



# **MAY 2019 REVIEW**

## **FINANCE COMMITTEE**

**July 9, 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	218,435	208,812		
	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	177,027	176,729	176,573	176,594	176,538	176,379	177,094	177,495	178,805	179,400	178,905	
	Status												
Billable Impervious Acreage	Target	28,475	28,475	28,475	28,475	28,475	28,475	28,475	28,475	28,475	28,475	28,475	28,475
	Actual	27,842	27,796	27,802	27,722	27,688	27,686	27,699	27,702	27,512	27,495		
	Status												
Days in Accounts Receivable - Residential	Target	190	190	190	190	190	190	190	190	190	190	190	190
	Actual	186	184	183	184	186	188	190	192	194	196	199	
	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%	90%	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%	92%	92%	92%	93%	93%	93%	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	229	227	223	234	230	237	151	
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	50	31	61	30	42	29	58	66	38	58	45	31
	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	543	541	541
	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	9,024,517	6,841,727	
	Status												



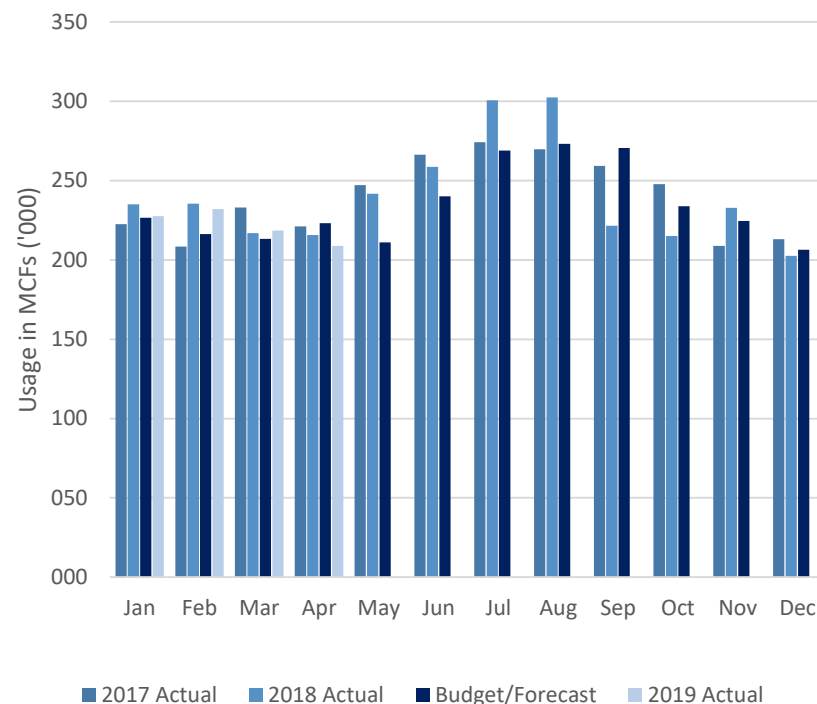
# Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	287,131	\$ 348.12	\$ 13,421,822 13.4%	\$ 7,293,580 7.3%	\$ 19,483,008 19.5%	\$ 59,758,480 59.8%	\$ 99,956,890 100.0%
Commercial	28,189	1,254.98	8,191,882 23.2%	2,596,370 7.3%	6,775,449 19.2%	17,812,997 50.4%	35,376,698 100.0%
Industrial	4,804	3,332.65	4,095,039 25.6%	1,438,226 9.0%	2,713,151 16.9%	7,763,646 48.5%	16,010,061 100.0%
Tax Exempt Entities	8,147	1,852.66	1,989,066 13.2%	1,475,626 9.8%	3,109,733 20.6%	8,519,213 56.4%	15,093,639 100.0%
Government Entities	2,797	1,381.36	975,803 25.3%	207,475 5.4%	846,990 21.9%	1,833,396 47.5%	3,863,664 100.0%
Subtotal - Active Accounts	<b>331,068</b>	<b>\$ 514.40</b>	<b>\$ 28,673,612</b> 16.8%	<b>\$ 13,011,276</b> 7.6%	<b>\$ 32,928,330</b> 19.3%	<b>\$ 95,687,732</b> 56.2%	<b>\$ 170,300,951</b> 100.0%
Inactive Accounts	262,013	82.64	180,654 0.8%	194,870 0.9%	1,193,659 5.5%	20,082,923 92.8%	21,652,106 100.0%
<b>Total</b>	<b>593,081</b>	<b>\$ 323.65</b>	<b>\$ 28,854,267</b> 15.0%	<b>\$ 13,206,146</b> 6.9%	<b>\$ 34,121,990</b> 17.8%	<b>\$ 115,770,655</b> 60.3%	<b>\$ 191,953,058</b> 100.0%
% of Total A/R							
Water Fund	224,090	183.56	\$ 6,806,902	\$ 2,562,253	\$ 5,962,517	\$ 25,801,842	\$ 41,133,513
Sewer Fund	284,106	530.86	\$ 22,047,365	\$ 10,643,893	\$ 28,159,473	\$ 89,968,813	\$ 150,819,545
Total	593,081	323.65	\$ 28,854,267	\$ 13,206,146	\$ 34,121,990	\$ 115,770,655	\$ 191,953,058



# Retail Water Customers – Volumes

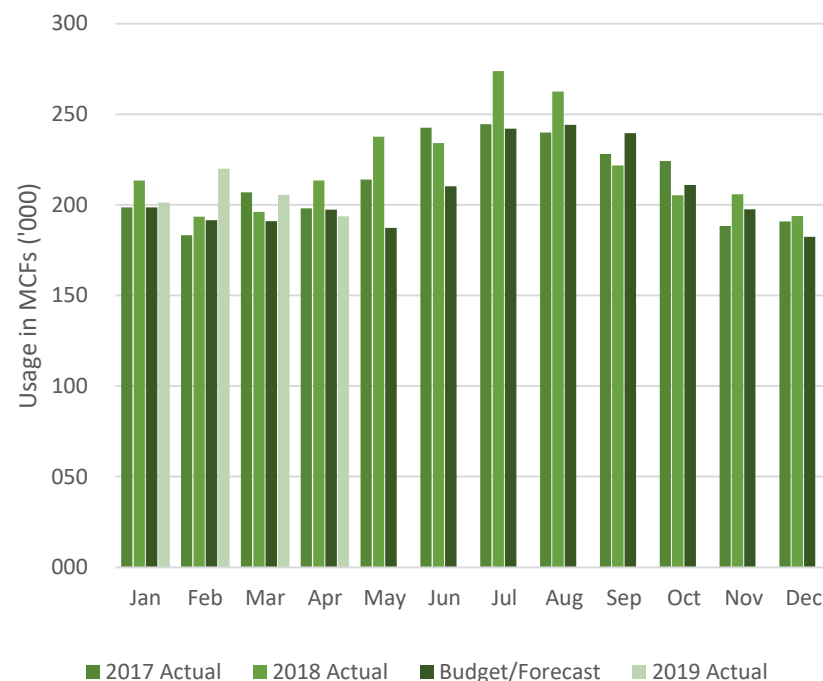
Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	274,267	269,000	300,613	31,613	11.8%
August	269,802	273,100	302,476	29,376	10.8%
September	259,341	270,500	221,531	(48,969)	(18.1%)
October	247,700	233,800	215,105	(18,695)	(8.0%)
November	208,783	224,500	232,770	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	218,435	5,135	2.4%
April	215,643	223,100	208,812	(14,288)	(6.4%)
May	241,641	211,000			
June	258,608	240,200			
<b>Totals</b>	<b>2,876,255</b>	<b>2,808,000</b>	<b>2,362,218</b>	<b>5,418</b>	<b>0.2%</b>
<i>Subtotals YTD</i>	<i>2,376,006</i>	<i>2,356,800</i>	<i>2,362,218</i>	<i>5,418</i>	<i>0.2%</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	205,424	14,424	7.6%
April	213,393	197,300	193,725	(3,575)	(1.8%)
May	237,626	187,300			
June	234,144	210,300			
<b>Totals</b>	<b>2,603,964</b>	<b>2,493,000</b>	<b>2,183,253</b>	<b>87,853</b>	<b>3.5%</b>
<i>Subtotals YTD</i>	<i>2,132,194</i>	<i>2,095,400</i>	<i>2,183,253</i>	<i>87,853</i>	<i>4.2%</i>





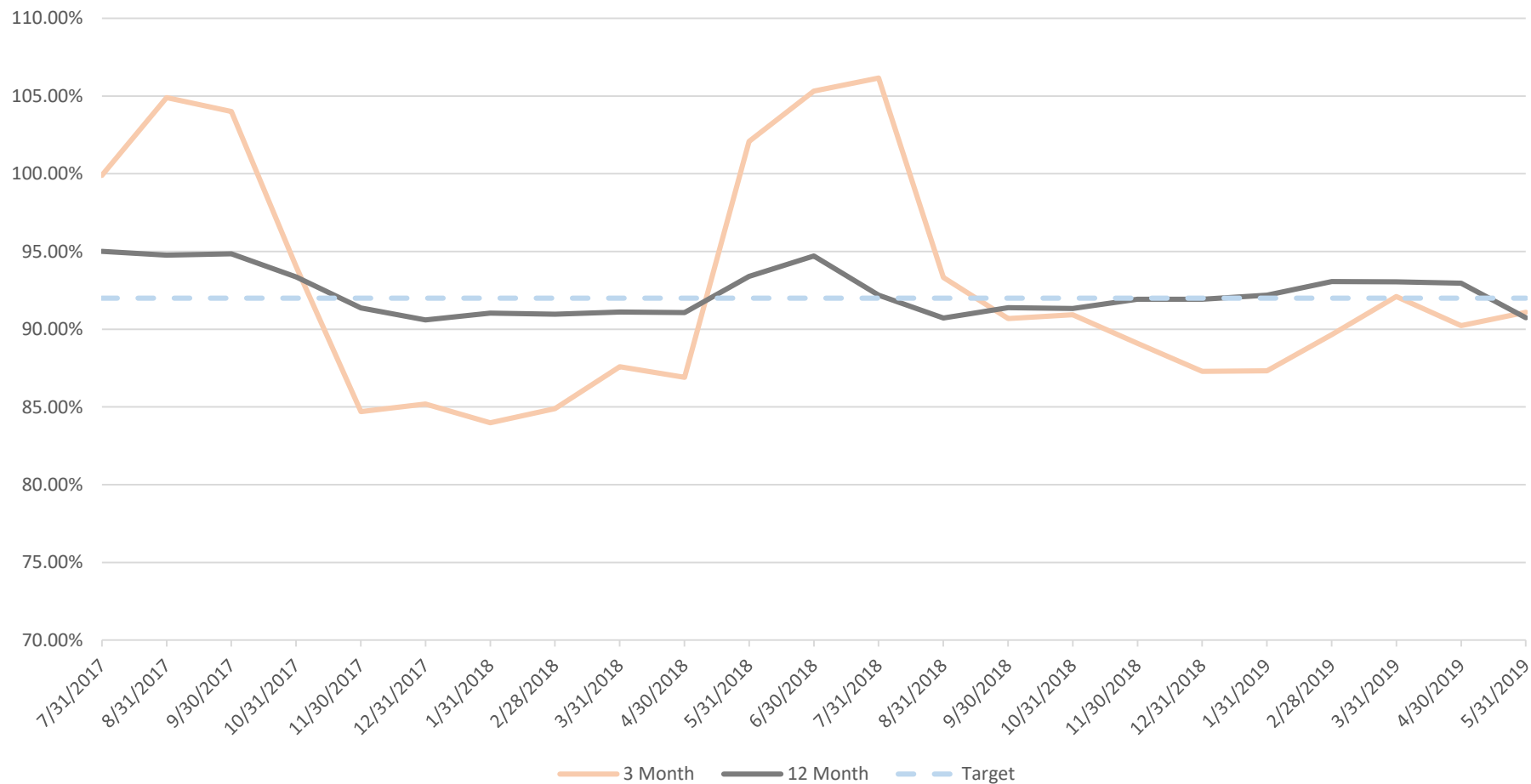
# Retail Customers - Revenue

Revenue (\$)							Revenue (\$)						
Month	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)		Month	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)	
July	\$ 9,060,075	\$ 9,424,500	\$ 10,203,409	\$ 778,909	8.3%		July	\$ 24,994,676	\$ 27,423,400	\$ 27,851,140	\$ 427,740	1.6%	
August	8,904,085	9,377,700	9,833,149	455,449	4.9%		August	24,760,250	27,232,200	27,401,816	169,616	0.6%	
September	8,985,289	8,494,300	8,996,692	502,392	5.9%		September	23,983,587	25,367,500	25,552,254	184,754	0.7%	
October	8,137,675	8,165,900	8,010,524	(155,376)	(1.9%)		October	23,936,728	25,177,200	24,230,273	(946,927)	(3.8%)	
November	7,473,555	7,750,100	8,325,013	574,913	7.4%		November	22,627,682	23,861,000	24,314,979	453,979	1.9%	
December	7,523,827	8,224,900	7,659,930	(564,970)	(6.9%)		December	22,405,515	25,293,500	23,925,500	(1,368,000)	(5.4%)	
January	8,067,860	7,978,800	8,250,078	271,278	3.4%		January	23,250,935	24,852,800	24,407,247	(445,553)	(1.8%)	
February	8,054,769	7,980,200	8,649,072	668,872	8.4%		February	22,291,876	25,329,400	25,593,281	263,881	1.0%	
March	7,527,076	8,163,900	8,165,904	2,004	0.0%		March	22,184,361	25,474,500	24,648,366	(826,134)	(3.2%)	
April	7,744,106	7,856,900	8,014,291	157,391	2.0%		April	22,288,132	24,789,700	23,882,510	(907,190)	(3.7%)	
May	8,380,467	9,109,200					May	24,665,214	26,205,200				
June	8,865,874	9,063,600					June	24,439,888	26,730,700				
<b>Totals</b>	<b>\$ 98,724,659</b>	<b>\$ 101,590,000</b>	<b>\$ 86,108,061</b>	<b>\$ 2,690,861</b>	<b>2.6%</b>		<b>Totals</b>	<b>\$ 281,828,843</b>	<b>\$ 307,737,100</b>	<b>\$ 251,807,365</b>	<b>\$ (2,993,835)</b>	<b>(1.0%)</b>	
<i>Subtotals YTD</i>	<i>\$ 81,478,318</i>	<i>\$ 83,417,200</i>	<i>\$ 86,108,061</i>	<i>\$ 2,690,861</i>	<i>3.2%</i>		<i>Subtotals YTD</i>	<i>\$ 232,723,742</i>	<i>\$ 254,801,200</i>	<i>\$ 251,807,365</i>	<i>\$ (2,993,835)</i>	<i>(1.2%)</i>	



DETROIT  
Water & Sewerage  
Department

# Collection Rates



# Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2018	5/31/2019	6/30/2018	5/31/2019
<b>Unrestricted</b>				
Operating	15,266,537	15,535,869	44,694,855	31,989,187
Improvement and Extension	42,994,009	46,989,022	35,059,899	34,161,171
Pension	<u>9,073,472</u>	<u>3,021,285</u>	<u>181</u>	<u>2,553,285</u>
	67,334,019	65,546,176	79,754,935	68,703,642
<b>Restricted</b>				
Bond	36,346,022	12,425,536	-	92,063,610
Affordability	1,184,871	1,320,935	-	-
Retainage	2,699,459	4,263,523	654,839	3,200,190
Construction	<u>3,464,524</u>	<u>953,035</u>	<u>519,787</u>	<u>500,711</u>
	43,694,876	18,963,029	1,174,626	95,764,511
<b>Total Cash</b>	<b><u>111,028,895</u></b>	<b><u>84,509,205</u></b>	<b><u>80,929,561</u></b>	<b><u>164,468,153</u></b>

# Appendix:

## Financial Statements

Eleven Months Ended May 31, 2019

City of Detroit Water Fund			
Statement of Net Position			
	June 30, 2018 (Audited)		May 31, 2019
<b>Assets</b>			
Cash and cash equivalents	\$ 67,327,735	\$	65,546,176
Restricted - Cash and investments	45,800,588		20,963,029
Accounts receivable - Net of Allowance	18,884,376		23,787,041
Due from other funds	34,674,582		28,572,977
Inventory	3,380,693		3,380,693
Prepaid expenses	452,491		275,381
Receivables from Great Lakes Water Authority	477,230,749		473,039,574
Capital assets - net	525,909,122		540,838,862
Total assets	1,173,660,336		1,156,403,733
<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)	May 31, 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 5,887,060	\$ 8,141,907
Due to other funds	44,482,592	35,265,461
Due to Great Lakes Water Authority	(8,446,945)	(2,545,393)
Accrued interest	1,941,491	1,941,491
Other liabilities	40,790,929	36,658,752
Accrued compensated absences	1,675,525	1,675,525
Current portion debt	-	-
Long-term debt	520,056,143	501,341,546
Net pension liability	46,948,714	46,948,714
Total liabilities	653,335,509	629,428,003
<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	534,215,169
<b>Total net position</b>	<b>\$ 527,564,263</b>	<b>\$ 534,215,169</b>

# City of Detroit Water Fund

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

	Eleven Months Ended May 31, 2019	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 87,906,720	\$ 87,906,720
Other fees	5,056,127	5,056,127
Other revenue	2,460,757	2,460,757
Total operating revenue	95,423,604	95,423,604
<b>Operating Expenses</b>		
Salaries, wages and benefits	25,460,530	25,460,530
Contractual Services	12,866,443	12,866,443
Other operating expense	9,230,006	9,230,006
Wholesale Charges	18,535,792	18,535,792
Depreciation	15,547,691	-
Total operating expenses	81,640,462	66,092,771
<b>Operating Income</b>	13,783,143	29,330,833
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	995,929	995,929
Capital Lease	15,294,717	20,625,000
Capital Outlay/Acquisitions	(19,094)	(19,094)
Debt Service	(21,743,196)	(35,189,289)
Gain (loss) on sale of assets	(1,660,593)	-
Total nonoperating expenses - Net	(7,132,237)	(13,587,454)
<b>Change in Net Position</b>	<b>\$ 6,650,906</b>	<b>\$ 15,743,380</b>

# City of Detroit Sewage Disposal Fund

## Statement of Net Position

	June 30, 2018 (Audited)	May 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 79,749,584	\$ 68,703,642
Restricted - Cash and investments	6,674,626	101,264,511
Accounts receivable - Net of Allowance	73,437,178	87,865,365
Due from other funds	49,382,322	46,189,487
Inventory	848,085	848,085
Prepaid expenses	433,558	433,558
Receivables from Great Lakes Water Authority	606,549,558	602,883,167
Capital assets - net	491,981,714	509,039,641
Total assets	1,309,056,625	1,417,227,456
<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)	May 31, 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts and contracts payable	\$ 8,871,455	\$ 7,829,736
Due to other funds	53,931,165	69,576,593
Due to Great Lakes Authority	53,639,106	57,489,008
Accrued interest	3,169,374	3,169,374
Other liabilities	54,935,846	47,979,825
Accrued compensated absences	2,513,288	2,513,288
Current portion debt	-	-
Long-term debt	395,922,651	463,203,992
Net pension liability	32,618,179	32,618,179
Total liabilities	605,601,064	684,379,995
<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	737,513,082
<b>Total net position</b>	<b>\$ 707,589,412</b>	<b>\$ 737,513,082</b>

# City of Detroit Sewage Disposal Fund

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

	Eleven Months Ended May 31, 2019	
	Accrual Basis	Contract Basis
<b>Operating Revenue</b>		
Retail sales - Detroit	\$ 249,236,675	\$ 249,236,675
Other fees	3,827,161	3,827,161
Other revenue	9,694,948	9,694,948
Total operating revenue	262,758,785	262,758,785
<b>Operating Expenses</b>		
Salaries, wages and benefits	32,531,352	32,531,352
Contractual Services	11,616,898	11,616,898
Other operating expense	13,386,747	13,386,747
Wholesale Charges	166,524,765	166,524,765
Depreciation	10,960,174	-
Total operating expenses	235,019,935	224,059,762
<b>Operating Income</b>	27,738,849	38,699,023
<b>Nonoperating Revenue (Expenses)</b>		
Investment earnings	1,857,833	1,857,833
Capital Lease	18,693,539	25,208,333
Capital Outlay/Acquisitions	6,105	6,105
Debt Service	(17,619,085)	(27,391,864)
Gain (loss) on sale of assets	(753,571)	-
Total nonoperating expenses - Net	2,184,821	(319,592)
<b>Change in Net Position</b>	<b>\$ 29,923,670</b>	<b>\$ 38,379,431</b>

# Thank You



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