



JANUARY 2018 REVIEW

FINANCE COMMITTEE

March 7, 2018



Summary Financial Metrics

		7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018
Volumes (Mcf)	Budget	295,700	303,100	248,900	236,100	218,400	238,500	224,700	224,700	235,700	217,700	256,700	284,800
	Actual	274,267	269,802	259,341	247,700	208,783	213,026						
	Status												
DAYS CASH (days)	Budget	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Actual	74.57	82.17	91.59	92.76	99.46	90.59	100.25					
	Status												
DAYS PAYABLE OUTSTANDING (days)	Budget	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
	Actual	82.32	75.02	39.52	22.85	41.44	58.20	51.23					
	Status												
WATER 30-60 DAY COLLECTION RATE (%)	Budget	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
	Actual	73.00%	80.30%	55.40%	75.40%	71.84%	71.02%						
	Status												
SEWER 30-60 DAY COLLECTION RATE (%)	Budget	68.00%	68.00%	68.00%	68.00%	68.00%	68.00%	68.00%	68.00%	68.00%	68.00%	68.00%	68.00%
	Actual	62.80%	57.80%	60.50%	55.80%	51.74%	57.80%						
	Status												
WATER 330-360 DAYS COLLECTION RATE (%)	Budget	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
	Actual	92.10%	92.10%	94.70%	96.60%	94.73%	93.90%						
	Status												
SEWER 330-360 DAY COLLECTION RATE (%)	Budget	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
	Actual	86.80%	86.10%	95.30%	95.00%	93.65%	95.22%						
	Status												
HEADCOUNT (Full Time Employees)	Budget	579	579	579	579	579	579	579	579	579	579	579	579
	Actual	488	488	486	506	510	508	522					
	Status												
O&M COSTS (\$)	Budget	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573	9,827,573
	Actual	6,723,202	9,986,668	3,915,421	6,757,316	10,588,422	8,592,414	8,668,719					
	Status												

Retail Water Customers

Month	Volume (Mcf)			Revenue (\$)		
	Budget	Actual	Variance	Budget	Actual	Variance
July	295,700	274,267	(21,433)	\$ 9,332,300	\$ 8,813,936	\$ (518,364)
August	303,100	269,802	(33,298)	9,517,000	8,631,595	(885,405)
September	248,900	259,341	10,441	8,393,900	8,463,041	69,141
October	236,100	247,700	11,600	7,947,500	8,187,943	240,443
November	218,400	208,783	(9,617)	7,585,100	7,276,521	(308,579)
December	238,500	213,026	(25,474)	8,008,200	7,333,094	(675,106)
January	224,700	-	-	7,673,100	-	-
February	224,700	-	-	7,813,100	-	-
March	235,700	-	-	7,944,800	-	-
April	217,700	-	-	7,529,200	-	-
May	256,700	-	-	8,946,300	-	-
June	284,800	-	-	9,089,900	-	-
Totals	2,985,000	1,472,919	(67,781)	\$ 99,780,400	\$ 48,706,129	\$ (2,077,871)
<i>Subtotals YTD</i>	<i>1,540,700</i>	<i>1,472,919</i>	<i>(67,781)</i>	<i>\$ 50,784,000</i>	<i>\$ 48,706,129</i>	<i>\$ (2,077,871)</i>



Retail Sewer Customers

Month	Volume (Mcf)			Revenue (\$)			
	Budget	Actual	Variance	Budget	Actual	Variance	
July	260,000	244,512	(15,488)	\$ 24,615,100	\$ 24,624,820	\$ 9,720	
August	260,600	239,911	(20,689)	24,754,400	24,348,011	(406,389)	
September	222,800	228,122	5,322	22,752,800	23,517,204	764,404	
October	205,500	224,159	18,659	22,717,800	23,573,505	855,705	
November	189,900	188,312	(1,588)	21,987,300	22,084,385	97,085	
December	204,400	190,811	(13,589)	22,774,800	21,937,291	(837,509)	
January	195,300	-	-	22,296,100	-	-	
February	198,300	-	-	23,060,600	-	-	
March	203,000	-	-	23,026,900	-	-	
April	189,300	-	-	22,215,900	-	-	
May	219,400	-	-	23,798,700	-	-	
June	251,500	-	-	24,635,500	-	-	
Totals	2,600,000	1,315,827	(27,373)	\$ 278,635,900	\$ 140,085,216	\$ 483,016	
<i>Subtotals YTD</i>	<i>1,343,200</i>	<i>1,315,827</i>	<i>(27,373)</i>	<i>\$ 139,602,200</i>	<i>\$ 140,085,216</i>	<i>\$ 483,016</i>	



Accounts Receivable Aging Balances as of January 31, 2018

Water Fund

Detroit Water and Sewerage Department

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	TOTAL A/R BALANCE
RESIDENTIAL	181,886	\$ 91.69	\$ 2,687,577	\$ 1,409,745	\$ 3,017,274	\$ 9,563,032	\$ 16,677,629
			16.1%	8.5%	18.1%	57.3%	100.0%
COMMERCIAL	10,713	345.88	1,819,118	346,647	1,192,383	347,288	3,705,436
			49.1%	9.4%	32.2%	9.4%	100.0%
INDUSTRIAL	1,282	392.42	813,626	210,657	(211,959)	(309,237)	503,087
			161.7%	41.9%	(42.1%)	(61.5%)	100.0%
TAX EXEMPT	437	1,037.48	230,073	97,674	72,448	53,185	453,379
			50.7%	21.5%	16.0%	11.7%	100.0%
FAITH BASED	657	300.74	36,200	15,135	44,576	101,677	197,587
			18.3%	7.7%	22.6%	51.5%	100.0%
CITY OF DETROIT	892	2,131.71	124,187	85,645	1,598,130	93,527	1,901,489
			6.5%	4.5%	84.0%	4.9%	100.0%
WAYNE STATE	2	28.97	58	-	-	-	58
			100.0%	0.0%	0.0%	0.0%	100.0%
Total	195,869	\$ 119.67	\$ 5,710,838	\$ 2,165,504	\$ 5,712,851	\$ 9,849,472	\$ 23,438,665
<i>% of Total DWSD A/R</i>			24.4%	9.2%	24.4%	42.0%	100.0%



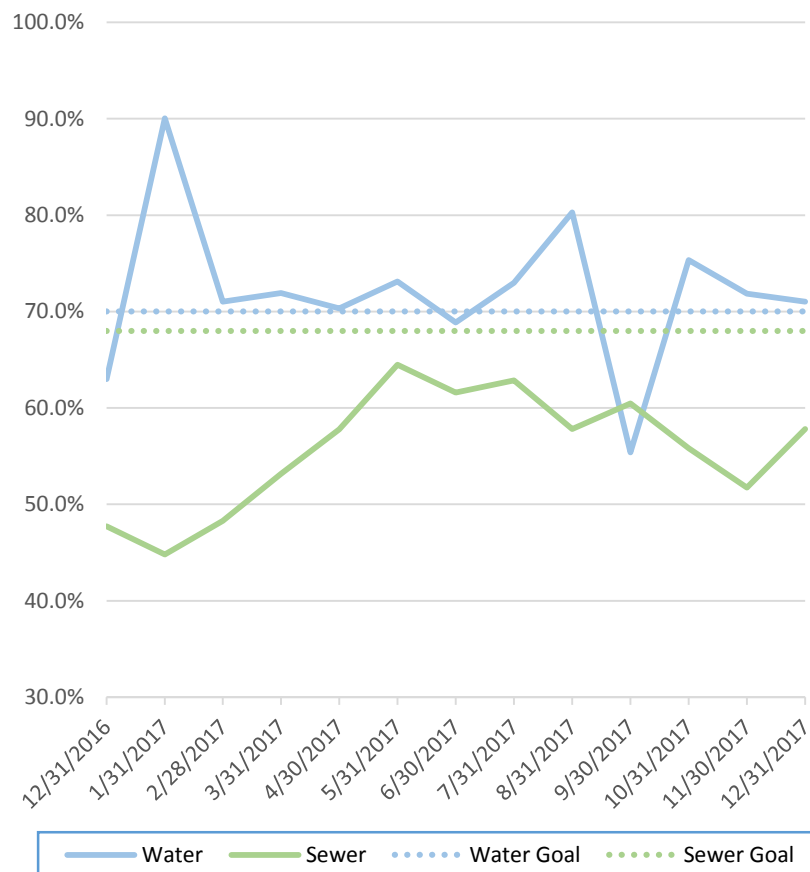
Accounts Receivable Aging Balances as of January 31, 2018

Sewer Fund

Detroit Water and Sewerage Department

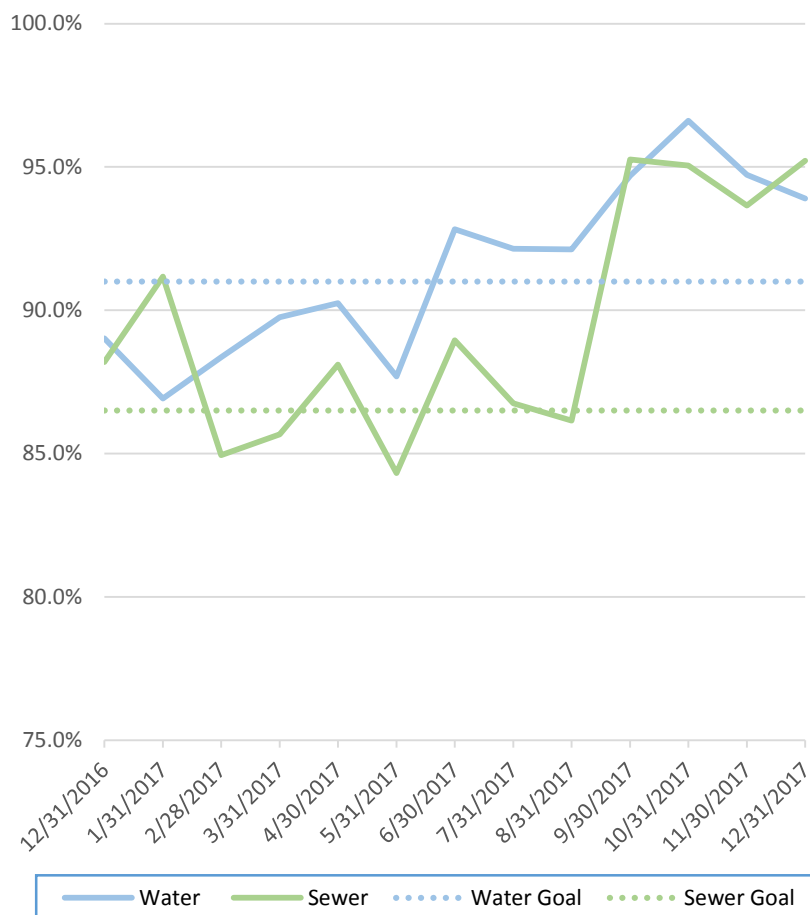
Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	TOTAL A/R BALANCE
RESIDENTIAL	174,616	\$ 257.30	\$ 7,803,733	\$ 4,462,233	\$ 10,148,464	\$ 22,514,709	\$ 44,929,139
			17.4%	9.9%	22.6%	50.1%	100.0%
COMMERCIAL	19,230	981.65	5,227,439	1,465,859	7,099,217	5,084,630	18,877,145
			27.7%	7.8%	37.6%	26.9%	100.0%
INDUSTRIAL	3,380	2,749.31	2,669,743	1,358,087	3,445,381	1,819,451	9,292,662
			28.7%	14.6%	37.1%	19.6%	100.0%
TAX EXEMPT	2,848	2,646.86	1,735,893	991,354	3,597,847	1,213,154	7,538,248
			23.0%	13.2%	47.7%	16.1%	100.0%
FAITH BASED	687	1,940.52	167,552	252,265	289,132	624,186	1,333,135
			12.6%	18.9%	21.7%	46.8%	100.0%
CITY OF DETROIT	3,424	1,906.63	826,163	758,938	2,394,815	2,548,398	6,528,314
			12.7%	11.6%	36.7%	39.0%	100.0%
WAYNE STATE	9	2,664.05	2,404	2,314	9,265	9,993	23,976
			10.0%	9.7%	38.6%	41.7%	100.0%
HIGHWAY DRAINAGE	2	1,001,868.54	257,193	257,193	781,481	707,871	2,003,737
			12.8%	12.8%	39.0%	35.3%	100.0%
Total	204,196	\$ 443.33	\$ 18,690,121	\$ 9,548,243	\$ 27,765,601	\$ 34,522,393	\$ 90,526,357
<i>% of Total DWSD A/R</i>			20.6%	10.5%	30.7%	38.1%	100.0%

30-60 Day Collection Rate



- Water is slightly above target, but would expect it to trend up when shut offs begin.
- Sewer remains below target due to drainage collection rates.

330 – 360 Day Collection Rate

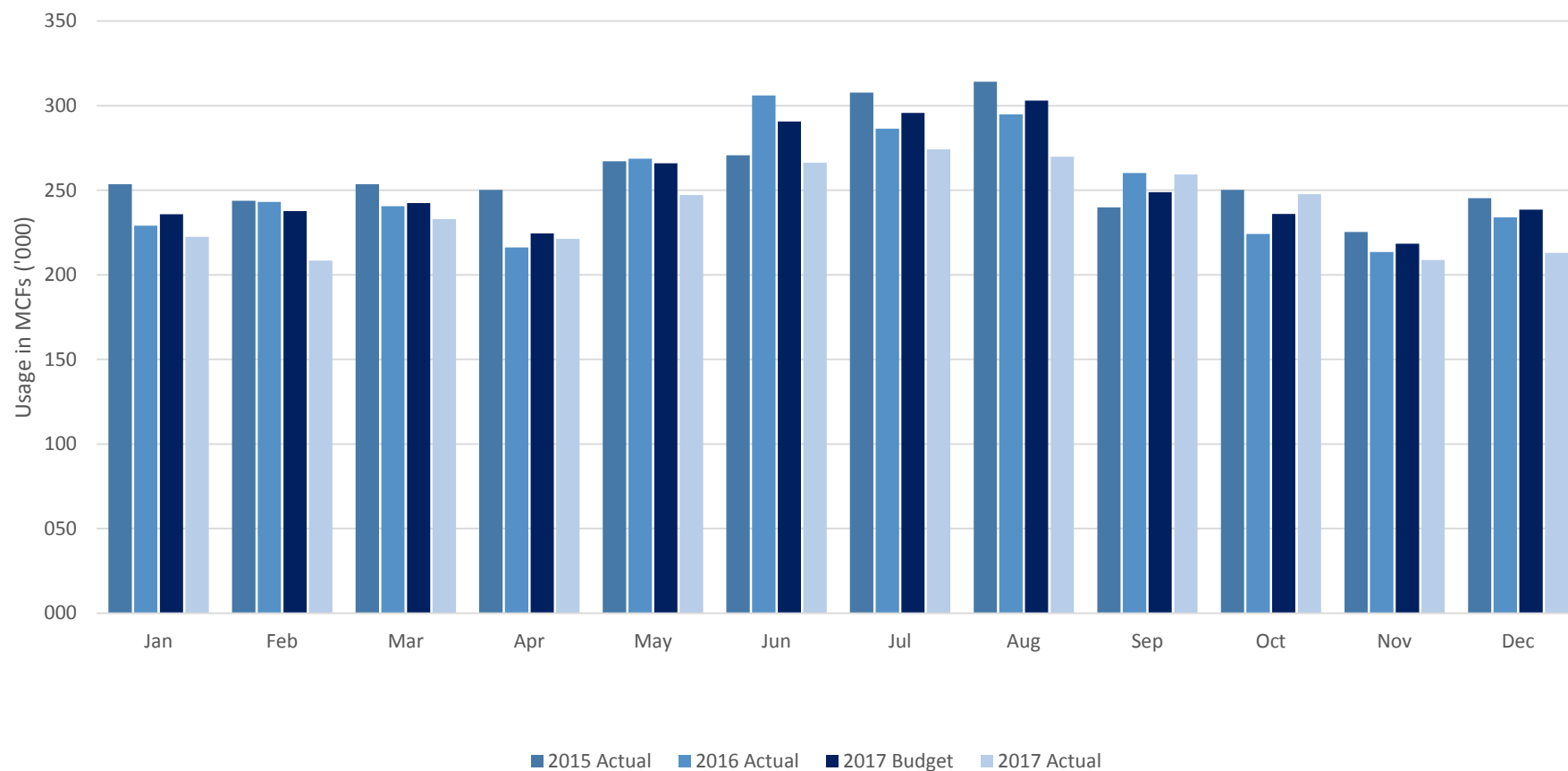


- Collection rates have been trending upwards over the last 12 months.
- We expect the trend to continue through FY 2018.



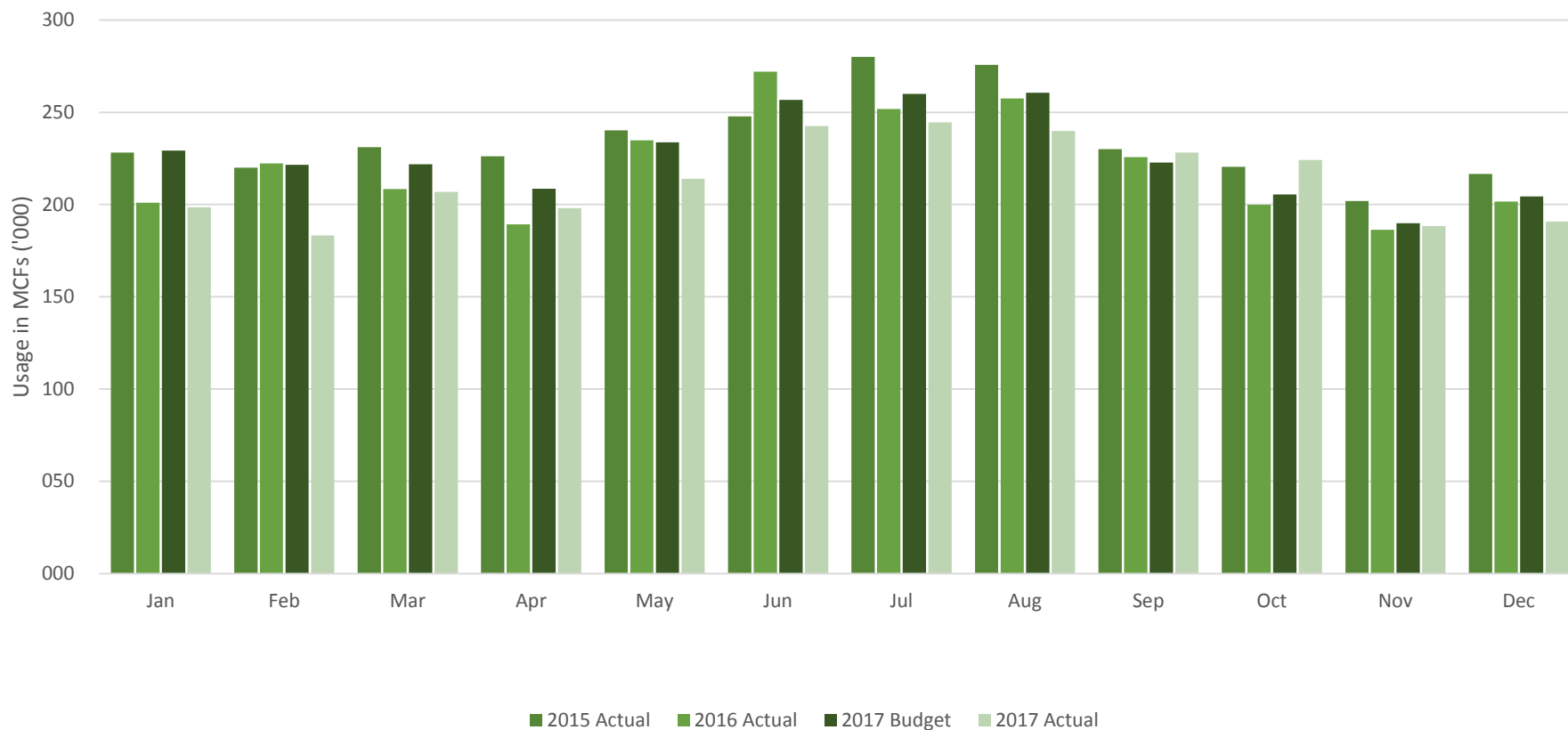
DETROIT
Water & Sewerage
Department

Water Usage



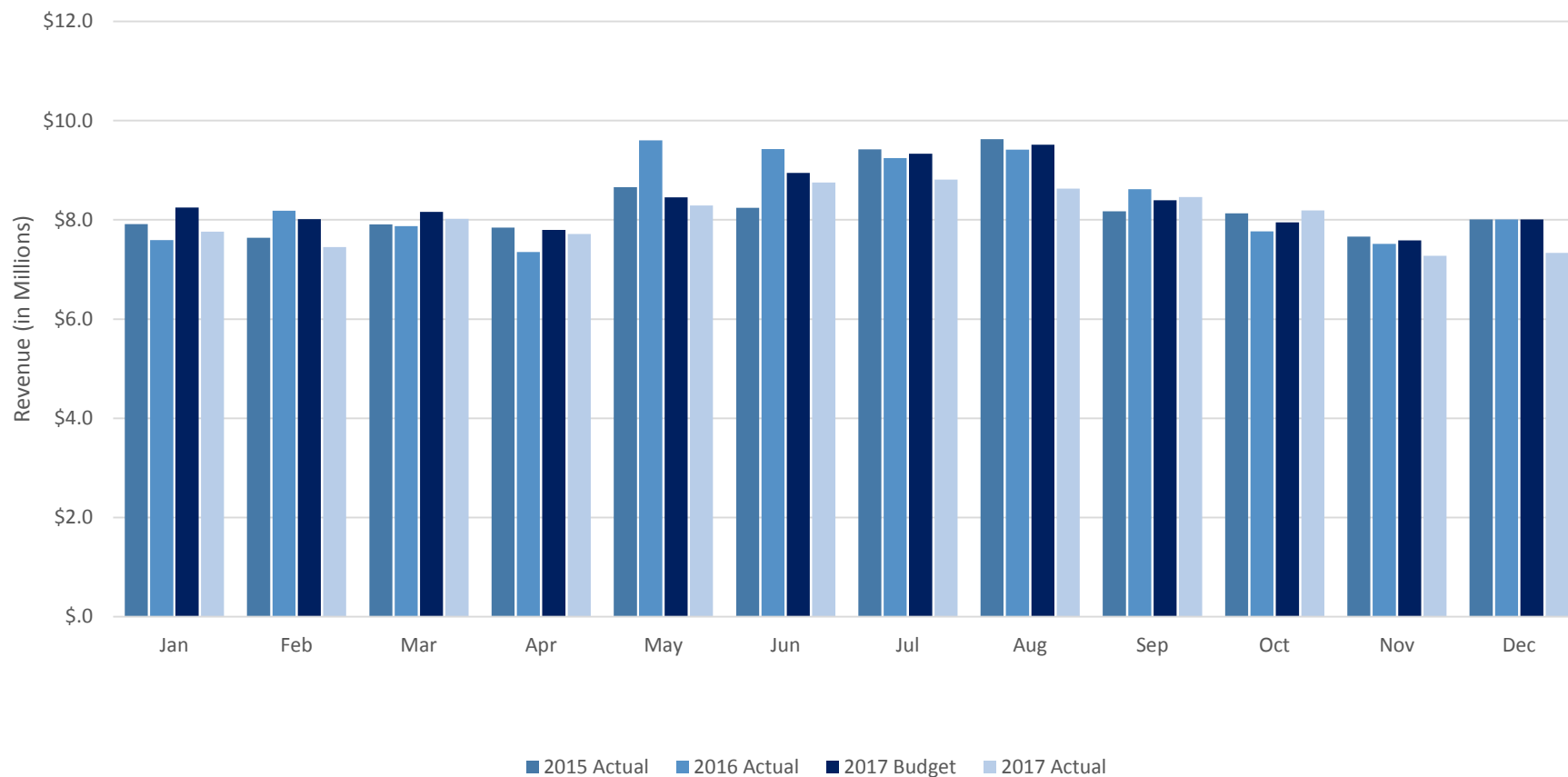


Sewer Usage



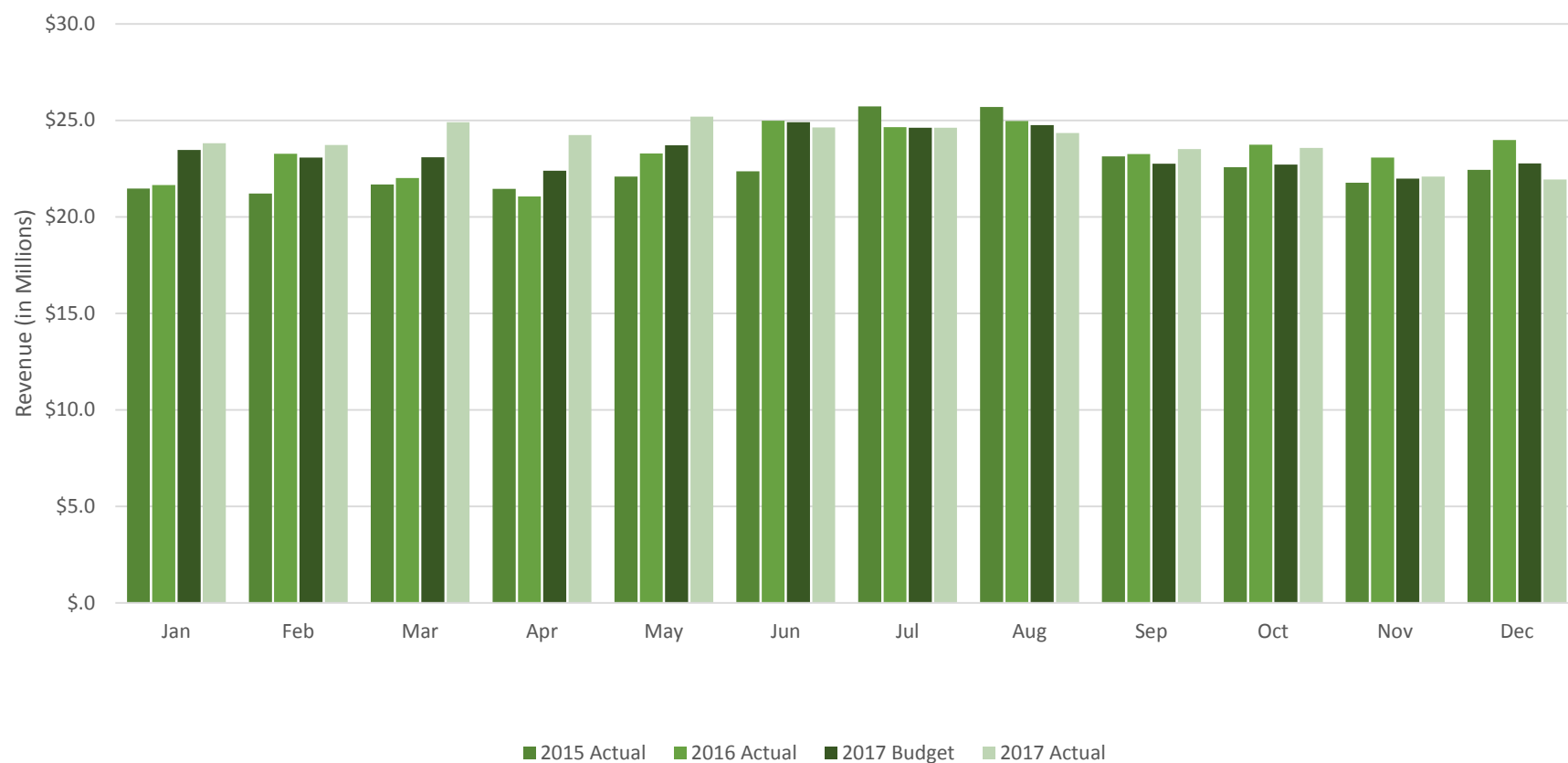


Water Revenue





Sewer Revenue



Treasury Update

Nikole Howard-Whitsett
Treasury Manager



Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2017	1/31/2018	6/30/2017	1/31/2018
Operating	\$ 1,767,951	\$ 2,483,924	\$ 21,041,345	\$ 29,923,780
Restricted				
Bond	43,338,112	29,082,035	-	-
Affordability	977,278	1,094,800	-	-
Pension	218,285	2,171,235	171,239	1,641,230
Retainage	2,488,101	2,277,068	1,106,171	1,246,447
Construction	<u>2,109,646</u>	<u>1,310,132</u>	<u>834,367</u>	<u>221,876</u>
	49,131,420	35,935,269	2,111,777	3,109,553
Improvement and Extension	<u>36,425,537</u>	<u>54,138,455</u>	<u>12,446,472</u>	<u>20,241,690</u>
Total Cash	<u>\$ 87,324,908</u>	<u>\$ 92,557,648</u>	<u>\$ 35,599,594</u>	<u>\$ 53,275,023</u>



Cash Balance by Banking Institution

Banking Institution	Type of Account	Water	Sewer
Comerica			
	Unrestricted	\$ 562,620	\$ 501,387
	Restricted	19,924,514	7,499,900
		<u>20,487,134</u>	<u>8,001,287</u>
First Independence			
	Unrestricted	1,911,360	29,420,556
	Restricted	28,883,514	5,390,844
	CDARS	28,788,215	
		<u>59,583,089</u>	<u>34,811,400</u>
JP Morgan Chase			
	Unrestricted	9,943	1,836
	Restricted	1,094,800	-
		<u>1,104,743</u>	<u>1,836</u>
US Bank			
	Restricted	11,382,683	10,460,499
		<u>11,382,683</u>	<u>10,460,499</u>
Total Cash		\$ 92,557,649	\$ 53,275,022

Insured Cash By Banking Institution

Banking Institution	Insured	Uninsured
Comerica	\$ 1,064,757	\$ 27,423,664
First Independence	85,445,806	8,948,683
JP Morgan Chase	261,780	844,800
US Bank	500,000	21,343,182
Total Cash	\$ 87,272,343	\$ 58,560,328

Appendix:

Financial Statements

Seven Months Ended January 31, 2018

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	January 31, 2018 (Unaudited)
Assets		
Cash and cash equivalents	\$ 2,043,278	\$ 5,554,479
Restricted - Cash and investments	88,025,572	\$ 89,422,826
Accounts receivable - Net of Allowance	18,021,231	\$ 14,494,312
Due from other funds	57,344,256	\$ 38,458,252
Inventory	4,171,425	\$ 4,171,425
Prepaid expenses	279,533	\$ 279,533
Receivables from Great Lakes Water Authority	484,425,988	\$ 481,831,303
Capital assets - net	515,018,766	\$ 508,105,227
Total assets	1,169,330,049	1,142,317,357
Deferred Outflows of Resources - Pensions	16,184,679	16,184,679

City of Detroit Water Fund		
Statement of Net Position (Continued)		
	June 30, 2017 (Audited)	January 31, 2018 (Unaudited)
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 3,990,264	\$ 7,334,812
Due to other funds	38,268,404	\$ 38,585,362
Due to Great Lakes Water Authority	32,908,024	\$ (15,006,179)
Accrued interest	1,901,626	\$ 17,265,564
Other liabilities	17,086,637	\$ 25,791,396
Accrued compensated absences	1,455,747	\$ 1,455,747
Long-term debt	552,160,155	\$ 534,364,917
Net pension liability	50,867,233	\$ 50,867,233
Total liabilities	698,638,090	660,658,852
Deferred Inflows of Resources -Pensions	5,314,746	5,315,446
Net Position		
Fund Balance - End of year	481,561,893	492,527,737
Total net position	\$ 481,561,893	\$ 492,527,737

City of Detroit Water Fund

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

	Seven Months Ended January 31, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 52,618,425	\$ 52,618,425
Other fees	1,960,242	1,960,242
Other revenue	1,739,428	1,739,428
Total operating revenue	56,318,095	56,318,095
Operating Expenses		
Salaries, wages and benefits	8,932,086	8,932,086
Contractual Services	7,409,848	7,409,848
Other operating expense	3,777,885	3,777,885
Damage claims	662	662
Wholesale Charges	8,826,183	8,826,183
Depreciation	22,102,262	-
Total operating expenses	51,048,926	28,946,664
Operating Income	5,269,169	27,371,431
Nonoperating Revenue (Expenses)		
Investment income	184,540	184,540
Capital Lease	9,856,263	13,171,408
Capital Outlay/Acquisitions	(284,542)	(284,542)
Debt Service	(15,363,938)	(22,393,184)
Gain (loss) on sale of assets	19,554	19,554
Total nonoperating expenses - Net	(5,588,124)	(9,302,224)
Change in Net Position	\$ (318,955)	\$ 18,069,206

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	January 31, 2018 (Unaudited)
Assets		
Cash and cash equivalents	\$ 21,211,137	\$ 30,837,063
Restricted - Cash and investments	22,632,710	29,164,955
Accounts receivable - Net of Allowance	71,549,286	71,702,638
Due from other funds	23,122,190	36,274,324
Inventory	1,053,886	1,053,886
Prepaid expenses	169,728	169,728
Receivables from Great Lakes Water Authority	607,272,122	604,288,078
Capital assets - net	486,025,515	479,941,930
Total assets	1,233,036,574	1,253,432,602
Deferred Outflows of Resources - Pensions	11,440,084	11,440,084

City of Detroit Sewage Disposal Fund		
Statement of Net Position (Continued)		
	June 30, 2017 (Audited)	January 31, 2018 (Unaudited)
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 1,532,828	\$ 2,570,365
Due to other funds	42,178,718	88,330,366
Due to Great Lakes Authority	83,522,446	62,274,246
Accrued interest	3,169,374	13,225,631
Other liabilities	28,186,432	29,941,944
Accrued compensated absences	2,183,621	2,183,621
Long-term debt	416,591,578	410,418,781
Net pension liability	35,306,921	35,306,921
Total liabilities	612,671,918	644,251,875
Deferred Inflows of Resources -Pensions	4,062,753	4,064,053
Net Position		
Fund Balance - End of year	627,741,988	616,556,759
Total net position	\$ 627,741,988	\$ 616,556,759

City of Detroit Sewage Disposal Fund

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

	Seven Months Ended January 31, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 135,235,335	\$ 135,235,335
Other fees	4,688,816	4,688,816
Other revenue	2,660,447	2,660,447
Total operating revenue	142,584,598	142,584,598
Operating Expenses		
Salaries, wages and benefits	26,387,104	26,387,104
Contractual Services	5,616,040	5,616,040
Other operating expense	3,957,281	3,957,281
Damage claims	12,829	12,829
Wholesale Charges	104,398,700	104,398,700
Depreciation	15,000,543	-
Total operating expenses	155,372,497	140,371,954
Operating Income	(12,787,899)	2,212,644
Nonoperating Revenue (Expenses)		
Investment earnings	-	-
Capital Lease	12,046,547	16,041,667
Capital Outlay/Acquisitions	(387,620)	(387,620)
Debt Service	(10,056,257)	(17,431,186)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	1,602,670	(1,777,140)
Change in Net Position	\$ (11,185,229)	\$ 435,504

Thank You



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