



DECEMBER 2019 REVIEW

FINANCE COMMITTEE

February 5, 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	200,432							
	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	178,737						
	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	27,315						
	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	213						
	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%	94%						
	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%	87%						
	Status												
Operating Cash Days on Hand	Target	120	120	120	120	120	120	120	120	120	120	120	120
	Actual	158	140	151	154	133	128						
	Status												
Days Payable Outstanding	Target	45	45	45	45	45	45	45	45	45	45	45	45
	Actual	45	47	42	33	44	40						
	Status												
Headcount	Target	650	650	650	650	650	650	650	650	650	650	650	650
	Actual	545	549	560	559	556	554						
	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	7,442,072						
	Status												



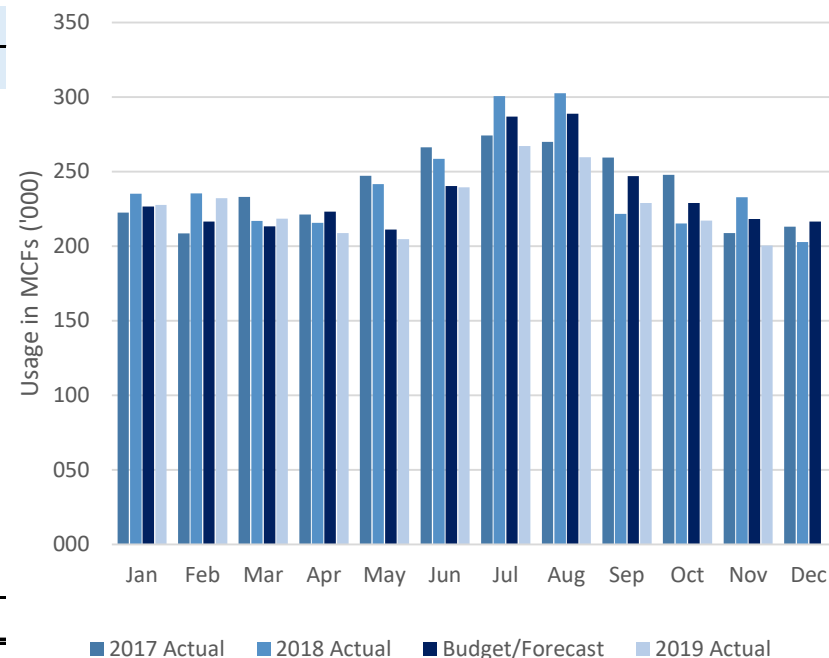
Account Receivable Aging - Combined

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Accounts Receivable Balance
Residential	286,312	\$ 338.80	\$ 13,625,950	\$ 7,406,461	\$ 18,733,875	\$ 57,236,064	\$ 97,002,349
			14.0%	7.6%	19.3%	59.0%	100.0%
Commercial	28,345	1,459.82	8,535,389	2,948,723	7,931,291	21,963,259	41,378,663
			20.6%	7.1%	19.2%	53.1%	100.0%
Industrial	4,806	4,078.51	4,599,582	1,540,408	2,833,221	10,628,094	19,601,305
			23.5%	7.9%	14.5%	54.2%	100.0%
Tax Exempt Entities	7,969	1,782.19	1,813,757	1,146,317	2,362,633	8,879,571	14,202,278
			12.8%	8.1%	16.6%	62.5%	100.0%
Government Entities	3,093	1,991.78	1,125,669	324,638	1,041,259	3,669,002	6,160,568
			18.3%	5.3%	16.9%	59.6%	100.0%
Subtotal - Active Accounts	330,525	\$ 539.58	\$ 29,700,348	\$ 13,366,547	\$ 32,902,279	\$ 102,375,990	\$ 178,345,163
			16.7%	7.5%	18.4%	57.4%	100.0%
Inactive Accounts	274,741	87.73	120,499	213,935	(115,660)	23,884,153	24,102,928
			0.5%	0.9%	(0.5%)	99.1%	100.0%
Total	605,266	\$ 334.48	\$ 29,820,847	\$ 13,580,482	\$ 32,786,619	\$ 126,260,143	\$ 202,448,091
% of Total A/R			14.7%	6.7%	16.2%	62.4%	100.0%
Water Fund	230,913	171.26	\$ 6,783,467	\$ 2,948,722	\$ 4,779,249	\$ 25,034,812	\$ 39,546,250
Sewer Fund	288,653	564.35	\$ 23,037,380	\$ 10,631,760	\$ 28,007,370	\$ 101,225,332	\$ 162,901,841
Total	605,266	334.48	\$ 29,820,847	\$ 13,580,482	\$ 32,786,619	\$ 126,260,143	\$ 202,448,091



Retail Water Customers – Volumes

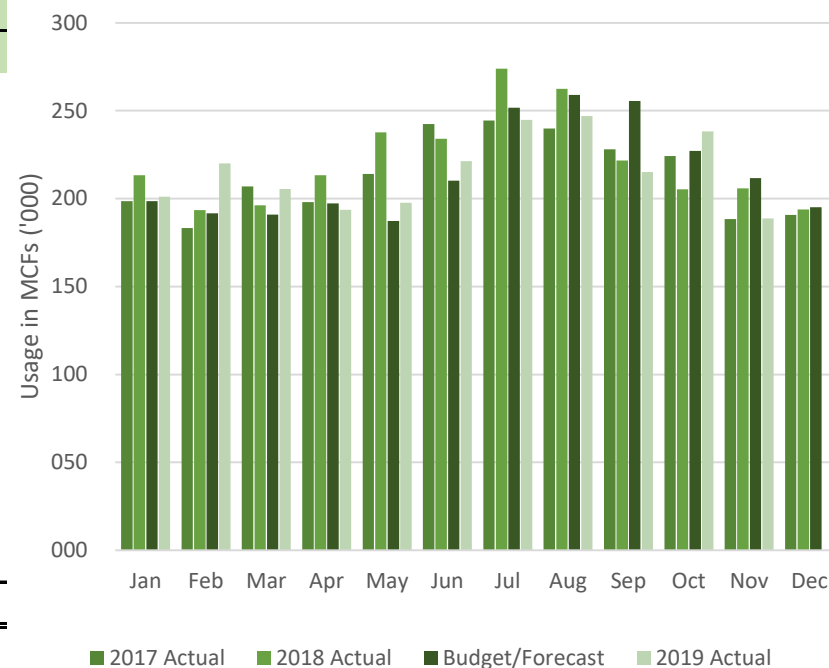
Month	Volume (Mcf)				
	Prior Year	Budget Current Year	Variance (Mcf)	Variance (%)	
July	300,613	286,871	267,054	(19,817)	(6.9%)
August	302,476	288,810	259,489	(29,322)	(10.2%)
September	221,531	246,846	228,961	(17,885)	(7.2%)
October	215,105	228,814	217,031	(11,783)	(5.1%)
November	232,770	218,154	200,432	(17,722)	(8.1%)
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	1,172,967	(96,528)	(3.4%)
<i>Subtotals YTD</i>	<i>1,272,495</i>	<i>1,269,496</i>	<i>1,172,967</i>	<i>(96,528)</i>	<i>(7.6%)</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	188,779	(22,838)	(10.8%)
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	1,133,899	(71,108)	(2.7%)
<i>Subtotals YTD</i>	<i>1,169,120</i>	<i>1,205,007</i>	<i>1,133,899</i>	<i>(71,108)</i>	<i>(5.9%)</i>





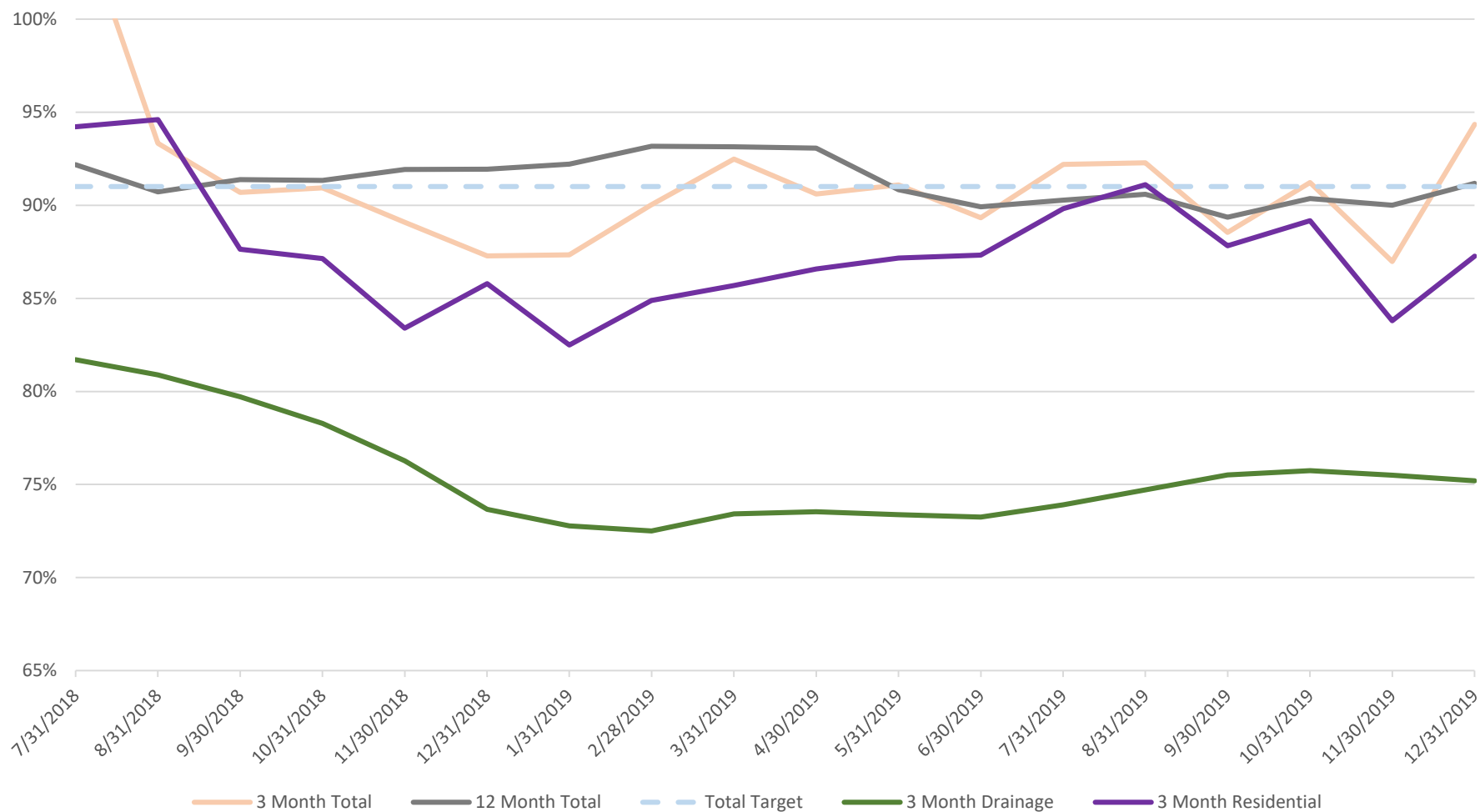
Retail Customers - Revenue

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	8,767,202	(392,790)	(4.3%)
October	8,010,524	8,288,490	8,535,614	247,125	3.0%
November	8,325,013	8,078,402	7,937,200	(141,202)	(1.7%)
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	\$ 44,414,423	\$ (720,346)	(0.7%)
<i>Subtotals YTD</i>	<i>\$ 45,368,786</i>	<i>\$ 45,134,769</i>	<i>\$ 44,414,423</i>	<i>\$ (720,346)</i>	<i>(1.6%)</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	26,457,358	(331,084)	(1.2%)
October	24,230,273	26,444,548	25,538,220	(906,328)	(3.4%)
November	24,314,979	25,759,684	24,984,723	(774,961)	(3.0%)
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	\$ 133,084,351	\$ (2,771,012)	(0.9%)
<i>Subtotals YTD</i>	<i>\$ 129,350,461</i>	<i>\$ 135,855,363</i>	<i>\$ 133,084,351</i>	<i>\$ (2,771,012)</i>	<i>(2.0%)</i>



Collection Rates



Treasury Update

NiKole Howard-Whitett
December 2019

Cash Balance Summary

	Water Fund		Sewer Fund	
	6/30/2019	12/31/2019	6/30/2019	12/31/2019
Unrestricted				
Operating	\$ 21,445,600	\$ 5,290,133	\$ 29,311,394	\$ 33,062,570
Improvement and Extension	51,339,530	50,771,217	29,496,043	23,336,571
Pension	495	\$ 1,437,547	433	\$ 1,378,827
	<u>\$ 72,785,624</u>	<u>\$ 57,498,897</u>	<u>\$ 58,807,870</u>	<u>\$ 57,777,969</u>
Restricted				
Bond	15,603,119	2,239,419	92,214,940	79,905,378
Affordability	1,334,862	1,400,118	-	-
Retainage	4,665,490	5,698,931	3,500,334	4,042,579
Construction	564,950	506,651	500,748	316,371
	<u>\$ 22,168,420</u>	<u>\$ 9,845,119</u>	<u>\$ 96,216,023</u>	<u>\$ 84,264,329</u>
Total Cash	<u>\$ 111,028,895</u>	<u>\$ 67,344,016</u>	<u>\$ 80,929,561</u>	<u>\$ 142,042,297</u>

Bank Balances Insured

Banking Institution	Insured	Uninsured	Total
Comerica	\$ 85,189,297	\$ 79,905,385	\$ 165,094,682
First Independence	40,177,168	50,149	40,227,317
JP Morgan Chase	429,645	1,150,118	1,579,763
US Bank	313,346	2,172,010	2,485,356
Total Cash	\$ 126,109,456	\$ 83,277,662	\$ 209,387,118

Appendix:

Financial Statements

Six Months Ended December 31, 2019

City of Detroit Water Fund		
Statement of Net Position		
	June 30, 2019	December 31, 2019
Assets		
Cash and cash equivalents	\$ 72,739,306	\$ 57,499,125
Restricted - Cash and investments	24,109,516	11,845,833
Accounts receivable - Net of Allowance	19,906,203	24,277,854
Due from other funds	27,066,970	47,749,838
Inventory	3,895,401	3,895,401
Prepaid expenses	270,789	270,789
Receivables from Great Lakes Water Authority	474,838,845	472,336,855
Capital assets - net	550,326,504	556,926,821
Total assets	1,173,153,534	1,174,802,516
Deferred Outflows of Resources - Pensions	12,162,365	12,162,365

City of Detroit Water Fund		
Statement of Net Position (Continued)		
	June 30, 2019	December 31, 2019
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,917,783	\$ 6,086,228
Due to other funds	38,594,699	39,320,831
Due to Great Lakes Water Authority	11,513,460	14,324,421
Accrued interest	1,901,626	1,901,626
Other liabilities	39,904,959	31,441,877
Accrued compensated absences	1,544,205	1,544,205
Long-term debt	501,055,492	494,119,317
Net pension liability	33,670,532	33,670,532
Total liabilities	636,102,756	622,409,037
Deferred Inflows of Resources -Pensions	5,868,773	5,868,773
Net Position		
Fund Balance - End of year	543,344,369	558,687,072
Total net position	\$ 543,344,369	\$ 558,687,072

City of Detroit Water Fund

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

	Six Months Ended December 31, 2019	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 49,755,065	\$ 49,755,065
Other fees	3,764,262	3,764,262
Other revenue	1,299,543	1,299,543
Total operating revenue	54,818,870	54,818,870
Operating Expenses		
Salaries, wages and benefits	12,530,164	12,530,164
Contractual Services	2,639,465	2,639,465
Other operating expense	2,689,063	2,689,063
Wholesale Charges	10,647,750	10,647,750
Depreciation	8,480,559	-
Total operating expenses	36,987,000	28,506,441
Operating Income	17,831,870	26,312,429
Nonoperating Revenue (Expenses)		
Investment income	487,666	487,666
Capital Lease	8,256,279	11,250,000
Capital Outlay/Acquisitions	493,687	493,687
Debt Service	(11,726,800)	(19,194,158)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	(2,489,168)	(6,962,804)
Change in Net Position	\$ 15,342,703	\$ 19,349,625

City of Detroit Sewage Disposal Fund

Statement of Net Position

	June 30, 2019	December 31, 2019
Assets		
Cash and cash equivalents	\$ 58,748,162	\$ 57,777,969
Restricted - Cash and investments	101,716,016	89,764,339
Accounts receivable - Net of Allowance	78,409,700	90,381,967
Due from other funds	63,102,363	69,808,836
Inventory	842,877	842,877
Prepaid expenses	396,245	396,245
Receivables from Great Lakes Water Authority	594,201,648	584,080,663
Capital assets - net	518,477,294	522,549,658
Total assets	1,415,894,305	1,415,602,554
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	December 31, 2019
Liabilities		
Current liabilities:		
Accounts and contracts payable	\$ 7,690,751	\$ 4,393,919
Due to other funds	94,871,337	94,132,149
Due to Great Lakes Authority	63,428,131	57,741,120
Accrued interest	3,169,374	3,169,374
Other liabilities	33,547,483	22,897,468
Accrued compensated absences	3,603,144	3,603,144
Long-term debt	457,265,745	450,285,369
Net pension liability	22,700,393	22,700,393
Total liabilities	686,276,358	658,922,936
Deferred Inflows of Resources -Pensions	5,985,593	5,985,593
Net Position		
Fund Balance - End of year	732,449,759	759,511,431
Total net position	\$ 732,449,759	\$ 759,511,431

City of Detroit Sewage Disposal Fund

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

	Six Months Ended December 31, 2019	
	Accrual Basis	Contract Basis
Operating Revenue		
Retail sales - Detroit	\$ 144,828,710	\$ 144,828,710
Other fees	3,050,566	3,050,566
Other revenue	2,149,467	2,149,467
Total operating revenue	150,028,744	150,028,744
Operating Expenses		
Salaries, wages and benefits	16,546,269	16,546,269
Contractual Services	3,333,011	3,333,011
Other operating expense	4,644,784	4,644,784
Wholesale Charges	92,903,650	92,903,650
Depreciation	5,978,277	-
Total operating expenses	123,405,992	117,427,715
Operating Income	26,622,752	32,601,029
Nonoperating Revenue (Expenses)		
Investment earnings	1,108,781	1,108,781
Capital Lease	10,091,010	13,750,000
Capital Outlay/Acquisitions	57,334	57,334
Debt Service	(10,818,206)	(14,941,017)
Gain (loss) on sale of assets	-	-
Total nonoperating expenses - Net	438,919	(24,901)
Change in Net Position	\$ 27,061,671	\$ 32,576,127

Thank You



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