



SEPTEMBER 2018 REVIEW

FINANCE COMMITTEE

November 7, 2018



Summary Financial Metrics

Month Ended Fiscal Quarter		Jul-18 2019.Q1	Aug-18 2019.Q1	Sep-18 2019.Q1	Oct-18 2019.Q2	Nov-18 2019.Q2	Dec-18 2019.Q2	Jan-19 2019.Q3	Feb-19 2019.Q3	Mar-19 2019.Q3	Apr-19 2019.Q4	May-19 2019.Q4	Jun-19 2019.Q4
Water Volumes	Target	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	302,476										
	Status												
Total Active Meters	Target	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000	178,000
	Actual	178,435	178,222										
	Status												
Billable Impervious Acreage	Target	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
	Actual	27,842	27,796										
	Status												
Days in Accounts Receivable - Residential	Target	140	140	140	140	140	140	140	140	140	140	140	140
	Actual	135	137	139									
	Status												
3-Month Rolling Average Collection Rate	Target	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%
	Actual	106%	93%	91%									
	Status												
12-Month Rolling Average Collection Rate	Target	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
	Actual	92%	91%	91%									
	Status												
Operating Cash Days on Hand	Target	120	120	120	120	120	120	120	120	120	120	120	120
	Actual	188	219	235									
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	113	65	64									
	Status												
Headcount	Target	611	611	611	611	611	611	611	611	611	611	611	611
	Actual	537	526	526									
	Status												
O&M Spending	Target	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	11,680,248									
	Status												



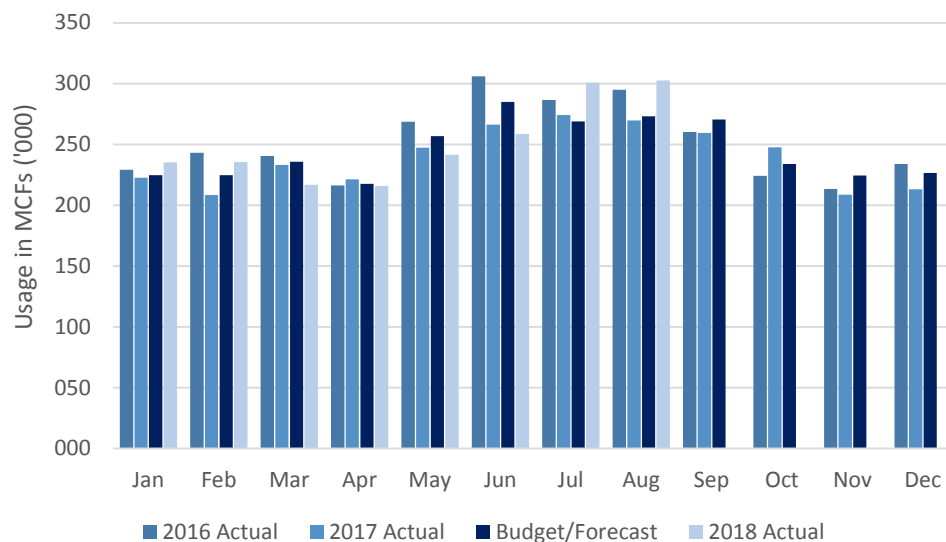
Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	284,395	\$ 315.91	\$ 14,659,511	\$ 7,631,842	\$ 13,605,340	\$ 53,947,024	\$ 89,843,717
			16.3%	8.5%	15.1%	60.0%	100.0%
Commerical	27,657	1,196.27	13,124,366	3,204,312	5,233,253	11,523,256	33,085,188
			39.7%	9.7%	15.8%	34.8%	100.0%
Industrial	4,650	2,796.29	3,753,749	1,658,485	1,981,265	5,609,254	13,002,753
			28.9%	12.8%	15.2%	43.1%	100.0%
Tax Exempt Entities	6,825	1,300.63	2,809,637	1,247,595	980,890	3,838,694	8,876,816
			31.7%	14.1%	11.1%	43.2%	100.0%
Government Entities	7,724	1,337.51	1,469,420	845,303	3,037,405	4,978,776	10,330,904
			14.2%	8.2%	29.4%	48.2%	100.0%
Subtotal - Active Accounts	331,251	\$ 468.34	\$ 35,816,683	\$ 14,587,538	\$ 24,838,153	\$ 79,897,004	\$ 155,139,378
			23.1%	9.4%	16.0%	51.5%	100.0%
Inactive Accounts	250,434	42.76	96,825	154,861	595,074	9,861,155	10,707,916
			0.9%	1.4%	5.6%	92.1%	100.0%
Total	581,685	\$ 285.12	\$ 35,913,508	\$ 14,742,399	\$ 25,433,227	\$ 89,758,160	\$ 165,847,294
<i>% of Total A/R</i>			21.7%	8.9%	15.3%	54.1%	100.0%
Water Fund	214,402	171.13	\$ 8,841,224	\$ 3,395,836	\$ 4,589,135	\$ 19,864,162	\$ 36,690,357
Sewer Fund	278,129	464.38	\$ 27,072,284	\$ 11,346,563	\$ 20,844,092	\$ 69,893,998	\$ 129,156,937
Total	581,685	285.12	\$ 35,913,508	\$ 14,742,399	\$ 25,433,227	\$ 89,758,160	\$ 165,847,294



Retail Water Customers – Volumes

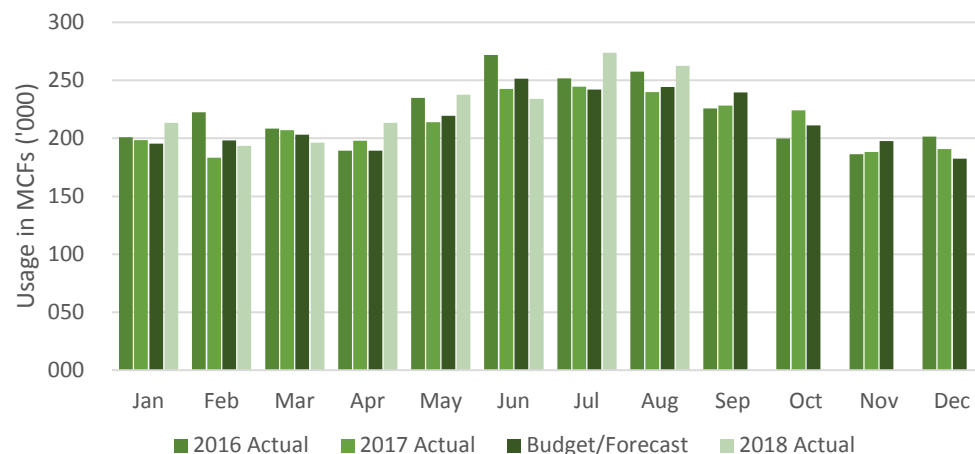
Month	Volume (Mcf)			
	Budget	Actual	Variance (\$)	Variance (%)
July	269,000	300,613	31,613	10.5%
August	273,100	302,476	29,376	9.7%
September	270,500			
October	233,800			
November	224,500			
December	206,500			
January	226,600			
February	216,400			
March	213,300			
April	223,100			
May	211,000			
June	240,200			
Totals	2,808,000	603,089	60,989	10.1%
<i>Subtotals YTD</i>	<i>542,100</i>	<i>603,089</i>	<i>60,989</i>	<i>10.1%</i>





Retail Sewer Customers - Volumes

Month	Volume (Mcf)			
	Budget	Actual	Variance (\$)	Variance (%)
July	242,100	273,862	31,762	11.6%
August	244,200	262,525	18,325	7.0%
September	239,600			
October	211,000			
November	197,600			
December	182,400			
January	198,600			
February	191,600			
March	191,000			
April	197,300			
May	187,300			
June	210,300			
Totals	2,493,000	536,386	50,086	9.3%
<i>Subtotals YTD</i>	<i>486,300</i>	<i>536,386</i>	<i>50,086</i>	<i>9.3%</i>





Retail Customers - Revenue

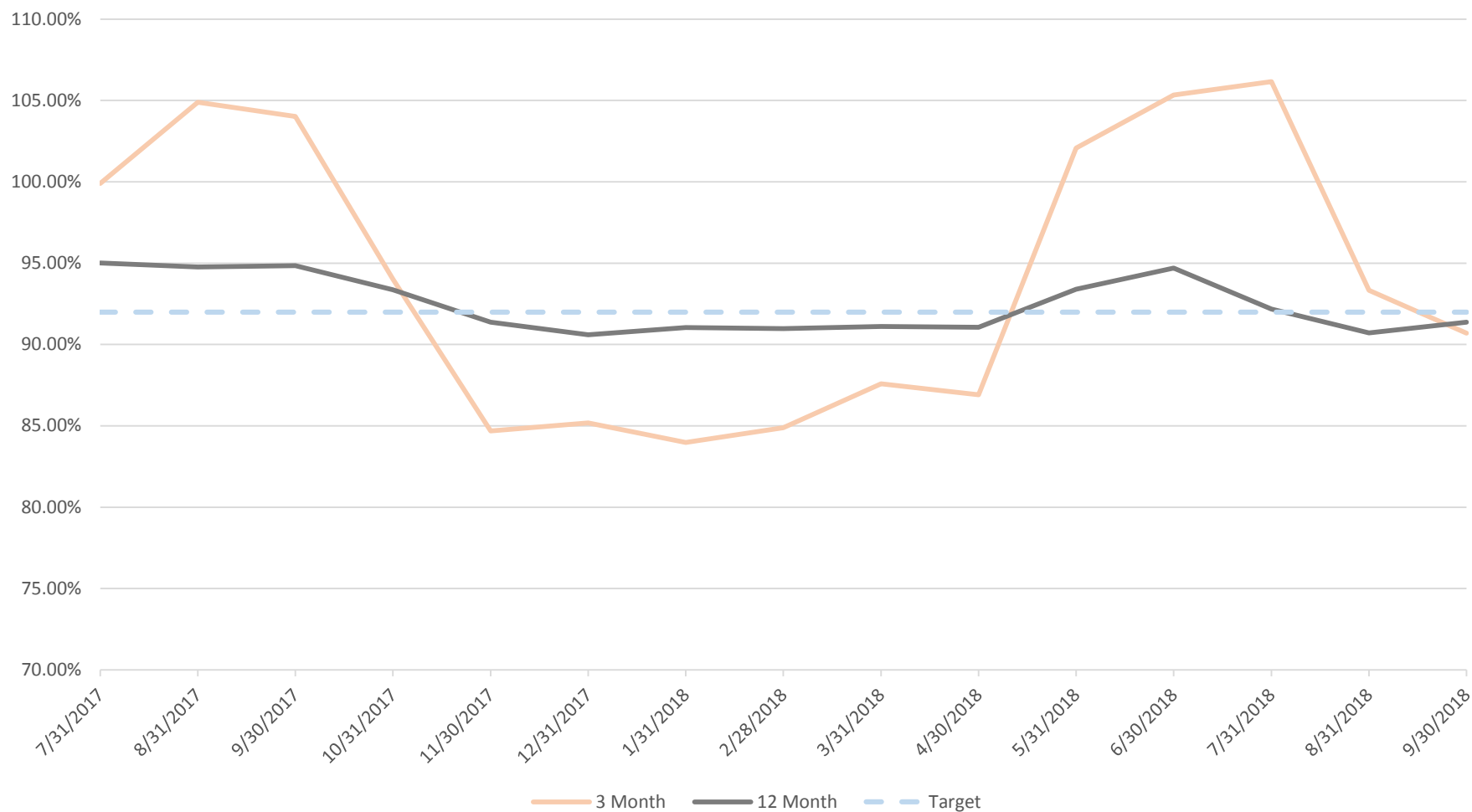
Month	Revenue (\$)				
	Budget	Actual	Variance	Variance (%)	
July	\$ 9,424,500	\$ 10,203,409	\$ 778,909	7.6%	
August	9,377,700	9,833,149	455,449	4.6%	
September	8,494,300				
October	8,165,900				
November	7,750,100				
December	8,224,900				
January	7,978,800				
February	7,980,200				
March	8,163,900				
April	7,856,900				
May	9,109,200				
June	9,063,600				
Totals	\$ 101,590,000	\$ 20,036,558	\$ 1,234,358	6.2%	
<i>Subtotals YTD</i>	<i>\$ 18,802,200</i>	<i>\$ 20,036,558</i>	<i>\$ 1,234,358</i>	<i>6.2%</i>	

Month	Revenue (\$)				
	Budget	Actual	Variance	Variance (%)	
July	\$ 27,423,400	\$ 27,711,606	\$ 288,206	1.0%	
August	27,232,200	27,263,163	30,963	0.1%	
September	25,367,500				
October	25,177,200				
November	23,861,000				
December	25,293,500				
January	24,852,800				
February	25,329,400				
March	25,474,500				
April	24,789,700				
May	26,205,200				
June	26,730,700				
Totals	\$ 307,737,100	\$ 54,974,769	\$ 319,169	0.6%	
<i>Subtotals YTD</i>	<i>\$ 54,655,600</i>	<i>\$ 54,974,769</i>	<i>\$ 319,169</i>	<i>0.6%</i>	



DETROIT
Water & Sewerage
Department

Collection Rates



Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	9/30/2018	6/30/2018	9/30/2018
Unrestricted				
Operating	\$ 15,266,537	\$ 25,276,020	\$ 44,694,855	\$ 48,955,561
Pension	<u>9,073,472</u>	<u>\$ 782,072</u>	<u>181</u>	<u>\$ 691,727</u>
	\$ 24,340,009	\$ 26,058,092	\$ 44,695,036	\$ 49,647,288
Restricted				
Bond	36,346,022	33,104,662	-	-
Affordability	1,184,871	1,224,011	-	-
Retainage	2,699,459	2,613,285	654,839	982,188
Improvement and Extension	42,994,009	45,041,779	35,059,899	30,519,850
Construction	<u>3,464,524</u>	<u>3,464,956</u>	<u>519,787</u>	<u>519,852</u>
	86,688,885	85,448,692	36,234,525	32,021,890
Total Cash	<u>\$ 111,028,895</u>	<u>\$ 111,506,784</u>	<u>\$ 80,929,561</u>	<u>\$ 81,669,178</u>

Appendix:

Financial Statements

Three Months Ended September 30, 2018

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2018 (Unaudited)	September 30, 2018
Assets		
Cash and cash equivalents	\$ 24,333,726	\$ 25,658,175
Restricted - Cash and investments	86,794,597	84,777,353
Accounts receivable - Net of Allowance	19,195,409	24,480,922
Due from other funds	52,471,491	53,836,598
Inventory	3,380,693	3,380,693
Prepaid expenses	446,022	446,022
Receivables from Great Lakes Water Authority	479,434,862	478,287,904
Capital assets - net	525,909,122	527,573,384
Total assets	1,191,965,922	1,198,441,051
Deferred Outflows of Resources - Pensions	14,359,284	14,359,284

City of Detroit Water Fund		
Statement of Net Position (Continued)		
	June 30, 2018 (Unaudited)	September 30, 2018
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 5,292,076	\$ 5,241,163
Due to other funds	73,577,917	77,801,338
Due to Great Lakes Water Authority	(8,442,544)	(22,529,474)
Accrued interest	1,941,491	1,813,991
Other liabilities	44,866,521	53,925,301
Accrued compensated absences	1,675,525	1,675,525
Current portion debt	-	-
Long-term debt	520,056,143	516,666,668
Net pension liability	46,948,714	46,948,714
Total liabilities	685,915,843	681,543,226
Deferred Inflows of Resources -Pensions	7,119,846	7,119,846
Net Position		
Fund Balance - End of year	513,289,516	524,137,263
Total net position	\$ 513,289,516	\$ 524,137,263

City of Detroit Water Fund

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

	Three Months Ended September 30, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 29,647,206	\$ 29,647,206
Other fees	1,177,245	1,177,245
Other revenue	456,510	456,510
Total operating revenue	31,280,961	31,280,961
Operating Expenses		
Salaries, wages and benefits	6,388,457	6,388,457
Contractual Services	1,325,562	1,325,562
Other operating expense	1,786,035	1,786,035
Wholesale Charges	5,081,526	5,081,526
Depreciation	4,452,981	-
Total operating expenses	19,034,562	14,581,581
Operating Income	12,246,399	16,699,380
Nonoperating Revenue (Expenses)		
Investment income	107,910	107,910
Capital Lease	4,189,163	5,625,000
Capital Outlay/Acquisitions	(0)	(0)
Debt Service	(5,695,725)	(9,597,079)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	(1,398,652)	(3,864,169)
Change in Net Position	\$ 10,847,747	\$ 12,835,211

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2018 (Unaudited)	September 30, 2018
Assets		
Cash and cash equivalents	\$ 44,689,686	\$ 50,289,635
Restricted - Cash and investments	36,234,525	31,870,285
Accounts receivable - Net of Allowance	75,769,596	88,466,018
Due from other funds	50,349,532	47,232,461
Inventory	848,085	848,085
Prepaid expenses	423,960	423,960
Receivables from Great Lakes Water Authority	612,049,558	610,727,966
Capital assets - net	491,981,714	496,932,960
Total assets	1,312,346,656	1,326,791,370
Deferred Outflows of Resources - Pensions	10,392,771	10,392,771

City of Detroit Sewage Disposal Fund

Statement of Net Position (Continued)

	June 30, 2018 (Unaudited)	September 30, 2018
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,853,448	\$ 3,780,430
Due to other funds	81,230,507	81,628,096
Due to Great Lakes Authority	53,649,374	47,570,406
Accrued interest	3,169,374	3,169,374
Other liabilities	46,474,872	55,066,217
Accrued compensated absences	2,513,288	2,513,288
Current portion debt	-	-
Long-term debt	395,922,651	393,079,201
Net pension liability	32,618,179	32,618,179
Total liabilities	623,431,693	619,425,191
Deferred Inflows of Resources -Pensions	6,258,922	6,258,922
Net Position		
Fund Balance - End of year	693,048,814	711,500,029
Total net position	\$ 693,048,814	\$ 711,500,029

City of Detroit Sewage Disposal Fund

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

	Three Months Ended September 30, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 77,834,852	\$ 77,834,852
Other fees	1,011,357	1,011,357
Other revenue	886,661	886,661
Total operating revenue	79,732,870	79,732,870
Operating Expenses		
Salaries, wages and benefits	8,276,103	8,276,103
Contractual Services	1,897,762	1,897,762
Other operating expense	3,278,092	3,278,092
Wholesale Charges	45,856,899	45,856,899
Depreciation	3,338,463	-
Total operating expenses	62,647,319	59,308,857
Operating Income	17,085,550	20,424,013
Nonoperating Revenue (Expenses)		
Investment earnings	-	-
Capital Lease	5,120,090	6,875,000
Capital Outlay/Acquisitions	-	-
Debt Service	(3,754,425)	(7,470,508)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	1,365,665	(595,508)
Change in Net Position	\$ 18,451,215	\$ 19,828,505

Treasury Update

October 31, 2018

NiKole Howard-Whitsett



Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	10/31/2018	6/30/2018	10/31/2018
Unrestricted				
Operating	\$ 15,266,537	\$ 24,939,645	\$ 44,694,855	\$ 48,528,114
Pension	<u>9,073,472</u>	<u>\$ 1,138,166</u>	<u>181</u>	<u>\$ 929,802</u>
	\$ 24,340,009	\$ 26,077,811	\$ 44,695,036	\$ 49,457,916
Restricted				
Bond	36,346,022	28,107,251	-	91,000,000
Affordability	1,184,871	1,235,992	-	-
Retainage	2,699,459	1,502,425	654,839	1,309,334
Improvement and Extension	42,994,009	46,341,693	35,059,899	32,353,126
Construction	<u>3,464,524</u>	<u>3,465,271</u>	<u>519,787</u>	<u>519,873</u>
	86,688,885	80,652,632	36,234,525	125,182,333
Total Cash	<u>\$ 111,028,895</u>	<u>\$ 106,730,443</u>	<u>\$ 80,929,561</u>	<u>\$ 174,640,249</u>

Insured Investment Summary

Banking Institution	Insured	Uninsured	Total
Comerica	\$ 85,980,110	\$91,000,000	\$ 176,980,110
First Independence	96,594,904	6,000,177	102,595,081
JP Morgan Chase	309,509	985,992	1,295,501
US Bank	500,000	-	500,000
Total Cash	\$ 183,384,523	\$97,986,169	\$ 281,370,692

Thank You



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