



FEBRUARY 2018 REVIEW

FINANCE COMMITTEE

April 4, 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
WATER 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	235,142					
	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	116.81				
	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	54.77				
	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%	67.03%					
	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%	56.65%					
	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%	94.79%					
	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%	91.99%					
	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	529				
	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	7,158,167				
	Status												



Retail Water Customers

Month	Volume (Mcf)				Revenue (\$)			
	Budget	Actual	Variance (\$)	Variance (%)	Budget	Actual	Variance	Variance (%)
July	295,700	274,267	(21,433)	(7.8%)	\$ 9,332,300	\$ 8,813,936	\$ (518,364)	(5.9%)
August	303,100	269,802	(33,298)	(12.3%)	9,517,000	8,631,595	(885,405)	(10.3%)
September	248,900	259,341	10,441	4.0%	8,393,900	8,463,041	69,141	0.8%
October	236,100	247,700	11,600	4.7%	7,947,500	8,187,943	240,443	2.9%
November	218,400	208,783	(9,617)	(4.6%)	7,585,100	7,276,521	(308,579)	(4.2%)
December	238,500	213,026	(25,474)	(12.0%)	8,008,200	7,333,094	(675,106)	(9.2%)
January	224,700	235,142	10,442	4.4%	7,673,100	7,873,651	200,551	2.5%
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	1,708,061	(57,339)	(3.4%)	\$ 99,780,400	\$ 56,579,780	\$ (1,877,320)	(3.3%)
<i>Subtotals YTD</i>	<i>1,765,400</i>	<i>1,708,061</i>	<i>(57,339)</i>	<i>(3.4%)</i>	<i>\$ 58,457,100</i>	<i>\$ 56,579,780</i>	<i>\$ (1,877,320)</i>	<i>(3.3%)</i>



Retail Sewer Customers

Month	Volume (Mcf)				Revenue (\$)				
	Budget	Actual	Variance (\$)	Variance (%)	Budget	Actual	Variance	Variance (%)	
July	260,000	244,512	(15,488)	(6.3%)	\$ 24,615,100	\$ 24,624,820	\$ 9,720	0.0%	
August	260,600	239,911	(20,689)	(8.6%)	24,754,400	24,348,011	(406,389)	(1.7%)	
September	222,800	228,122	5,322	2.3%	22,752,800	23,517,204	764,404	3.3%	
October	205,500	224,159	18,659	8.3%	22,717,800	23,573,505	855,705	3.6%	
November	189,900	188,312	(1,588)	(0.8%)	21,987,300	22,084,385	97,085	0.4%	
December	204,400	190,811	(13,589)	(7.1%)	22,774,800	21,937,291	(837,509)	(3.8%)	
January	195,300	213,373	18,073	8.5%	22,296,100	22,944,848	648,748	2.8%	
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	1,529,200	(9,300)	(0.6%)	\$ 278,635,900	\$ 163,030,064	\$ 1,131,764	0.7%	
<i>Subtotals YTD</i>	<i>1,538,500</i>	<i>1,529,200</i>	<i>(9,300)</i>	<i>(0.6%)</i>	<i>\$ 161,898,300</i>	<i>\$ 163,030,064</i>	<i>\$ 1,131,764</i>	<i>0.7%</i>	



Accounts Receivable Aging Balances as of February 28, 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	185,361	\$ 95.72	\$ 3,279,588	\$ 1,414,453	\$ 3,087,507	\$ 9,960,784	\$ 17,742,331
			18.5%	8.0%	17.4%	56.1%	100.0%
COMMERCIAL	11,198	370.09	1,920,188	660,249	1,144,024	419,815	4,144,276
			46.3%	15.9%	27.6%	10.1%	100.0%
INDUSTRIAL	1,325	555.69	1,063,979	203,849	(39,473)	(492,063)	736,293
			144.5%	27.7%	(5.4%)	(66.8%)	100.0%
TAX EXEMPT	439	1,238.89	259,391	122,912	102,914	58,655	543,871
			47.7%	22.6%	18.9%	10.8%	100.0%
FAITH BASED	684	310.37	42,459	17,166	43,224	109,445	212,295
			20.0%	8.1%	20.4%	51.6%	100.0%
CITY OF DETROIT	906	2,289.37	393,981	62,224	1,523,788	94,177	2,074,170
			19.0%	3.0%	73.5%	4.5%	100.0%
WAYNE STATE	2	30.16	60	-	-	-	60
			100.0%	0.0%	0.0%	0.0%	100.0%
Total	199,915	\$ 127.32	\$ 6,959,647	\$ 2,480,854	\$ 5,861,984	\$ 10,150,813	\$ 25,453,297
<i>% of Total DWSD A/R</i>			27.3%	9.7%	23.0%	39.9%	100.0%



Accounts Receivable Aging Balances as of February 28, 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	178,186	\$ 277.16	\$ 11,218,199	\$ 4,326,045	\$ 10,171,038	\$ 23,669,980	\$ 49,385,261
			22.7%	8.8%	20.6%	47.9%	100.0%
COMMERCIAL	19,817	1,023.45	5,661,338	2,200,438	6,358,410	6,061,531	20,281,718
			27.9%	10.8%	31.4%	29.9%	100.0%
INDUSTRIAL	3,435	3,417.11	4,453,742	1,031,910	3,721,115	2,531,019	11,737,787
			37.9%	8.8%	31.7%	21.6%	100.0%
TAX EXEMPT	1,981	3,684.58	1,279,798	1,275,446	3,705,192	1,038,710	7,299,146
			17.5%	17.5%	50.8%	14.2%	100.0%
FAITH BASED	743	1,895.88	186,408	88,832	464,295	669,107	1,408,641
			13.2%	6.3%	33.0%	47.5%	100.0%
CITY OF DETROIT	2,564	2,544.59	1,300,817	591,836	2,052,326	2,579,351	6,524,330
			19.9%	9.1%	31.5%	39.5%	100.0%
WAYNE STATE	10	2,820.50	4,324	2,314	9,245	12,322	28,205
			15.3%	8.2%	32.8%	43.7%	100.0%
HIGHWAY DRAINAGE	2	1,073,526.83	266,961	195,370	781,481	903,241	2,147,054
			12.4%	9.1%	36.4%	42.1%	100.0%
Total	206,738	\$ 477.96	\$ 24,371,587	\$ 9,712,191	\$ 27,263,103	\$ 37,465,261	\$ 98,812,142
<i>% of Total DWSD A/R</i>			24.7%	9.8%	27.6%	37.9%	100.0%



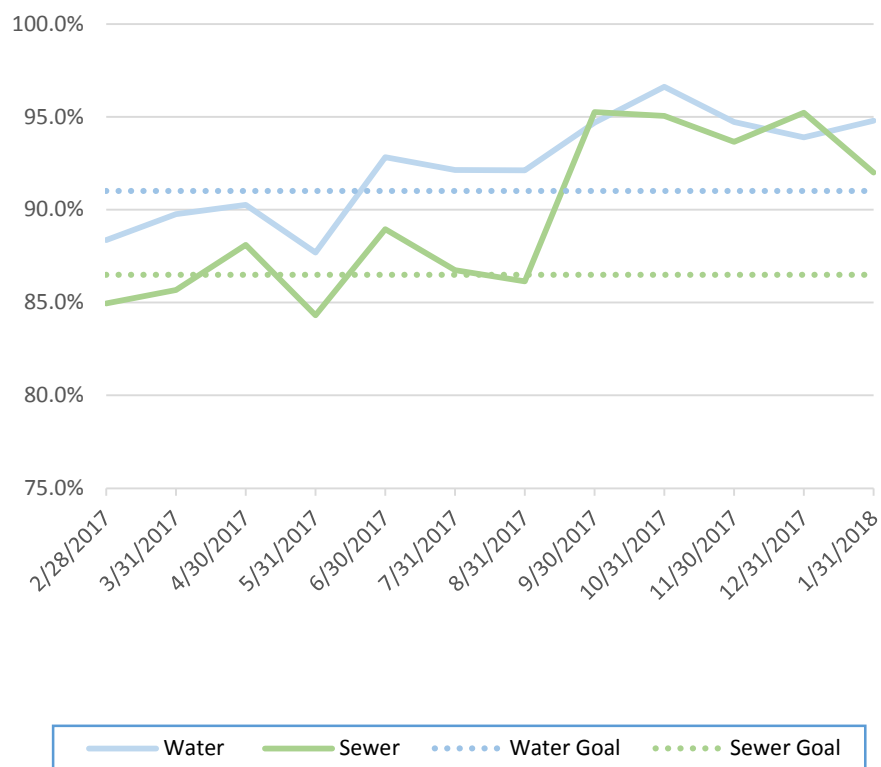
30-60 Day Collection Rate



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



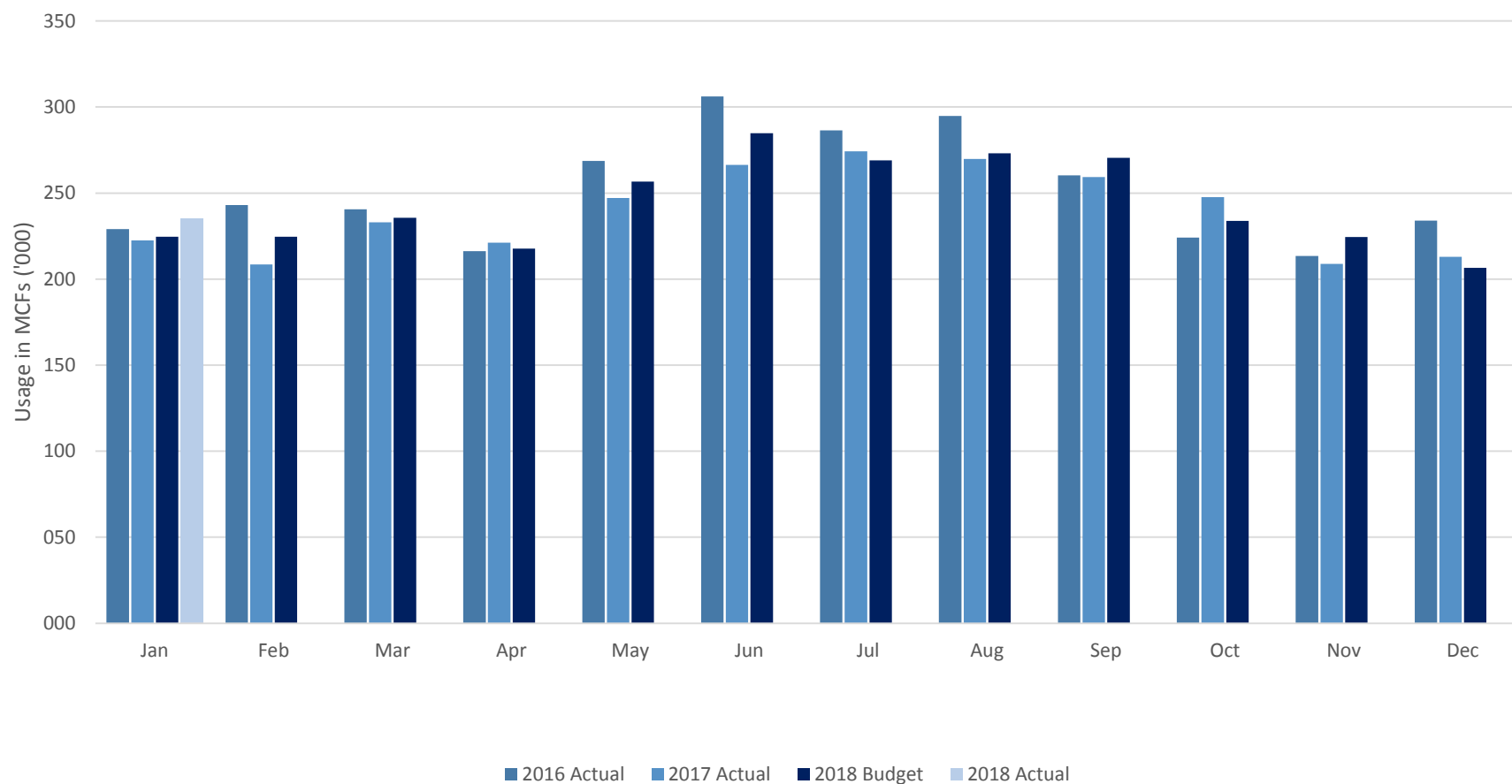
330 – 360 Day Collection Rate



- Collection rates have been trending upwards over the last 12 months.
- Most notably the Sewer Collection Rate has increased and is on pace with the Water collection rate.

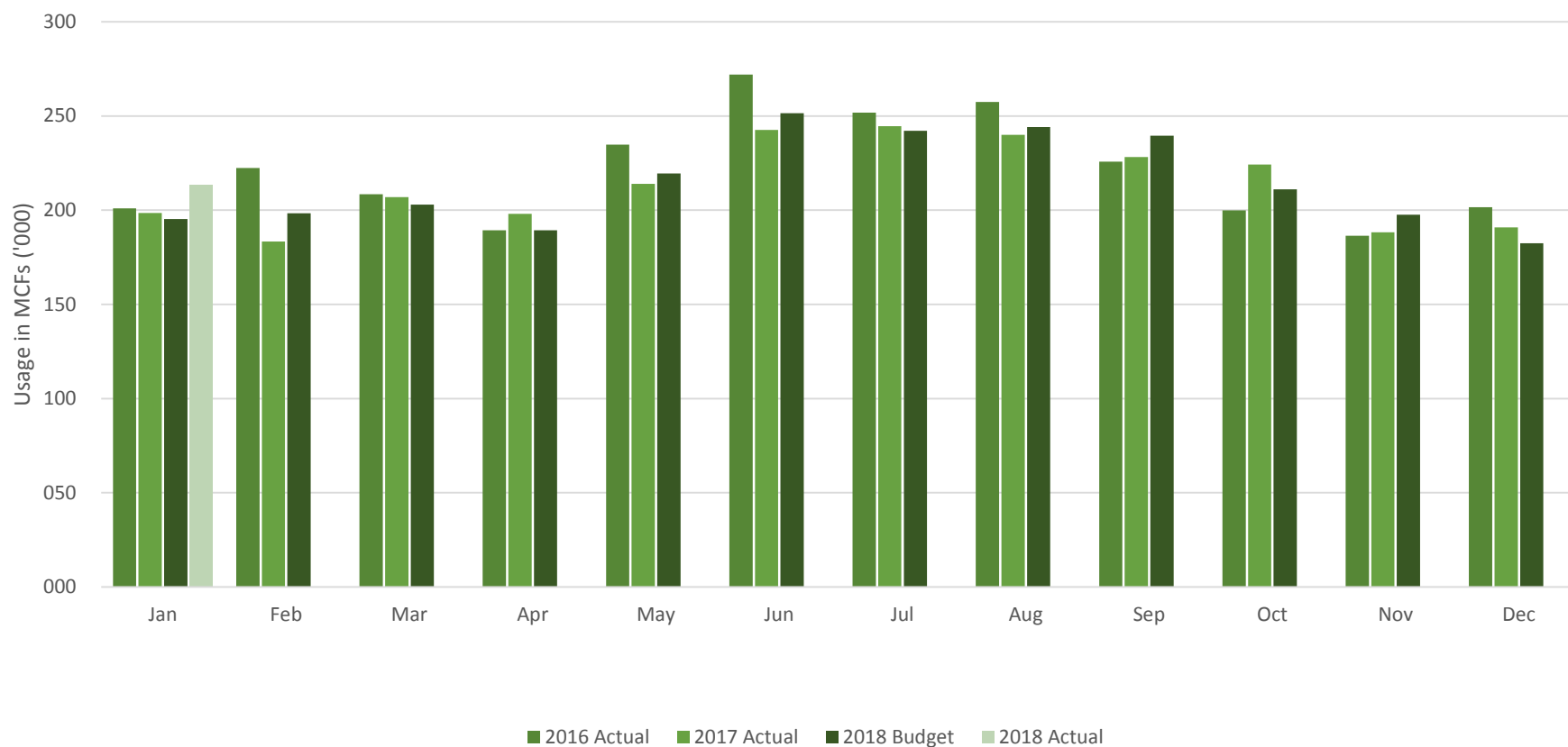


Water Usage



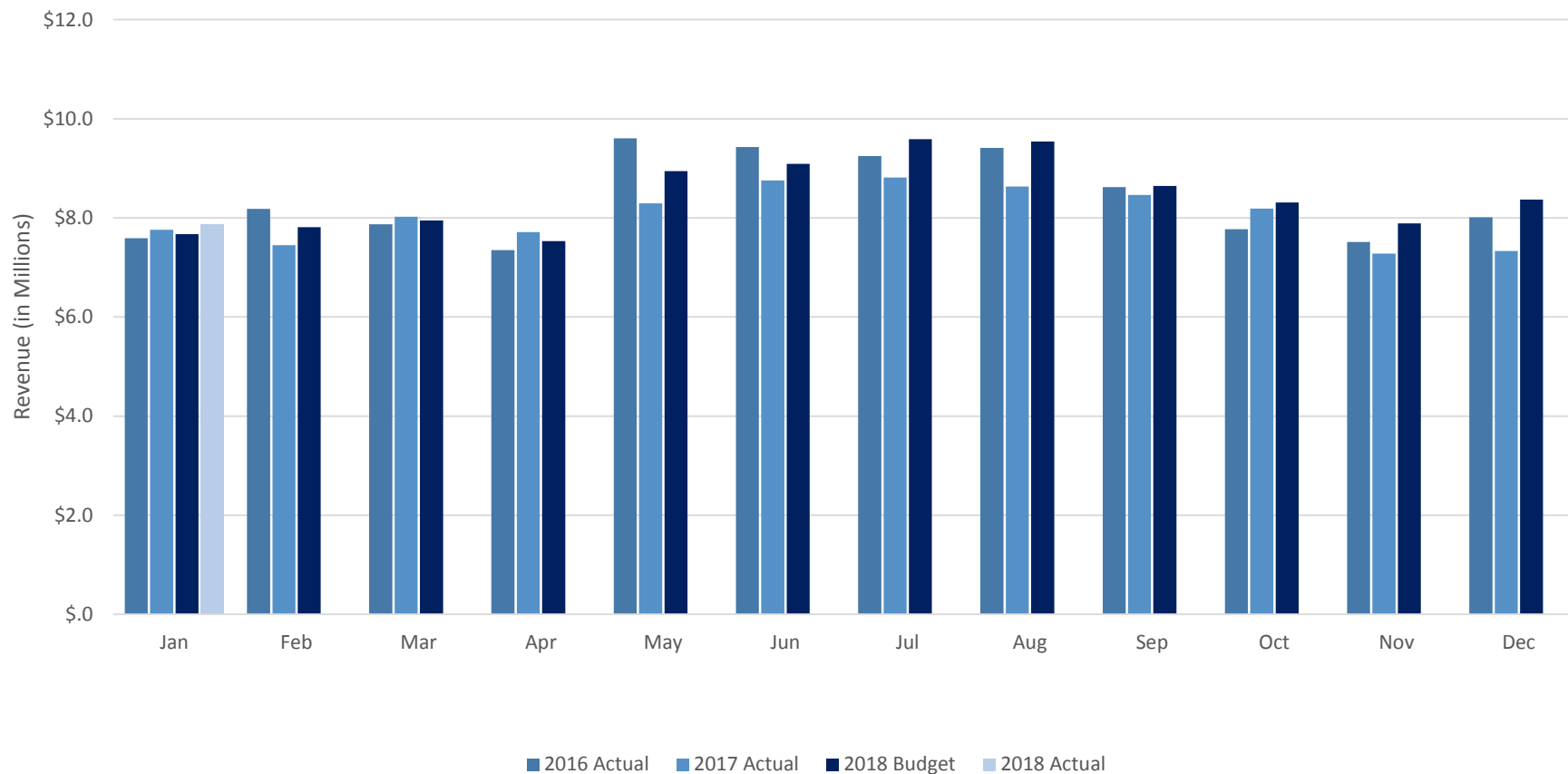


Sewer Usage





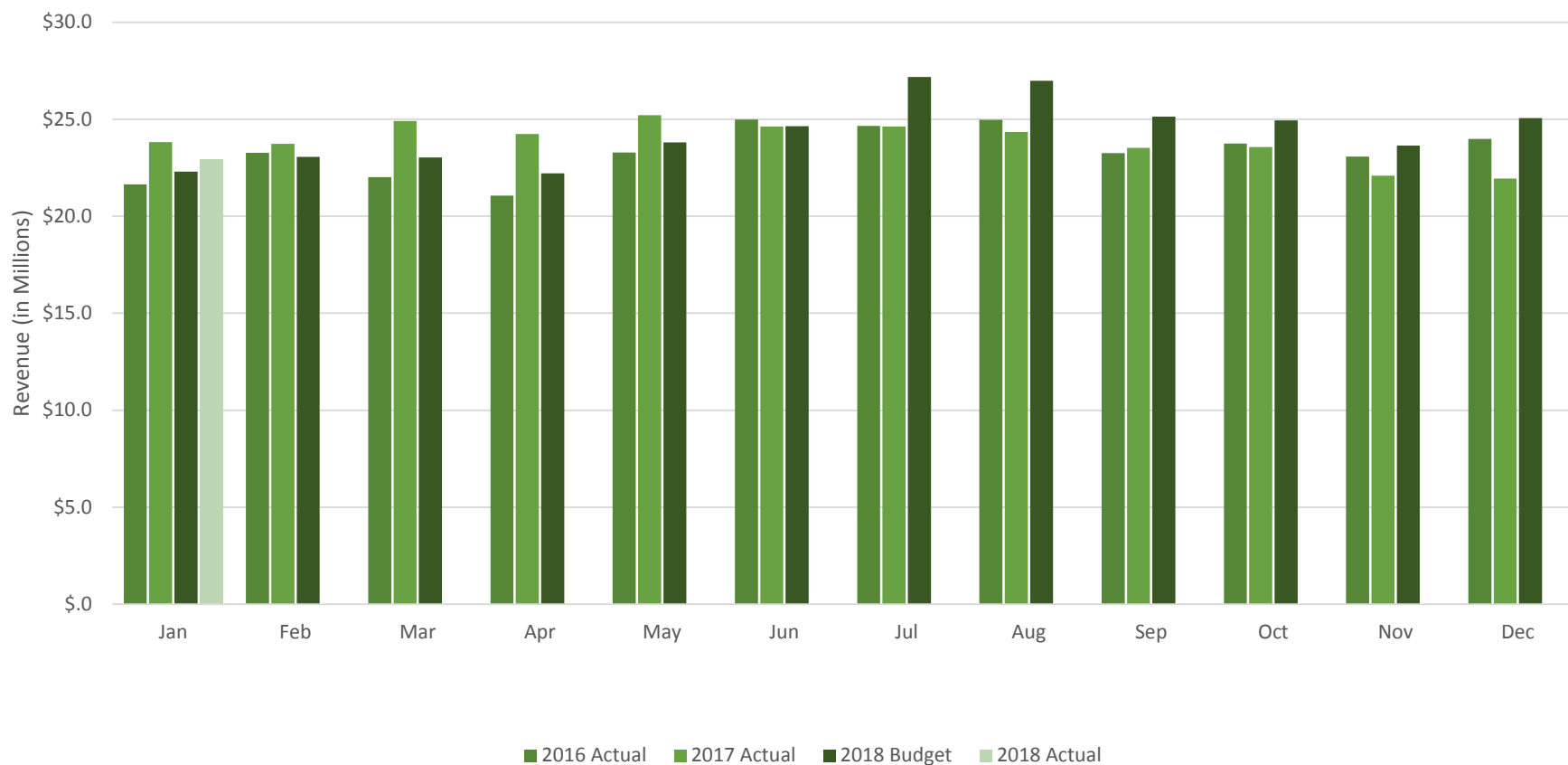
Water Revenue





DETROIT
Water & Sewerage
Department

Sewer Revenue





Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2017	2/28/2018	6/30/2017	2/28/2018
Operating	\$ 1,767,951	\$ 2,799,580	\$ 21,041,345	\$ 34,942,281
Restricted				
Bond	43,338,112	28,483,304	-	-
Affordability	977,278	1,121,445	-	-
Pension	218,285	2,399,691	171,239	1,687,835
Retainage	2,488,101	2,243,368	1,106,171	584,476
Construction	<u>2,109,646</u>	<u>1,342,931</u>	<u>834,367</u>	<u>883,917</u>
	49,131,420	35,590,740	2,111,777	3,156,228
Improvement and Extension	<u>36,425,537</u>	<u>55,879,761</u>	<u>12,446,472</u>	<u>22,312,021</u>
Total Cash	<u><u>\$ 87,324,908</u></u>	<u><u>\$ 94,270,081</u></u>	<u><u>\$ 35,599,594</u></u>	<u><u>\$ 60,410,530</u></u>

Appendix:

Financial Statements

Eight Months Ended February 28, 2018

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	February 28, 2018 (Unaudited)
Assets		
Cash and cash equivalents	\$ 2,043,278	\$ 5,427,222
Restricted - Cash and investments	88,025,572	\$ 92,006,203
Accounts receivable - Net of Allowance	18,021,231	\$ 19,412,865
Due from other funds	57,344,256	\$ 42,931,454
Inventory	4,171,425	\$ 4,171,425
Prepaid expenses	279,533	\$ 279,533
Receivables from Great Lakes Water Authority	484,425,988	\$ 481,457,755
Capital assets - net	515,018,766	\$ 520,180,911
Total assets	1,169,330,049	1,165,867,368
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)	February 28, 2018 (Unaudited)
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 3,990,264	\$ 12,761,310
Due to other funds	38,268,404	\$ 29,479,044
Due to Great Lakes Water Authority	32,908,024	\$ (14,977,203)
Accrued interest	1,901,626	\$ 19,460,413
Other liabilities	17,086,637	\$ 29,675,114
Accrued compensated absences	1,455,747	\$ 1,455,747
Long-term debt	552,160,155	\$ 550,883,945
Net pension liability	50,867,233	\$ 50,867,233
Total liabilities	698,638,090	679,605,603
Deferred Inflows of Resources -Pensions	5,314,746	5,314,746
Net Position		
Fund Balance - End of year	481,561,893	497,131,699
Total net position	\$ 481,561,893	\$ 497,131,699

City of Detroit Water Fund

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

	Eight Months Ended February 28, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 63,693,997	\$ 63,693,997
Other fees	2,198,628	2,198,628
Other revenue	1,936,944	1,936,944
Total operating revenue	67,829,569	67,829,569
Operating Expenses		
Salaries, wages and benefits	10,012,738	10,012,738
Contractual Services	8,947,334	8,947,334
Other operating expense	6,042,049	6,042,049
Damage claims	662	662
Wholesale Charges	10,087,067	10,087,067
Depreciation	10,810,534	-
Total operating expenses	45,900,383	35,089,849
Operating Income	21,929,186	32,739,719
Nonoperating Revenue (Expenses)		
Investment income	208,536	208,536
Capital Lease	11,261,422	15,046,408
Capital Outlay/Acquisitions	(292,859)	(292,859)
Debt Service	(17,558,787)	(25,592,210)
Gain (loss) on sale of assets	22,308	22,308
Total nonoperating expenses - Net	(6,359,380)	(10,607,817)
Change in Net Position	\$ 15,569,806	\$ 22,131,902

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	February 28, 2018 (Unaudited)
Assets		
Cash and cash equivalents	\$ 21,211,137	\$ 33,709,946
Restricted - Cash and investments	22,632,710	32,015,315
Accounts receivable - Net of Allowance	71,549,286	83,257,259
Due from other funds	23,122,190	36,839,720
Inventory	1,053,886	1,053,886
Prepaid expenses	169,728	169,728
Receivables from Great Lakes Water Authority	607,272,122	603,858,268
Capital assets - net	486,025,515	487,067,440
Total assets	1,233,036,574	1,277,971,562
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)	February 28, 2018 (Unaudited)
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 1,532,828	\$ 4,109,200
Due to other funds	39,707,388	51,501,347
Due to Great Lakes Authority	83,522,446	99,664,166
Accrued interest	3,169,374	14,662,239
Other liabilities	28,186,432	32,782,304
Accrued compensated absences	2,183,621	2,183,621
Long-term debt	416,591,578	409,536,953
Net pension liability	35,306,921	35,306,921
Total liabilities	610,200,588	649,746,751
Deferred Inflows of Resources -Pensions	4,062,753	4,062,753
Net Position		
Fund Balance - End of year	630,213,319	635,602,143
Total net position	\$ 630,213,319	\$ 635,602,143

City of Detroit Sewage Disposal Fund

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

	Eight Months Ended February 28, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 163,301,627	\$ 163,301,627
Other fees	5,301,963	5,301,963
Other revenue	3,676,728	3,676,728
Total operating revenue	172,280,318	172,280,318
Operating Expenses		
Salaries, wages and benefits	30,089,543	30,089,543
Contractual Services	7,124,461	7,124,461
Other operating expense	5,708,733	5,708,733
Damage claims	12,829	12,829
Wholesale Charges	119,312,800	119,312,800
Depreciation	3,929,214	-
Total operating expenses	166,177,580	162,248,366
Operating Income	6,102,738	10,031,952
Nonoperating Revenue (Expenses)		
Investment earnings	-	-
Capital Lease	13,763,964	18,333,333
Capital Outlay/Acquisitions	(513,683)	(513,683)
Debt Service	(11,492,865)	(19,921,355)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	1,757,417	(2,101,705)
Change in Net Position	\$ 7,860,155	\$ 7,930,247

Thank You



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