



# **APRIL 2018 REVIEW**

## **FINANCE COMMITTEE**

June 6, 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	235,436	216,866			
	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	110.46	134.23		
	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	43.38	48.60		
	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%	68.26%	70.66%			
	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%	43.99%	59.88%			
	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%	92.83%	93.60%			
	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%	87.59%	90.08%			
	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	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	9,243,945	8,465,908		
	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	235,436	10,736	4.6%	7,813,100	7,879,874	66,774	0.8%	
March	235,700	216,866	(18,834)	(8.7%)	7,944,800	7,410,681	(534,119)	(7.2%)	
April	217,700	-	-		7,529,200	-	-		
May	256,700	-	-		8,946,300	-	-		
June	284,800	-	-		9,089,900	-	-		
<b>Totals</b>	<b>2,985,000</b>	<b>2,160,363</b>	<b>(65,437)</b>	<b>(3.0%)</b>	<b>\$ 99,780,400</b>	<b>\$ 71,870,335</b>	<b>\$ (2,344,665)</b>	<b>(3.3%)</b>	
<i>Subtotals YTD</i>	<i>2,225,800</i>	<i>2,160,363</i>	<i>(65,437)</i>	<i>(3.0%)</i>	<i>\$ 74,215,000</i>	<i>\$ 71,870,335</i>	<i>\$ (2,344,665)</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	193,452	(4,848)	(2.5%)	23,060,600	21,926,685	(1,133,915)	(5.2%)
March	203,000	196,148	(6,852)	(3.5%)	23,026,900	22,043,574	(983,326)	(4.5%)
April	189,300	-	-		22,215,900	-	-	
May	219,400	-	-		23,798,700	-	-	
June	251,500	-	-		24,635,500	-	-	
<b>Totals</b>	<b>2,600,000</b>	<b>1,918,801</b>	<b>(20,999)</b>	<b>(1.1%)</b>	<b>\$ 278,635,900</b>	<b>\$ 207,000,323</b>	<b>\$ (985,477)</b>	<b>(0.5%)</b>
<i>Subtotals YTD</i>	<i>1,939,800</i>	<i>1,918,801</i>	<i>(20,999)</i>	<i>(1.1%)</i>	<i>\$ 207,985,800</i>	<i>\$ 207,000,323</i>	<i>\$ (985,477)</i>	<i>(0.5%)</i>



## Accounts Receivable Aging Balances as of April 30, 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	192,920	\$ 94.95	\$ 3,102,259	\$ 1,429,488	\$ 3,468,388	\$ 10,317,780	\$ 18,317,915
			16.9%	7.8%	18.9%	56.3%	100.0%
COMMERCIAL	12,017	221.96	668,240	428,028	769,236	801,768	2,667,272
			25.1%	16.0%	28.8%	30.1%	100.0%
INDUSTRIAL	1,393	82.32	417,677	199,077	36,278	(538,359)	114,672
			364.2%	173.6%	31.6%	(469.5%)	100.0%
TAX EXEMPT	701	1,018.25	433,835	200,306	89,235	(9,583)	713,793
			60.8%	28.1%	12.5%	-1.3%	100.0%
FAITH BASED	628	243.81	(13,303)	11,890	39,009	115,517	153,113
			(8.7%)	7.8%	25.5%	75.4%	100.0%
CITY OF DETROIT	1,319	1,711.06	413,018	94,388	267,166	1,482,310	2,256,882
			18.3%	4.2%	11.8%	65.7%	100.0%
WAYNE STATE	88	554.98	48,677	162	-	-	48,839
			99.7%	0.3%	0.0%	0.0%	100.0%
<b>Total</b>	<b>209,066</b>	<b>\$ 116.10</b>	<b>\$ 5,070,402</b>	<b>\$ 2,363,338</b>	<b>\$ 4,669,314</b>	<b>\$ 12,169,433</b>	<b>\$ 24,272,486</b>
<i>% of Total DWSD A/R</i>			20.9%	9.7%	19.2%	50.1%	100.0%



# Accounts Receivable Aging Balances as of April 30, 2018

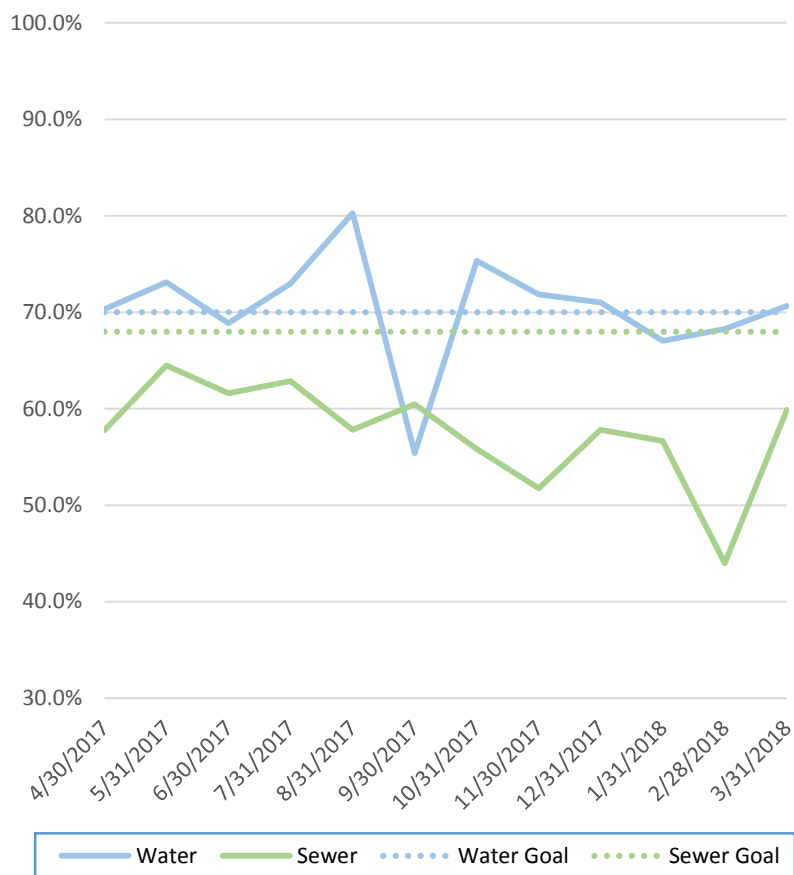
## Sewer Fund

### Detroit Water and Sewerage Department

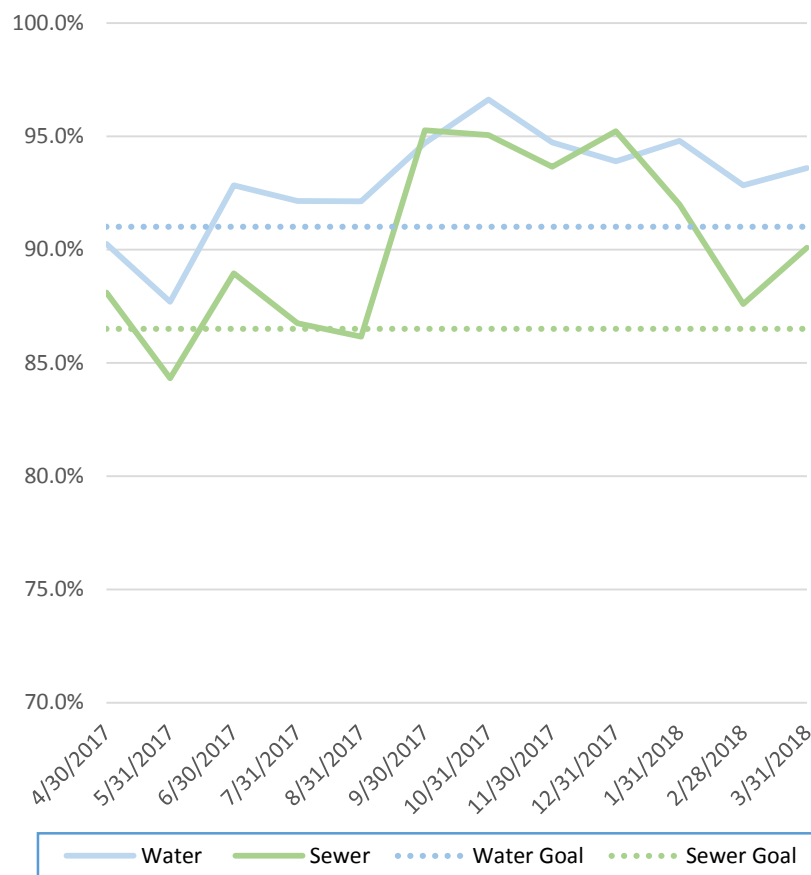
Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	TOTAL A/R BALANCE
RESIDENTIAL	172,900	\$ 269.36	\$ 7,032,452	\$ 4,046,350	\$ 9,990,671	\$ 25,502,268	\$ 46,571,742
			15.1%	8.7%	21.5%	54.8%	100.0%
COMMERCIAL	22,247	751.66	2,667,587	2,096,391	5,344,237	6,613,916	16,722,131
			16.0%	12.5%	32.0%	39.6%	100.0%
INDUSTRIAL	3,713	2,261.38	763,818	930,191	3,689,064	3,013,429	8,396,502
			9.1%	11.1%	43.9%	35.9%	100.0%
TAX EXEMPT	2,236	3,154.23	152,971	931,736	4,714,815	1,253,343	7,052,864
			2.2%	13.2%	66.8%	17.8%	100.0%
FAITH BASED	699	1,715.81	75,554	69,515	342,288	711,996	1,199,354
			6.3%	5.8%	28.5%	59.4%	100.0%
CITY OF DETROIT	2,984	2,577.39	1,739,303	669,995	2,159,930	3,121,712	7,690,940
			22.6%	8.7%	28.1%	40.6%	100.0%
WAYNE STATE	83	1,753.38	113,339	4,353	11,122	16,716	145,531
			77.9%	3.0%	7.6%	11.5%	100.0%
HIGHWAY DRAINAGE	2	1,174,126.27	257,193	195,370	781,481	1,114,208	2,348,253
			11.0%	8.3%	33.3%	47.4%	100.0%
<b>Total</b>	<b>204,864</b>	<b>\$ 439.94</b>	<b>\$ 12,802,216</b>	<b>\$ 8,943,902</b>	<b>\$ 27,033,609</b>	<b>\$ 41,347,590</b>	<b>\$ 90,127,317</b>
<i>% of Total DWSD A/R</i>			14.2%	9.9%	30.0%	45.9%	100.0%

# Collection Rate Graphs

## 30-60 Days

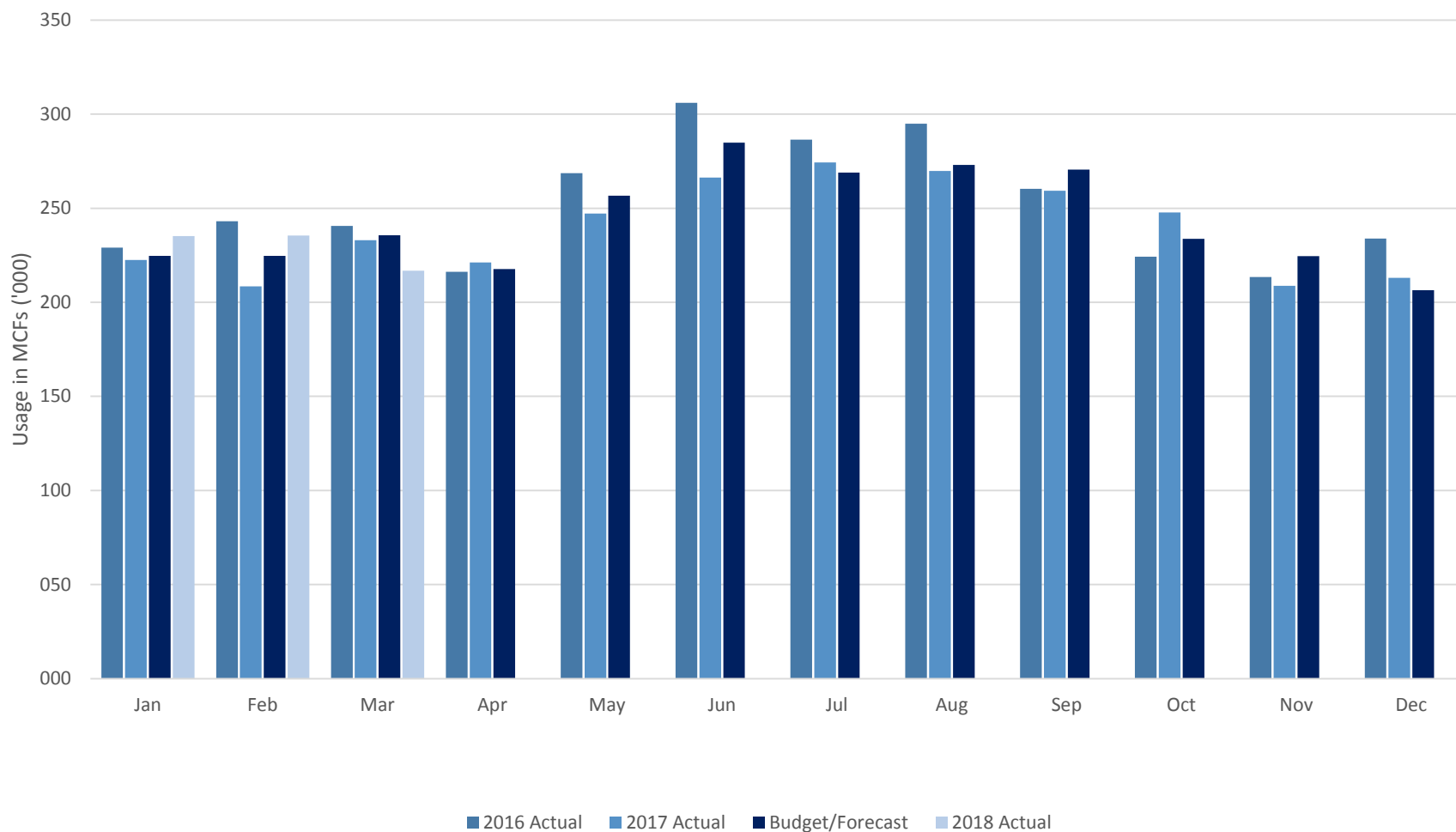


## 330-360 Days





# Water Usage

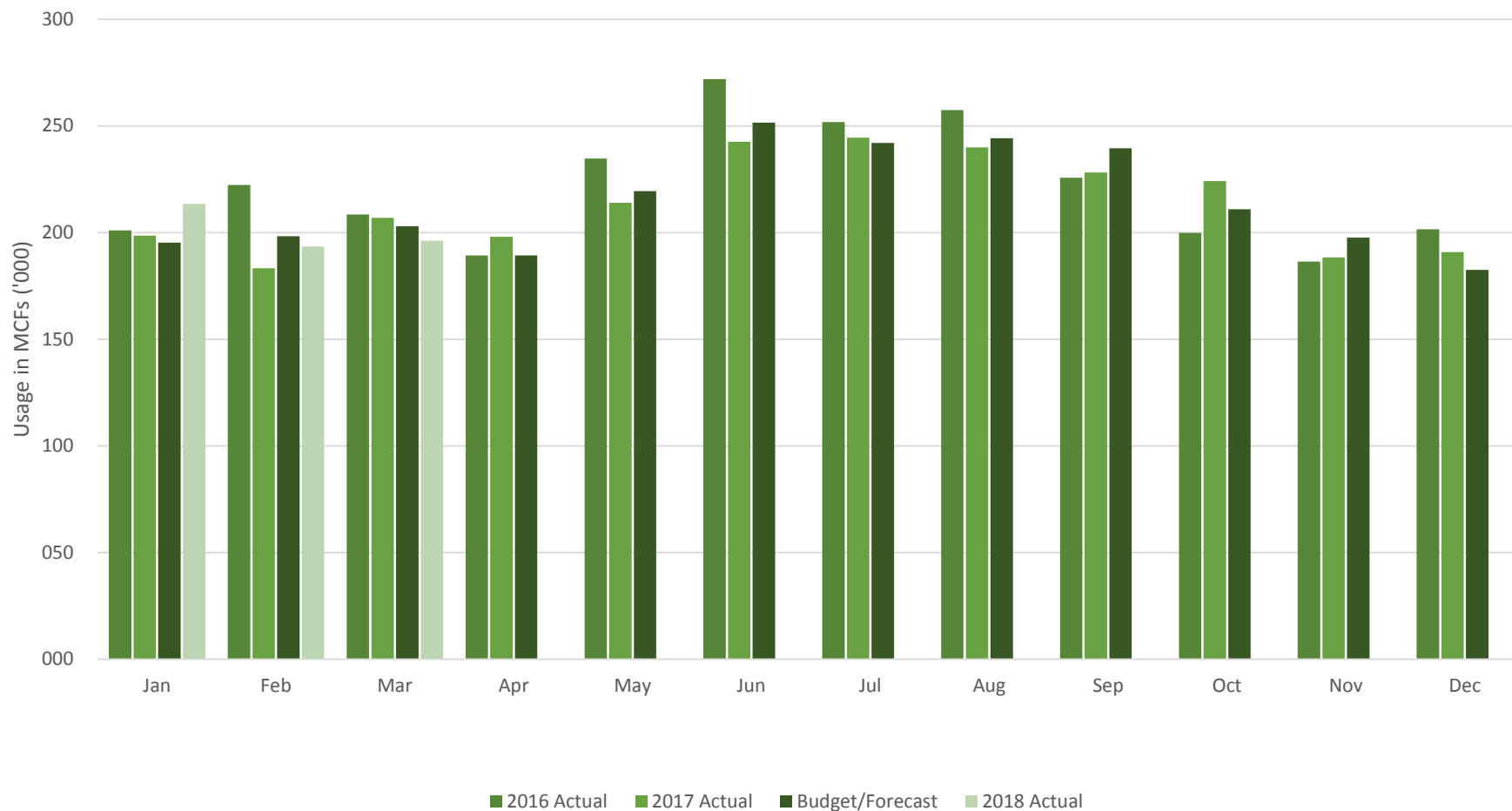






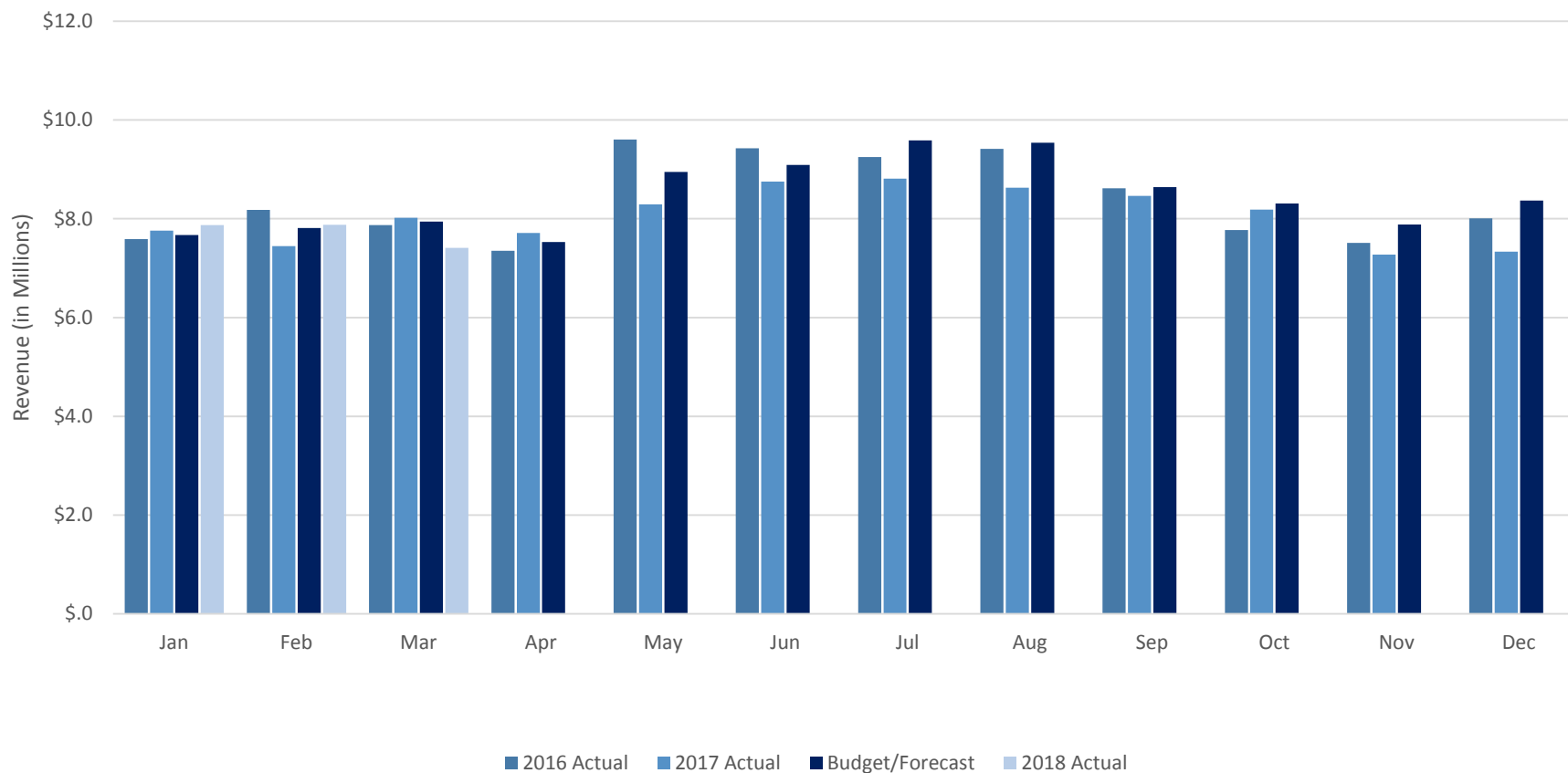
DETROIT  
Water & Sewerage  
Department

# Sewer Usage



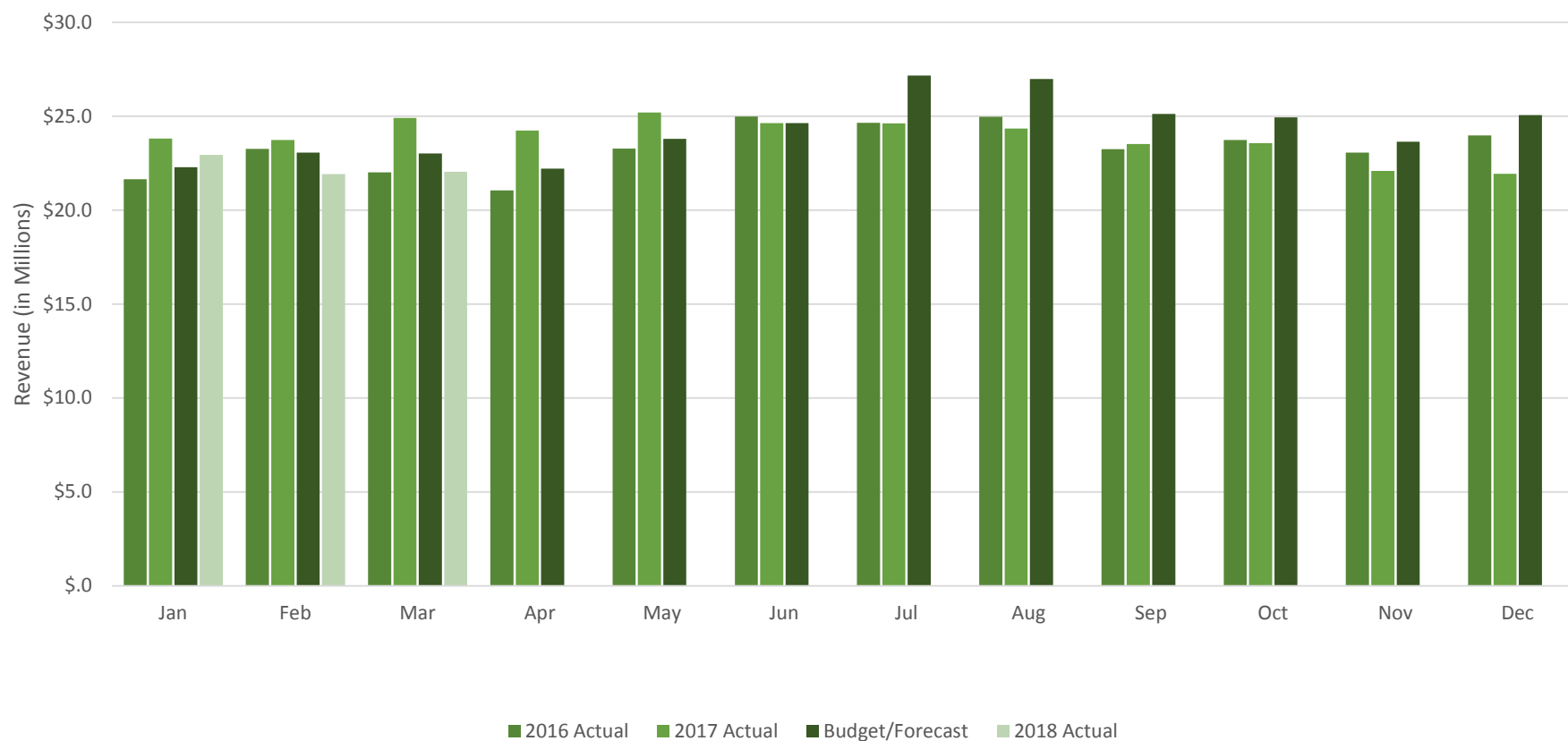


# Water Revenue





# Sewer Revenue





# Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2017	4/30/2018	6/30/2017	4/30/2018
<b>Unrestricted</b>				
Operating	\$ 1,767,951	\$ 3,388,724	\$ 21,041,345	\$ 34,704,340
Pension	<u>218,285</u>	<u>\$ 3,112,128</u>	<u>171,239</u>	<u>\$ 2,164,149</u>
	\$ 1,986,236	\$ 6,500,852	\$ 21,212,584	\$ 36,868,489
<b>Restricted</b>				
Bond	43,338,112	28,965,743	-	-
Affordability	977,278	1,160,162	-	-
Retainage	2,488,101	2,397,982	1,106,171	584,525
Improvement and Extension	36,425,537	59,308,772	12,446,472	21,563,543
Construction	<u>2,109,646</u>	<u>1,343,043</u>	<u>834,367</u>	<u>883,990</u>
	85,338,672	93,175,702	14,387,010	23,032,059
<b>Total Cash</b>	<b><u>\$ 87,324,908</u></b>	<b><u>\$ 99,676,554</u></b>	<b><u>\$ 35,599,594</u></b>	<b><u>\$ 59,900,548</u></b>

# Appendix:

## Financial Statements

Ten Months Ended April 30, 2018

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	April 30, 2018 (Unaudited)
<b>Assets</b>		
Cash and cash equivalents	\$ 2,043,278	\$ 7,073,308
Restricted - Cash and investments	85,338,672	\$ 91,760,523
Accounts receivable - Net of Allowance	18,021,231	\$ 18,580,955
Due from other funds	57,344,256	\$ 47,228,344
Inventory	4,171,425	\$ 4,171,425
Prepaid expenses	279,533	\$ 279,533
Receivables from Great Lakes Water Authority	487,112,888	\$ 484,136,687
Capital assets - net	515,018,766	\$ 518,932,050
Total assets	1,169,330,049	1,172,162,825
<b>Deferred Outflows of Resources - Pensions</b>	16,184,679	16,184,679

City of Detroit Water Fund		
Statement of Net Position (Continued)		
	June 30, 2017 (Audited)	April 30, 2018 (Unaudited)
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 3,990,264	\$ 2,620,050
Due to other funds	38,268,404	\$ 53,066,068
Due to Great Lakes Water Authority	32,908,024	\$ (21,351,504)
Accrued interest	1,901,626	\$ 23,595,363
Other liabilities	17,086,637	\$ 32,378,771
Accrued compensated absences	1,455,747	\$ 1,455,747
Long-term debt	552,160,155	\$ 549,336,603
Net pension liability	50,867,233	\$ 50,867,233
Total liabilities	698,638,090	691,968,331
<b>Deferred Inflows of Resources -Pensions</b>	5,314,746	5,314,746
<b>Net Position</b>		
Fund Balance - End of year	481,561,893	491,064,426
<b>Total net position</b>	<b>\$ 481,561,893</b>	<b>\$ 491,064,426</b>

# City of Detroit Water Fund

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

	Ten Months Ended April 30, 2018	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 80,080,872	\$ 80,080,872
Other fees	2,498,350	2,498,350
Other revenue	3,778,593	3,778,593
Total operating revenue	86,357,815	86,357,815
<b>Operating Expenses</b>		
Salaries, wages and benefits	22,672,902	22,672,902
Contractual Services	11,656,285	11,656,285
Other operating expense	7,847,179	7,847,179
Damage claims	662	662
Wholesale Charges	12,608,833	12,608,833
Depreciation	14,010,452	-
Total operating expenses	68,796,313	54,785,861
<b>Operating Income</b>	17,561,502	31,571,955
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	258,567	258,567
Capital Lease	14,067,385	18,796,408
Capital Outlay/Acquisitions	(178,470)	(178,470)
Debt Service	(22,205,684)	(31,990,263)
Gain (loss) on sale of assets	(767)	(767)
Total nonoperating expenses - Net	(8,058,969)	(13,114,524)
<b>Change in Net Position</b>	<b>\$ 9,502,533</b>	<b>\$ 18,457,430</b>



City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	April 30, 2018 (Unaudited)
<b>Assets</b>		
Cash and cash equivalents	\$ 21,211,137	\$ 37,084,986
Restricted - Cash and investments	14,386,610	23,020,860
Accounts receivable - Net of Allowance	71,549,286	84,002,966
Due from other funds	23,122,190	26,970,222
Inventory	1,053,886	1,053,886
Prepaid expenses	169,728	169,728
Receivables from Great Lakes Water Authority	615,518,222	616,818,239
Capital assets - net	486,025,515	486,425,580
Total assets	1,233,036,574	1,275,546,467
<b>Deferred Outflows of Resources - Pensions</b>	11,440,084	11,440,084

# City of Detroit Sewage Disposal Fund

## Statement of Net Position (Continued)

	June 30, 2017 (Audited)	April 30, 2018 (Unaudited)
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 1,532,828	\$ 2,081,989
Due to other funds	39,707,388	40,298,793
Due to Great Lakes Authority	83,522,446	104,068,664
Accrued interest	3,169,374	17,321,087
Other liabilities	28,186,432	35,654,512
Accrued compensated absences	2,183,621	2,183,621
Long-term debt	416,591,578	407,538,770
Net pension liability	35,306,921	35,306,921
Total liabilities	610,200,588	644,454,357
<b>Deferred Inflows of Resources -Pensions</b>	4,062,753	4,062,753
<b>Net Position</b>		
Fund Balance - End of year	630,213,319	638,469,441
<b>Total net position</b>	<b>\$ 630,213,319</b>	<b>\$ 638,469,441</b>

# City of Detroit Sewage Disposal Fund

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

	Ten Months Ended April 30, 2018	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 201,495,408	\$ 201,495,408
Other fees	6,498,499	6,498,499
Other revenue	6,825,425	6,825,425
Total operating revenue	214,819,332	214,819,332
<b>Operating Expenses</b>		
Salaries, wages and benefits	26,829,781	26,829,781
Contractual Services	9,293,879	9,293,879
Other operating expense	9,030,575	9,030,575
Damage claims	12,829	12,829
Wholesale Charges	151,379,370	151,379,370
Depreciation	10,195,383	-
Total operating expenses	206,741,816	196,546,433
<b>Operating Income</b>	8,077,516	18,272,899
<b>Nonoperating Revenue (Expenses)</b>		
Investment earnings	-	-
Capital Lease	17,193,475	22,916,667
Capital Outlay/Acquisitions	(391,825)	(391,825)
Debt Service	(14,151,713)	(24,901,694)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	2,649,937	(2,376,852)
<b>Change in Net Position</b>	<b>\$ 10,727,453</b>	<b>\$ 15,896,046</b>

# Thank You



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