



NOVEMBER 2019 REVIEW

FINANCE COMMITTEE

January 7, 2020



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	228,961	217,031								
	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	178,876	178,907							
	Status												
Billable Impervious Acreage	Target	27,688	27,688	27,688	27,688	27,688	27,688	27,688	27,688	27,688	27,688	27,688	27,688
	Actual	27,428	27,435	27,438	27,324	27,331							
	Status												
Days in Accounts Receivable - Residential	Target	200	200	200	200	200	200	200	200	200	200	200	200
	Actual	202	205	206	209	211							
	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%	91%	87%							
	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%	89%	84%							
	Status												
Operating Cash Days on Hand	Target	120	120	120	120	120	120	120	120	120	120	120	120
	Actual	158	140	151	154	132.75							
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	45	47	42	33	44							
	Status												
Headcount	Target	650	650	650	650	650	650	650	650	650	650	650	650
	Actual	545	549	560	559	556							
	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	7,588,645	8,862,911							
	Status												



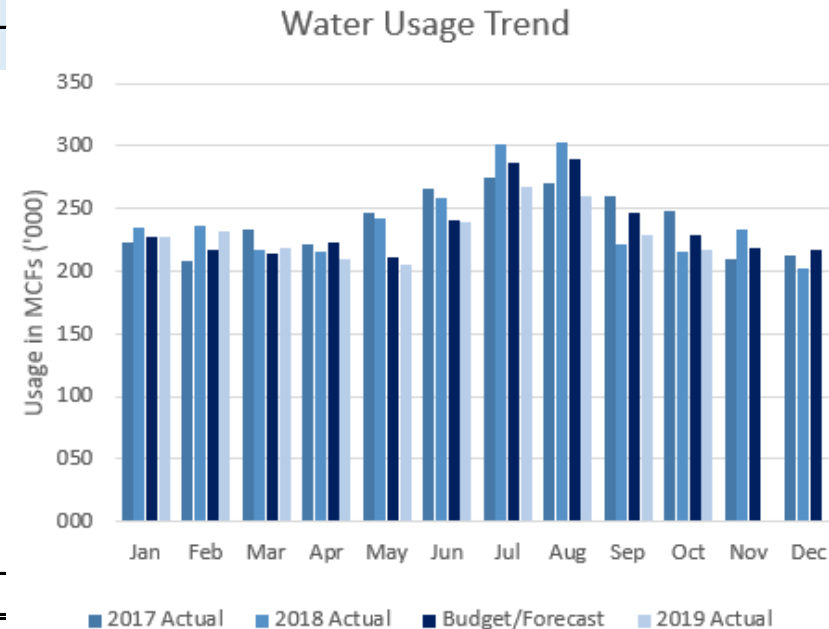
Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	286,384	\$ 336.47	\$ 14,614,838	\$ 7,413,644	\$ 18,739,861	\$ 55,591,352	\$ 96,359,695
			15.2%	7.7%	19.4%	57.7%	100.0%
Commercial	28,386	1,478.44	9,152,221	3,622,548	8,087,234	21,104,949	41,966,952
			21.8%	8.6%	19.3%	50.3%	100.0%
Industrial	4,803	4,396.71	6,450,965	1,829,419	2,754,629	10,082,383	21,117,395
			30.5%	8.7%	13.0%	47.7%	100.0%
Tax Exempt Entities	7,989	1,759.00	1,884,255	1,272,471	2,311,812	8,584,118	14,052,656
			13.4%	9.1%	16.5%	61.1%	100.0%
Government Entities	3,018	2,229.37	1,248,811	601,403	1,254,781	3,623,237	6,728,233
			18.6%	8.9%	18.6%	53.9%	100.0%
Subtotal - Active Accounts	330,580	\$ 545.18	\$ 33,351,090	\$ 14,739,485	\$ 33,148,316	\$ 98,986,040	\$ 180,224,931
			18.5%	8.2%	18.4%	54.9%	100.0%
Inactive Accounts	272,984	86.92	194,238	248,855	(160,166)	23,444,889	23,727,816
			0.8%	1.0%	(0.7%)	98.8%	100.0%
Total	603,564	\$ 337.91	\$ 33,545,328	\$ 14,988,340	\$ 32,988,150	\$ 122,430,929	\$ 203,952,747
% of Total A/R			16.4%	7.3%	16.2%	60.0%	100.0%
Water Fund	233,857	170.76	\$ 7,668,750	\$ 3,048,870	\$ 4,717,050	\$ 24,499,517	\$ 39,934,186
Sewer Fund	293,021	559.75	\$ 25,876,578	\$ 11,939,470	\$ 28,271,100	\$ 97,931,412	\$ 164,018,561
Total	603,564	337.91	\$ 33,545,328	\$ 14,988,340	\$ 32,988,150	\$ 122,430,929	\$ 203,952,747



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	228,961	(17,885)	(7.2%)
October	215,105	228,814	217,031	(11,783)	(5.1%)
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	972,535	(78,807)	(2.8%)
<i>Subtotals YTD</i>	<i>1,039,725</i>	<i>1,051,342</i>	<i>972,535</i>	<i>(78,807)</i>	<i>(7.5%)</i>

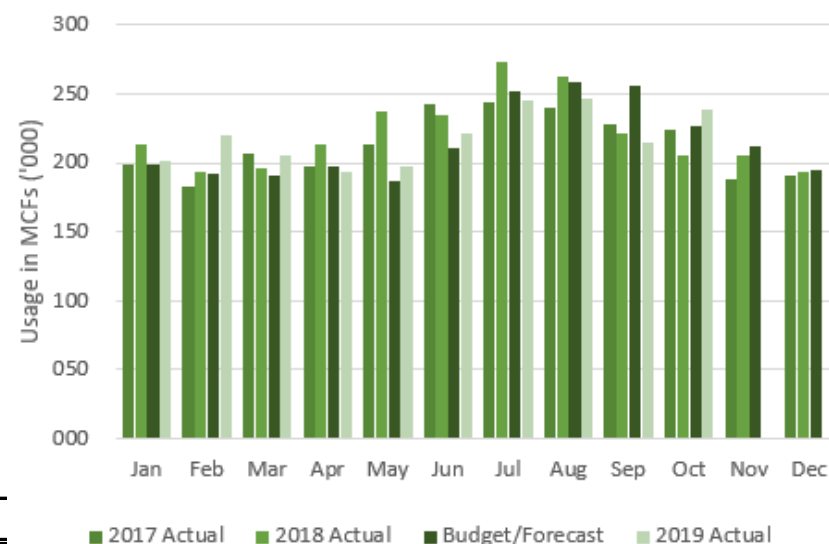




Retail Sewer Customers - Volumes

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	215,119	(40,409)	(15.8%)
October	205,267	227,141	238,202	11,061	4.9%
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	945,120	(48,271)	(1.8%)
<i>Subtotals YTD</i>	<i>963,314</i>	<i>993,391</i>	<i>945,120</i>	<i>(48,271)</i>	<i>(4.9%)</i>

Sewer Usage Trend



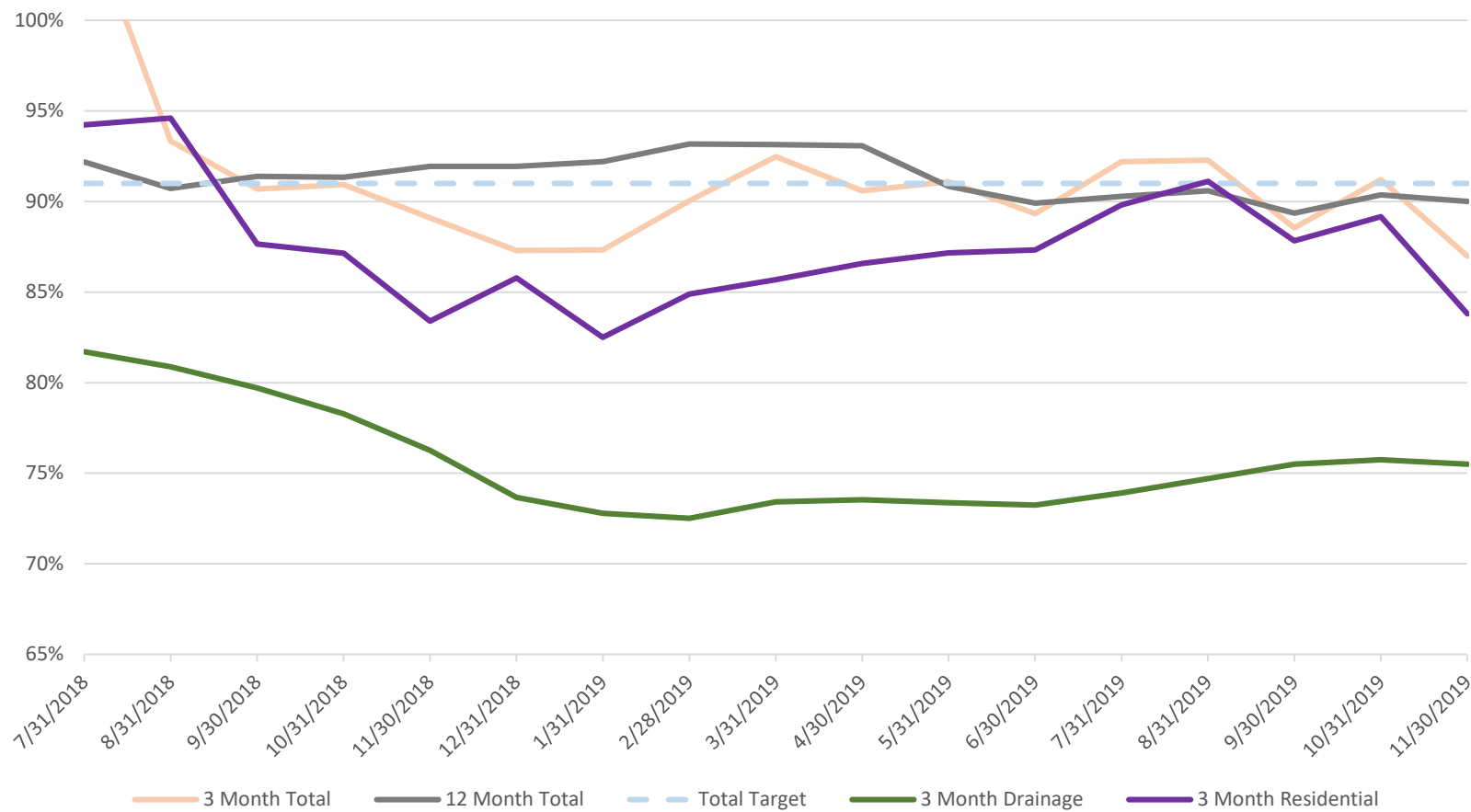
Retail Customers - Revenue

Revenue (\$)					
Prior Year	Budget	Current Year	Variance (\$)	Variance (%)	
\$ 10,203,409	\$ 9,909,302	\$ 9,670,167	\$ (239,135)	(2.4%)	
9,833,149	9,698,584	9,504,240	(194,344)	(2.0%)	
8,996,692	9,159,992	8,767,202	(392,790)	(4.3%)	
8,010,524	8,288,490	8,535,614	247,125	3.0%	
8,325,013	8,078,402				
7,659,930	7,975,070				
8,250,078	8,282,968				
8,649,072	8,294,177				
8,165,904	8,159,386				
8,014,291	8,120,879				
7,867,637	8,499,721				
8,628,374	9,084,129				
\$ 102,604,072	\$ 103,551,100	\$ 36,477,223	\$ (579,144)	(0.6%)	
\$ 37,043,774	\$ 37,056,367	\$ 36,477,223	\$ (579,144)	(1.6%)	

Revenue (\$)					
Prior Year	Budget	Current Year	Variance (\$)	Variance (%)	
\$ 27,851,140	\$ 28,535,420	\$ 28,109,279	\$ (426,141)	(1.5%)	
27,401,816	28,327,270	27,994,771	(332,499)	(1.2%)	
25,552,254	26,788,442	26,457,358	(331,084)	(1.2%)	
24,230,273	26,444,548	25,538,220	(906,328)	(3.4%)	
24,314,979	25,759,684				
23,925,500	25,905,017				
24,407,247	26,341,264				
25,593,281	26,312,394				
24,648,366	26,467,728				
23,882,510	25,894,612				
24,144,077	27,185,600				
25,367,765	27,376,921				
\$ 301,319,207	\$ 321,338,900	\$ 108,099,628	\$ (1,996,051)	(0.6%)	
\$ 105,035,482	\$ 110,095,680	\$ 108,099,628	\$ (1,996,051)	(1.8%)	



Collection Rates



Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2019	11/30/2019	6/30/2019	11/30/2019
Unrestricted				
Operating	\$ 21,445,600	\$ 4,522,326	\$ 29,311,394	\$ 35,140,222
Improvement and Extension	51,339,530	49,787,303	29,496,043	24,013,626
Pension	<u>495</u>	<u>\$ 1,081,248</u>	<u>433</u>	<u>\$ 1,140,524</u>
	\$ 72,785,624	\$ 55,390,877	\$ 58,807,870	\$ 60,294,372
Restricted				
Bond	15,603,119	3,682,922	92,214,940	83,325,245
Affordability	1,334,862	1,391,060	-	-
Retainage	4,665,490	5,585,711	3,500,334	4,041,434
Construction	<u>564,950</u>	<u>506,549</u>	<u>500,748</u>	<u>316,294</u>
	\$ 22,168,420	\$ 11,166,242	\$ 96,216,023	\$ 87,682,972
Total Cash	<u>\$ 111,028,895</u>	<u>\$ 66,557,119</u>	<u>\$ 80,929,561</u>	<u>\$ 147,977,345</u>

Appendix:

Financial Statements

Five Months Ended November 30, 2019

City of Detroit Water Fund			
Statement of Net Position			
	June 30, 2019	November 30, 2019	
Assets			
Cash and cash equivalents	\$ 72,739,306	\$ 55,392,877	
Restricted - Cash and investments	24,109,516	13,166,242	
Accounts receivable - Net of Allowance	19,906,203	25,133,619	
Due from other funds	27,066,970	44,558,204	
Inventory	3,895,401	3,895,401	
Prepaid expenses	270,789	270,789	
Receivables from Great Lakes Water Authority	472,159,491	468,738,348	
Capital assets - net	550,244,222	556,645,610	
Total assets	1,170,391,898	1,167,801,090	
Deferred Outflows of Resources - Pensions	12,162,365	12,162,365	

City of Detroit Water Fund		
Statement of Net Position (Continued)		
	June 30, 2019	November 30, 2019
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,917,783	\$ 4,739,773
Due to other funds	38,594,699	36,525,901
Due to Great Lakes Water Authority	8,834,105	9,018,627
Accrued interest	1,901,626	1,901,626
Other liabilities	39,904,959	31,402,118
Accrued compensated absences	1,544,205	1,544,205
Long-term debt	501,055,492	495,339,946
Net pension liability	33,670,532	33,670,532
Total liabilities	633,423,401	614,142,728
Deferred Inflows of Resources -Pensions	5,868,773	5,868,773
Net Position		
Fund Balance - End of year	543,262,087	559,951,953
Total net position	\$ 543,262,087	\$ 559,951,953

City of Detroit Water Fund			
Statement of Revenue, Expenses, and Changes in Fund Net Position			
	Five Months Ended November 30, 2019		
	Accrual Basis		Contract Basis
Operating Revenue			
Retail sales - Detroit	\$	42,914,549	\$ 42,914,549
Other fees		3,321,224	3,321,224
Other revenue		1,122,095	1,122,095
Total operating revenue		47,357,868	47,357,868
Operating Expenses			
Salaries, wages and benefits		10,245,006	10,245,006
Contractual Services		314,497	314,497
Other operating expense		2,239,972	2,239,972
Wholesale Charges		8,873,125	8,873,125
Depreciation		7,067,132	-
Total operating expenses		28,739,732	21,672,600
Operating Income		18,618,136	25,685,268
Nonoperating Revenue (Expenses)			
Investment income		416,341	416,341
Capital Lease		6,884,085	9,375,000
Capital Outlay/Acquisitions		543,637	543,637
Debt Service		(9,772,333)	(15,995,131)
Gain (loss) on sale of assets		-	-
Total nonoperating expenses - Net		(1,928,270)	(5,660,153)
Change in Net Position	\$	16,689,866	\$ 20,025,115

City of Detroit Sewage Disposal Fund

Statement of Net Position

	June 30, 2019	November 30, 2019
Assets		
Cash and cash equivalents	\$ 58,748,162	\$ 60,010,827
Restricted - Cash and investments	101,716,016	93,182,975
Accounts receivable - Net of Allowance	78,409,700	94,007,710
Due from other funds	63,102,363	67,208,786
Inventory	842,877	842,877
Prepaid expenses	396,245	396,245
Receivables from Great Lakes Water Authority	593,573,723	589,268,674
Capital assets - net	518,392,705	519,263,179
Total assets	1,415,181,791	1,424,181,273
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	November 30, 2019
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,690,751	\$ 5,211,782
Due to other funds	94,871,337	91,038,966
Due to Great Lakes Authority	62,800,206	68,706,692
Accrued interest	3,169,374	3,169,374
Other liabilities	33,547,483	22,826,566
Accrued compensated absences	3,603,144	3,603,144
Long-term debt	457,265,745	451,448,765
Net pension liability	22,700,393	22,700,393
Total liabilities	685,648,433	668,705,682
Deferred Inflows of Resources -Pensions	5,985,593	5,985,593
Net Position		
Fund Balance - End of year	732,365,171	758,307,404
Total net position	\$ 732,365,171	\$ 758,307,404

City of Detroit Sewage Disposal Fund

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

	Five Months Ended November 30, 2019	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 123,273,895	\$ 123,273,895
Other fees	2,518,038	2,518,038
Other revenue	1,745,841	1,745,841
Total operating revenue	127,537,774	127,537,774
Operating Expenses		
Salaries, wages and benefits	13,483,552	13,483,552
Contractual Services	2,636,340	2,636,340
Other operating expense	3,448,086	3,448,086
Wholesale Charges	77,419,708	77,419,708
Depreciation	4,981,897	-
Total operating expenses	101,969,583	96,987,686
Operating Income	25,568,191	30,550,088
Nonoperating Revenue (Expenses)		
Investment earnings	929,221	929,221
Capital Lease	8,413,884	11,458,333
Capital Outlay/Acquisitions	57,334	57,334
Debt Service	(9,026,397)	(12,450,847)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	374,042	(5,959)
Change in Net Position	\$ 25,942,233	\$ 30,544,129

Thank You



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