



# **AUGUST 2018 REVIEW**

## **FINANCE COMMITTEE**

**October 3, 2018**



# Summary Financial Metrics

		7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019
WATER VOLUMES (Mcf)	Budget	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											
	Status												
DAYS CASH (days)	Budget	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
	Actual	188.00	218.66										
	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	113.00	64.81										
	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	74.04%											
	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	66.37%											
	Status												
WATER 330-360 DAYS COLLECTION RATE (%)	Budget	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%
	Actual	79.12%											
	Status												
SEWER 330-360 DAY COLLECTION RATE (%)	Budget	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%
	Actual	89.97%											
	Status												
HEADCOUNT (Full Time Employees)	Budget	611	611	611	611	611	611	611	611	611	611	611	611
	Actual	537	526										
	Status												
O&M COSTS (\$)	Budget	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										
	Status												

# Retail Water Customers

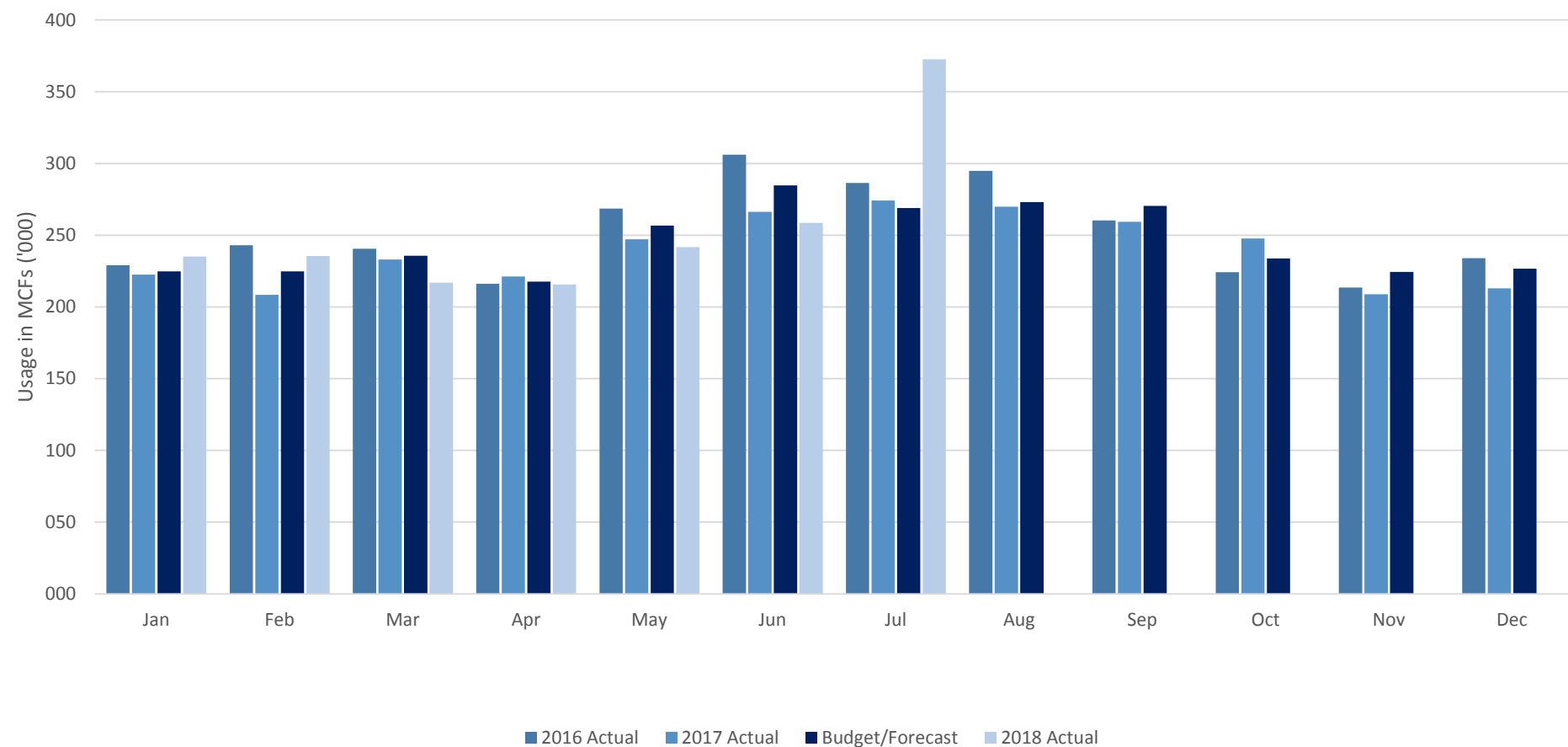
Month	Volume (Mcf)				Revenue (\$)				
	Budget	Actual	Variance (\$)	Variance (%)	Budget	Actual	Variance	Variance (%)	
July	269,000	372,613	103,613	27.8%	\$ 9,590,500	\$ 9,616,112	25,612	0.3%	
August	273,100				9,542,900				
September	270,500				8,644,100				
October	233,800				8,309,800				
November	224,500				7,886,600				
December	206,500				8,369,800				
January	226,600				8,119,400				
February	216,400				8,120,800				
March	213,300				8,307,700				
April	223,100				7,995,400				
May	211,000				9,269,700				
June	240,200				9,223,300				
<b>Totals</b>	<b>2,808,000</b>	<b>372,613</b>	<b>103,613</b>	<b>27.8%</b>	<b>\$ 103,380,000</b>	<b>\$ 9,616,112</b>	<b>\$ 25,612</b>	<b>0.3%</b>	
<i>Subtotals YTD</i>	<i>269,000</i>	<i>372,613</i>	<i>103,613</i>	<i>27.8%</i>	<i>\$ 9,590,500</i>	<i>\$ 9,616,112</i>	<i>\$ 25,612</i>	<i>0.3%</i>	

# Retail Sewer Customers

	Volume (Mcf)				Revenue (\$)					
Month	Budget	Actual	Variance (\$)	Variance (%)		Budget		Actual	Variance	Variance (%)
July	242,100	273,862	31,762	11.6%	\$	24,615,100	\$	27,700,992	3,085,892	11.1%
August	244,200					24,754,400				
September	239,600					22,752,800				
October	211,000					22,717,800				
November	197,600					21,987,300				
December	182,400					22,774,800				
January	198,600					22,296,100				
February	191,600					23,060,600				
March	191,000					23,026,900				
April	197,300					22,215,900				
May	187,300					23,798,700				
June	210,300					24,635,500				
Totals	2,493,000	273,862	31,762	11.6%	\$	278,635,900	\$	27,700,992	\$ 3,085,892	11.1%
Subtotals YTD	242,100	273,862	31,762	11.6%	\$	24,615,100	\$	27,700,992	\$ 3,085,892	11.1%

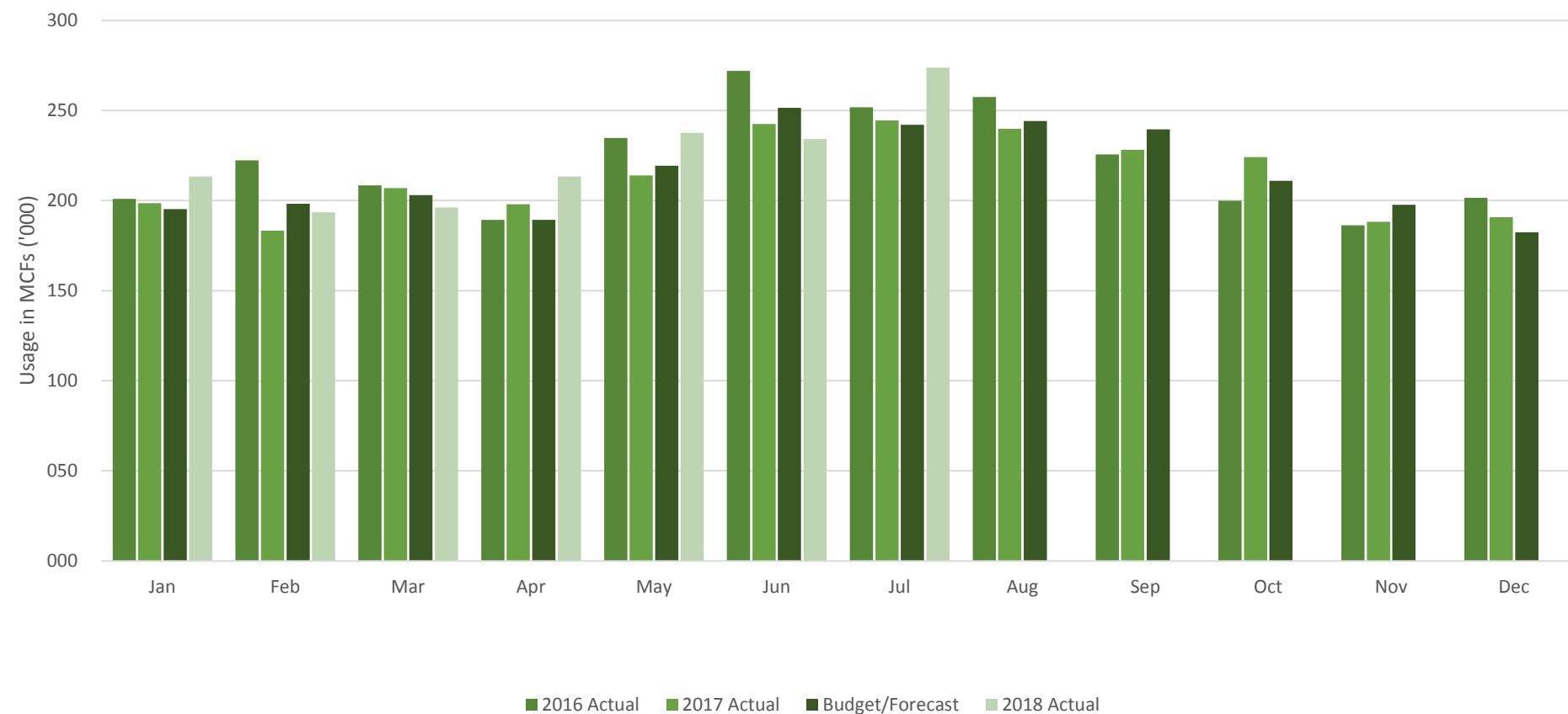


# Water Usage





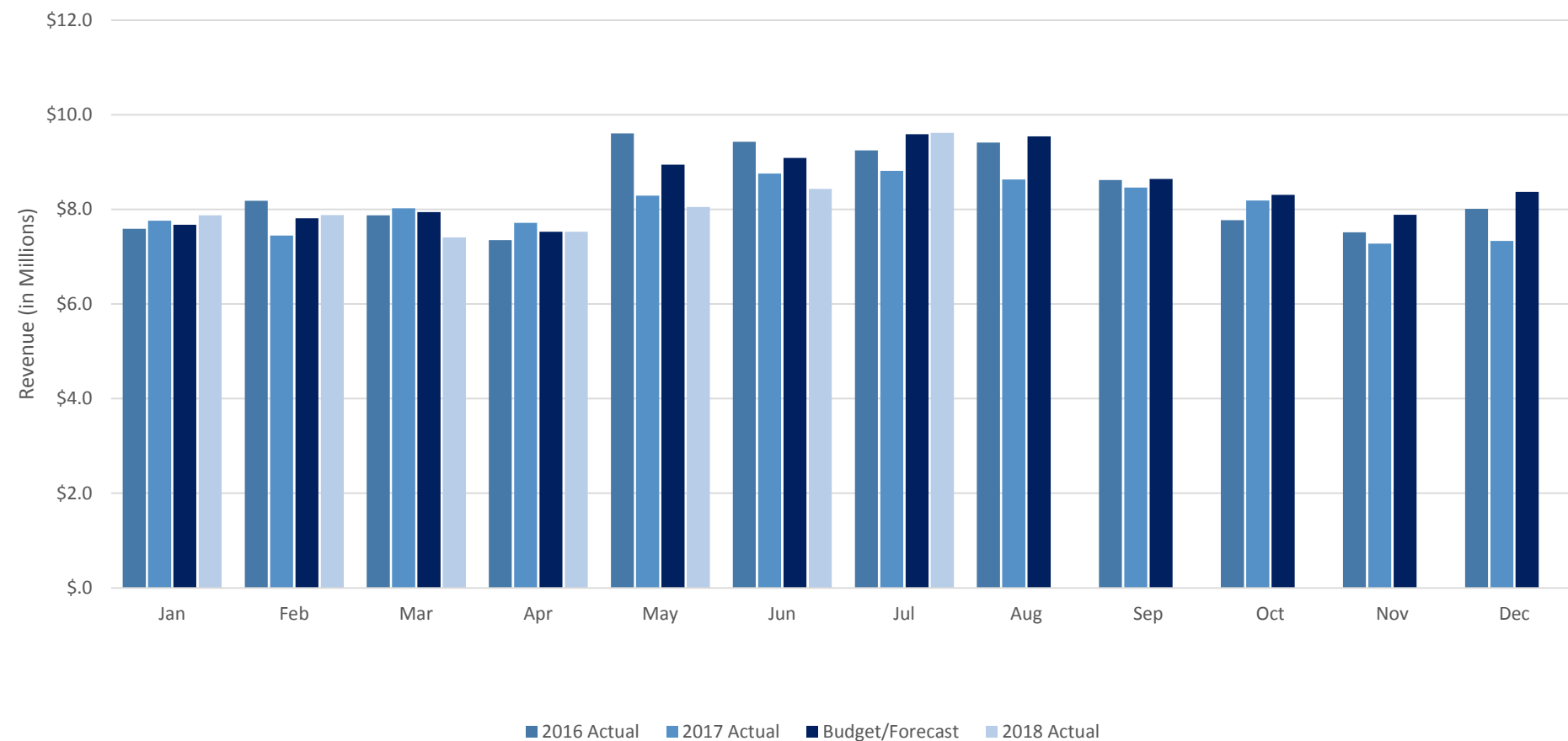
# Sewer Usage



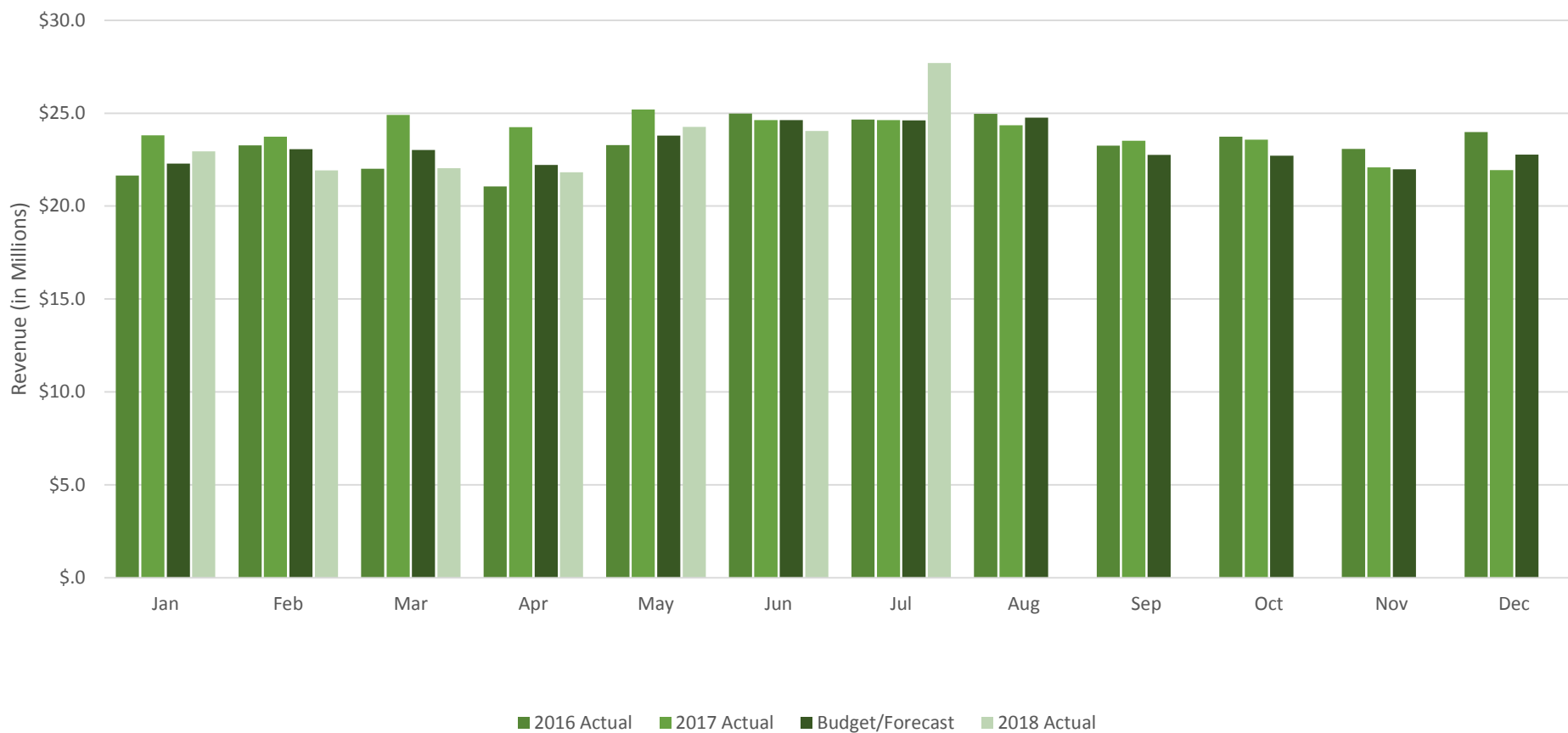


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Water & Sewerage  
Department

# Water Revenue



# Sewer Revenue



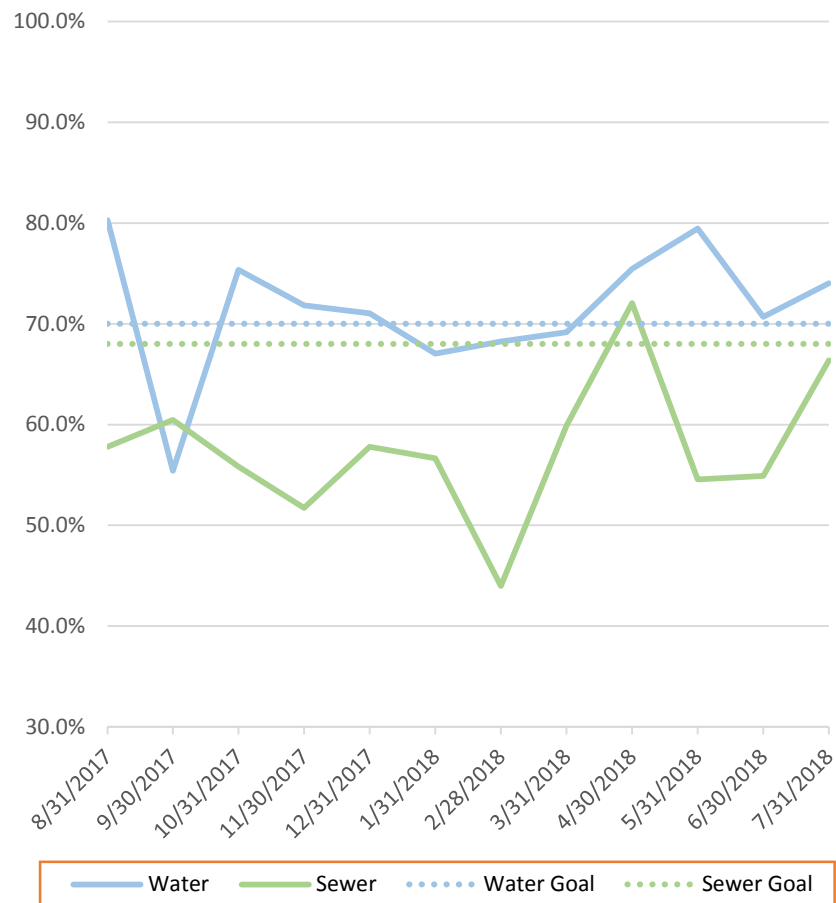




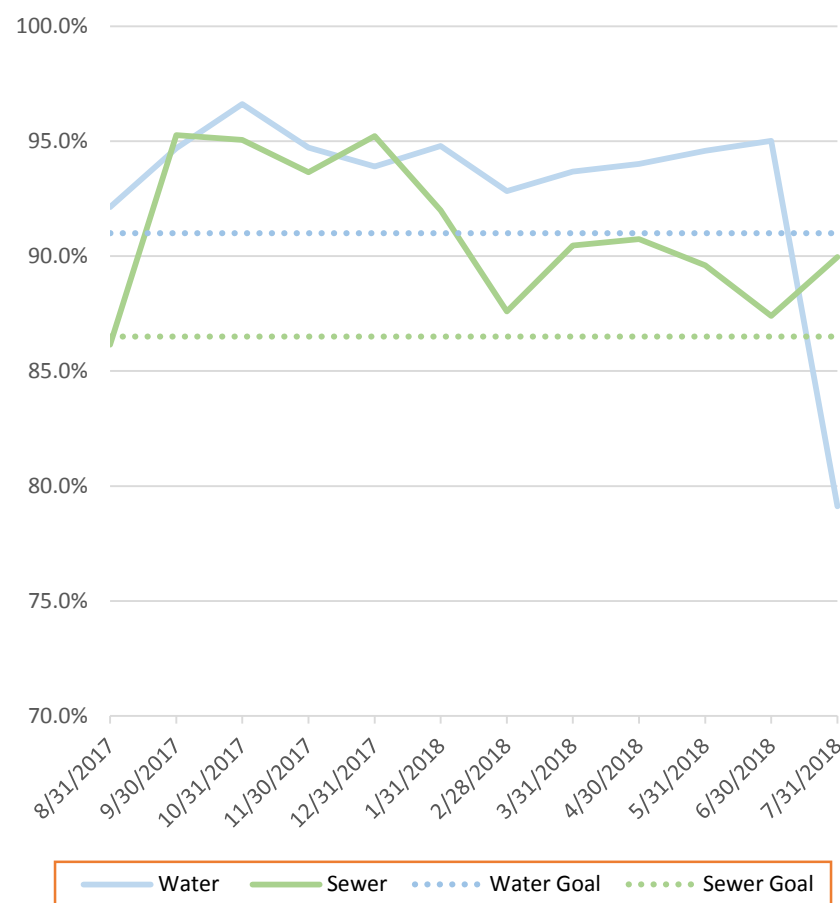
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# Collection Rates

## 30-60 DAY COLLECTION RATE



## 330-360 DAY COLLECTION RATE



# Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	8/31/2018	6/30/2018	8/31/2018
<b>Unrestricted</b>				
Operating	\$ 15,266,537	\$ 24,283,421	\$ 44,694,855	\$ 45,832,444
Pension	<u>9,073,472</u>	<u>\$ 426,043</u>	<u>181</u>	<u>\$ 453,702</u>
	\$ 24,340,009	\$ 24,709,464	\$ 44,695,036	\$ 46,286,145
<b>Restricted</b>				
Bond	36,346,022	34,873,804	-	-
Affordability	1,184,871	1,209,696	-	-
Retainage	2,699,459	3,616,767	654,839	982,188
Improvement and Extension	42,994,009	44,293,367	35,059,899	34,244,831
Construction	<u>3,464,524</u>	<u>3,464,823</u>	<u>519,787</u>	<u>519,832</u>
	86,688,885	87,458,457	36,234,525	35,746,851
<b>Total Cash</b>	<b><u>\$ 111,028,895</u></b>	<b><u>\$ 112,167,921</u></b>	<b><u>\$ 80,929,561</u></b>	<b><u>\$ 82,032,996</u></b>

# Appendix:

## Financial Statements

Two Months Ended August 31, 2018

City of Detroit Water Fund			
Statement of Net Position			
	June 30, 2018 (Unaudited)		August 31, 2018
<b>Assets</b>			
Cash and cash equivalents	\$	24,321,613	\$ 24,821,710
Restricted - Cash and investments		86,794,597	85,390,582
Accounts receivable - Net of Allowance		18,848,784	27,435,945
Due from other funds		50,366,467	50,549,740
Inventory		3,380,693	3,380,693
Prepaid expenses		279,533	279,533
Receivables from Great Lakes Water Authority		481,496,746	480,637,290
Capital assets - net		528,359,851	527,393,349
Total assets		1,193,848,284	1,199,888,842
<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 (Unaudited)	August 31, 2018
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 4,735,257	\$ 2,391,965
Due to other funds	72,070,244	75,318,822
Due to Great Lakes Water Authority	(8,412,853)	(16,566,631)
Accrued interest	1,941,491	1,856,491
Other liabilities	44,316,739	48,909,614
Accrued compensated absences	1,675,525	1,675,525
Current portion debt	-	-
Long-term debt	520,056,143	517,796,493
Net pension liability	46,948,714	46,948,714
Total liabilities	683,331,260	678,330,993
<b>Deferred Inflows of Resources -Pensions</b>	7,119,846	7,119,846
<b>Net Position</b>		
Fund Balance - End of year	517,756,462	528,797,287
<b>Total net position</b>	<b>\$ 517,756,462</b>	<b>\$ 528,797,287</b>

City of Detroit Water Fund			
Statement of Revenue, Expenses, and Changes in Fund Net Position			
	Two Months Ended August 31, 2018		
	Accrual Basis		Contract Basis
<b>Operating Revenue</b>			
Retail sales - Detroit	\$	23,092,018	\$ 23,092,018
Other fees		769,917	769,917
Other revenue		212,544	212,544
Total operating revenue		24,074,479	24,074,479
<b>Operating Expenses</b>			
Salaries, wages and benefits		4,107,153	4,107,153
Contractual Services		951,185	951,185
Other operating expense		654,115	654,115
Wholesale Charges		3,387,684	3,387,684
Depreciation		2,966,637	-
Total operating expenses		12,066,773	9,100,136
<b>Operating Income</b>		12,007,705	14,974,342
<b>Nonoperating Revenue (Expenses)</b>			
Investment income		36,019	36,019
Capital Lease		2,794,251	3,750,000
Capital Outlay/Acquisitions		-	-
Debt Service		(3,797,150)	(6,398,053)
Gain (loss) on sale of assets		-	-
Total nonoperating expenses - Net		(966,880)	(2,612,034)
<b>Change in Net Position</b>	<b>\$</b>	<b>11,040,825</b>	<b>\$ 12,362,308</b>

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2018 (Unaudited)	August 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$ 44,678,173	\$ 46,374,724
Restricted - Cash and investments	36,234,525	35,268,029
Accounts receivable - Net of Allowance	90,976,838	113,469,341
Due from other funds	46,860,404	42,723,461
Inventory	848,085	848,085
Prepaid expenses	169,728	169,728
Receivables from Great Lakes Water Authority	604,110,478	603,088,582
Capital assets - net	494,329,513	498,311,122
Total assets	1,318,207,744	1,340,253,072
<b>Deferred Outflows of Resources - Pensions</b>	10,392,771	10,392,771

# City of Detroit Sewage Disposal Fund

## Statement of Net Position (Continued)

	June 30, 2018 (Unaudited)	August 31, 2018
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 7,637,899	\$ 3,147,668
Due to other funds	70,727,410	69,886,209
Due to Great Lakes Authority	53,649,374	50,297,190
Accrued interest	3,169,374	3,169,374
Other liabilities	58,154,338	65,104,122
Accrued compensated absences	2,513,288	2,513,288
Current portion debt	-	-
Long-term debt	395,922,651	394,027,018
Net pension liability	32,618,179	32,618,179
Total liabilities	624,392,513	620,763,048
<b>Deferred Inflows of Resources -Pensions</b>	6,258,922	6,258,922
<b>Net Position</b>		
Fund Balance - End of year	697,949,082	723,623,874
<b>Total net position</b>	<b>\$ 697,949,082</b>	<b>\$ 723,623,874</b>



# City of Detroit Sewage Disposal Fund

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

	Two Months Ended August 31, 2018	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 64,775,684	\$ 64,775,684
Other fees	381,468	381,468
Other revenue	551,591	551,591
Total operating revenue	65,708,743	65,708,743
<b>Operating Expenses</b>		
Salaries, wages and benefits	5,253,883	5,253,883
Contractual Services	1,176,921	1,176,921
Other operating expense	1,721,206	1,721,206
Wholesale Charges	30,571,266	30,571,266
Depreciation	2,224,722	-
Total operating expenses	40,947,999	38,723,277
<b>Operating Income</b>	24,760,744	26,985,466
<b>Nonoperating Revenue (Expenses)</b>		
Investment earnings	-	-
Capital Lease	3,416,998	4,583,333
Capital Outlay/Acquisitions	(0)	(0)
Debt Service	(2,502,950)	(4,980,339)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	914,048	(397,006)
<b>Change in Net Position</b>	<b>\$ 25,674,792</b>	<b>\$ 26,588,461</b>

# Thank You



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