



# **FEBRUARY 2019 REVIEW**

## **FINANCE COMMITTEE**

**April 3, 2019**

# Summary Financial Metrics



DETROIT  
Water & Sewerage  
Department

Month Ended Fiscal Quarter		Jul-18 2019.Q1	Aug-18 2019.Q1	Sep-18 2019.Q1	Oct-18 2019.Q2	Nov-18 2019.Q2	Dec-18 2019.Q2	Jan-19 2019.Q3	Feb-19 2019.Q3	Mar-19 2019.Q3	Apr-19 2019.Q4	May-19 2019.Q4	Jun-19 2019.Q4
Water Volumes	Target	269,000	273,100	270,500	233,800	224,500	206,500	226,600	216,400	213,300	223,100	211,000	240,200
	Actual	372,613	302,476	221,531	215,105	232,770	202,686	227,697					
	Status												
Total Active Meters	Target	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000
	Actual	178,435	178,222	178,318	178,219	178,114	178,791	179,249					
	Status												
Billable Impervious Acreage	Target	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
	Actual	27,842	27,796	27,802	27,722	27,688	27,686	27,699					
	Status												
Days in Accounts Receivable - Residential	Target	140	140	140	140	140	140	140	140	140	140	140	140
	Actual	135	137	139	142	145	148	145	149				
	Status												
3-Month Rolling Average Collection Rate	Target	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
	Actual	106%	93%	91%	91%	89%	87%	87%	90%				
	Status												
12-Month Rolling Average Collection Rate	Target	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
	Actual	92%	91%	91%	91%	92%	92%	92%	93%				
	Status												
Operating Cash Days on Hand	Target	120	120	120	120	120	120	120	120	120	120	120	120
	Actual	188	219	235	233	229	227	223	234				
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	113	65	64	75	50	32	80	86				
	Status												
Headcount	Target	611	611	611	611	611	611	611	611	611	611	611	611
	Actual	537	526	526	524	545	550	547	547				
	Status												
O&M Spending	Target	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255	9,592,255
	Actual	7,534,065	4,458,249	11,680,248	9,400,983	10,544,595	15,052,971	5,839,015	10,133,568				
	Status												

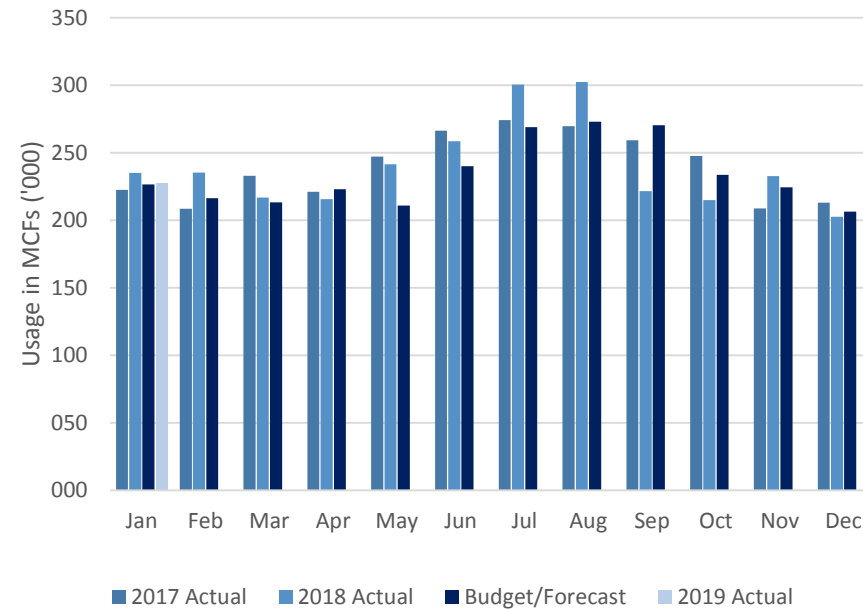


# Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	286,785	\$ 330.72	\$ 13,308,964 14.0%	\$ 6,617,410 7.0%	\$ 19,051,794 20.1%	\$ 55,867,836 58.9%	\$ 94,846,004 100.0%
Commercial	28,291	1,210.20	7,549,808 22.1%	2,841,303 8.3%	7,152,263 20.9%	16,694,497 48.8%	34,237,871 100.0%
Industrial	4,781	3,118.41	4,146,004 27.8%	1,329,130 8.9%	2,951,958 19.8%	6,482,007 43.5%	14,909,100 100.0%
Tax Exempt Entities	6,927	1,281.84	1,449,767 16.3%	862,118 9.7%	1,879,725 21.2%	4,687,727 52.8%	8,879,337 100.0%
Government Entities	3,398	2,297.54	1,418,195 18.2%	454,163 5.8%	2,127,851 27.3%	3,806,830 48.8%	7,807,039 100.0%
<b>Subtotal - Active Accounts</b>	<b>330,182</b>	<b>\$ 486.64</b>	<b>\$ 27,872,738</b> 17.3%	<b>\$ 12,104,125</b> 7.5%	<b>\$ 33,163,590</b> 20.6%	<b>\$ 87,538,897</b> 54.5%	<b>\$ 160,679,351</b> 100.0%
Inactive Accounts	258,054	72.23	72,844 0.4%	115,500 0.6%	955,642 5.1%	17,496,027 93.9%	18,640,013 100.0%
<b>Total</b>	<b>588,236</b>	<b>\$ 304.84</b>	<b>\$ 27,945,582</b> 15.6%	<b>\$ 12,219,625</b> 6.8%	<b>\$ 34,119,233</b> 19.0%	<b>\$ 105,034,924</b> 58.6%	<b>\$ 179,319,363</b> 100.0%
<i>% of Total A/R</i>							
Water Fund	210,116	187.59	\$ 6,755,903	\$ 2,258,657	\$ 6,524,353	\$ 23,875,950	\$ 39,414,863
Sewer Fund	268,251	521.54	\$ 21,189,679	\$ 9,960,968	\$ 27,594,880	\$ 81,158,974	\$ 139,904,501
<b>Total</b>	<b>588,236</b>	<b>304.84</b>	<b>\$ 27,945,582</b>	<b>\$ 12,219,625</b>	<b>\$ 34,119,233</b>	<b>\$ 105,034,924</b>	<b>\$ 179,319,363</b>

# Retail Water Customers – Volumes

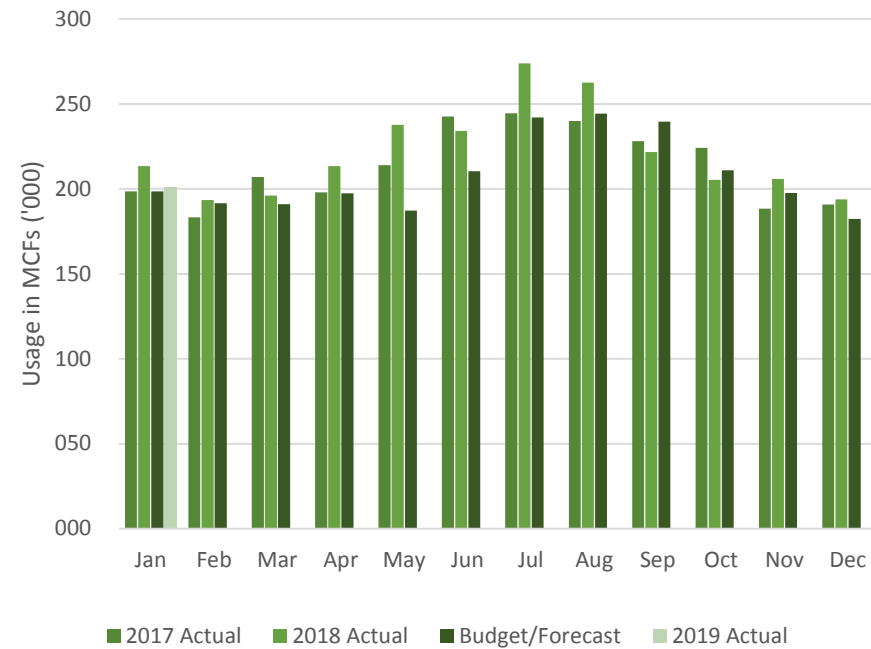
Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	274,267	269,000	300,613	31,613	11.8%
August	269,802	273,100	302,476	29,376	10.8%
September	259,341	270,500	221,531	(48,969)	(18.1%)
October	247,700	233,800	215,105	(18,695)	(8.0%)
November	208,783	224,500	232,770	8,270	3.7%
December	213,026	206,500	202,686	(3,814)	(1.8%)
January	235,142	226,600	227,697	1,097	0.5%
February	235,436	216,400			
March	216,866	213,300			
April	215,643	223,100			
May	241,641	211,000			
June	258,608	240,200			
<b>Totals</b>	<b>2,876,255</b>	<b>2,808,000</b>	<b>1,702,877</b>	<b>(1,123)</b>	<b>(0.0%)</b>
<i>Subtotals YTD</i>	<i>1,708,061</i>	<i>1,704,000</i>	<i>1,702,877</i>	<i>(1,123)</i>	<i>(0.1%)</i>





# Retail Sewer Customers - Volumes

Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	244,512	242,100	273,862	31,762	13.1%
August	239,911	244,200	262,525	18,325	7.5%
September	228,122	239,600	221,660	(17,940)	(7.5%)
October	224,159	211,000	205,267	(5,733)	(2.7%)
November	188,312	197,600	205,806	8,206	4.2%
December	190,811	182,400	193,791	11,391	6.2%
January	213,373	198,600	201,171	2,571	1.3%
February	193,452	191,600			
March	196,148	191,000			
April	213,393	197,300			
May	237,626	187,300			
June	234,144	210,300			
<b>Totals</b>	<b>2,603,964</b>	<b>2,493,000</b>	<b>1,564,082</b>	<b>48,582</b>	<b>1.9%</b>
<i>Subtotals YTD</i>	<i>1,529,200</i>	<i>1,515,500</i>	<i>1,564,082</i>	<i>48,582</i>	<i>3.2%</i>



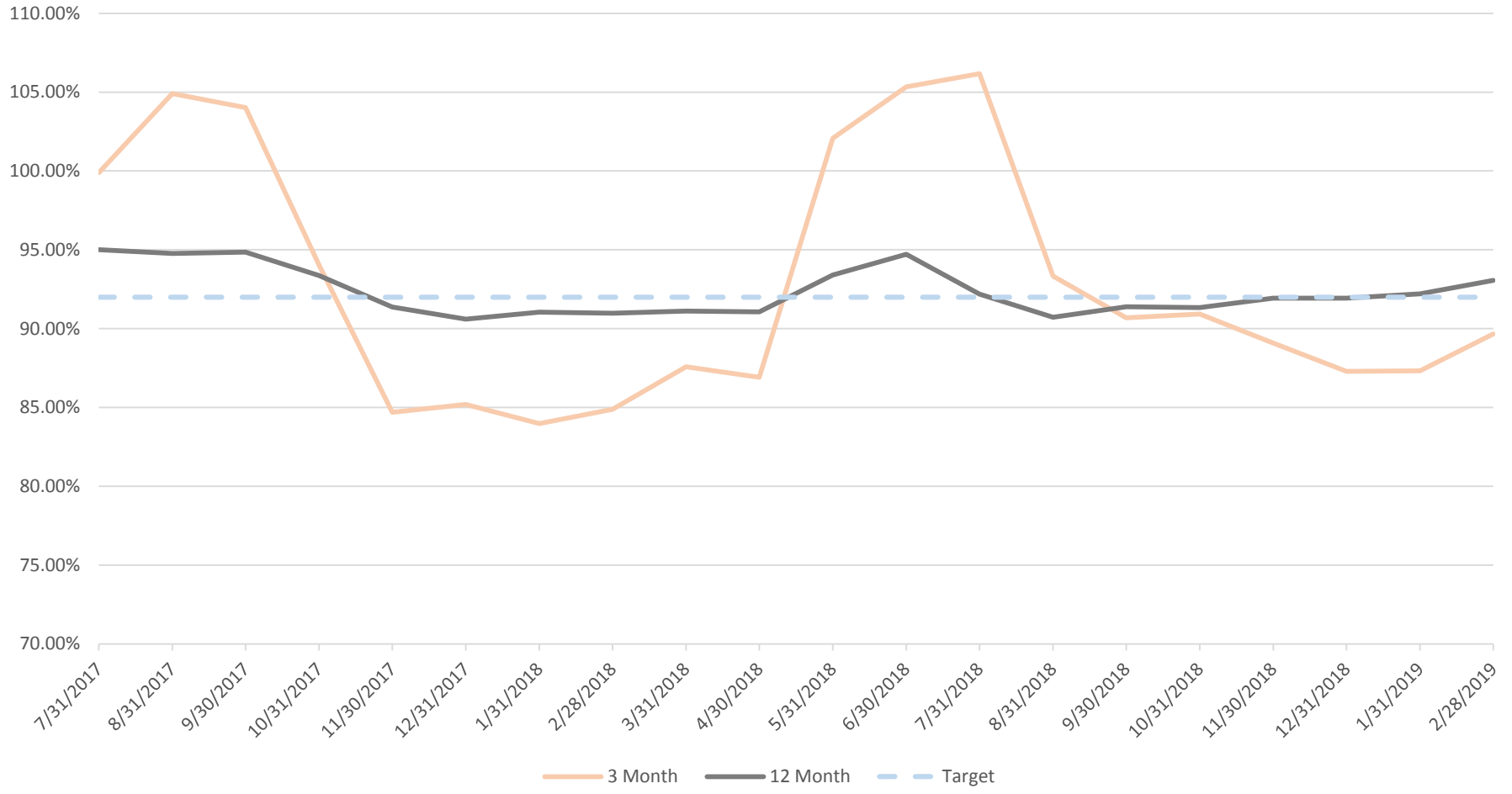


# Retail Customers - Revenue

Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 9,060,075	\$ 9,424,500	\$ 10,203,409	\$ 778,909	8.3%
August	8,904,085	9,377,700	9,833,149	455,449	4.9%
September	8,985,289	8,494,300	8,996,692	502,392	5.9%
October	8,137,675	8,165,900	8,010,524	(155,376)	(1.9%)
November	7,473,555	7,750,100	8,325,013	574,913	7.4%
December	7,523,827	8,224,900	7,659,930	(564,970)	(6.9%)
January	8,067,860	7,978,800	8,250,078	271,278	3.4%
February	8,054,769	7,980,200			
March	7,527,076	8,163,900			
April	7,744,106	7,856,900			
May	8,380,467	9,109,200			
June	8,865,874	9,063,600			
<b>Totals</b>	<b>\$ 98,724,659</b>	<b>\$ 101,590,000</b>	<b>\$ 61,278,795</b>	<b>\$ 1,862,595</b>	<b>1.8%</b>
<i>Subtotals YTD</i>	<i>\$ 58,152,366</i>	<i>\$ 59,416,200</i>	<i>\$ 61,278,795</i>	<i>\$ 1,862,595</i>	<i>3.1%</i>

Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 24,994,676	\$ 27,423,400	\$ 27,851,140	\$ 427,740	1.6%
August	24,760,250	27,232,200	27,401,816	169,616	0.6%
September	23,983,587	25,367,500	25,552,254	184,754	0.7%
October	23,936,728	25,177,200	24,230,273	(946,927)	(3.8%)
November	22,627,682	23,861,000	24,314,979	453,979	1.9%
December	22,405,515	25,293,500	23,925,500	(1,368,000)	(5.4%)
January	23,250,935	24,852,800	24,407,247	(445,553)	(1.8%)
February	22,291,876	25,329,400			
March	22,184,361	25,474,500			
April	22,288,132	24,789,700			
May	24,665,214	26,205,200			
June	24,439,888	26,730,700			
<b>Totals</b>	<b>\$ 281,828,843</b>	<b>\$ 307,737,100</b>	<b>\$ 177,683,208</b>	<b>\$ (1,524,392)</b>	<b>(0.5%)</b>
<i>Subtotals YTD</i>	<i>\$ 165,959,373</i>	<i>\$ 179,207,600</i>	<i>\$ 177,683,208</i>	<i>\$ (1,524,392)</i>	<i>(0.9%)</i>

# Collection Rates





# Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	2/28/2019	6/30/2018	2/28/2019
<b>Unrestricted</b>				
Operating	\$ 15,266,537	\$ 21,761,371	\$ 44,694,855	\$ 51,984,625
Improvement and Extension	42,994,009	44,858,341	35,059,899	19,292,867
Pension	<u>9,073,472</u>	<u>\$ 1,951,557</u>	<u>181</u>	<u>\$ 1,836,722</u>
	\$ 67,334,019	\$ 68,571,269	\$ 79,754,935	\$ 73,114,213
<b>Restricted</b>				
Bond	36,346,022	18,412,640	-	91,604,822
Affordability	1,184,871	1,285,175	-	-
Retainage	2,699,459	3,612,211	654,839	2,150,381
Construction	<u>3,464,524</u>	<u>3,469,013</u>	<u>519,787</u>	<u>96,841</u>
	43,694,876	26,779,039	1,174,626	93,852,045
<b>Total Cash</b>	<b><u>\$ 111,028,895</u></b>	<b><u>\$ 95,350,309</u></b>	<b><u>\$ 80,929,561</u></b>	<b><u>\$ 166,966,258</u></b>





# Appendix:

## Financial Statements

Eight Months Ended February 28, 2019

**City of Detroit Water Fund**

**Statement of Net Position**

	June 30, 2018 (Audited)	February 28, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 67,327,735	\$ 68,571,268
Restricted - Cash and investments	45,800,588	28,779,045
Accounts receivable - Net of Allowance	18,884,376	29,277,225
Due from other funds	34,674,582	48,097,367
Inventory	3,380,693	3,380,693
Prepaid expenses	452,491	452,491
Receivables from Great Lakes Water Authority	477,230,749	473,726,393
Capital assets - net	525,909,122	536,492,300
Total assets	1,173,660,336	1,188,776,782
<b>Deferred Outflows of Resources - Pensions</b>	14,359,284	14,359,284

**City of Detroit Water Fund**

**Statement of Net Position (Continued)**

	June 30, 2018 (Audited)	February 28, 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 5,887,060	\$ 7,793,853
Due to other funds	44,482,592	56,750,914
Due to Great Lakes Water Authority	(8,446,945)	(7,991,304)
Accrued interest	1,941,491	1,941,491
Other liabilities	40,790,929	37,751,906
Accrued compensated absences	1,675,525	1,675,525
Current portion debt	-	-
Long-term debt	520,056,143	511,017,543
Net pension liability	46,948,714	46,948,714
Total liabilities	653,335,509	655,888,642
<b>Deferred Inflows of Resources -Pensions</b>	7,119,846	7,119,846
<b>Net Position</b>		
Fund Balance - End of year	527,564,263	540,127,579
<b>Total net position</b>	<b>\$ 527,564,263</b>	<b>\$ 540,127,579</b>

**City of Detroit Water Fund**

**Statement of Revenue, Expenses, and Changes in Fund Net Position**

**Eight Months Ended  
February 28, 2019**

	<b>Accrual Basis</b>	<b>Contract Basis</b>
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 66,230,086	\$ 66,230,086
Other fees	3,363,034	3,363,034
Other revenue	6,844,496	6,844,496
Total operating revenue	76,437,615	76,437,615
<b>Operating Expenses</b>		
Salaries, wages and benefits	18,482,298	18,482,298
Contractual Services	8,443,038	8,443,038
Other operating expense	7,795,709	7,795,709
Wholesale Charges	13,550,736	13,550,736
Depreciation	11,303,895	-
Total operating expenses	59,575,676	48,271,781
<b>Operating Income</b>	16,861,939	28,165,834
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	292,582	292,582
Capital Lease	11,141,400	15,000,000
Capital Outlay/Acquisitions	(85)	(85)
Debt Service	(15,528,600)	(25,592,210)
Gain (loss) on sale of assets	(203,920)	-
Total nonoperating expenses - Net	(4,298,624)	(10,299,714)
<b>Change in Net Position</b>	<b>\$ 12,563,316</b>	<b>\$ 17,866,121</b>

## City of Detroit Sewage Disposal Fund

### Statement of Net Position

	June 30, 2018 (Audited)	February 28, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 79,749,584	\$ 73,115,247
Restricted - Cash and investments	6,674,626	99,352,032
Accounts receivable - Net of Allowance	73,437,178	95,111,482
Due from other funds	49,382,322	83,911,861
Inventory	848,085	848,085
Prepaid expenses	433,558	433,558
Receivables from Great Lakes Water Authority	606,549,558	603,374,758
Capital assets - net	491,981,714	502,406,947
Total assets	1,309,056,625	1,458,553,970
<b>Deferred Outflows of Resources - Pensions</b>	10,392,771	10,924,542

**City of Detroit Sewage Disposal Fund**

**Statement of Net Position (Continued)**

	June 30, 2018 (Audited)	February 28, 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 8,871,455	\$ 11,640,579
Due to other funds	53,931,165	80,929,095
Due to Great Lakes Authority	53,639,106	52,022,706
Accrued interest	3,169,374	3,169,374
Other liabilities	54,935,846	53,133,919
Accrued compensated absences	2,513,288	2,513,288
Current portion debt	-	-
Long-term debt	395,922,651	479,871,889
Net pension liability	32,618,179	32,618,179
<b>Total liabilities</b>	<b>605,601,064</b>	<b>715,899,029</b>
<b>Deferred Inflows of Resources - Pensions</b>	<b>6,258,922</b>	<b>6,258,922</b>
<b>Net Position</b>		
Fund Balance - End of year	707,589,412	747,320,563
<b>Total net position</b>	<b>\$ 707,589,412</b>	<b>\$ 747,320,563</b>

**City of Detroit Sewage Disposal Fund**

**Statement of Revenue, Expenses, and Changes in Fund Net Position**

	Eight Months Ended February 28, 2019	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 189,265,029	\$ 189,265,029
Other fees	2,519,146	2,519,146
Other revenue	17,967,008	17,967,008
Total operating revenue	209,751,182	209,751,182
<b>Operating Expenses</b>		
Salaries, wages and benefits	23,789,507	23,789,507
Contractual Services	8,411,875	8,411,875
Other operating expense	10,359,394	10,359,394
Wholesale Charges	122,005,064	122,005,064
Depreciation	7,968,737	-
Total operating expenses	172,534,578	164,565,841
<b>Operating Income</b>	37,216,604	45,185,341
<b>Nonoperating Revenue (Expenses)</b>		
Investment earnings	-	-
Capital Lease	13,617,263	18,333,333
Capital Outlay/Acquisitions	-	-
Debt Service	(11,102,716)	(19,921,355)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	2,514,547	(1,588,022)
<b>Change in Net Position</b>	<b>\$ 39,731,151</b>	<b>\$ 43,597,319</b>

# Thank You



[facebook.com/DWSDDetroit](https://facebook.com/DWSDDetroit)



[@DetroitWaterDep](https://twitter.com/DetroitWaterDep)



[@detroitwatersewerage](https://instagram.com/detroitwatersewerage)