



NOVEMBER 2018 REVIEW

FINANCE COMMITTEE

January 8, 2019



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	215,105								
	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	178,219								
	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	27,722								
	Status												
Days in Accounts Receivable - Residential	Target	140	140	140	140	140	140	140	140	140	140	140	140
	Actual	135	137	139	142	143							
	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%	89							
	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%	92							
	Status												
Operating Cash Days on Hand	Target	120	120	120	120	120	120	120	120	120	120	120	120
	Actual	188	219	235	233	229							
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	113	65	64	75	50							
	Status												
Headcount	Target	611	611	611	611	611	611	611	611	611	611	611	611
	Actual	537	526	526	524	545							
	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	10,544,595							
	Status												



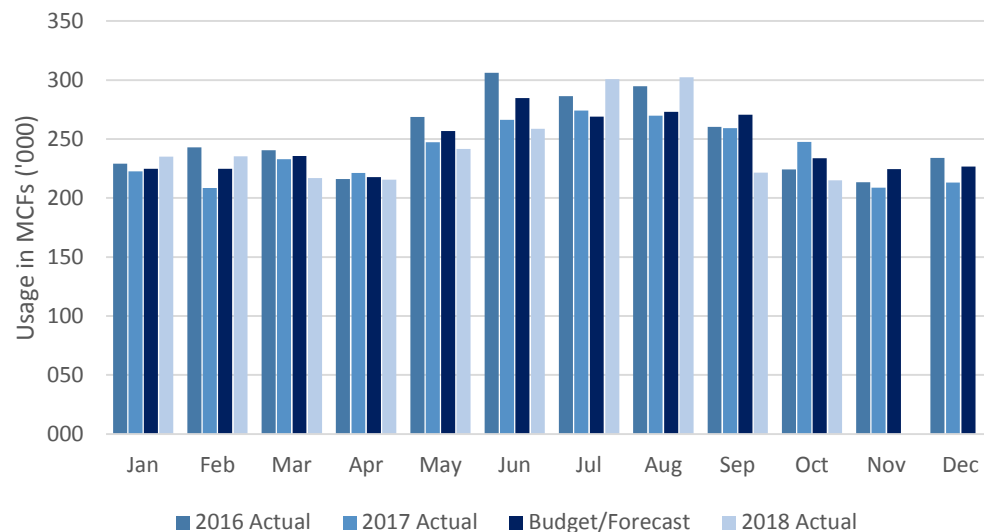
Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	284,478	\$ 306.84	\$ 13,117,006	\$ 6,927,100	\$ 16,500,733	\$ 50,744,551	\$ 87,289,390
			15.0%	7.9%	18.9%	58.1%	100.0%
Commercial	27,617	1,098.09	8,044,310	2,643,673	7,371,185	12,266,751	30,325,919
			26.5%	8.7%	24.3%	40.4%	100.0%
Industrial	4,649	2,926.92	4,218,021	1,476,079	2,776,334	5,136,804	13,607,238
			31.0%	10.8%	20.4%	37.8%	100.0%
Tax Exempt Entities	6,839	1,168.87	1,591,900	885,571	1,296,036	4,220,377	7,993,884
			19.9%	11.1%	16.2%	52.8%	100.0%
Government Entities	7,733	1,484.37	1,918,390	713,295	2,757,542	6,089,412	11,478,640
			16.7%	6.2%	24.0%	53.0%	100.0%
Subtotal - Active Accounts	331,316	\$ 454.84	\$ 28,889,625	\$ 12,645,718	\$ 30,701,831	\$ 78,457,896	\$ 150,695,071
			19.2%	8.4%	20.4%	52.1%	100.0%
Inactive Accounts	253,464	64.01	99,366	229,968	1,017,342	14,877,691	16,224,367
			0.6%	1.4%	6.3%	91.7%	100.0%
Total	584,780	\$ 285.44	\$ 28,988,991	\$ 12,875,687	\$ 31,719,173	\$ 93,335,587	\$ 166,919,438
<i>% of Total A/R</i>			17.4%	7.7%	19.0%	55.9%	100.0%
Water Fund	216,456	167.16	\$ 6,747,896	\$ 2,789,918	\$ 5,900,397	\$ 20,744,015	\$ 36,182,226
Sewer Fund	278,691	469.11	\$ 22,241,095	\$ 10,085,769	\$ 25,818,775	\$ 72,591,573	\$ 130,737,212
Total	584,780	285.44	\$ 28,988,991	\$ 12,875,687	\$ 31,719,173	\$ 93,335,587	\$ 166,919,438



Retail Water Customers – Volumes

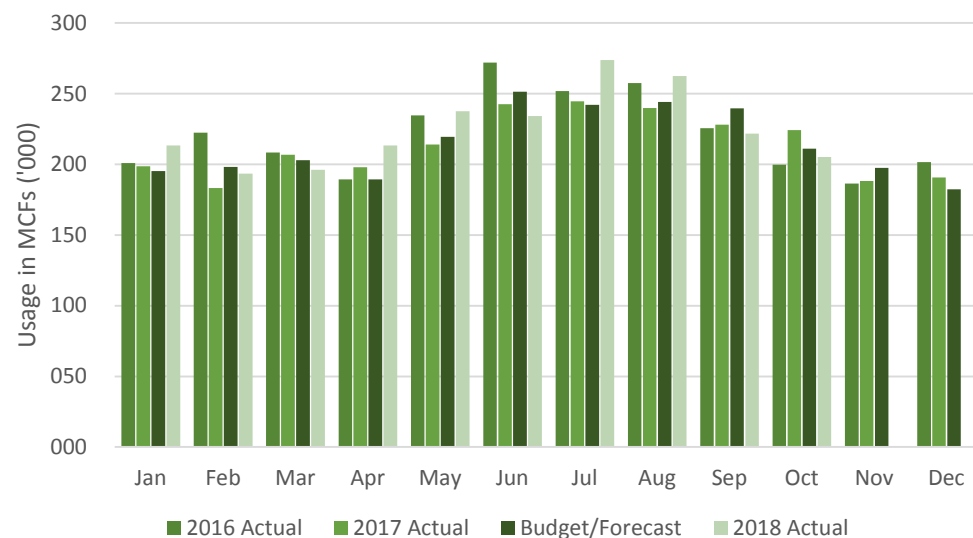
Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	274,267	269,000	300,613	31,613	11.8%
August	269,802	273,100	302,476	29,376	10.8%
September	259,341	270,500	221,531	(48,969)	(18.1%)
October	247,700	233,800	215,105	(18,695)	(8.0%)
November	208,783	224,500			
December	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			
Totals	2,876,255	2,808,000	1,039,725	(6,675)	(0.2%)
Subtotals YTD	1,051,110	1,046,400	1,039,725	(6,675)	(0.6%)





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	205,267	(5,733)	(2.7%)
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			
Totals	2,603,964	2,493,000	963,314	26,414	1.1%
Subtotals YTD	936,704	936,900	963,314	26,414	2.8%





Retail Customers - Revenue

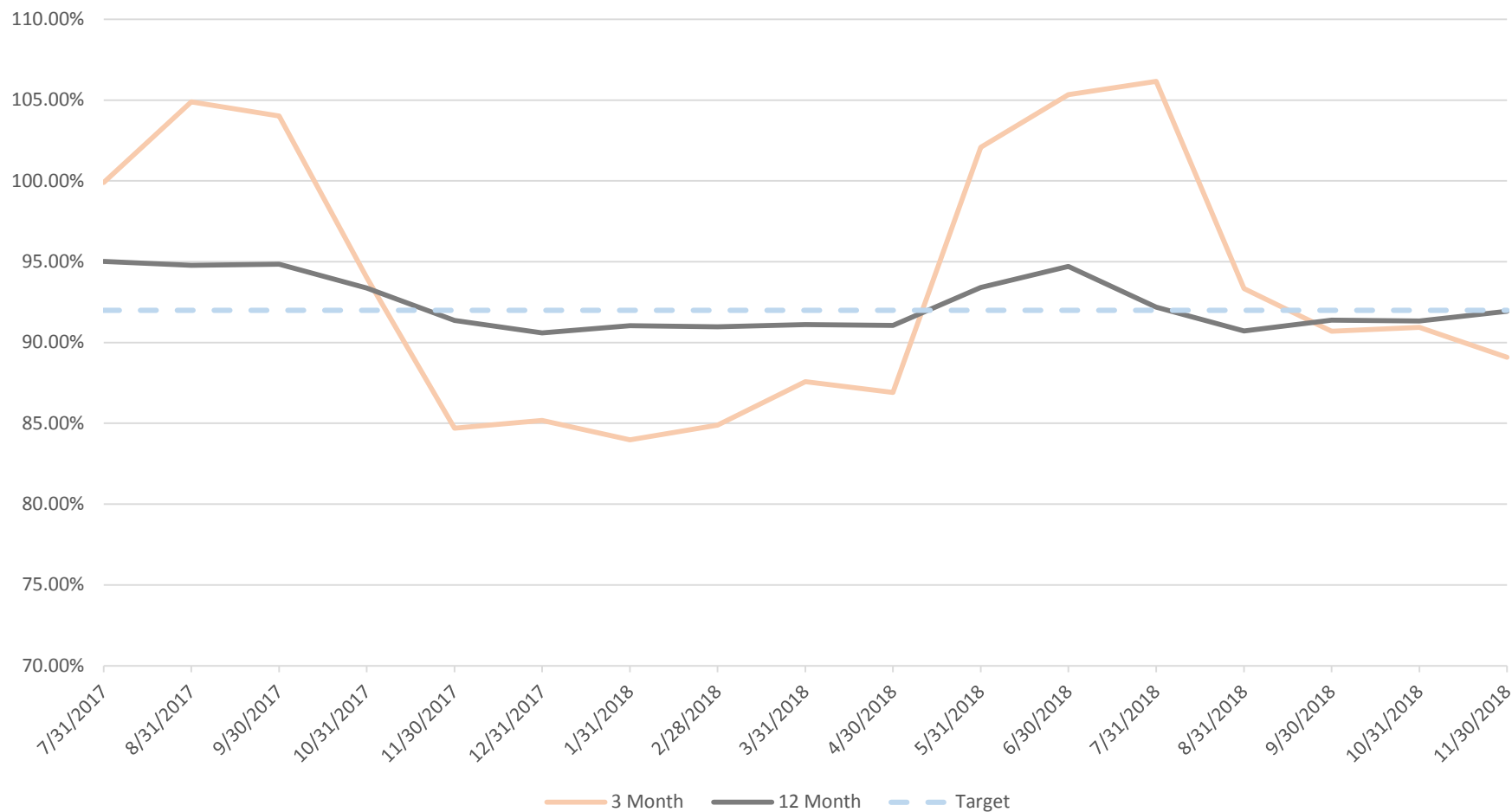
Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 9,060,075	\$ 9,424,500	\$ 10,203,409	\$ 778,909	8.3%
August	8,904,085	9,377,700	9,833,149	455,449	4.9%
September	8,985,289	8,494,300	8,996,692	502,392	5.9%
October	8,137,675	8,165,900	8,010,524	(155,376)	(1.9%)
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			
Totals	\$ 98,724,659	\$ 101,590,000	\$ 37,043,774	\$ 1,581,374	1.6%
<i>Subtotals YTD</i>	<i>\$ 35,087,124</i>	<i>\$ 35,462,400</i>	<i>\$ 37,043,774</i>	<i>\$ 1,581,374</i>	<i>4.5%</i>

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	25,552,254	184,754	0.7%
October	23,936,728	25,177,200	24,230,273	(946,927)	(3.8%)
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			
Totals	\$ 281,828,843	\$ 307,737,100	\$ 105,035,482	\$ (164,818)	(0.1%)
<i>Subtotals YTD</i>	<i>\$ 97,675,240</i>	<i>\$ 105,200,300</i>	<i>\$ 105,035,482</i>	<i>\$ (164,818)</i>	<i>(0.2%)</i>



DETROIT
Water & Sewerage
Department

Collection Rates



Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	11/30/2018	6/30/2018	11/30/2018
Unrestricted				
Operating	\$ 15,266,537	\$ 23,260,334	\$ 44,694,855	\$ 49,050,456
Improvement and Extension	42,994,009	43,759,931	35,059,899	32,585,232
Pension	<u>9,073,472</u>	<u>\$ 1,176,285</u>	<u>181</u>	<u>\$ 1,144,079</u>
	\$ 67,334,019	\$ 68,196,550	\$ 79,754,935	\$ 82,779,767
Restricted				
Bond	36,346,022	26,082,149	-	91,154,555
Affordability	1,184,871	1,249,849	-	-
Retainage	2,699,459	2,863,369	654,839	1,695,318
Construction	<u>3,464,524</u>	<u>3,466,206</u>	<u>519,787</u>	<u>519,976</u>
	43,694,876	33,661,573	1,174,626	93,369,849
Total Cash	<u>\$ 111,028,895</u>	<u>\$ 101,858,123</u>	<u>\$ 80,929,561</u>	<u>\$ 176,149,616</u>

Appendix:

Financial Statements

Five Months Ended November 30, 2018

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2018 (Audited)	November 30, 2018
Assets		
Cash and cash equivalents	\$ 67,327,735	\$ 68,373,549
Restricted - Cash and investments	43,800,588	33,616,487
Accounts receivable - Net of Allowance	18,884,376	20,412,380
Due from other funds	34,674,582	42,840,597
Inventory	3,380,693	3,380,693
Prepaid expenses	452,491	452,491
Receivables from Great Lakes Water Authority	479,230,749	476,523,782
Capital assets - net	525,909,122	529,497,772
Total assets	1,173,660,336	1,175,097,751
Deferred Outflows of Resources - Pensions	14,359,284	14,359,284

City of Detroit Water Fund		
Statement of Net Position (Continued)		
	June 30, 2018 (Audited)	November 30, 2018
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 5,292,076	\$ 4,521,273
Due to other funds	44,768,921	53,900,972
Due to Great Lakes Water Authority	(8,446,945)	(12,581,083)
Accrued interest	1,941,491	1,728,991
Other liabilities	41,099,585	39,162,984
Accrued compensated absences	1,675,525	1,675,525
Current portion debt	-	-
Long-term debt	520,056,143	514,407,018
Net pension liability	46,948,714	46,948,714
Total liabilities	653,335,510	649,764,394
Deferred Inflows of Resources -Pensions	7,119,846	7,119,846
Net Position		
Fund Balance - End of year	527,564,263	532,572,795
Total net position	\$ 527,564,263	\$ 532,572,795

City of Detroit Water Fund

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

	Five Months Ended November 30, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 39,507,189	\$ 39,507,189
Other fees	2,313,011	2,313,011
Other revenue	1,117,536	1,117,536
Total operating revenue	42,937,736	42,937,736
Operating Expenses		
Salaries, wages and benefits	11,247,768	11,247,768
Contractual Services	3,835,935	3,835,935
Other operating expense	4,580,910	4,580,910
Wholesale Charges	8,469,210	8,469,210
Depreciation	7,421,635	-
Total operating expenses	35,555,459	28,133,824
Operating Income	7,382,278	14,803,913
Nonoperating Revenue (Expenses)		
Investment income	144,593	144,593
Capital Lease	6,974,536	9,375,000
Capital Outlay/Acquisitions	(0)	(0)
Debt Service	(9,492,875)	(15,995,131)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	(2,373,746)	(6,475,538)
Change in Net Position	\$ 5,008,532	\$ 8,328,375

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2018 (Audited)	November 30, 2018
Assets		
Cash and cash equivalents	\$ 79,749,584	\$ 82,751,308
Restricted - Cash and investments	1,174,626	93,369,834
Accounts receivable - Net of Allowance	73,437,178	74,442,123
Due from other funds	49,382,322	51,071,236
Inventory	848,085	848,085
Prepaid expenses	433,558	433,558
Receivables from Great Lakes Water Authority	612,049,558	603,398,791
Capital assets - net	491,981,714	491,370,057
Total assets	1,309,056,625	1,397,684,992
Deferred Outflows of Resources - Pensions	10,392,771	10,924,542

City of Detroit Sewage Disposal Fund

Statement of Net Position (Continued)

	June 30, 2018 (Audited)	November 30, 2018
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,853,448	\$ 4,200,076
Due to other funds	57,412,318	53,057,221
Due to Great Lakes Authority	53,639,106	63,059,194
Accrued interest	3,169,374	3,169,374
Other liabilities	52,472,701	48,446,991
Accrued compensated absences	2,513,288	2,513,288
Current portion debt	-	-
Long-term debt	395,922,651	482,715,339
Net pension liability	32,618,179	32,618,179
Total liabilities	605,601,065	689,779,662
Deferred Inflows of Resources -Pensions	6,258,922	6,258,922
Net Position		
Fund Balance - End of year	707,589,412	712,570,951
Total net position	\$ 707,589,412	\$ 712,570,951

City of Detroit Sewage Disposal Fund

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

	Five Months Ended November 30, 2018	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 106,789,456	\$ 106,789,456
Other fees	1,754,870	1,754,870
Other revenue	1,801,036	1,801,036
Total operating revenue	110,345,362	110,345,362
Operating Expenses		
Salaries, wages and benefits	14,346,071	14,346,071
Contractual Services	5,328,829	5,328,829
Other operating expense	5,963,712	5,963,712
Wholesale Charges	76,428,165	76,428,165
Depreciation	5,564,104	-
Total operating expenses	107,630,881	102,066,777
Operating Income	2,714,481	8,278,585
Nonoperating Revenue (Expenses)		
Investment earnings	-	-
Capital Lease	8,524,433	11,458,333
Capital Outlay/Acquisitions	-	-
Debt Service	(6,257,375)	(12,450,847)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	2,267,058	(992,514)
Change in Net Position	\$ 4,981,539	\$ 7,286,071

Thank You



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