



# **OCTOBER 2018 REVIEW**

## **FINANCE COMMITTEE**

December 5, 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	221,531									
	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	178,318									
	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	27,802									
	Status												
Days in Accounts Receivable - Residential	Target	140	140	140	140	140	140	140	140	140	140	140	140
	Actual	135	137	139	142								
	Status												
3-Month Rolling Average Collection Rate	Target	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
	Actual	106%	93%	91%	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%	91%								
	Status												
Operating Cash Days on Hand	Target	120	120	120	120	120	120	120	120	120	120	120	120
	Actual	188	219	235	233								
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	113	65	64	75								
	Status												
Headcount	Target	611	611	611	611	611	611	611	611	611	611	611	611
	Actual	537	526	526	524								
	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	9,400,983								
	Status												



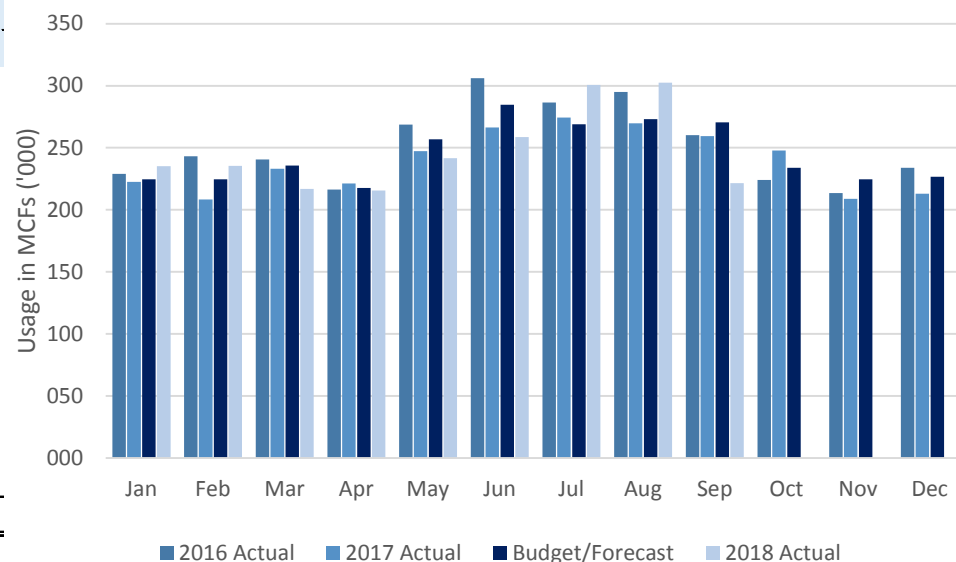
# Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	283,423	\$ 299.07	\$ 12,809,069 15.1%	\$ 7,242,016 8.5%	\$ 14,722,463 17.4%	\$ 49,988,859 59.0%	\$ 84,762,407 100.0%
Commerical	27,635	1,075.04	8,571,367 28.9%	3,382,092 11.4%	6,395,525 21.5%	11,359,682 38.2%	29,708,666 100.0%
Industrial	4,650	2,625.44	3,933,980 32.2%	1,203,267 9.9%	2,598,884 21.3%	4,472,143 36.6%	12,208,273 100.0%
Tax Exempt Entities	6,834	1,385.41	2,245,550 23.7%	1,910,155 20.2%	1,262,196 13.3%	4,050,020 42.8%	9,467,920 100.0%
Government Entities	7,721	1,386.41	1,234,655 11.5%	949,242 8.9%	2,450,126 22.9%	6,070,466 56.7%	10,704,489 100.0%
Subtotal - Active Accounts	<b>330,263</b>	<b>\$ 444.65</b>	<b>\$ 28,794,622</b> 19.6%	<b>\$ 14,686,773</b> 10.0%	<b>\$ 27,429,193</b> 18.7%	<b>\$ 75,941,168</b> 51.7%	<b>\$ 146,851,756</b> 100.0%
Inactive Accounts	253,155	61.85	161,663 1.0%	194,646 1.2%	996,669 6.4%	14,304,113 91.4%	15,657,092 100.0%
<b>Total</b>	<b>583,418</b>	<b>\$ 278.55</b>	<b>\$ 28,956,285</b>	<b>\$ 14,881,419</b>	<b>\$ 28,425,862</b>	<b>\$ 90,245,281</b>	<b>\$ 162,508,848</b>
% of Total A/R			17.8%	9.2%	17.5%	55.5%	100.0%
Water Fund	206,836	172.66	\$ 7,123,758	\$ 3,137,751	\$ 5,169,274	\$ 20,281,903	\$ 35,712,686
Sewer Fund	266,369	476.02	\$ 21,832,527	\$ 11,743,668	\$ 23,256,588	\$ 69,963,378	\$ 126,796,162
Total	583,418	278.55	\$ 28,956,285	\$ 14,881,419	\$ 28,425,862	\$ 90,245,281	\$ 162,508,848



# Retail Water Customers – Volumes

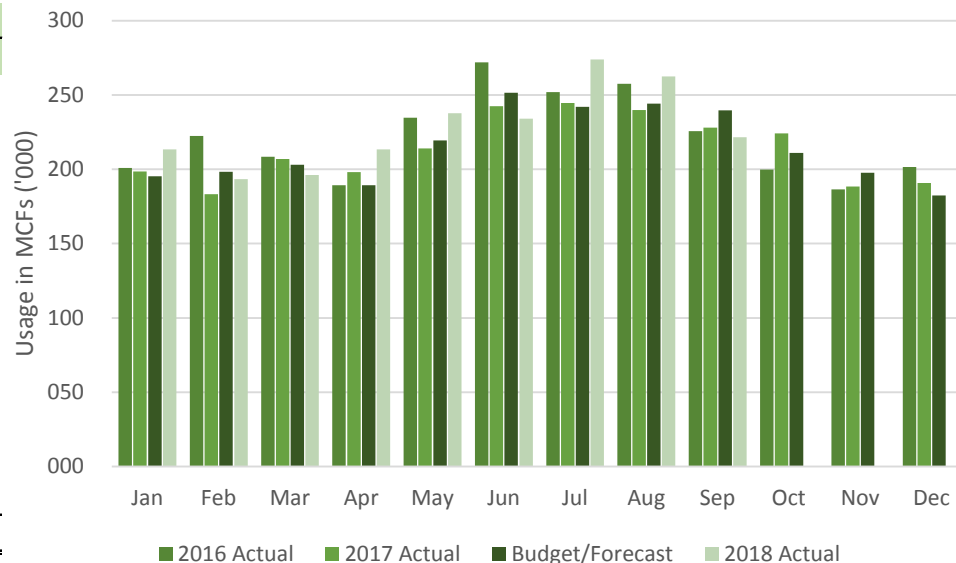
Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	274,267	269,000	300,613	31,613	11.8%
August	269,802	273,100	302,476	29,376	10.8%
September	259,341	270,500	221,531	(48,969)	(18.1%)
October	247,700	233,800			
November	208,783	224,500			
December	213,026	206,500			
January	235,142	226,600			
February	235,436	216,400			
March	216,866	213,300			
April	215,643	223,100			
May	241,641	211,000			
June	258,608	240,200			
<b>Totals</b>	<b>2,876,255</b>	<b>2,808,000</b>	<b>824,621</b>	<b>12,021</b>	<b>0.4%</b>
<i>Subtotals YTD</i>	<i>803,410</i>	<i>812,600</i>	<i>824,621</i>	<i>12,021</i>	<i>1.5%</i>





# Retail Sewer Customers - Volumes

Month	Volume (Mcf)				
	Prior Year	Budget Current Year	Variance (Mcf)	Variance (%)	
July	244,512	242,100	273,862	31,762	13.1%
August	239,911	244,200	262,525	18,325	7.5%
September	228,122	239,600	221,660	(17,940)	(7.5%)
October	224,159	211,000			
November	188,312	197,600			
December	190,811	182,400			
January	213,373	198,600			
February	193,452	191,600			
March	196,148	191,000			
April	213,393	197,300			
May	237,626	187,300			
June	234,144	210,300			
<b>Totals</b>	<b>2,603,964</b>	<b>2,493,000</b>	<b>758,047</b>	<b>32,147</b>	<b>1.3%</b>
<b>Subtotals YTD</b>	<b>712,545</b>	<b>725,900</b>	<b>758,047</b>	<b>32,147</b>	<b>4.4%</b>





# Retail Customers - Revenue

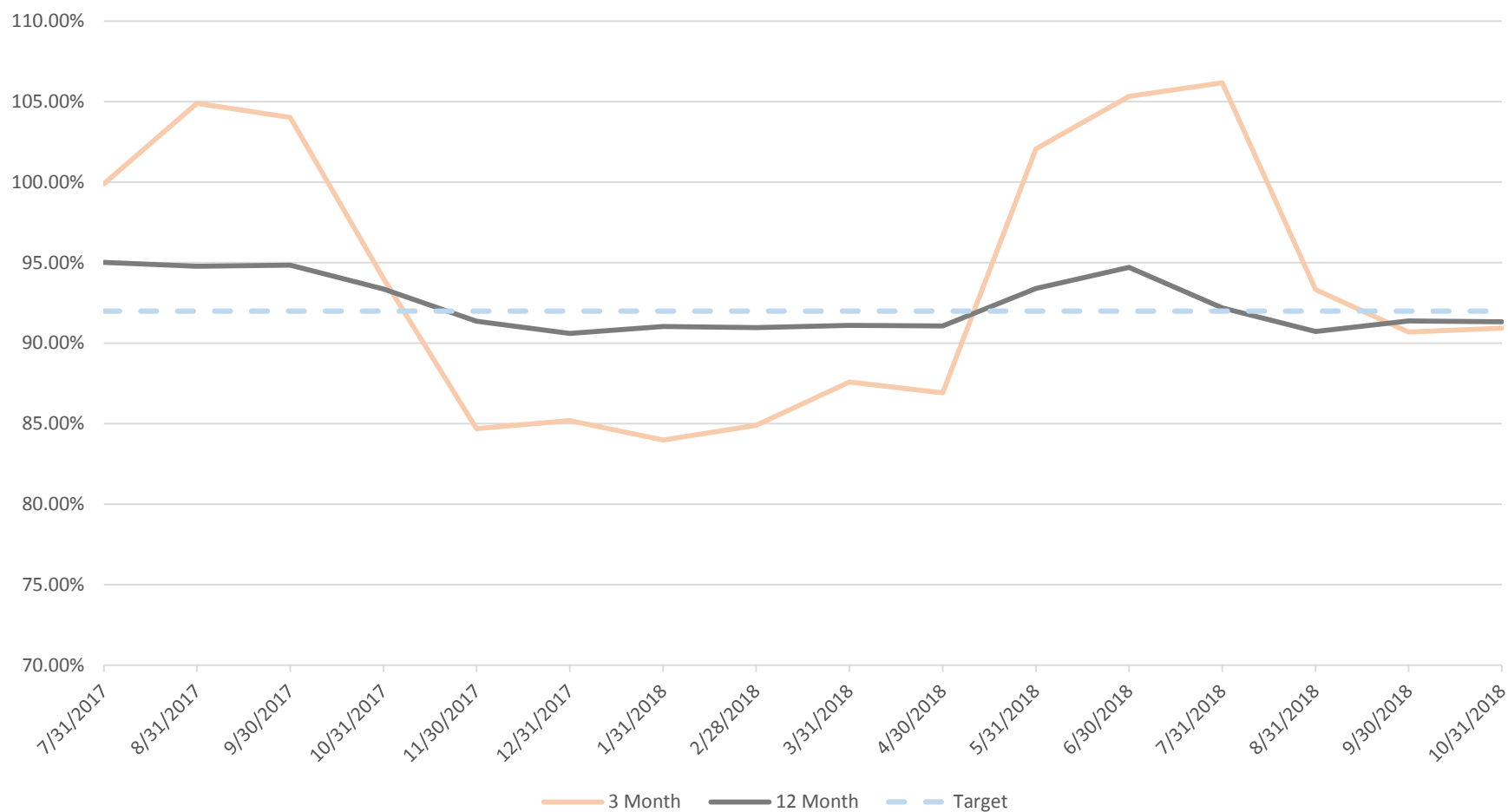
Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 9,060,075	\$ 9,424,500	\$ 10,203,409	\$ 778,909	8.3%
August	8,904,085	9,377,700	9,833,149	455,449	4.9%
September	8,985,289	8,494,300	9,824,571	1,330,271	15.7%
October	8,137,675	8,165,900			
November	7,473,555	7,750,100			
December	7,523,827	8,224,900			
January	8,067,860	7,978,800			
February	8,054,769	7,980,200			
March	7,527,076	8,163,900			
April	7,744,106	7,856,900			
May	8,380,467	9,109,200			
June	8,865,874	9,063,600			
<b>Totals</b>	<b>\$ 98,724,659</b>	<b>\$ 101,590,000</b>	<b>\$ 29,861,129</b>	<b>\$ 2,564,629</b>	<b>2.5%</b>
<b>Subtotals YTD</b>	<b>\$ 26,949,449</b>	<b>\$ 27,296,500</b>	<b>\$ 29,861,129</b>	<b>\$ 2,564,629</b>	<b>9.4%</b>

Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 24,994,676	\$ 27,423,400	\$ 27,851,140	\$ 427,740	1.6%
August	24,760,250	27,232,200	27,401,816	169,616	0.6%
September	23,983,587	25,367,500	27,389,602	2,022,102	8.0%
October	23,936,728	25,177,200			
November	22,627,682	23,861,000			
December	22,405,515	25,293,500			
January	23,250,935	24,852,800			
February	22,291,876	25,329,400			
March	22,184,361	25,474,500			
April	22,288,132	24,789,700			
May	24,665,214	26,205,200			
June	24,439,888	26,730,700			
<b>Totals</b>	<b>\$ 281,828,843</b>	<b>\$ 307,737,100</b>	<b>\$ 82,642,558</b>	<b>\$ 2,619,458</b>	<b>0.9%</b>
<b>Subtotals YTD</b>	<b>\$ 73,738,512</b>	<b>\$ 80,023,100</b>	<b>\$ 82,642,558</b>	<b>\$ 2,619,458</b>	<b>3.3%</b>



DETROIT  
Water & Sewerage  
Department

# Collection Rates



# Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	10/31/2018	6/30/2018	10/31/2018
<b>Unrestricted</b>				
Operating	\$ 15,266,537	\$ 23,837,196	\$ 44,694,855	\$ 48,409,959
Pension	<u>9,073,472</u>	<u>\$ 1,138,166</u>	<u>181</u>	<u>\$ 929,802</u>
	\$ 24,340,009	\$ 24,975,362	\$ 44,695,036	\$ 49,339,761
<b>Restricted</b>				
Bond	36,346,022	27,513,934	-	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>3,465,086</u>	<u>519,787</u>	<u>519,873</u>
	86,688,885	80,059,130	36,234,525	125,182,333
<b>Total Cash</b>	<u><b>\$ 111,028,895</b></u>	<u><b>\$ 105,034,492</b></u>	<u><b>\$ 80,929,561</b></u>	<u><b>\$ 174,522,094</b></u>



# Appendix:

## Financial Statements

Four Months Ended October 31, 2018

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2018 (Unaudited)	October 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$ 24,333,726	\$ 24,973,217
Restricted - Cash and investments	86,794,597	80,059,314
Accounts receivable - Net of Allowance	18,884,376	28,121,102
Due from other funds	34,674,582	39,698,889
Inventory	3,380,693	3,380,693
Prepaid expenses	452,491	452,491
Receivables from Great Lakes Water Authority	479,230,749	477,213,334
Capital assets - net	525,909,122	524,256,935
Total assets	1,173,660,336	1,178,155,975
<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)	October 31, 2018
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 5,292,076	\$ 4,137,226
Due to other funds	44,768,921	51,245,811
Due to Great Lakes Water Authority	(8,446,945)	(26,041,450)
Accrued interest	1,941,491	1,771,491
Other liabilities	41,099,585	51,064,643
Accrued compensated absences	1,675,525	1,675,525
Current portion debt	-	-
Long-term debt	520,056,143	515,536,843
Net pension liability	46,948,714	46,948,714
Total liabilities	653,335,510	646,338,803
<b>Deferred Inflows of Resources -Pensions</b>	7,119,846	7,119,846
<b>Net Position</b>		
Fund Balance - End of year	527,564,263	539,056,611
<b>Total net position</b>	<b>\$ 527,564,263</b>	<b>\$ 539,056,611</b>

# City of Detroit Water Fund

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

	Four Months Ended October 31, 2018	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 40,268,069	\$ 40,268,069
Other fees	2,038,147	2,038,147
Other revenue	695,851	695,851
Total operating revenue	43,002,067	43,002,067
<b>Operating Expenses</b>		
Salaries, wages and benefits	8,771,996	8,771,996
Contractual Services	5,056,009	5,056,009
Other operating expense	3,360,660	3,360,660
Wholesale Charges	6,775,368	6,775,368
Depreciation	5,937,308	-
Total operating expenses	29,901,342	23,964,034
<b>Operating Income</b>	13,100,724	19,038,033
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	144,593	144,593
Capital Lease	5,582,593	7,500,000
Capital Outlay/Acquisitions	(29,387)	(29,387)
Debt Service	(7,594,300)	(12,796,105)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	(1,896,501)	(5,180,899)
<b>Change in Net Position</b>	<b>\$ 11,204,224</b>	<b>\$ 13,857,134</b>

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2018 (Unaudited)	October 31, 2018
<b>Assets</b>		
Cash and cash equivalents	\$ 44,689,686	\$ 49,689,670
Restricted - Cash and investments	36,234,525	124,832,448
Accounts receivable - Net of Allowance	73,437,178	99,138,394
Due from other funds	49,382,322	48,706,382
Inventory	848,085	848,085
Prepaid expenses	433,558	433,558
Receivables from Great Lakes Water Authority	612,049,558	604,385,050
Capital assets - net	491,981,714	488,088,019
Total assets	1,309,056,626	1,416,121,606
<b>Deferred Outflows of Resources - Pensions</b>	10,392,771	10,924,542

# City of Detroit Sewage Disposal Fund

## Statement of Net Position (Continued)

	June 30, 2018 (Unaudited)	October 31, 2018
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 7,853,448	\$ 4,579,183
Due to other funds	57,412,318	50,903,794
Due to Great Lakes Authority	53,639,106	48,590,918
Accrued interest	3,169,374	3,169,374
Other liabilities	52,472,701	57,298,001
Accrued compensated absences	2,513,288	2,513,288
Current portion debt	-	-
Long-term debt	395,922,651	483,663,155
Net pension liability	32,618,179	32,618,179
Total liabilities	605,601,065	683,335,892
<b>Deferred Inflows of Resources -Pensions</b>	6,258,922	6,258,922
<b>Net Position</b>		
Fund Balance - End of year	707,589,412	737,451,334
<b>Total net position</b>	<b>\$ 707,589,412</b>	<b>\$ 737,451,334</b>

# City of Detroit Sewage Disposal Fund

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

	Four Months Ended October 31, 2018	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 111,067,706	\$ 111,067,706
Other fees	1,667,076	1,667,076
Other revenue	1,373,596	1,373,596
Total operating revenue	114,108,378	114,108,378
<b>Operating Expenses</b>		
Salaries, wages and benefits	10,994,800	10,994,800
Contractual Services	4,390,901	4,390,901
Other operating expense	4,752,006	4,752,006
Wholesale Charges	61,142,532	61,142,532
Depreciation	4,451,283	-
Total operating expenses	85,731,522	81,280,238
<b>Operating Income</b>	28,376,856	32,828,139
<b>Nonoperating Revenue (Expenses)</b>		
Investment earnings	-	-
Capital Lease	6,823,170	9,166,667
Capital Outlay/Acquisitions	(44,080)	(44,080)
Debt Service	(5,005,900)	(9,960,678)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	1,773,190	(838,091)
<b>Change in Net Position</b>	<b>\$ 30,150,046</b>	<b>\$ 31,990,048</b>

# Thank You



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