



# **MARCH 2019 REVIEW**

## **FINANCE COMMITTEE**

**May 1, 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	232,770	202,686	227,697	232,094				
	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	178,114	178,791	179,249	180,292				
	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	27,688	27,686	27,699	27,702				
	Status												
Days in Accounts Receivable - Residential	Target	140	140	140	140	140	140	140	140	140	140	140	140
	Actual	186	184	183	184	186	188	190	192	194			
	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%	87%	87%	90%	92%			
	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%	92%	92%	93%	93%			
	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	227	223	234	230			
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	113	65	64	75	50	32	80	86	43			
	Status												
Headcount	Target	611	611	611	611	611	611	611	611	611	611	611	611
	Actual	537	526	526	524	545	550	547	547	543			
	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	15,052,971	5,839,015	10,133,568	5,104,907			
	Status												



# Account Receivable Aging - Combined

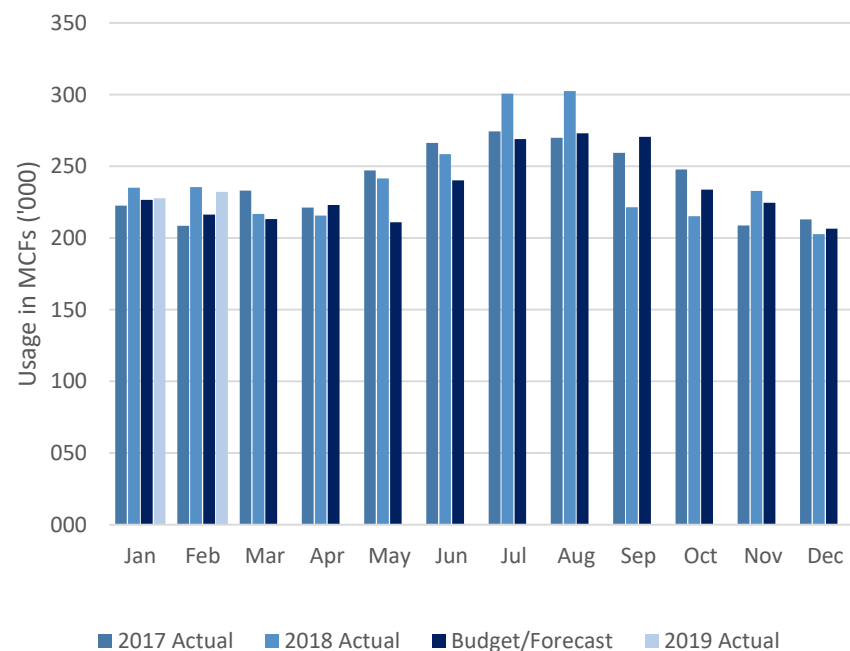
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Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	287,163	\$ 333.95	\$ 13,086,411 13.6%	\$ 6,964,191 7.3%	\$ 18,014,716 18.8%	\$ 57,832,050 60.3%	\$ 95,897,368 100.0%
Commercial	28,170	1,214.26	8,200,196 24.0%	2,645,743 7.7%	6,774,295 19.8%	16,585,500 48.5%	34,205,734 100.0%
Industrial	4,797	3,213.76	5,017,496 32.5%	1,075,617 7.0%	2,635,108 17.1%	6,688,180 43.4%	15,416,401 100.0%
Tax Exempt Entities	8,396	1,535.14	2,289,341 17.8%	1,162,767 9.0%	2,514,012 19.5%	6,922,887 53.7%	12,889,006 100.0%
Government Entities	2,604	2,072.27	720,956 13.4%	511,113 9.5%	1,043,297 19.3%	3,120,816 57.8%	5,396,181 100.0%
Subtotal - Active Accounts	<b>331,130</b>	<b>\$ 494.68</b>	<b>\$ 29,314,400</b> 17.9%	<b>\$ 12,359,431</b> 7.5%	<b>\$ 30,981,428</b> 18.9%	<b>\$ 91,149,432</b> 55.6%	<b>\$ 163,804,691</b> 100.0%
Inactive Accounts	259,464	75.56	326,341 1.7%	160,039 0.8%	981,602 5.0%	18,137,657 92.5%	19,605,640 100.0%
<b>Total</b>	<b>590,594</b>	<b>\$ 310.55</b>	<b>\$ 29,640,741</b> 16.2%	<b>\$ 12,519,470</b> 6.8%	<b>\$ 31,963,031</b> 17.4%	<b>\$ 109,287,089</b> 59.6%	<b>\$ 183,410,331</b> 100.0%
% of Total A/R							
Water Fund	211,500	188.63	\$ 7,040,579	\$ 2,461,937	\$ 5,717,160	\$ 24,675,493	\$ 39,895,169
Sewer Fund	268,019	535.47	\$ 22,600,163	\$ 10,057,533	\$ 26,245,871	\$ 84,611,596	\$ 143,515,162
Total	590,594	310.55	\$ 29,640,741	\$ 12,519,470	\$ 31,963,031	\$ 109,287,089	\$ 183,410,331



# Retail Water Customers – Volumes

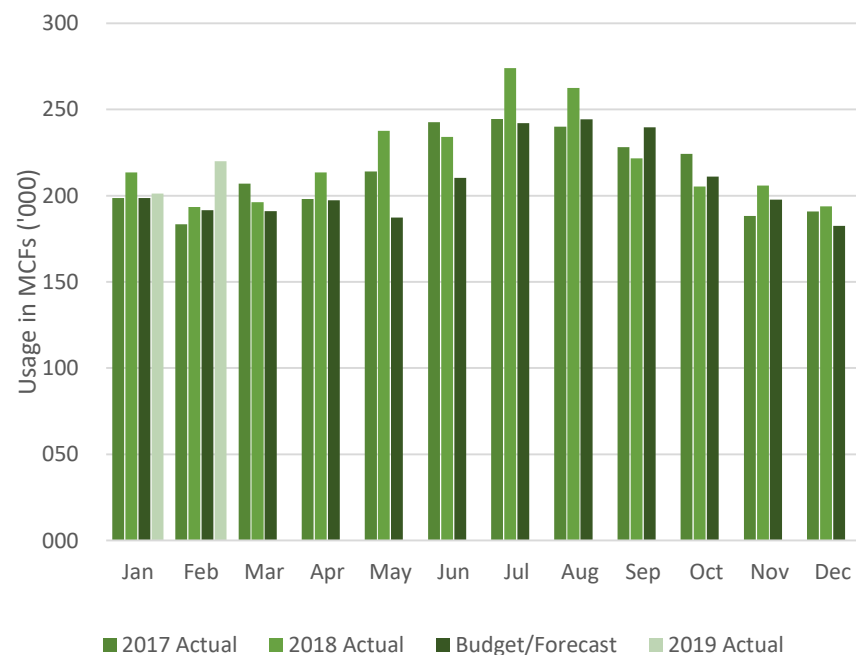
Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	274,267	269,000	300,613	31,613	11.8%
August	269,802	273,100	302,476	29,376	10.8%
September	259,341	270,500	221,531	(48,969)	(18.1%)
October	247,700	233,800	215,105	(18,695)	(8.0%)
November	208,783	224,500	232,770	8,270	3.7%
December	213,026	206,500	202,686	(3,814)	(1.8%)
January	235,142	226,600	227,697	1,097	0.5%
February	235,436	216,400	232,094	15,694	7.3%
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>1,934,971</b>	<b>14,571</b>	<b>0.5%</b>
<i>Subtotals YTD</i>	<i>1,943,498</i>	<i>1,920,400</i>	<i>1,934,971</i>	<i>14,571</i>	<i>0.8%</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	205,267	(5,733)	(2.7%)
November	188,312	197,600	205,806	8,206	4.2%
December	190,811	182,400	193,791	11,391	6.2%
January	213,373	198,600	201,171	2,571	1.3%
February	193,452	191,600	220,021	28,421	14.8%
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>1,784,104</b>	<b>77,004</b>	<b>3.1%</b>
<i>Subtotals YTD</i>	<i>1,722,652</i>	<i>1,707,100</i>	<i>1,784,104</i>	<i>77,004</i>	<i>4.5%</i>



# Retail Customers - Revenue

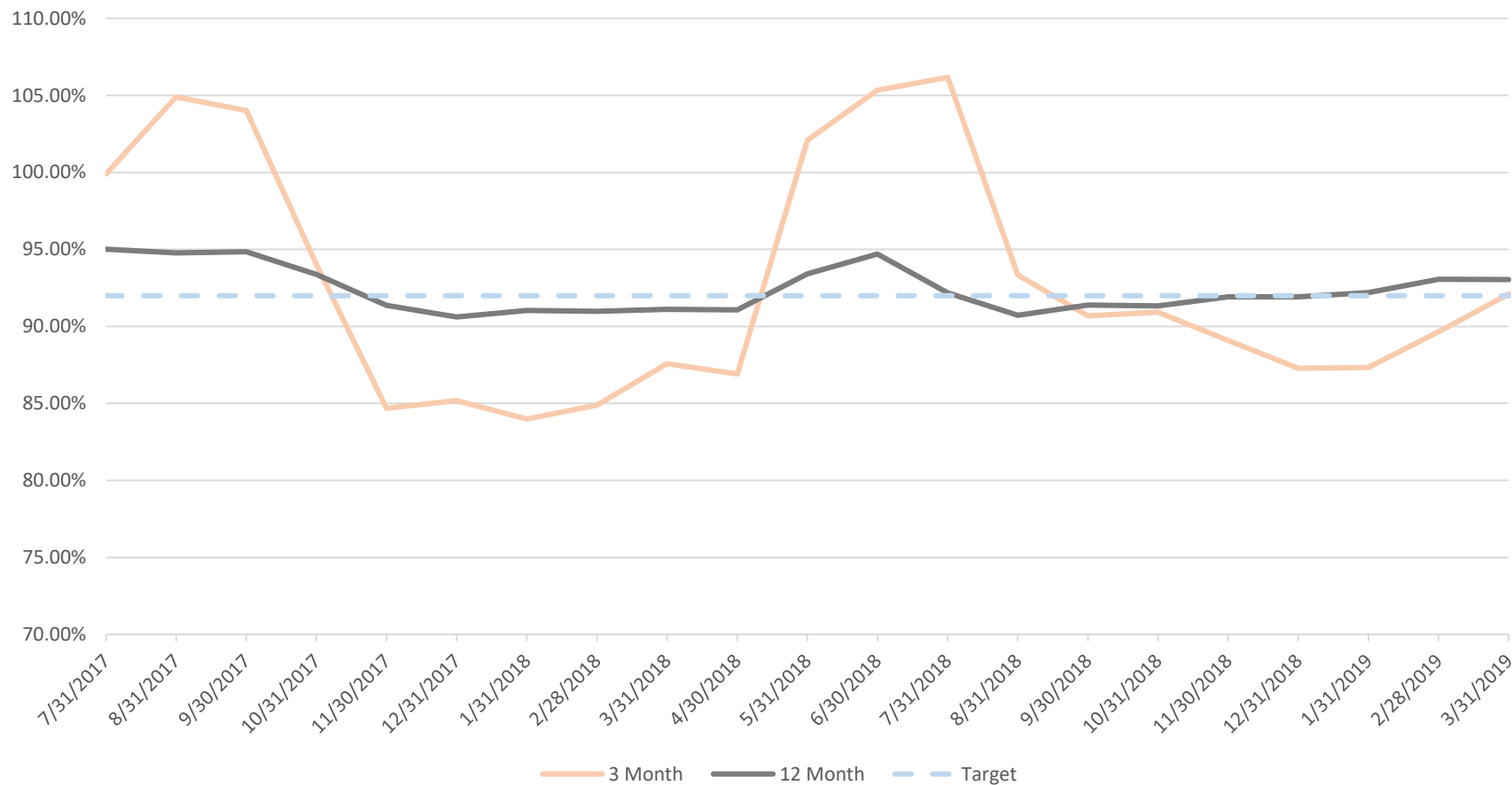
Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 9,060,075	\$ 9,424,500	\$ 10,203,409	\$ 778,909	8.3%
August	8,904,085	9,377,700	9,833,149	455,449	4.9%
September	8,985,289	8,494,300	8,996,692	502,392	5.9%
October	8,137,675	8,165,900	8,010,524	(155,376)	(1.9%)
November	7,473,555	7,750,100	8,325,013	574,913	7.4%
December	7,523,827	8,224,900	7,659,930	(564,970)	(6.9%)
January	8,067,860	7,978,800	8,250,078	271,278	3.4%
February	8,054,769	7,980,200	8,649,072	668,872	8.4%
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>\$ 69,927,867</b>	<b>\$ 2,531,467</b>	<b>2.5%</b>
<i>Subtotals YTD</i>	<i>\$ 66,207,136</i>	<i>\$ 67,396,400</i>	<i>\$ 69,927,867</i>	<i>\$ 2,531,467</i>	<i>3.8%</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	24,314,979	453,979	1.9%
December	22,405,515	25,293,500	23,925,500	(1,368,000)	(5.4%)
January	23,250,935	24,852,800	24,407,247	(445,553)	(1.8%)
February	22,291,876	25,329,400	25,593,281	263,881	1.0%
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>\$ 203,276,489</b>	<b>\$ (1,260,511)</b>	<b>(0.4%)</b>
<i>Subtotals YTD</i>	<i>\$ 188,251,249</i>	<i>\$ 204,537,000</i>	<i>\$ 203,276,489</i>	<i>\$ (1,260,511)</i>	<i>(0.6%)</i>



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# Collection Rates



# Appendix:

## Financial Statements

Nine Months Ended March 31, 2019



City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2018 (Audited)	March 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 67,327,735	\$ 68,279,357
Restricted - Cash and investments	45,800,588	29,604,968
Accounts receivable - Net of Allowance	18,884,376	24,383,568
Due from other funds	34,674,582	48,637,983
Inventory	3,380,693	3,380,693
Prepaid expenses	452,491	452,491
Receivables from Great Lakes Water Authority	477,230,749	473,309,275
Capital assets - net	525,909,122	539,388,176
Total assets	1,173,660,336	1,187,436,511
<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 (Audited)	March 31, 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 5,887,060	\$ 7,983,736
Due to other funds	44,482,592	55,465,402
Due to Great Lakes Water Authority	(8,446,945)	(6,889,944)
Accrued interest	1,941,491	1,941,491
Other liabilities	40,790,929	39,909,979
Accrued compensated absences	1,675,525	1,675,525
Current portion debt	-	-
Long-term debt	520,056,143	511,671,286
Net pension liability	46,948,714	46,948,714
Total liabilities	653,335,509	658,706,189
<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	535,969,760
<b>Total net position</b>	<b>\$ 527,564,263</b>	<b>\$ 535,969,760</b>

# City of Detroit Water Fund

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

	Nine Months Ended March 31, 2019	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 73,092,886	\$ 73,092,886
Other fees	4,352,708	4,352,708
Other revenue	2,576,570	2,576,570
Total operating revenue	80,022,164	80,022,164
<b>Operating Expenses</b>		
Salaries, wages and benefits	21,088,208	21,088,208
Contractual Services	10,686,255	10,686,255
Other operating expense	7,277,963	7,277,963
Wholesale Charges	15,244,578	15,244,578
Depreciation	12,699,687	-
Total operating expenses	66,996,691	54,297,004
<b>Operating Income</b>	13,025,473	25,725,160
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	322,435	322,435
Capital Lease	12,527,350	16,875,000
Capital Outlay/Acquisitions	(85)	(85)
Debt Service	(17,469,675)	(28,791,236)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	(4,619,976)	(11,593,887)
<b>Change in Net Position</b>	<b>\$ 8,405,497</b>	<b>\$ 14,131,273</b>

## City of Detroit Sewage Disposal Fund

### Statement of Net Position

	June 30, 2018 (Audited)	March 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 79,749,584	\$ 67,981,836
Restricted - Cash and investments	6,674,626	100,049,342
Accounts receivable - Net of Allowance	73,437,178	89,238,625
Due from other funds	49,382,322	86,086,039
Inventory	848,085	848,085
Prepaid expenses	433,558	433,558
Receivables from Great Lakes Water Authority	606,549,558	601,372,835
Capital assets - net	491,981,714	503,771,745
Total assets	1,309,056,625	1,449,782,065
<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 (Audited)	March 31, 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 8,871,455	\$ 6,665,668
Due to other funds	53,931,165	87,219,080
Due to Great Lakes Authority	53,639,106	52,081,064
Accrued interest	3,169,374	3,169,374
Other liabilities	54,935,846	53,628,808
Accrued compensated absences	2,513,288	2,513,288
Current portion debt	-	-
Long-term debt	395,922,651	478,924,072
Net pension liability	32,618,179	32,618,179
Total liabilities	605,601,064	716,819,533
<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	737,628,152
<b>Total net position</b>	<b>\$ 707,589,412</b>	<b>\$ 737,628,152</b>

# City of Detroit Sewage Disposal Fund

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

	Nine Months Ended March 31, 2019	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 206,626,937	\$ 206,626,937
Other fees	2,895,099	2,895,099
Other revenue	11,102,282	11,102,282
Total operating revenue	220,624,318	220,624,318
<b>Operating Expenses</b>		
Salaries, wages and benefits	26,650,743	26,650,743
Contractual Services	8,925,117	8,925,117
Other operating expense	10,175,058	10,175,058
Wholesale Charges	137,255,697	137,255,697
Depreciation	8,951,346	-
Total operating expenses	191,957,959	183,006,614
<b>Operating Income</b>	28,666,359	37,617,705
<b>Nonoperating Revenue (Expenses)</b>		
Investment earnings	-	-
Capital Lease	15,311,202	20,625,000
Capital Outlay/Acquisitions	(6,756)	(6,756)
Debt Service	(13,932,064)	(22,411,525)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	1,372,381	(1,793,281)
<b>Change in Net Position</b>	<b>\$ 30,038,740</b>	<b>\$ 35,824,424</b>

# Treasury Update

March 31, 2019

NiKole Howard-Whitsett

# Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	3/31/2019	6/30/2018	3/31/2019
<b>Unrestricted</b>				
Operating	\$ 15,266,537	\$ 21,446,914	\$ 44,694,855	\$ 51,183,374
Improvement and Extension	42,994,009	44,527,028	35,059,899	14,722,301
Pension	<u>9,073,472</u>	<u>\$ 2,308,015</u>	<u>181</u>	<u>\$ 2,076,165</u>
	\$ 67,334,019	\$ 68,281,956	\$ 79,754,935	\$ 67,981,840
<b>Restricted</b>				
Bond	36,346,022	19,389,092	-	91,760,425
Affordability	1,184,871	1,297,321	-	-
Retainage	2,699,459	3,923,627	654,839	2,736,015
Construction	<u>3,464,524</u>	<u>2,994,923</u>	<u>519,787</u>	<u>52,914</u>
	43,694,876	27,604,962	1,174,626	94,549,355
<b>Total Cash</b>	<u><b>\$ 111,028,895</b></u>	<u><b>\$ 95,886,919</b></u>	<u><b>\$ 80,929,561</b></u>	<u><b>\$ 162,531,194</b></u>



# Insured Balance Summary

Banking Institution	Insured	Uninsured	Total
Comerica	\$ 93,954,360	\$91,760,425	\$ 185,714,785
First Independence	67,242,932	1,575,867	68,818,800
JP Morgan Chase	297,048	1,047,321	1,344,368
US Bank	500,000	2,040,123	2,540,123
<b>Total Cash</b>	<b>\$ 161,994,340</b>	<b>\$96,423,736</b>	<b>\$ 258,418,076</b>

# Thank You



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