



SEPTEMBER 2019 REVIEW

FINANCE COMMITTEE

November 6, 2019



Summary Financial Metrics

Month Ended Fiscal Quarter		Jul-19 2020.Q1	Aug-19 2020.Q1	Sep-19 2020.Q1	Oct-19 2020.Q2	Nov-19 2020.Q2	Dec-19 2020.Q2	Jan-20 2020.Q3	Feb-20 2020.Q3	Mar-20 2020.Q3	Apr-20 2020.Q4	May-20 2020.Q4	Jun-20 2020.Q4
Water Volumes	Target	286,871	288,810	246,846	228,814	218,154	216,372	228,259	225,150	222,601	215,049	230,957	254,554
	Actual	267,054	259,489										
	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	179,390	179,392	179,276									
	Status												
Billable Impervious Acreage	Target	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
	Actual	27,428	27,435	27,438									
	Status												
Days in Accounts Receivable - Residential	Target	200	200	200	200	200	200	200	200	200	200	200	200
	Actual	202	205	206									
	Status												
3-Month Rolling Average Collection Rate All Accounts	Target	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%
	Actual	92%	92%	89%									
	Status												
3-Month Rolling Average Collection Rate Residential	Target	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
	Actual	90%	91%	88%									
	Status												
Operating Cash Days on Hand	Target	120	120	120	120	120	120	120	120	120	120	120	120
	Actual	158	140	151									
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	45	47	42									
	Status												
Headcount	Target	650	650	650	650	650	650	650	650	650	650	650	650
	Actual	545	549	560									
	Status												
O&M Spending	Target	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992	9,087,992
	Actual	5,594,628	4,772,076	4,634,899									
	Status												



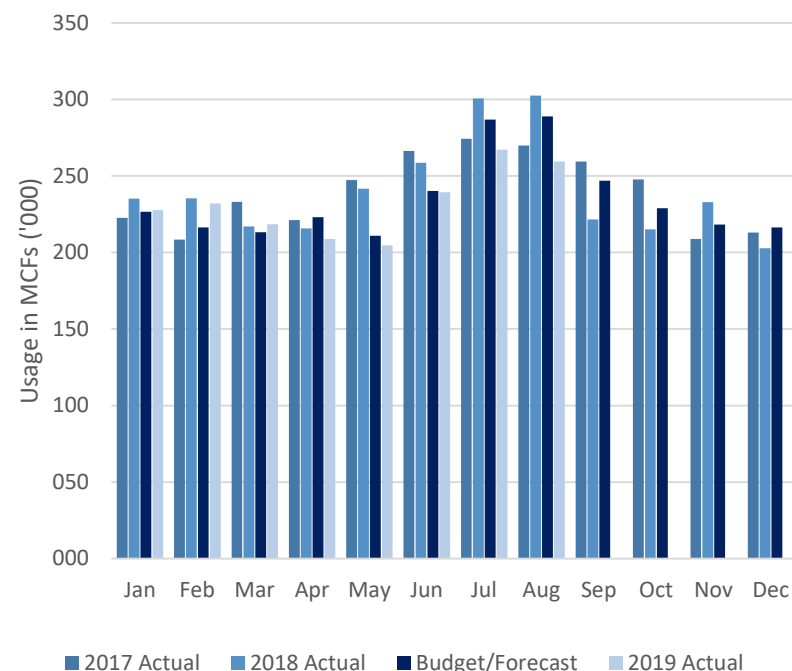
Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	287,179	\$ 329.10	\$ 15,190,821 16.1%	\$ 7,838,715 8.3%	\$ 17,430,226 18.4%	\$ 54,050,579 57.2%	\$ 94,510,341 100.0%
Commercial	28,107	1,445.46	10,130,579 24.9%	3,081,070 7.6%	7,061,298 17.4%	20,354,488 50.1%	40,627,434 100.0%
Industrial	4,810	3,874.72	4,979,681 26.7%	1,780,626 9.6%	2,583,044 13.9%	9,294,068 49.9%	18,637,419 100.0%
Tax Exempt Entities	8,103	1,908.40	2,571,428 16.6%	1,292,344 8.4%	2,254,795 14.6%	9,345,178 60.4%	15,463,745 100.0%
Government Entities	2,860	1,473.70	886,999 21.0%	217,118 5.2%	805,523 19.1%	2,305,153 54.7%	4,214,794 100.0%
Subtotal - Active Accounts	331,059	\$ 523.94	\$ 33,759,509 19.5%	\$ 14,209,872 8.2%	\$ 30,134,886 17.4%	\$ 95,349,467 55.0%	\$ 173,453,734 100.0%
Inactive Accounts	268,650	87.08	206,937 0.9%	229,321 1.0%	1,289,579 5.5%	21,669,131 92.6%	23,394,967 100.0%
Total	599,709	\$ 328.24	\$ 33,966,445 17.3%	\$ 14,439,194 7.3%	\$ 31,424,465 16.0%	\$ 117,018,597 59.4%	\$ 196,848,701 100.0%
% of Total A/R							
Water Fund	223,231	182.47	\$ 8,274,336	\$ 3,023,967	\$ 5,685,640	\$ 23,748,552	\$ 40,732,494
Sewer Fund	280,868	555.83	\$ 25,692,109	\$ 11,415,227	\$ 25,738,825	\$ 93,270,045	\$ 156,116,206
Total	599,709	328.24	\$ 33,966,445	\$ 14,439,194	\$ 31,424,465	\$ 117,018,597	\$ 196,848,701



Retail Water Customers – Volumes

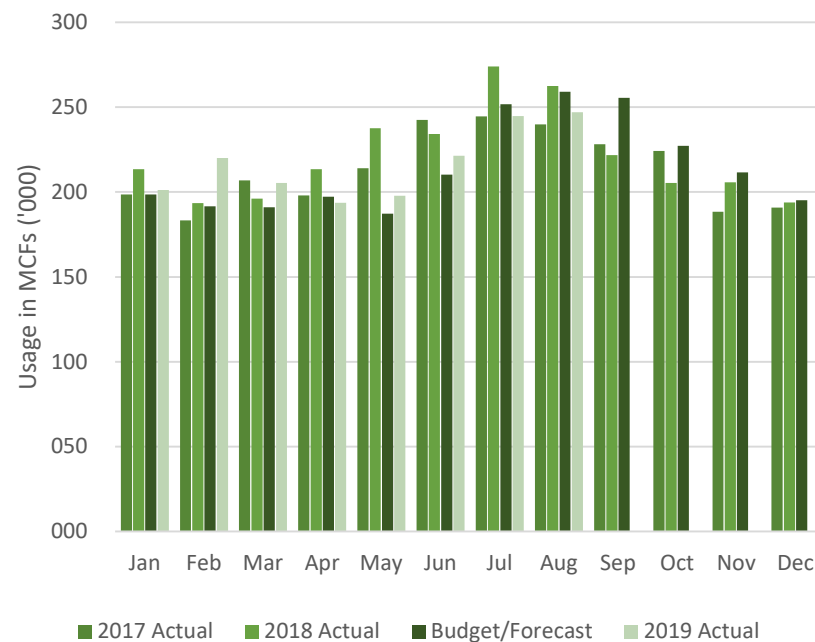
Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	300,613	286,871	267,054	(19,817)	(6.9%)
August	302,476	288,810	259,489	(29,322)	(10.2%)
September	221,531	246,846			
October	215,105	228,814			
November	232,770	218,154			
December	202,686	216,372			
January	227,697	228,259			
February	232,094	225,150			
March	218,435	222,601			
April	208,812	215,049			
May	204,605	230,957			
June	239,368	254,554			
Totals	2,806,192	2,862,438	526,543	(49,139)	(1.7%)
<i>Subtotals YTD</i>	<i>603,089</i>	<i>575,682</i>	<i>526,543</i>	<i>(49,139)</i>	<i>(8.5%)</i>





Retail Sewer Customers - Volumes

Month	Volume (Mcf)				
	Prior Year	Budget	Current Year	Variance (Mcf)	Variance (%)
July	273,862	251,738	244,810	(6,928)	(2.8%)
August	262,525	258,984	246,989	(11,995)	(4.6%)
September	221,660	255,527			
October	205,267	227,141			
November	205,806	211,617			
December	193,791	195,192			
January	201,171	197,099			
February	220,021	206,164			
March	205,424	200,672			
April	193,725	204,606			
May	197,705	203,480			
June	221,346	218,340			
Totals	2,602,305	2,630,560	491,799	(18,923)	(0.7%)
<i>Subtotals YTD</i>	<i>536,386</i>	<i>510,723</i>	<i>491,799</i>	<i>(18,923)</i>	<i>(3.7%)</i>



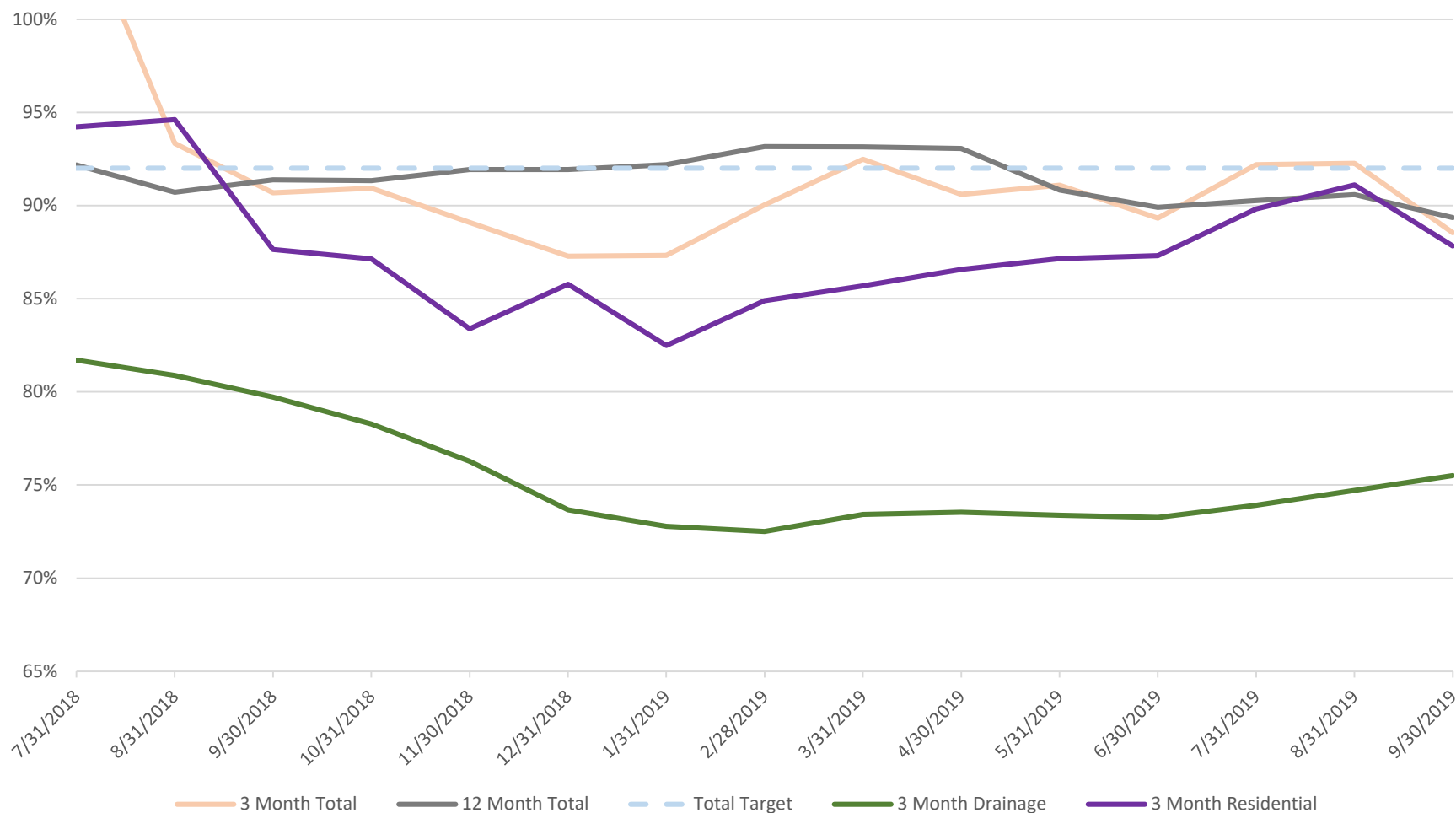
Retail Customers - Revenue

Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 10,203,409	\$ 9,909,302	\$ 9,670,167	\$ (239,135)	(2.4%)
August	9,833,149	9,698,584	9,504,240	(194,344)	(2.0%)
September	8,996,692	9,159,992			
October	8,010,524	8,288,490			
November	8,325,013	8,078,402			
December	7,659,930	7,975,070			
January	8,250,078	8,282,968			
February	8,649,072	8,294,177			
March	8,165,904	8,159,386			
April	8,014,291	8,120,879			
May	7,867,637	8,499,721			
June	8,628,374	9,084,129			
Totals	\$ 102,604,072	\$ 103,551,100	\$ 19,174,407	\$ (433,479)	(0.4%)
<i>Subtotals YTD</i>	<i>\$ 20,036,558</i>	<i>\$ 19,607,885</i>	<i>\$ 19,174,407</i>	<i>\$ (433,479)</i>	<i>(2.2%)</i>

Month	Revenue (\$)				
	Prior Year	Budget	Current Year	Variance (\$)	Variance (%)
July	\$ 27,851,140	\$ 28,535,420	\$ 28,109,279	\$ (426,141)	(1.5%)
August	27,401,816	28,327,270	27,994,771	(332,499)	(1.2%)
September	25,552,254	26,788,442			
October	24,230,273	26,444,548			
November	24,314,979	25,759,684			
December	23,925,500	25,905,017			
January	24,407,247	26,341,264			
February	25,593,281	26,312,394			
March	24,648,366	26,467,728			
April	23,882,510	25,894,612			
May	24,144,077	27,185,600			
June	25,367,765	27,376,921			
Totals	\$ 301,319,207	\$ 321,338,900	\$ 56,104,050	\$ (758,640)	(0.2%)
<i>Subtotals YTD</i>	<i>\$ 55,252,956</i>	<i>\$ 56,862,690</i>	<i>\$ 56,104,050</i>	<i>\$ (758,640)</i>	<i>(1.3%)</i>



Collection Rates



Appendix:

Financial Statements

Three Months Ended September 30, 2019

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2019 (Unaudited)	September 30, 2019
Assets		
Cash and cash equivalents	\$ 72,739,306	\$ 66,365,079
Restricted - Cash and investments	24,109,516	16,162,267
Accounts receivable - Net of Allowance	19,906,203	24,597,616
Due from other funds	27,066,970	33,829,349
Inventory	3,895,401	3,895,401
Prepaid expenses	270,789	270,789
Receivables from Great Lakes Water Authority	473,060,056	470,290,993
Capital assets - net	550,244,222	554,777,124
Total assets	1,171,292,463	1,170,188,618
Deferred Outflows of Resources - Pensions	12,162,365	12,162,365

City of Detroit Water Fund

Statement of Net Position (Continued)

	June 30, 2019 (Unaudited)	September 30, 2019
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,917,783	\$ 6,219,521
Due to other funds	38,594,699	35,077,108
Due to Great Lakes Water Authority	8,834,105	9,353,736
Accrued interest	1,901,626	1,901,626
Other liabilities	40,634,192	33,416,671
Accrued compensated absences	1,544,205	1,544,205
Long-term debt	501,055,492	497,781,205
Net pension liability	33,670,532	33,670,532
Total liabilities	634,152,634	618,964,604
Deferred Inflows of Resources -Pensions	5,868,773	5,868,773
Net Position		
Fund Balance - End of year	543,433,420	557,517,604
Total net position	\$ 543,433,420	\$ 557,517,604

City of Detroit Water Fund

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

	Three Months Ended September 30, 2019	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 27,686,620	\$ 27,686,620
Other fees	1,645,583	1,645,583
Other revenue	547,128	547,128
Total operating revenue	29,879,331	29,879,331
Operating Expenses		
Salaries, wages and benefits	6,150,447	6,150,447
Contractual Services	(889,611)	(889,611)
Other operating expense	30,090	30,090
Wholesale Charges	5,323,875	5,323,875
Depreciation	4,240,279	-
Total operating expenses	14,855,079	10,614,800
Operating Income	15,024,252	19,264,532
Nonoperating Revenue (Expenses)		
Investment income	244,635	244,635
Capital Lease	4,135,060	5,625,000
Capital Outlay/Acquisitions	543,637	543,637
Debt Service	(5,863,400)	(9,597,079)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	(940,068)	(3,183,807)
Change in Net Position	\$ 14,084,184	\$ 16,080,725

City of Detroit Sewage Disposal Fund		
Statement of Net Position		
	June 30, 2019 (Unaudited)	September 30, 2019
Assets		
Cash and cash equivalents	\$ 58,748,162	\$ 56,848,969
Restricted - Cash and investments	101,716,016	95,091,307
Accounts receivable - Net of Allowance	78,409,700	89,320,929
Due from other funds	63,102,363	66,412,832
Inventory	842,877	842,877
Prepaid expenses	396,245	396,245
Receivables from Great Lakes Water Authority	603,962,471	600,401,190
Capital assets - net	518,392,705	517,561,720
Total assets	1,425,570,539	1,426,876,069
Deferred Outflows of Resources - Pensions	8,817,405	8,817,405

City of Detroit Sewage Disposal Fund

Statement of Net Position (Continued)

	June 30, 2019 (Unaudited)	September 30, 2019
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,690,751	\$ 6,196,591
Due to other funds	94,513,575	92,789,628
Due to Great Lakes Authority	62,800,206	65,723,431
Accrued interest	3,169,374	3,169,374
Other liabilities	34,276,715	19,650,595
Accrued compensated absences	3,603,144	3,603,144
Long-term debt	457,265,745	453,775,557
Net pension liability	22,700,393	22,700,393
Total liabilities	686,019,903	667,608,713
Deferred Inflows of Resources -Pensions	5,985,593	5,985,593
Net Position		
Fund Balance - End of year	742,382,449	762,099,167
Total net position	\$ 742,382,449	\$ 762,099,167

City of Detroit Sewage Disposal Fund

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

	Three Months Ended September 30, 2019	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 76,000,627	\$ 76,000,627
Other fees	1,214,075	1,214,075
Other revenue	938,110	938,110
Total operating revenue	78,152,813	78,152,813
Operating Expenses		
Salaries, wages and benefits	8,060,005	8,060,005
Contractual Services	848,172	848,172
Other operating expense	304,998	304,998
Wholesale Charges	46,451,825	46,451,825
Depreciation	2,989,138	-
Total operating expenses	58,654,139	55,665,001
Operating Income	19,498,674	22,487,812
Nonoperating Revenue (Expenses)		
Investment earnings	593,454	593,454
Capital Lease	5,053,964	6,875,000
Capital Outlay/Acquisitions	(108)	(108)
Debt Service	(5,429,265)	(7,470,508)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	218,044	(2,162)
Change in Net Position	\$ 19,716,718	\$ 22,485,650

Treasury Update

September 30, 2019
NiKole Howard-Whitsett

Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2019	9/30/2019	6/30/2019	9/30/2019
Unrestricted				
Operating	\$ 21,445,600	\$ 14,668,611	\$ 29,311,394	\$ 30,450,866
Improvement and Extension	51,339,530	50,490,582	29,496,043	25,702,105
Pension	495	768,008	433	695,997
	<u>72,785,624</u>	<u>65,927,201</u>	<u>58,807,870</u>	<u>56,848,969</u>
Restricted				
Bond	15,603,119	6,986,422	92,214,940	85,022,136
Affordability	1,334,862	1,367,973	-	-
Retainage	4,665,490	5,297,523	3,500,334	4,068,166
Construction	564,950	506,349	500,748	501,002
	<u>22,168,420</u>	<u>14,158,267</u>	<u>96,216,023</u>	<u>89,591,304</u>
Total Cash	<u>\$ 111,028,895</u>	<u>\$ 80,085,467</u>	<u>\$ 80,929,561</u>	<u>\$ 146,440,273</u>

Insured Balance Summary

Banking Institution	Insured	Uninsured	Total
Comerica	\$ 82,928,102	\$ 95,848,503	\$ 178,776,605
First Independence	41,101,822	2,896,852	43,998,674
JP Morgan Chase	373,114	1,117,973	1,491,087
US Bank	337,033	1,922,341	2,259,374
Total Cash	\$ 124,740,071	\$ 101,785,669	\$ 226,525,740

Thank You



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