



MAY 2018 REVIEW

FINANCE COMMITTEE

July 10, 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	215,643		
	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	142.42	
	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	68.64	
	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%	73.96%		
	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%	88.51%		
	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%	94.45%		
	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%	91.19%		
	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	539	
	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	9,460,613	
	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	215,643	(2,057)	(1.0%)	7,529,200	7,525,093	(4,107)	(0.1%)
May	256,700	-	-		8,946,300	-	-	
June	284,800	-	-		9,089,900	-	-	
Totals	2,985,000	2,376,006	(67,494)	(2.8%)	\$ 99,780,400	\$ 79,395,427	\$ (2,348,773)	(3.0%)
<i>Subtotals YTD</i>	<i>2,443,500</i>	<i>2,376,006</i>	<i>(67,494)</i>	<i>(2.8%)</i>	<i>\$ 81,744,200</i>	<i>\$ 79,395,427</i>	<i>\$ (2,348,773)</i>	<i>(3.0%)</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	213,393	24,093	11.3%	22,215,900	21,824,269	(391,631)	(1.8%)
May	219,400	-	-		23,798,700	-	-	
June	251,500	-	-		24,635,500	-	-	
Totals	2,600,000	2,132,194	3,094	0.1%	\$ 278,635,900	\$ 228,824,593	\$ (1,377,107)	(0.6%)
<i>Subtotals YTD</i>	<i>2,129,100</i>	<i>2,132,194</i>	<i>3,094</i>	<i>0.1%</i>	<i>\$ 230,201,700</i>	<i>\$ 228,824,593</i>	<i>\$ (1,377,107)</i>	<i>(0.6%)</i>



Accounts Receivable Aging Balances as of May 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	192,984	\$ 96.72	\$ 3,170,789	\$ 1,360,160	\$ 3,524,802	\$ 10,610,214	\$ 18,665,965
			17.0%	7.3%	18.9%	56.8%	100.0%
COMMERCIAL	13,217	194.89	734,950	262,906	736,475	841,520	2,575,850
			28.5%	10.2%	28.6%	32.7%	100.0%
INDUSTRIAL	1,421	190.77	613,253	120,435	15,567	(478,168)	271,087
			226.2%	44.4%	5.7%	(176.4%)	100.0%
TAX EXEMPT	705	661.01	244,666	139,541	88,936	(7,134)	466,009
			52.5%	29.9%	19.1%	-1.5%	100.0%
FAITH BASED	670	269.37	28,215	(5,011)	39,912	117,366	180,481
			15.6%	(2.8%)	22.1%	65.0%	100.0%
CITY OF DETROIT	1,734	1,354.98	523,417	82,104	255,697	1,488,309	2,349,527
			22.3%	3.5%	10.9%	63.3%	100.0%
WAYNE STATE	98	508.99	49,720	162	-	-	49,881
			99.7%	0.3%	0.0%	0.0%	100.0%
Total	210,829	\$ 116.49	\$ 5,365,008	\$ 1,960,298	\$ 4,661,388	\$ 12,572,106	\$ 24,558,801
<i>% of Total DWSD A/R</i>			21.8%	8.0%	19.0%	51.2%	100.0%



Accounts Receivable Aging Balances as of May 31, 2018

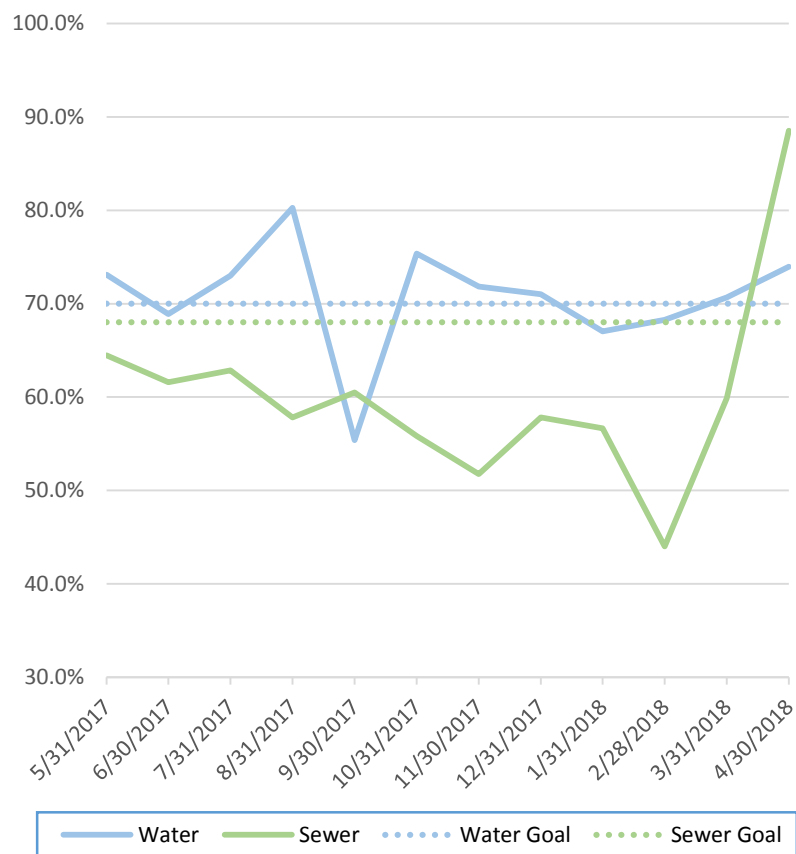
Sewer Fund

Detroit Water and Sewerage Department

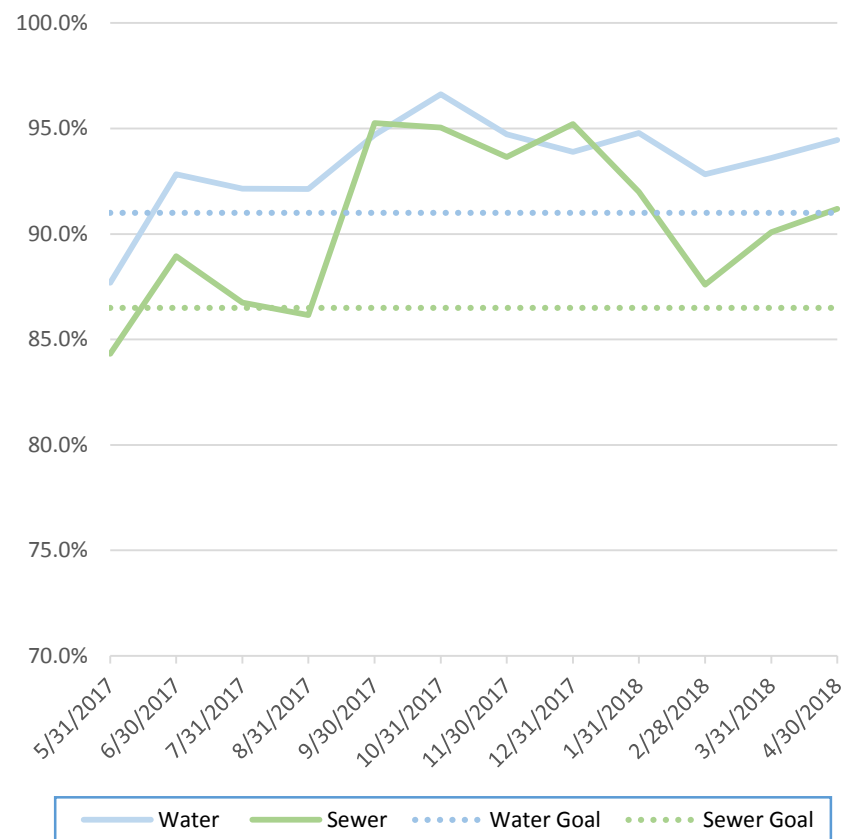
Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	TOTAL A/R BALANCE
RESIDENTIAL	176,351	\$ 269.31	\$ 7,225,571	\$ 3,909,431	\$ 10,081,385	\$ 26,275,839	\$ 47,492,226
			15.2%	8.2%	21.2%	55.3%	100.0%
COMMERCIAL	23,166	717.48	6,534,938	(1,712,607)	5,113,325	6,685,601	16,621,257
			39.3%	(10.3%)	30.8%	40.2%	100.0%
INDUSTRIAL	3,938	2,228.74	2,527,985	(578,737)	3,676,057	3,151,479	8,776,784
			28.8%	(6.6%)	41.9%	35.9%	100.0%
TAX EXEMPT	3,389	2,048.87	528,717	426,882	4,651,579	1,336,442	6,943,620
			7.6%	6.1%	67.0%	19.2%	100.0%
FAITH BASED	724	1,834.99	412,727	(124,880)	328,177	712,508	1,328,532
			31.1%	(9.4%)	24.7%	53.6%	100.0%
CITY OF DETROIT	4,332	1,794.01	1,900,004	624,666	2,063,951	3,183,023	7,771,645
			24.4%	8.0%	26.6%	41.0%	100.0%
WAYNE STATE	215	715.92	121,620	4,353	11,122	16,827	153,922
			79.0%	2.8%	7.2%	10.9%	100.0%
HIGHWAY DRAINAGE	1	1,801,863.14	-	-	781,481	1,020,382	1,801,863
			0.0%	0.0%	43.4%	56.6%	100.0%
Total	212,116	\$ 428.49	\$ 19,251,562	\$ 2,549,108	\$ 26,707,078	\$ 42,382,101	\$ 90,889,849
<i>% of Total DWSD A/R</i>			21.2%	2.8%	29.4%	46.6%	100.0%

Collection Rate Graphs

30-60 DAY COLLECTION RATE

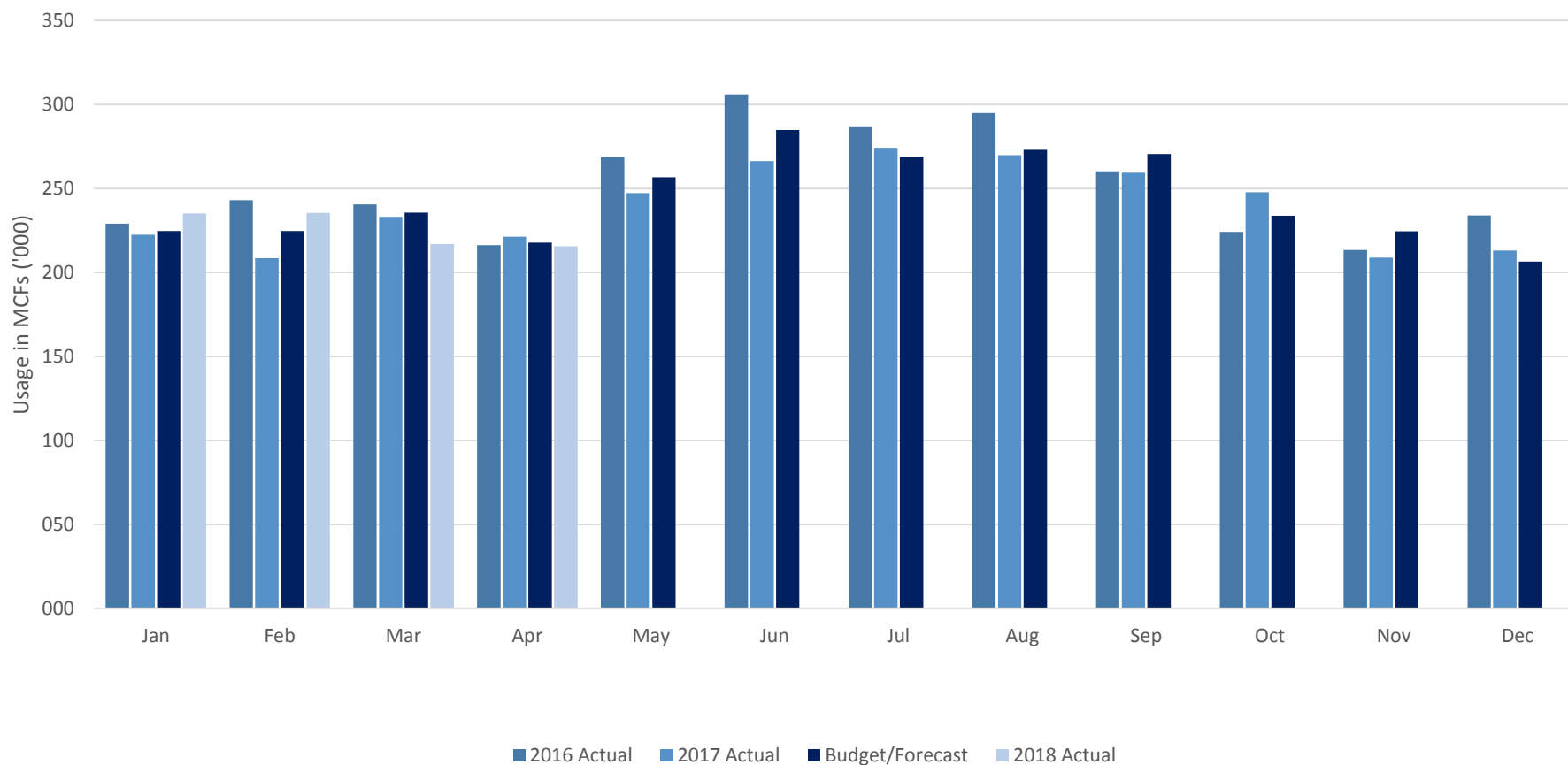


330-360 DAY COLLECTION RATE



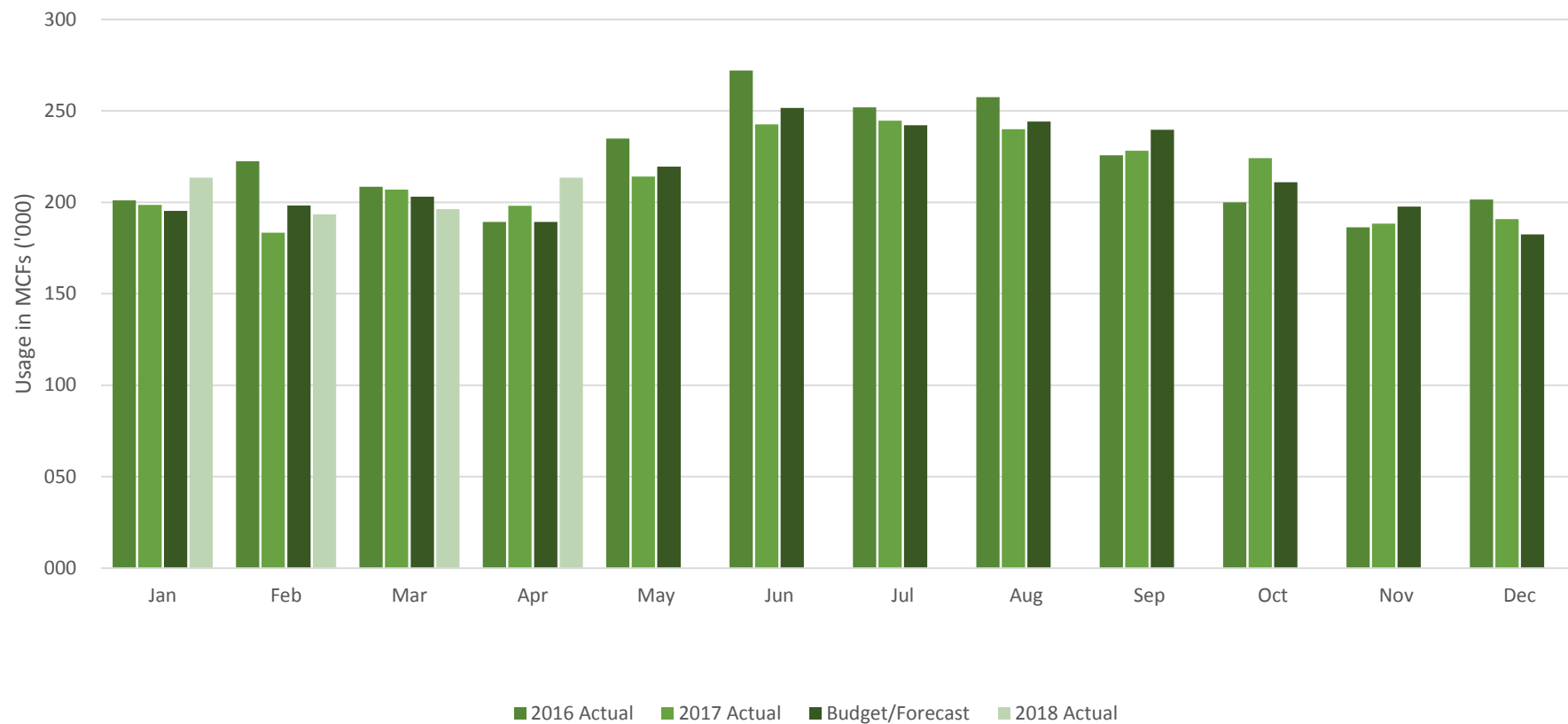


Water Usage





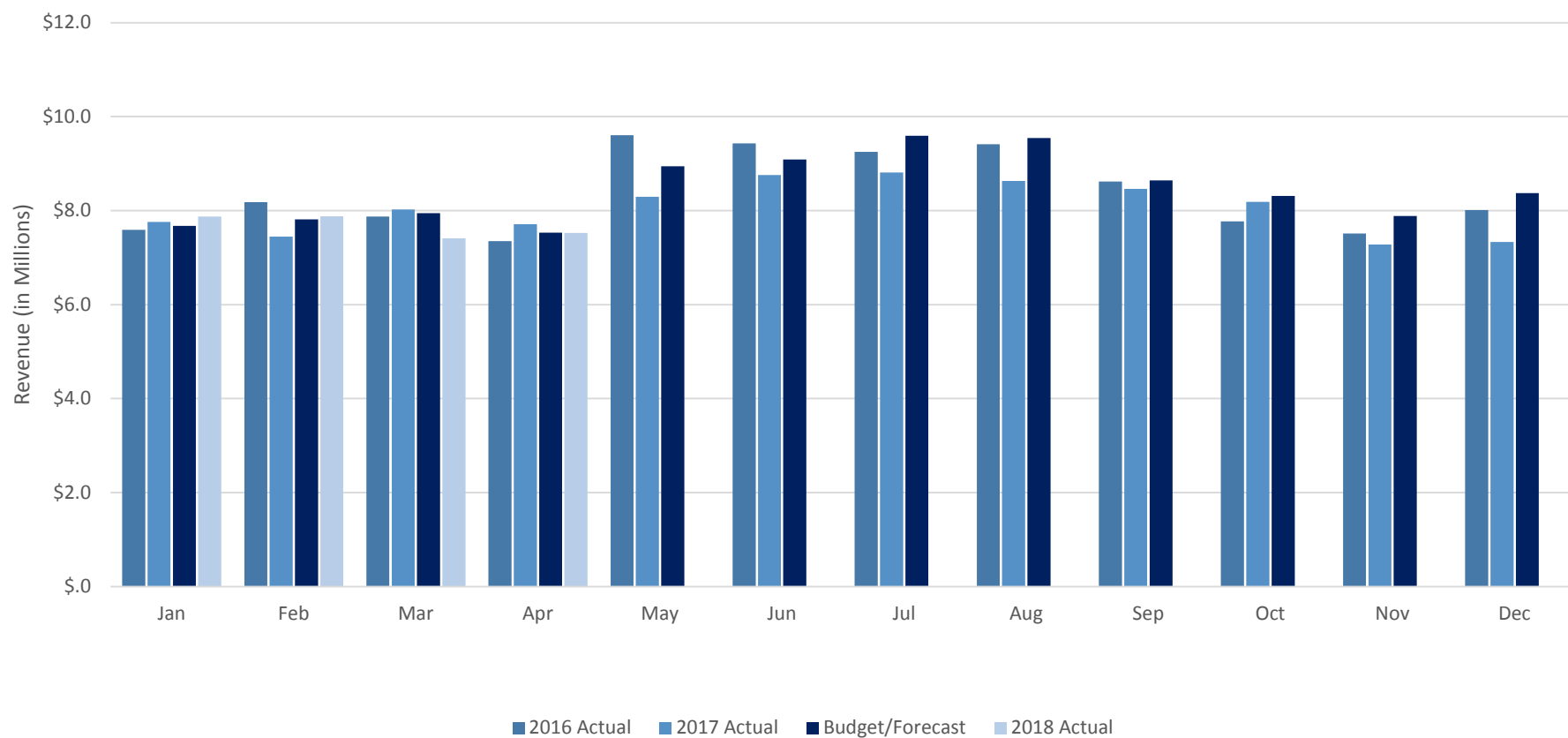
Sewer Usage





DETROIT
Water & Sewerage
Department

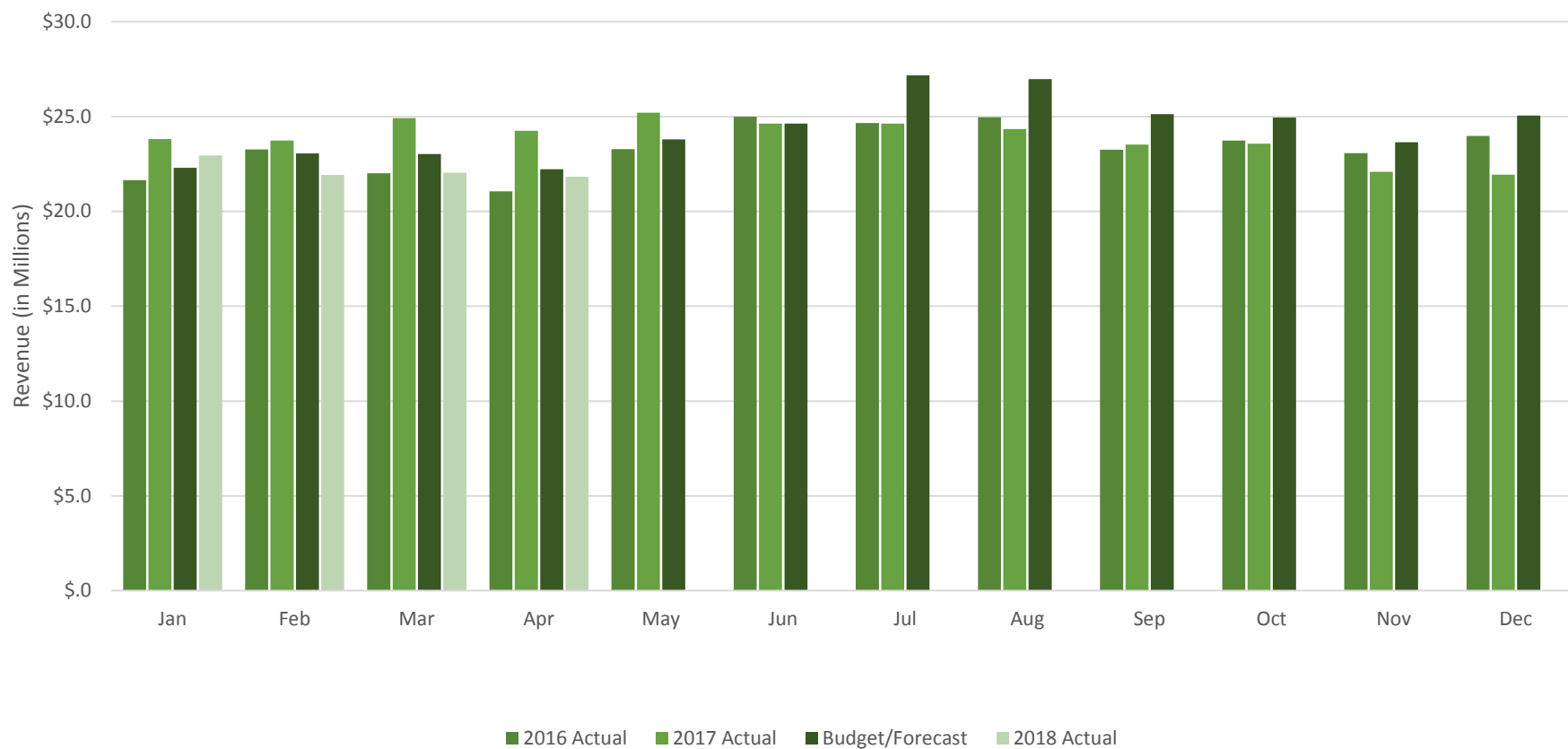
Water Revenue





DETROIT
Water & Sewerage
Department

Sewer Revenue



Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2017	5/31/2018	6/30/2017	5/31/2018
Unrestricted				
Operating	\$ 1,767,951	\$ 10,130,814	\$ 21,041,345	\$ 35,937,750
Pension	<u>218,285</u>	<u>\$ 3,468,403</u>	<u>171,239</u>	<u>\$ 2,402,339</u>
	\$ 1,986,236	\$ 13,599,217	\$ 21,212,584	\$ 38,340,089
Restricted				
Bond	43,338,112	27,152,954	-	-
Affordability	977,278	1,173,176	-	-
Retainage	2,488,101	2,398,128	1,106,171	584,550
Improvement and Extension	36,425,537	51,342,084	12,446,472	16,533,568
Construction	<u>2,109,646</u>	<u>2,397,381</u>	<u>834,367</u>	<u>1,638,767</u>
	85,338,672	84,463,723	14,387,010	18,756,886
Total Cash	<u>\$ 87,324,908</u>	<u>\$ 98,062,939</u>	<u>\$ 35,599,594</u>	<u>\$ 57,096,975</u>

Appendix:

Financial Statements

Eleven Months Ended May 31, 2018

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	May 31, 2018 (Unaudited)
Assets		
Cash and cash equivalents	\$ 2,043,278	\$ 13,825,068
Restricted - Cash and investments	85,338,672	\$ 81,601,308
Accounts receivable - Net of Allowance	18,021,231	\$ 18,503,630
Due from other funds	57,344,256	\$ 37,369,244
Inventory	4,171,425	\$ 4,171,425
Prepaid expenses	279,533	\$ 279,533
Receivables from Great Lakes Water Authority	487,112,888	\$ 483,758,775
Capital assets - net	515,018,766	\$ 522,373,143
Total assets	1,169,330,049	1,161,882,126
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)	May 31, 2018 (Unaudited)
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 3,990,264	\$ 2,753,656
Due to other funds	38,268,404	\$ 44,356,346
Due to Great Lakes Water Authority	32,908,024	\$ (25,331,505)
Accrued interest	1,901,626	\$ 25,790,211
Other liabilities	17,086,637	\$ 32,435,853
Accrued compensated absences	1,455,747	\$ 1,455,747
Long-term debt	552,160,155	\$ 548,414,444
Net pension liability	50,867,233	\$ 50,867,233
Total liabilities	698,638,090	680,741,985
Deferred Inflows of Resources -Pensions	5,314,746	5,314,746
Net Position		
Fund Balance - End of year	481,561,893	492,010,073
Total net position	\$ 481,561,893	\$ 492,010,073

City of Detroit Water Fund

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

	Eleven Months Ended May 31, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 87,861,908	\$ 87,861,908
Other fees	2,701,768	2,701,768
Other revenue	4,416,550	4,416,550
Total operating revenue	94,980,226	94,980,226
Operating Expenses		
Salaries, wages and benefits	24,842,008	24,842,008
Contractual Services	11,996,409	11,996,409
Other operating expense	9,597,517	9,597,517
Damage claims	662	662
Wholesale Charges	13,869,717	13,869,717
Depreciation	15,405,040	-
Total operating expenses	75,711,352	60,306,312
Operating Income	19,268,874	34,673,914
Nonoperating Revenue (Expenses)		
Investment income	290,895	290,895
Capital Lease	15,468,180	20,671,408
Capital Outlay/Acquisitions	(178,470)	(178,470)
Debt Service	(24,400,532)	(35,189,289)
Gain (loss) on sale of assets	(767)	(767)
Total nonoperating expenses - Net	(8,820,694)	(14,406,223)
Change in Net Position	\$ 10,448,180	\$ 20,267,691

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2017 (Audited)	May 31, 2018 (Unaudited)
Assets		
Cash and cash equivalents	\$ 21,211,137	\$ 38,876,897
Restricted - Cash and investments	14,386,610	19,106,837
Accounts receivable - Net of Allowance	71,549,286	91,744,451
Due from other funds	16,697,105	23,746,964
Inventory	1,053,886	1,053,886
Prepaid expenses	169,728	169,728
Receivables from Great Lakes Water Authority	615,518,222	618,676,545
Capital assets - net	486,025,515	488,158,435
Total assets	1,226,611,489	1,281,533,743
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)	May 31, 2018 (Unaudited)
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 1,532,828	\$ 1,500,582
Due to other funds	35,753,633	36,972,902
Due to Great Lakes Authority	83,522,446	98,954,003
Accrued interest	3,169,374	18,757,695
Other liabilities	28,186,432	35,871,004
Accrued compensated absences	2,183,621	2,183,621
Long-term debt	416,591,578	406,656,942
Net pension liability	35,306,921	35,306,921
Total liabilities	606,246,833	636,203,670
Deferred Inflows of Resources -Pensions	4,062,753	4,062,753
Net Position		
Fund Balance - End of year	627,741,988	652,707,404
Total net position	\$ 627,741,988	\$ 652,707,404

City of Detroit Sewage Disposal Fund

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

	Eleven Months Ended May 31, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 226,683,212	\$ 226,683,212
Other fees	7,115,378	7,115,378
Other revenue	7,194,595	7,194,595
Total operating revenue	240,993,185	240,993,185
Operating Expenses		
Salaries, wages and benefits	31,798,836	31,798,836
Contractual Services	10,614,513	10,614,513
Other operating expense	10,783,479	10,783,479
Damage claims	(932,400)	(932,400)
Wholesale Charges	155,289,320	155,289,320
Depreciation	11,193,297	-
Total operating expenses	218,747,045	207,553,748
Operating Income	22,246,140	33,439,437
Nonoperating Revenue (Expenses)		
Investment earnings	-	-
Capital Lease	18,907,341	25,208,333
Capital Outlay/Acquisitions	(599,743)	(599,743)
Debt Service	(15,588,322)	(27,391,864)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	2,719,277	(2,783,273)
Change in Net Position	\$ 24,965,416	\$ 30,656,164

Thank You



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