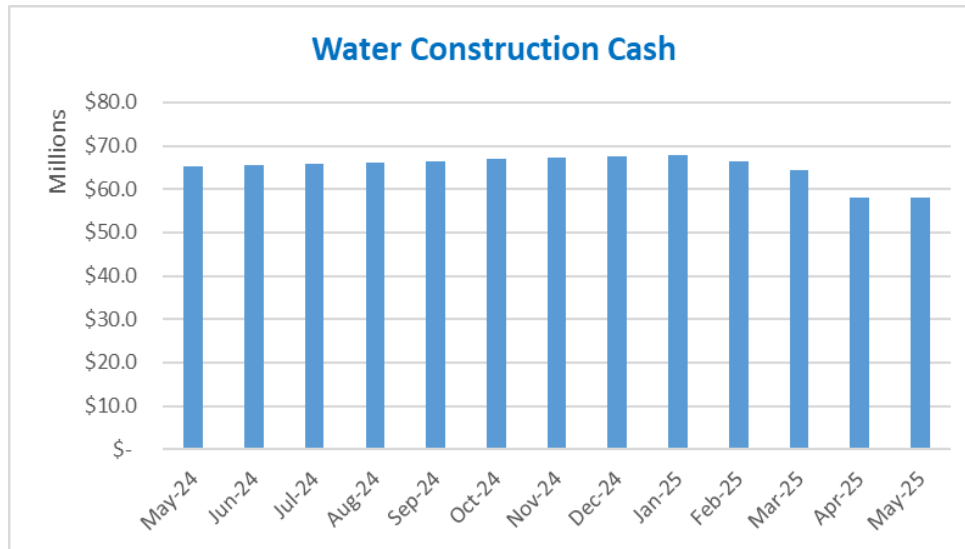
- DWSD continues to spend down I&E and Construction Cash in support of its Capital Improvement Program.
- Water I&E Cash** amounted to \$20.0 million at the end of May, a decrease of \$2.8 million over April balance.
- Sewer I&E Cash** amounted to \$50.2 million at the end of May, an increase of \$690,000 over April balance.



May 2025 Highlights – Construction Cash

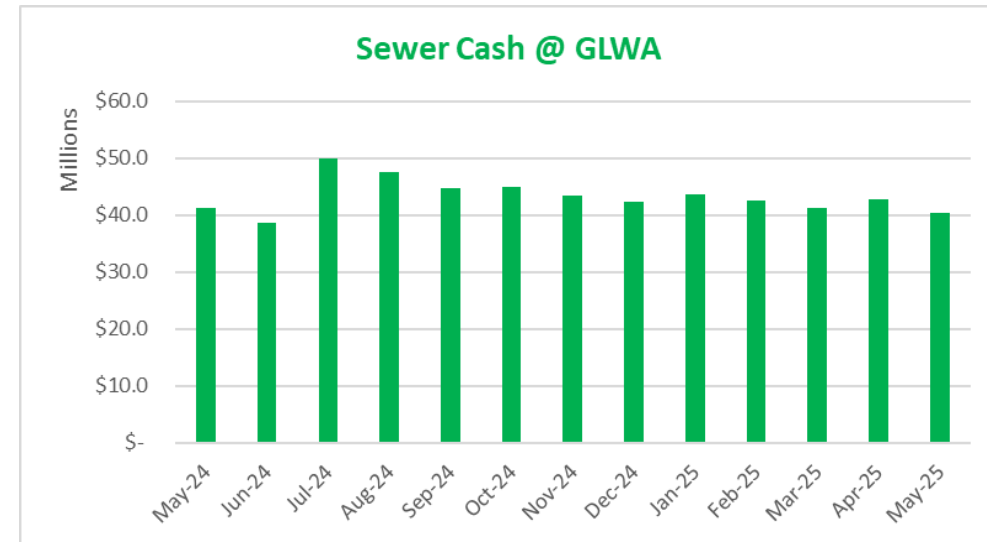
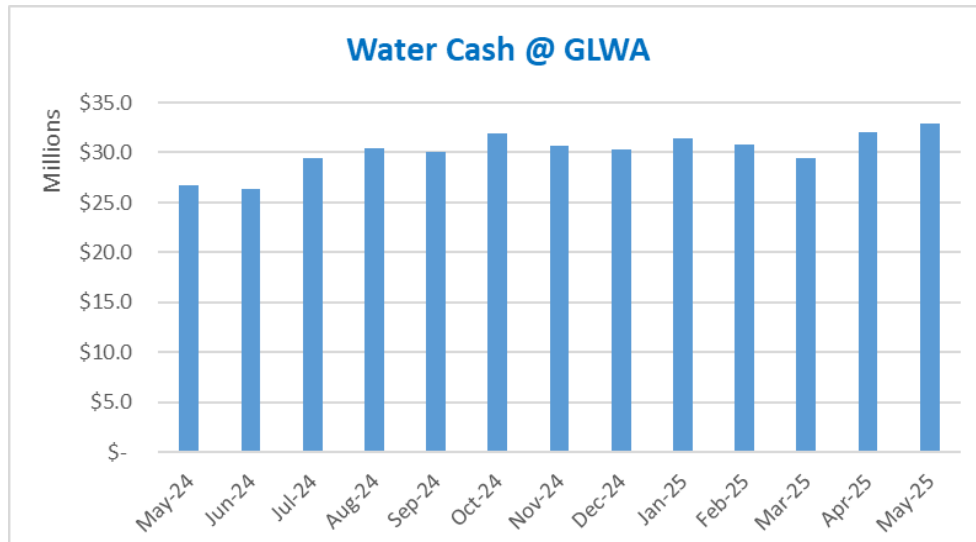


- **Water Construction Cash** amounted to \$58.0 million at the end of May, a decrease of \$76,000 over April balance.
- **Sewer Construction cash** amounted to \$39.7 million at the end of May, a decrease of \$1.5 million over April balance.



May 2025 Highlights – Cash Held in Trust

- **Water Cash @ GLWA** amounted to \$33.0 million at the end of May, an increase of \$1.0 million over April balance.
- Retail Water receipts of \$11.1 million in May exceeded the target collection by \$1.0 million for the month.
- **Sewer Cash @ GLWA** amounted to \$40.3 million at the end of May, a decrease of \$2.4 million over April balance.
- Retail Sewer receipts of \$22.6 million in May fell short of the target collection by \$2.4 million for the month.



Comparative Accounts Receivable

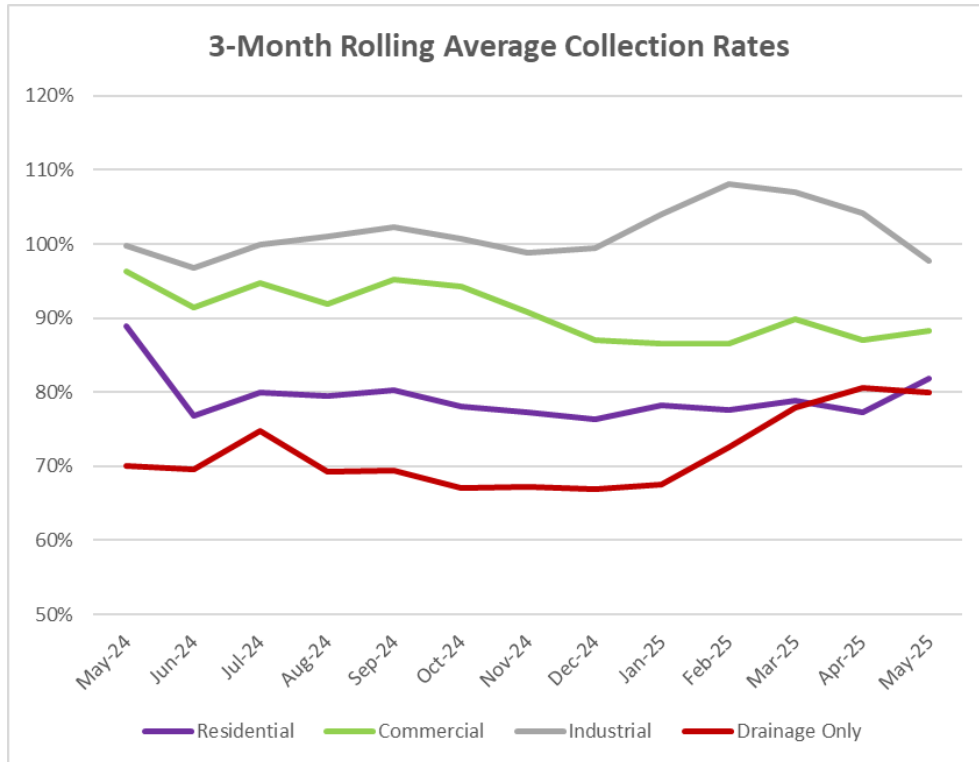


- May sales of \$39.4 million decreased by \$1.3 million (3.19%) compared to April sales of \$40.7 million.
- May Receivables of \$325.3 million for total active accounts increased by \$3.8 million (1.18%) compared to April receivables of \$321.5 million.
- May cash collection \$34.4 million decreased by \$3.2 million (8.5%) compared to April's cash collection of \$37.6 million.
- Active Residential Accounts Receivable increased by approximately \$700,000 (0.3%) and the aging increased by 19 days in May.
- Allowance for Doubtful Accounts are 76.9% of the Total s Receivable (including Tax Roll Transfer) balance as of May.

| Sales Class | June 30, 2024 | | | April 30, 2025 | | | May 31, 2025 | | |
|----------------------------------|----------------------|----------------------|------------|----------------------|----------------------|------------|----------------------|----------------------|------------|
| | Sales | Receivables | Days in AR | Sales | Receivables | Days in AR | Sales | Receivables | Days in AR |
| Residential | \$ 16,323,530 | \$ 194,421,286 | 357 | \$ 17,670,030 | \$ 227,245,550 | 386 | \$ 16,900,831 | \$ 227,939,993 | 405 |
| Commercial | 8,418,084 | 28,005,835 | 100 | 8,733,062 | 30,496,398 | 105 | 8,207,822 | 31,285,178 | 114 |
| Industrial | 5,410,839 | 13,952,124 | 77 | 5,436,465 | 12,839,533 | 71 | 5,318,527 | 13,303,763 | 75 |
| Tax Exempt | 714,440 | 2,738,594 | 115 | 784,858 | 3,007,360 | 115 | 745,490 | 3,107,913 | 125 |
| Government | 4,639,256 | 19,324,545 | 125 | 4,560,312 | 20,882,874 | 137 | 4,615,481 | 22,327,145 | 145 |
| Drainage Only | 3,522,661 | 28,647,608 | 244 | 3,535,652 | 27,032,220 | 229 | 3,571,256 | 27,291,231 | 229 |
| Total Active Accounts | \$ 39,028,810 | 287,089,991 | 221 | \$ 40,720,379 | 321,503,935 | 237 | \$ 39,359,407 | 325,255,223 | 248 |
| Inactive Accounts Receivable | | 37,776,601 | | | 49,323,607 | | | 50,791,231 | |
| Total Accounts Receivable | | 324,866,592 | | | 370,827,541 | | | 376,046,454 | |
| Allowance for Doubtful Accounts | | (249,922,100) | | | (300,717,348) | | | (305,596,420) | |
| Net Accounts Receivable | | \$ 74,944,492 | | | \$ 70,110,193 | | | \$ 70,450,034 | |
| Tax Roll Transfer | | | | | 21,599,854 | | | 21,441,071 | |
| Total | | | | | \$ 91,710,047 | | | \$ 91,891,105 | |

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

Collection Rates

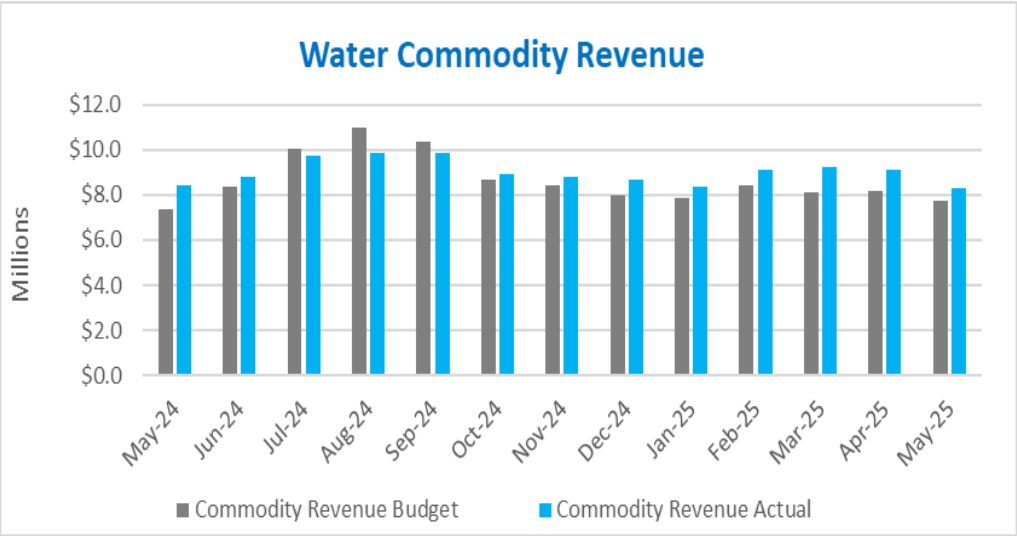
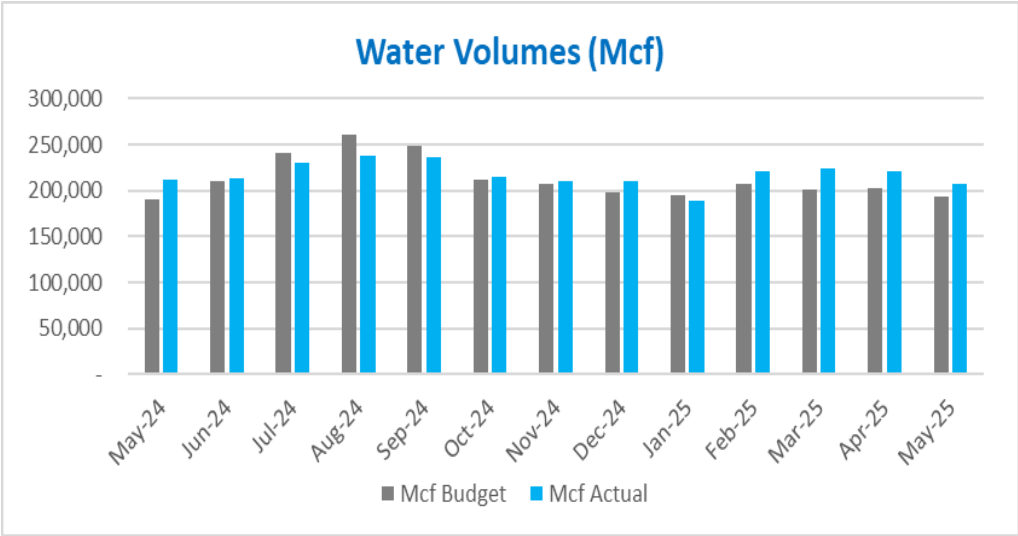


| | Mar-25 | Apr-25 | May-25 | 3 - Month |
|----------------|-----------|-----------|-----------|-----------------|
| Customer Class | Coll Rate | Coll Rate | Coll Rate | Rolling Average |
| Residential | 77.5% | 80.6% | 87.5% | 81.8% |
| Commercial | 90.6% | 89.6% | 84.9% | 88.3% |
| Industrial | 95.7% | 106.9% | 90.8% | 97.7% |
| Tax Exempt | 89.3% | 85.4% | 81.7% | 85.4% |
| Government | 69.7% | 126.1% | 68.7% | 88.5% |
| Drainage Only | 86.1% | 82.2% | 71.3% | 79.9% |

- **Residential** collection rate for the last 3-months averaged at 81.8%. This average was 77.2% as of April and 78.9% as of March. Collection rate of 87.5% for May has shown an improvement over both April and March collection rates.
- **Commercial and Industrial** Commercial 3-month rolling averaged 88.3%, an increase from April's 3 month average of 87.0% but a decrease from March's average of 89.9%. Industrial 3-month rolling averaged 97.7%, This average was 104.2% as of April and 107.0% as of March. Collection rates for both Commercial and Industrial customer classes continue to show positive results.
- **Drainage Only** collections rate for the last 3-months averaged 79.9%. This average was 80.7% as of April and 77.8% as of March. Collection rate of 71.3% for May has shown a decline over April (82.2%) and March (86.1%).
- May combined collection rate of 83.8% for all active customer classes was lower than April's combined collection rate of 91.4% but slightly higher than March rate of 82.0%. The 3-month moving average rate for all active customer classes was 86.0% and consistent with both April and May's averages.

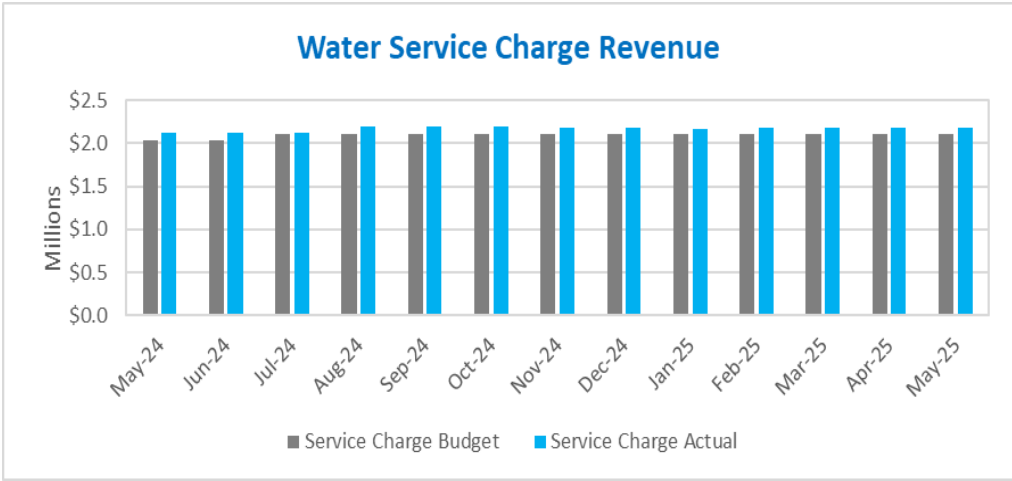
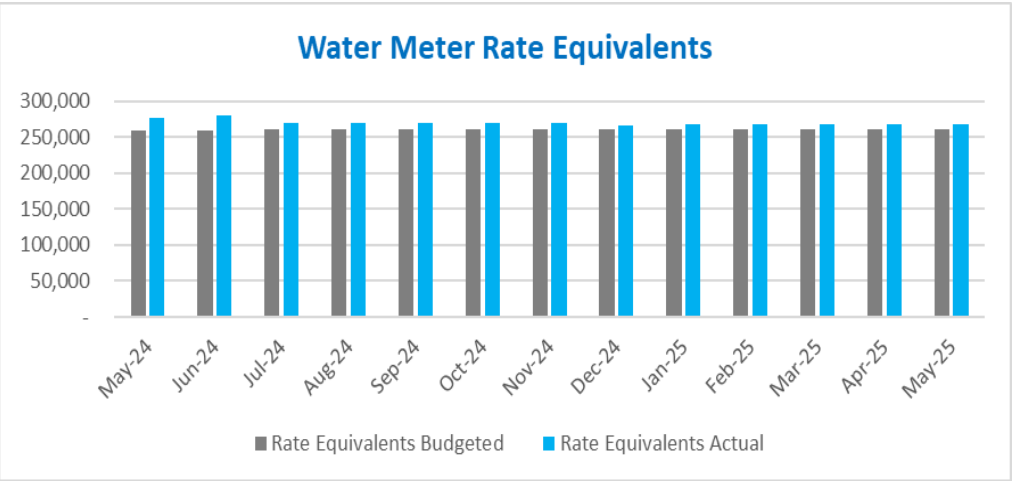
Water Commodity Metrics and Revenues

- May actual Volume exceeded the budget for the month by 7.2% but was 6.2% lower than actual April Volume and 2.3% below May 2024 Volume.
- Year-to-date actual Water Volume was 1.6% over seasonally adjusted budget.
- May actual Commodity Revenue exceeded the budget for the month by 6.9% but was 9.0% lower than actual April Revenue and 1.4% below May 2024 Revenue.
- Year-to-date actual Commodity Revenue was 3.4% above seasonally adjusted budget.



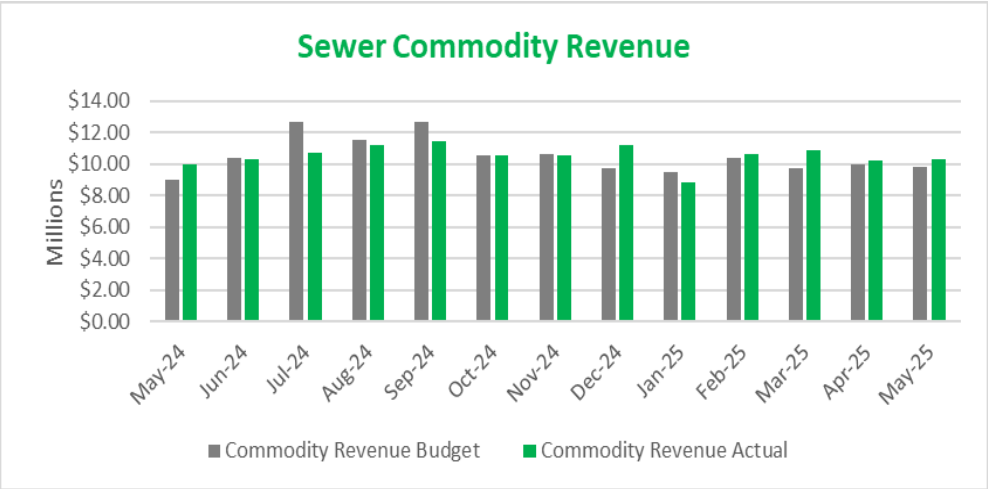
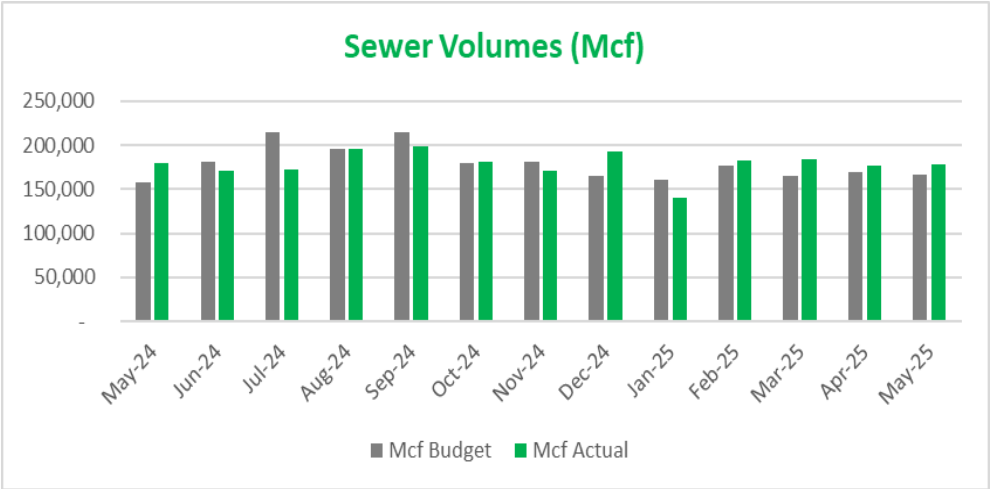
Water Service Charge Metrics and Revenues

- May actual Meter Equivalents exceeded the budget for the month by 2.9% and was 0.3% higher than April Equivalents, but 3.2% below May 2024 Equivalents.
- Year-to-date actual Water Meter Equivalents exceeded budget by 2.9%.
- May actual Water Service Charge Revenue exceeded the budget for the month by 3.3% and was steady with April Revenue, and 2.9% above May 2024 Revenue.
- Year-to-date actual Water Service Charge Revenue exceeded budget by 3.2%.



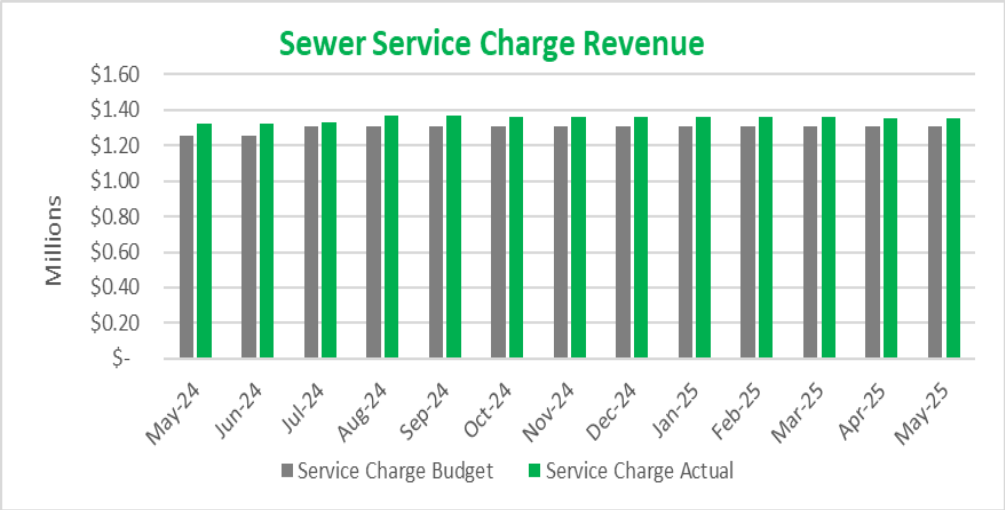
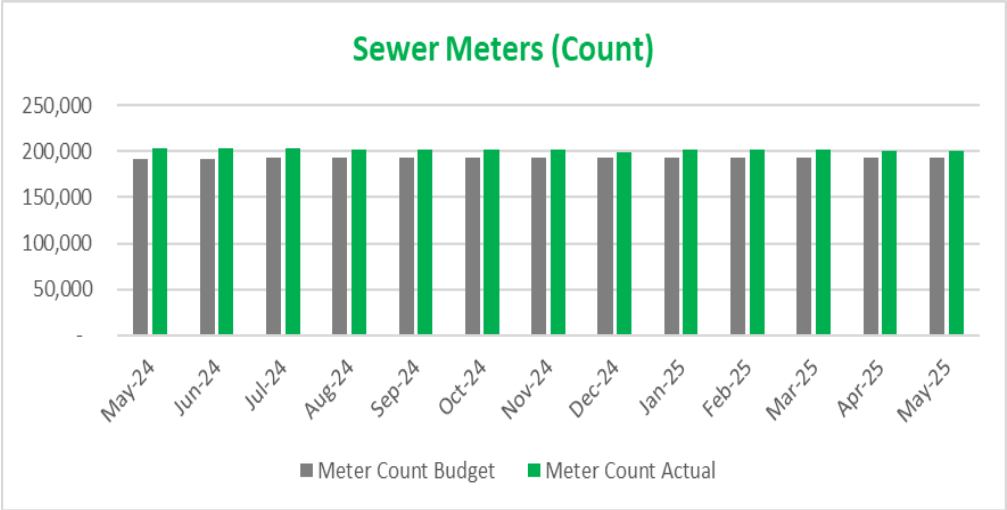
Sewer Commodity Metrics and Revenues

- May actual Volume exceeded the budget for the month by 7.4% and was 1.1% higher than actual April Volume but was 0.7% below May 2024 Volume.
- Year-to-date actual Sewer Volume was 0.7% under seasonally adjusted budget.
- May actual Commodity Revenue exceeded the budget for the month by 5.0% and was steady with actual April Revenue and 2.5% above May 2024 Revenue.
- Year-to-date actual Commodity Revenue was 0.5% under seasonally adjusted budget.



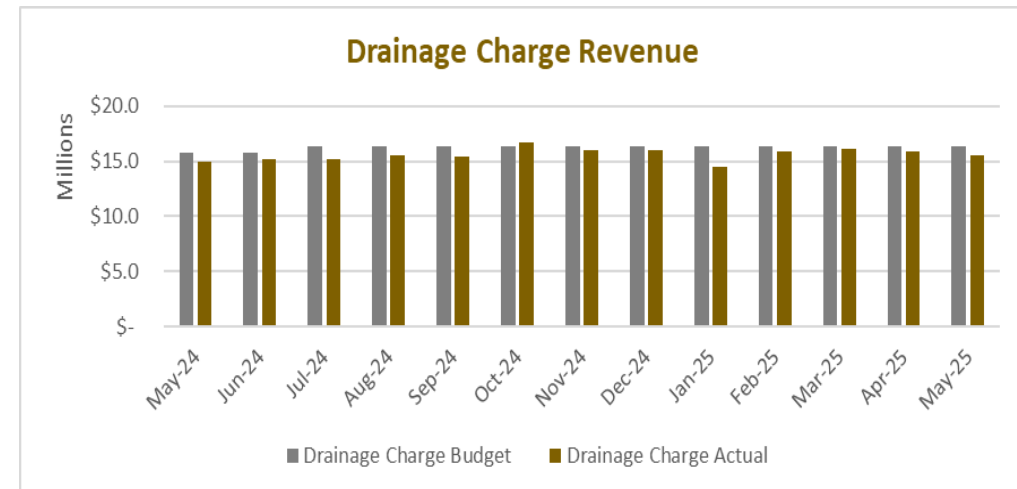
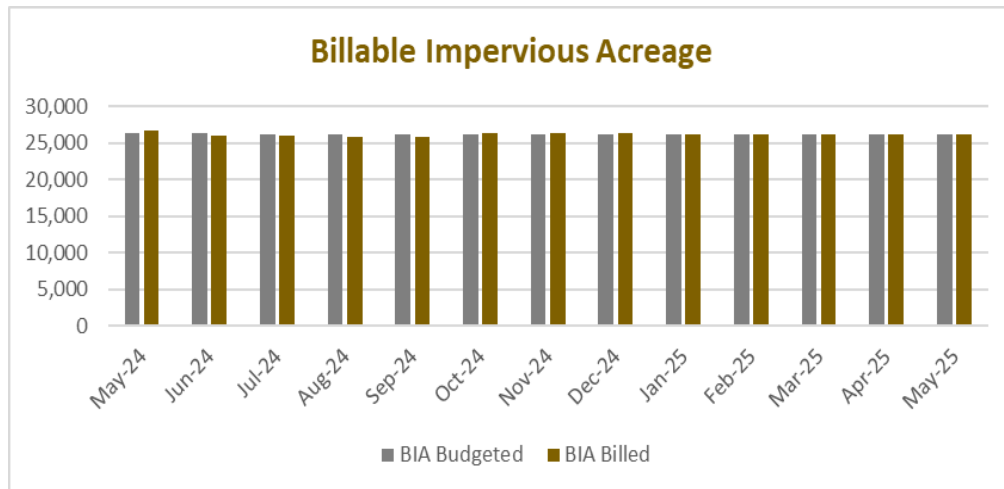
Sewer Service Charge Metrics and Revenues

- May actual Sewer Meter Counts exceeded the budget for the month by 3.8% and was consistent when compared to April Counts but was 1.0% lower than May 2024 Counts.
- Year-to-date actual Sewer Meter Counts exceeded budget by 4.2%.
- May actual Sewer Service Charge Revenue exceeded the budget for the month by 4.0% and was consistent when compared to April Revenue and was 2.4% over May 2024 Revenue.
- Year-to-date actual Sewer Service Charge Revenue exceeded budget by 4.1%.



Drainage Charge Metrics and Revenues

- May actual Billable Impervious Acreage (BIA) exceeded the budget for the month by 0.3% and was consistent with April actual BIA but was 2.1% under May 2024 actual BIA.
- Year-to-date actual BIA was 0.2% over budget.
- May actual Drainage Revenue fell short of the budget for the month by 5.3% and was 2.4% lower than actual April Revenue and was 3.4% above May 2024 actual Revenue.
- Year-to-date actual Drainage Charge Revenue was 4.0% under budget.





THANK YOU!

Detroit Water & Sewerage Department

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