

# GLWA

*Great Lakes Water Authority*



## Monthly Financial Report Binder

March 2019

**Presented to the  
Great Lakes Water Authority  
Audit Committee on June 21, 2019**

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## Revenue and Expense Budget to Actual<sup>1</sup> – Pro-rata Benchmark of 75%

Most categories are within 5% of the pro-rata benchmark.

### *Chemicals:*

Expected variance as usage does not follow a consistent monthly budget pattern.

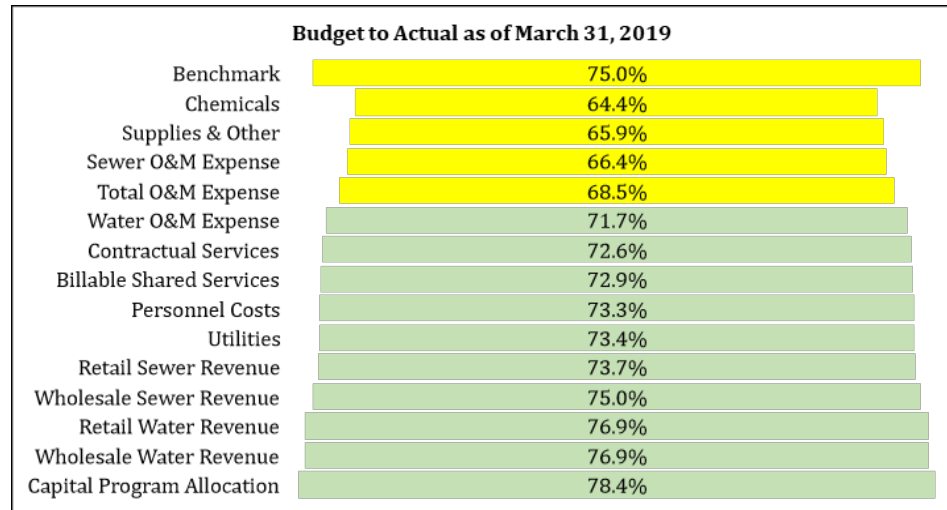
### *Supplies & Other:*

Due to timing of one-time or annual

purchases in this category, expenses will not occur evenly throughout the fiscal year.

*Sewer Operations & Maintenance (O&M) Expense:* The positive variances in Supplies & Other and Chemicals, noted above, also positively impact the overall Sewer O&M Expense.

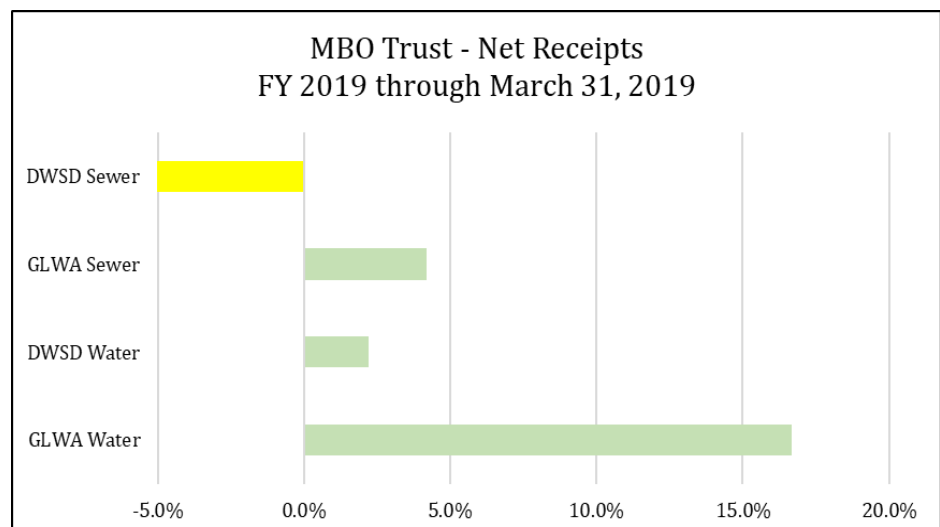
*Total Operations & Maintenance (O&M) Expense:* The positive variances in Sewer O&M and the close management of Water O&M Expense is contributing to an overall positive variance to Total O&M Expense.



## Master Bond Ordinance (MBO) Trust Net Receipts

Overall net cash flow (receipts) is positive. This means that all legal commitments of the MBO Trust and the lease payment are fully funded to date. The net positive variance contributes to an improving financial position. As of June 1, 2019, DWSD has reduced

Sewer O&M transfers in May and June to support the goal of a positive, net cash flow for FY 2019.



Questions? Contact the Office of the Chief Financial Officer at [CFO@glwater.org](mailto:CFO@glwater.org)

<sup>1</sup> All amounts are GLWA entity-wide unless noted as water, sewer, and/or retail.

The Monthly Budget to Actual Analysis report includes the following three sections.

1. Revenue Requirement Budget Basis Analysis
2. Operations & Maintenance Budget – Major Budget Categories
3. Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

## Revenue Requirement Budget Basis Analysis

GLWA's annual revenue requirement represents the basis for calculating Member Partner charges and also aligns with the Master Bond Ordinance flow of funds categories. The budget basis is not the same as the full accrual basis used for financial reporting although the revenues and operations and maintenance expense are largely reported on an accrual basis. The primary difference between the revenue requirement budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirement Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

**Table 1A – Water Revenue Requirement Budget** and **Table 1B – Sewer Revenue Requirement Budget** presents a year-over-year budget to actual performance report. The revenue requirement budget is accounted for in the operations and maintenance fund for each system. Since this report is for March 2019, the pro-rata benchmark is 75.0% (9 of 12 months of the fiscal year).

Items noted below are highlighted in gold on Tables 1A (Water) and 1B (Sewer).

1. **Revenues:** For *both* systems, FY 2019 revenues are above target and are consistent with the prior year (FY 2018) at the same time. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.
2. **Investment Earnings:** For *both* systems, investment earnings are above target for FY 2019. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category. For example, in FY 2018 the variance reported for the *sewer* system was due, in large part, to fire remediation insurance proceeds received.

4. **Operations & Maintenance Expense:** Actual expenses<sup>1</sup> for *both* systems are less than the pro-rata benchmark; the *water* system is slightly under the pro-rata benchmark for FY 2019 at 71.7%, while the *sewer* system O&M expense is at 66.4%.
5. **Debt Service:** *Both* systems are on target with the pro-rata benchmark; the *water* system is at 74.8%, while the *sewer* system is at 74.9%. The activity is based on the payment schedules that have been adjusted for the State Revolving Fund loans that are still being drawn down. In October 2018, the GLWA had a successful bond sale which will provide a positive budget variance for *both* systems. The budget amendment for this transaction was recorded in January 2019.
6. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.<sup>2</sup> Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2018 DWSD *sewer* shortfall through March 31, 2018, was \$18.9 million (the ending shortfall for FY 2018 was \$18.2 million). A plan for payment of this shortfall is under discussion with the outer boundary of payment terms being paid over three years plus interest at the three-year treasury rate plus 1.5%. For FY 2019, while the DWSD *water* system has positive budgetary cash flow, through March 31, 2019, the DWSD *sewer* system budgetary shortfall is approximately \$10.0 million. It is anticipated that this shortfall will be cured by June 30, 2019 based upon discussion at the May 2019 Reconciliation Committee meeting and related discussions at the administration level. As of June 2019, DWSD has reduced its sewer system O&M transfers in May and June to assist in achieving a goal of positive, net cash flows for FY 2019. The transfers reduced were \$5,676,792 each for a total of \$11,353,584.
7. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions or betterment of the Water System. Transfers to the I&E Fund from net revenues typically occur later in the year or after year end close when final net revenues is validated.
8. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12<sup>th</sup> basis each month in accordance with the Master Bond Ordinance.
9. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

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<sup>1</sup>The tables in this analysis reflect actual amounts spent. If this analysis was on a master bond ordinance (MBO) basis, like that used for calculating debt service coverage, O&M “expense” would equal the pro-rata budget because 1/12 of the O&M budget is transferred monthly outside the MBO trust to an O&M bank account.

<sup>2</sup> As a reminder, the monthly O&M transfer for MBO purposes are at 1/12 of the budget to a DWSD O&M bank account outside the trust. Actual budget may be, and often is, less than that amount providing an actual positive variance for DWSD.

**Table 1A – Water Revenue Requirement Budget (year-over-year) – (\$000)**

|                                       | FY 2018<br>BOARD<br>ADOPTED<br>BUDGET | FY 2018<br>THRU<br>3/31/2018 | Percent<br>Year-to-<br>Date | FY 2019<br>BOARD<br>ADOPTED<br>BUDGET | FY 2019<br>AMENDED<br>BUDGET | FY 2019<br>THRU<br>3/31/2019 | Percent<br>Year-to-<br>Date |
|---------------------------------------|---------------------------------------|------------------------------|-----------------------------|---------------------------------------|------------------------------|------------------------------|-----------------------------|
| <b>Water System</b>                   |                                       |                              |                             |                                       |                              |                              |                             |
| <b>Revenues</b>                       |                                       |                              |                             |                                       |                              |                              |                             |
| Wholesale Customer Charges            | \$ 310,020                            | \$ 244,632                   | 78.9%                       | \$ 307,383                            | \$ 307,383                   | \$ 232,136                   | 75.5%                       |
| Retail Services Agreement             | 15,131                                | 11,348                       | 75.0%                       | 20,181                                | 20,181                       | 15,245                       | 75.5%                       |
| Investment Earnings                   | 2,969                                 | 2,931                        | 98.7%                       | 3,802                                 | 9,425                        | 7,228                        | 76.7%                       |
| Other Revenues                        | -                                     | 49                           | 0.0%                        | 34                                    | -                            | 25                           | 0.0%                        |
| <b>Total Revenues</b>                 | <b>\$ 328,119</b>                     | <b>\$ 258,960</b>            | <b>78.9%</b>                | <b>\$ 331,401</b>                     | <b>\$ 336,989</b>            | <b>\$ 254,634</b>            | <b>75.6%</b>                |
| <b>Revenue Requirements</b>           |                                       |                              |                             |                                       |                              |                              |                             |
| Operations & Maintenance Expense      | \$ 121,563                            | \$ 90,702                    | 74.6%                       | \$ 121,563                            | \$ 121,563                   | \$ 87,173                    | 71.7%                       |
| O&M Legacy Pension                    | 6,048                                 | 4,536                        | 75.0%                       | 6,048                                 | 6,048                        | 4,536                        | 75.0%                       |
| Debt Service                          | 135,464                               | 100,154                      | 73.9%                       | 134,215                               | 131,242                      | 98,121                       | 74.8%                       |
| Accelerated Legacy Pension            | 6,268                                 | 4,701                        | 75.0%                       | 6,268                                 | 6,268                        | 4,701                        | 75.0%                       |
| Extraordinary Repair & Replacement    |                                       |                              |                             |                                       |                              |                              |                             |
| Deposit                               | 646                                   | 484                          | 75.0%                       | -                                     | -                            | -                            | 0.0%                        |
| Lease Payment                         | 22,500                                | 16,875                       | 75.0%                       | 22,500                                | 22,500                       | 16,875                       | 75.0%                       |
| Operating Reserve Deposit             | 1,098                                 | 823                          | 75.0%                       | -                                     | -                            | -                            | 0.0%                        |
| Water Residential Assistance Program  | 1,711                                 | 1,283                        | 75.0%                       | 1,673                                 | 1,673                        | 1,255                        | 75.0%                       |
| Improvement & Extension Fund          |                                       |                              |                             |                                       |                              |                              |                             |
| Transfer Pending                      | 32,821                                | 24,616                       | 75.0%                       | 39,134                                | 47,695                       | 35,771                       | 75.0%                       |
| <b>Total Revenue Requirements</b>     | <b>\$ 328,119</b>                     | <b>\$ 244,175</b>            | <b>74.4%</b>                | <b>\$ 331,401</b>                     | <b>\$ 336,989</b>            | <b>\$ 248,432</b>            | <b>73.7%</b>                |
| <b>Net Difference</b>                 |                                       | <b>\$ 14,784</b>             |                             |                                       |                              | <b>\$ 6,202</b>              |                             |
| <i>Recap of Net Positive Variance</i> |                                       |                              |                             |                                       |                              |                              |                             |
| Revenue Variance                      |                                       | \$ 12,870                    |                             |                                       |                              | \$ 1,892                     |                             |
| Revenue Requirement Variance          |                                       | 1,914                        |                             |                                       |                              | 4,310                        |                             |
| Overall Variance                      |                                       | <b>\$ 14,784</b>             |                             |                                       |                              | <b>\$ 6,202</b>              |                             |

**Table 1B – Sewer Revenue Requirement Budget (year-over-year) – (\$000)**

|                                       | FY 2018<br>BOARD<br>ADOPTED<br>BUDGET | FY 2018<br>THRU<br>3/31/2018 | Percent<br>Year-to-<br>Date | FY 2019<br>BOARD<br>ADOPTED<br>BUDGET | FY 2019<br>AMENDED<br>BUDGET | FY 2019<br>THRU<br>3/31/2019 | Percent<br>Year-to-<br>Date |
|---------------------------------------|---------------------------------------|------------------------------|-----------------------------|---------------------------------------|------------------------------|------------------------------|-----------------------------|
| <b>Sewer System</b>                   |                                       |                              |                             |                                       |                              |                              |                             |
| <b>Revenues</b>                       |                                       |                              |                             |                                       |                              |                              |                             |
| Wholesale Customer Charges            | \$ 267,034                            | \$ 203,574                   | 76.2%                       | \$ 271,296                            | \$ 271,296                   | \$ 206,215                   | 76.0%                       |
| Retail Services Agreement             | 178,969                               | 134,227                      | 75.0%                       | 181,159                               | 181,159                      | 137,256                      | 75.8%                       |
| Industrial Waste Control Charges      | 14,458                                | 10,747                       | 74.3%                       | 15,006                                | 15,001                       | 6,853                        | 45.7%                       |
| Pollutant Surcharges                  | 5,099                                 | 4,584                        | 89.9%                       | -                                     | -                            | 4,264                        | 0.0%                        |
| Investment Earnings                   | 2,751                                 | 3,012                        | 109.5%                      | 4,086                                 | 6,879                        | 7,292                        | 106.0%                      |
| Other Revenues                        | -                                     | 3,727                        | 0.0%                        | 480                                   | -                            | 349                          | 0.0%                        |
| <b>Total Revenues</b>                 | <b>\$ 468,311</b>                     | <b>\$ 359,871</b>            | <b>76.8%</b>                | <b>\$ 472,027</b>                     | <b>\$ 474,335</b>            | <b>\$ 362,228</b>            | <b>76.4%</b>                |
| <b>Revenue Requirements</b>           |                                       |                              |                             |                                       |                              |                              |                             |
| Operations & Maintenance Expense      | \$ 191,079                            | \$ 118,854                   | 62.2%                       | \$ 191,079                            | \$ 191,079                   | \$ 126,957                   | 66.4%                       |
| O&M Legacy Pension                    | 10,824                                | 8,118                        | 75.0%                       | 10,824                                | 10,824                       | 8,118                        | 75.0%                       |
| Debt Service                          | 207,616                               | 151,756                      | 73.1%                       | 214,601                               | 208,389                      | 156,072                      | 74.9%                       |
| Accelerated Legacy Pension            | 11,621                                | 8,716                        | 75.0%                       | 11,621                                | 11,621                       | 8,716                        | 75.0%                       |
| Extraordinary Repair & Replacement    |                                       |                              |                             |                                       |                              |                              |                             |
| Deposit                               | 814                                   | 610                          | 75.0%                       | -                                     | -                            | -                            | 0.0%                        |
| Lease Payment                         | 27,500                                | 20,625                       | 75.0%                       | 27,500                                | 27,500                       | 20,625                       | 75.0%                       |
| Operating Reserve Deposit             | 1,733                                 | 1,300                        | 75.0%                       | -                                     | -                            | -                            | 0.0%                        |
| Water Residential Assistance Program  | 2,392                                 | 1,794                        | 75.0%                       | 2,374                                 | 2,374                        | 1,781                        | 75.0%                       |
| DWSD Budget Shortfall Pending         | -                                     | 18,924                       | 0.0%                        | -                                     | -                            | 9,998                        | 0.0%                        |
| Improvement & Extension Fund          |                                       |                              |                             |                                       |                              |                              |                             |
| Transfer Pending                      | 14,733                                | 11,050                       | 75.0%                       | 14,028                                | 22,548                       | 16,911                       | 75.0%                       |
| <b>Total Revenue Requirements</b>     | <b>\$ 468,311</b>                     | <b>\$ 341,746</b>            | <b>73.0%</b>                | <b>\$ 472,027</b>                     | <b>\$ 474,335</b>            | <b>\$ 349,177</b>            | <b>73.6%</b>                |
| <b>Net Difference</b>                 |                                       | <b>\$ 18,125</b>             |                             |                                       |                              | <b>\$ 13,051</b>             |                             |
| <i>Recap of Net Positive Variance</i> |                                       |                              |                             |                                       |                              |                              |                             |
| Revenue Variance                      |                                       | \$ 8,638                     |                             |                                       |                              | \$ 6,477                     |                             |
| Revenue Requirement Variance          |                                       | 9,487                        |                             |                                       |                              | 6,575                        |                             |
| Overall Variance                      |                                       | <b>\$ 18,125</b>             |                             |                                       |                              | <b>\$ 13,051</b>             |                             |

## Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of March 31, 2019, is 75.0% (nine months). When comparing FY 2019 to FY 2018 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, it appears spending has increased. This is true in some instances; however, the greater impact is that the Financial Reporting & Accounting Team has implemented a full accrual basis for interim financial statements during the latter half of FY 2018. This variance anomaly has decreased as we approach the final quarter of FY 2019.

In addition to the four major budget categories, an internal charge cost center for employee benefits is shown in the table below. If the number is positive, it indicates that the internal cost allocation rate charges to other cost centers is not sufficient. A negative number indicates a surplus in the internal cost center. A moderate surplus is preferred as it provides a hedge for mid-year benefit program cost adjustments (premiums adjust on January 1 each year) as well as managing risk as the program is partially self-insured.

**Table 2 – Operations & Maintenance Budget – Major Budget Categories – (\$000)**

| Major Budget Categories     | FY 2018<br>AMENDED<br>BUDGET | FY 2018<br>ACTIVITY<br>THRU<br>3/31/2018 | Percent<br>Year-to-<br>Date | FY 2019<br>BOARD<br>ADOPTED<br>BUDGET | FY 2019<br>AMENDED<br>BUDGET | FY 2019<br>ACTIVITY<br>THRU<br>3/31/2019 | Percent<br>Year-to-<br>Date |
|-----------------------------|------------------------------|--|-----------------------------|---------------------------------------|------------------------------|--|-----------------------------|
| Water                       | \$ 73,511                    | \$ 46,984                                | 63.9%                       | \$ 66,596                             | \$ 66,596                    | \$ 53,746                                | 80.7%                       |
| Sewer                       | 124,106                      | 82,302                                   | 66.3%                       | 118,319                               | 118,319                      | 82,058                                   | 69.4%                       |
| Centralized                 | 82,629                       | 63,253                                   | 76.6%                       | 99,045                                | 99,045                       | 62,071                                   | 62.7%                       |
| Administrative              | 32,305                       | 18,843                                   | 58.3%                       | 28,682                                | 28,682                       | 18,769                                   | 65.4%                       |
| Employee Benefits           | -                            | (1,826)                                  | 0.0%                        | -                                     | -                            | (2,514)                                  | 0.0%                        |
| <b>Total O&amp;M Budget</b> | <b>\$ 312,551</b>            | <b>\$ 209,556</b>                        | <b>67.0%</b>                | <b>\$ 312,642</b>                     | <b>\$ 312,642</b>            | <b>\$ 214,129</b>                        | <b>68.5%</b>                |

## Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

The purpose of **Table 3 – Operations & Maintenance Expense Variance Analysis** is to evaluate whether the actual spend rate within a natural cost category is in alignment with the budget. Given the effort to develop an accurate budget, a variance is a red flag of a *potential* budget amendment or misalignment of priorities.

**Total:** In total, the O&M expenses are at 68.5% which is reasonably within the pro-rata benchmark of 75.0%. This positive variance equates to a dollar amount of \$20.4 million. The expense category commentary is provided below for items highlighted on Table 3.

**Personnel Costs:** The overall category is slightly lower than the benchmark; coming in at 73.3% through March 2019.



**Utilities:** The overall category is slightly lower than the benchmark; coming in at 73.4% through March 2019. In comparing FY 2019 to FY 2018 the expenses appear more in line with the budget in FY 2019. This is due in large part to the month-end closing process improvements implemented during the latter half of FY 2018.

**Chemicals:** This category is lower than the benchmark; coming in at 64.4% through March 2019. This variance is not unexpected as usage varies throughout the year. Staff is working on enhancements to future monthly financial and operational reports to correlate spending with operational metrics.

**Supplies & Other:** This category is lower than the benchmark; coming in at 65.9% through March 2019. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, this variance is not a concern at this time.

**Contractual Services:** The overall category is slightly lower than the benchmark; coming in at 72.6% through March 2019.

**Capital Program Allocation:** This category is higher than the benchmark; coming in at 78.4% through March 2019. In July 2018, GLWA launched a time keeping software (including an app), BigTime, to make it easier for team members to report their time spent on direct capital delivery.

**Shared Services:** This category is slightly lower than the benchmark; coming in at 72.9% through March 2019. The shared services reimbursement is comprised of both labor (tracked via BigTime) and expenses, such as annual fees for software licensing. Staff from both GLWA and DWSD have been working together to evaluate and refine the budget for the shared services agreements. In December 2018, adjustments were made to both the billings and accounting accruals to bring them in line with the amended shared services budget.



**Table 3 – Operations & Maintenance Expense Variance Analysis – (\$000)**

| Expense Categories<br>Entity-wide | FY 2018<br>AMENDED<br>BUDGET | FY 2018<br>ACTIVITY<br>THRU<br>3/31/2018 | Percent<br>Year-to-<br>Date at<br>3/31/2018 | FY 2018<br>ACTIVITY<br>THRU<br>6/30/2018 | Percent<br>Year-to-<br>Date at<br>6/30/2018 | FY 2019<br>AMENDED<br>BUDGET | FY 2019<br>PRORATED<br>AMENDED<br>BUDGET<br>(9 MONTHS) | FY 2019<br>ACTIVITY<br>THRU<br>3/31/2019 | Percent<br>Year-to-<br>Date | FY 2019<br>PRORATED<br>BUDGET LESS<br>FY 2019<br>ACTIVITY |
|-----------------------------------|------------------------------|--|---|--|---|------------------------------|--|--|-----------------------------|---|
| Salaries & Wages                  | \$ 57,114                    | \$ 40,231                                | 70.4%                                       | \$ 55,174                                | 72.9%                                       | \$ 62,935                    | \$ 47,201  | \$ 44,594                                | 70.9%                       | \$ 2,607  |
| Workforce Development             | 662                          | 435                                      | 65.7%                                       | 605                                      | 71.8%                                       | 723                          | 542  | 563                                      | 77.8%                       | (20)  |
| Overtime                          | 6,517                        | 4,709                                    | 72.3%                                       | 6,162                                    | 76.4%                                       | 7,199                        | 5,399  | 5,730                                    | 79.6%                       | (331)   |
| Employee Benefits                 | 20,999                       | 17,115                                   | 81.5%                                       | 20,432                                   | 83.8%                                       | 22,282                       | 16,711   | 18,517                                   | 83.1%                       | (1,805)   |
| Transition Services               | 13,865                       | 7,795                                    | 56.2%                                       | 13,153                                   | 59.3%                                       | 6,568                        | 4,926  | 6,202                                    | 94.4%                       | (1,276)   |
| Personnel Transition              |                              |  |   |  |   |                              |  |  |                             |   |
| Adjustment                        | (1,557)                      | -  | 0.0%  | -  | 0.0%  | -                            | -  | -  | 0.0%                        | -   |
| Employee Benefits Fund            | -                            | (1,826)                                  | 0.0%  | -  | 0.0%  | -                            | -  | (2,514)                                  | 0.0%                        | 2,514   |
| Personnel Costs                   | 97,599                       | 68,458                                   | 70.1%                                       | 95,526                                   | 71.7%                                       | 99,707                       | 74,780   | 73,091                                   | 73.3%                       | 1,689   |
| Electric                          | 42,324                       | 30,676                                   | 72.5%                                       | 40,874                                   | 75.0%                                       | 39,801                       | 29,851   | 30,330                                   | 76.2%                       | (480)   |
| Gas                               | 7,030                        | 4,897                                    | 69.7%                                       | 6,612                                    | 74.1%                                       | 6,620                        | 4,965  | 5,390                                    | 81.4%                       | (425)   |
| Sewage Service                    | 2,031                        | 1,155                                    | 56.9%                                       | 1,716                                    | 67.3%                                       | 2,502                        | 1,877  | 1,599                                    | 63.9%                       | 277   |
| Water Service                     | 4,588                        | 3,232                                    | 70.5%                                       | 4,493                                    | 71.9%                                       | 5,717                        | 4,288  | 2,782                                    | 48.7%                       | 1,506   |
| Utilities                         | 55,972                       | 39,959                                   | 71.4%                                       | 53,694                                   | 74.4%                                       | 54,639                       | 40,979   | 40,101                                   | 73.4%                       | 879   |
| Chemicals                         | 13,341                       | 9,700                                    | 72.7%                                       | 12,878                                   | 75.3%                                       | 14,765                       | 11,073   | 9,505                                    | 64.4%                       | 1,568   |
| Supplies & Other                  | 46,971                       | 20,910                                   | 44.5%                                       | 34,950                                   | 59.8%                                       | 34,221                       | 25,666   | 22,542                                   | 65.9%                       | 3,123   |
| Contractual Services              | 108,480                      | 77,110                                   | 71.1%                                       | 99,877                                   | 77.2%                                       | 107,611                      | 80,708   | 78,090                                   | 72.6%                       | 2,619   |
| Capital Program Allocation        | (2,013)                      | (967)                                    | 48.0%                                       | (1,683)                                  | 57.5%                                       | (3,110)                      | (2,332)  | (2,438)                                  | 78.4%                       | 106   |
| Shared Services                   | (10,110)                     | (5,615)                                  | 55.5%                                       | (9,908)                                  | 56.7%                                       | (9,272)                      | (6,954)  | (6,762)                                  | 72.9%                       | (192)   |
| Unallocated Reserve               | 2,311                        | -  | 0.0%  | -  | 0.0%  | 14,081                       | 10,561   | -  | 0.0%                        | 10,561  |
| Total Expenses                    | \$ 312,551                   | \$ 209,556                               | 67.0%                                       | \$ 285,333                               | 73.4%                                       | \$ 312,642                   | \$ 234,482   | \$ 214,129                               | 68.5%                       | \$ 20,352   |

The Basic Financial Statements report includes the following four tables.

1. Statement of Net Position - All Funds Combined
2. Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined
3. Supplemental Schedule of Operations & Maintenance Expenses -All Funds Combined
4. Supplemental Schedule of Nonoperating Expenses – All Funds Combined

At a macro level GLWA has two primary funds for financial reporting purposes: *Water Fund* and *Sewage Disposal Fund*. These funds represent the combined total of four sub-funds for each system that are used internally to properly account for sources and uses of funds. Those sub-funds for each system are: *Operations & Maintenance Fund, Improvement & Extension Fund, Construction Bond Fund, and Capital Asset Fund*.

## Statement of Net Position – All Funds Combined

Explanatory notes follow the Statement of Net Position shown in Table 1 below.

**Table 1 – Statement of Net Position - All Funds Combined**  
**As of March 31, 2019**  
**(\$000)**

|                                     | Water              | Sewage Disposal     | Total Business-<br>type Activities | Comparative<br>June 30, 2018 |
|-------------------------------------|--------------------|---------------------|------------------------------------|------------------------------|
| <b>Assets</b>                       |                    |                     |                                    |                              |
| Cash (a)                            | \$ 181,671         | \$ 197,024          | \$ 378,695                         | \$ 671,753                   |
| Investments (a)                     | 390,389            | 307,813             | 698,202                            | 343,235                      |
| Accounts Receivable                 | 113,603            | 95,032              | 208,635                            | 191,359                      |
| Due from Other Funds (b)            | 3,458              | -                   | 3,458                              | 32,255                       |
| Other Assets (c)                    | 607,427            | 465,501             | 1,072,928                          | 985,888                      |
| Cash Held FBO DWSD Advance (d)      | -                  | 28,466              | 28,466                             | 18,468                       |
| Capital Assets, net of Depreciation | 1,706,515          | 2,485,649           | 4,192,165                          | 4,402,212                    |
| Construction Work in Process        | 169,837            | 204,398             | 374,235                            | 288,052                      |
| <b>Total assets</b>                 | <b>3,172,902</b>   | <b>3,783,883</b>    | <b>6,956,785</b>                   | <b>6,933,222</b>             |
| <b>Deferred Outflows (e)</b>        | <b>88,537</b>      | <b>170,804</b>      | <b>259,341</b>                     | <b>332,992</b>               |
| <b>Liabilities</b>                  |                    |                     |                                    |                              |
| Liabilities - Short-Term (f)        | 150,304            | 160,179             | 310,483                            | 270,446                      |
| Due to Other Funds (b)              | -                  | 3,458               | 3,458                              | 32,255                       |
| Other Liabilities (g)               | 2,826              | 6,277               | 9,103                              | 8,638                        |
| Cash Held FBO DWSD                  | 10,830             | -                   | 10,830                             | 8,902                        |
| Liabilities - Long-Term (h)         | 3,099,124          | 3,840,098           | 6,939,222                          | 6,998,296                    |
| <b>Total liabilities</b>            | <b>3,263,083</b>   | <b>4,010,012</b>    | <b>7,273,095</b>                   | <b>7,318,537</b>             |
| <b>Deferred Inflows (e)</b>         | <b>65,833</b>      | <b>56,853</b>       | <b>122,687</b>                     | <b>126,432</b>               |
| <b>Total net position</b>           | <b>\$ (67,478)</b> | <b>\$ (112,178)</b> | <b>\$ (179,656)</b>                | <b>\$ (178,755)</b>          |

*Totals may be off due to rounding*

In general, the Statement of Net Position reflects a mature organization with no unexpected trends. Cash balances as of March 31, 2019 are lower when compared to June 30, 2018 (highlighted in gold on Table 1). This is because of the high liquidity needs at June 30, 2018 to meet annual debt and interest payments, legacy pension obligation payments, and annual operational requirements whereas more funds are being invested as of March 31, 2019.

An ongoing challenge is the Net Position Deficit. The underlying causes took years to build (largely heavy use of debt to finance capital asset investment versus a strategic blend of debt, state revolving funds, and cash). The effect is reflected in GLWA's high debt interest expense. The GLWA is regularly updating the FY 2030 forecast which helps to provide a pathway to a positive Net Position in the future.

### **Footnotes to Statement of Net Position**

- a. *Cash and Investments* include restricted amounts and are reported at book value. Investments at June 30, 2018 are reported at market value.
- b. *Due from Other Funds* and *Due to Other Funds* is shown at the gross level for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Deferred Inflow* and *Deferred Outflow* relate to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- f. *Liabilities - Short-term* include accounts payable, retainage payable, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but are only adjusted on an interim basis if there is a material change.
- g. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- h. *Liabilities - Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- i. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation expense as a result of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

## Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the March 2019 Financial Report Binder. Prior year ending balances are provided in the June 30, 2018 column as a reference for comparative purposes. Explanatory notes follow this statement.

**Table 2 – Statement of Revenues, Expenses and Changes in Net Position  
– All Funds Combined  
For the Nine Months ended March 31, 2019  
(\$000)**

|   | Water              | Percent<br>of<br>Revenue | Sewage<br>Disposal  | Percent<br>of<br>Revenue | Total<br>Business-<br>type<br>Activities | Comparative<br>June 30,<br>2018 |
|---|--------------------|--------------------------|---------------------|--------------------------|--|---------------------------------|
| <b>Revenue</b>                              |                    |                          |                     |                          |  |                                 |
| Wholesale customer charges                  | \$ 237,563         | 94.0%                    | \$ 206,215          | 58.1%                    | \$ 443,778                               | \$ 592,096                      |
| Local system charges                        | 15,245             | 6.0%                     | 137,256             | 38.7%                    | 152,500                                  | 194,100                         |
| Industrial waste charges                    | -                  | 0.0%                     | 6,853               | 1.9%                     | 6,853                                    | 14,335                          |
| Pollutant surcharges                        | -                  | 0.0%                     | 4,264               | 1.2%                     | 4,264                                    | 6,908                           |
| Other revenues                              | 25                 | 0.0%                     | 349                 | 0.1%                     | 375                                      | 4,455                           |
| <b>Total Revenues</b>                       | <b>\$ 252,833</b>  | <b>100%</b>              | <b>\$ 354,936</b>   | <b>100%</b>              | <b>\$ 607,769</b>                        | <b>\$ 811,894</b>               |
| <b>Operating expenses</b>                   |                    |                          |                     |                          |  |                                 |
| Operations and Maintenance                  | 87,173             | 34.5%                    | 126,957             | 35.8%                    | 214,129                                  | 284,910                         |
| Depreciation                                | 106,827            | 42.3%                    | 129,131             | 36.4%                    | 235,958                                  | 331,242                         |
| <b>Total operating expenses</b>             | <b>194,000</b>     | <b>76.7%</b>             | <b>256,087</b>      | <b>72.2%</b>             | <b>450,088</b>                           | <b>616,152</b>                  |
| <b>Operating income</b>                     | 58,833             | 23.3%                    | 98,849              | 27.8%                    | 157,681                                  | 195,742                         |
| <b>Total Nonoperating (revenue) expense</b> | 65,875             | 26.1%                    | 92,707              | 26.1%                    | 158,583                                  | 271,662                         |
| Increase/(Decrease) in Net Position         | <b>(7,043)</b>     | <b>-2.8%</b>             | <b>6,141</b>        | <b>1.7%</b>              | <b>(901)</b>                             | <b>(75,920)</b>                 |
| Net position (deficit), beginning of year   | (60,435)           |                          | (118,319)           |                          | (178,755)                                | (102,835)                       |
| <b>Net position (deficit), end of year</b>  | <b>\$ (67,478)</b> |                          | <b>\$ (112,178)</b> |                          | <b>\$ (179,656)</b>                      | <b>\$ (178,755)</b>             |
| <i>Totals may be off due to rounding</i>    |                    |                          |                     |                          |  |                                 |

## Water Fund

- ✓ Operating income is positive at 23.3% of revenue.
- ✓ The decrease in Water Fund Net Position is \$7.0 million despite an overall positive cashflow.
- ✓ Wholesale water customer charges of \$237.5 million account for 94.0% of Water System revenues.
- ✓ Operating expenses of \$194.0 million represent 76.7% of total operating revenue. Depreciation is the largest operating expense at \$106.8 million or 55.1% of operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$58.8 million or 23.3% of operating revenue. This represents an increase of \$3.1 million over February year-to-date.
- ✓ The largest category within nonoperating activities is interest expense of \$85.2 million (this equates to the bonded debt interest less the offset from DWSD contractual obligation income).

## Sewage Disposal Fund

- ✓ Operating income is positive at 27.8% of revenue.
- ✓ The increase in the Sewage Disposal Fund Net Position was \$6.1 million.
- ✓ Wholesale customer charges of \$206.2 million account for 58.1% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$137.2 million account for 38.7% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$256.0 million represent 72.2% of total operating revenue. Depreciation is the largest operating expense at \$129.1 million or 50.4% of total operating expense.
- ✓ Operating income after operating expenses (including depreciation) equals \$98.8 million or 27.8% of operating revenue. This represents an increase of \$13.8 million over February year-to-date.
- ✓ The largest category within nonoperating activities is interest expense of \$106.8 million (this equates to the bonded debt interest less the offset from DWSD contractual obligation income).

## Supplemental Schedule of Operations & Maintenance Expenses – All Funds Combined

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the March 2019 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses  
– All Funds Combined  
For the Nine Months ended March 31, 2019  
(\$000)**

|  | Water                   | Percent<br>of Total  | Sewage<br>Disposal       | Percent<br>of Total  | Total<br>Business-<br>type<br>Activities | Percent<br>of Total  |
|--|-------------------------|----------------------|--------------------------|----------------------|--|----------------------|
| <b>Operating expenses</b>                      |                         |                      |                          |                      |  |                      |
| Personnel                                      |                         |                      |                          |                      |  |                      |
| Salaries & Wages                               | 17,899                  | 20.5%                | 33,459                   | 26.4%                | 51,358                                   | 24.0%                |
| Overtime                                       | 3,182                   | 3.6%                 | 2,548                    | 2.0%                 | 5,730                                    | 2.7%                 |
| Benefits                                       | 8,929                   | 10.2%                | 7,075                    | 5.6%                 | 16,003                                   | 7.5%                 |
| Total Personnel                                | <u>\$ 30,009</u>        | <u>34.4%</u>         | <u>\$ 43,082</u>         | <u>33.9%</u>         | <u>\$ 73,091</u>                         | <u>34.1%</u>         |
| <b>Utilities</b>                               |                         |                      |                          |                      |  |                      |
| Electric                                       | 19,661                  | 22.6%                | 10,669                   | 8.4%                 | 30,330                                   | 14.2%                |
| Gas  | 960                     | 1.1%                 | 4,429                    | 3.5%                 | 5,389                                    | 2.5%                 |
| Sewage   | 563                     | 0.6%                 | 1,036                    | 0.8%                 | 1,599                                    | 0.7%                 |
| Water  | 1                       | 0.0%                 | 2,780                    | 2.2%                 | 2,782                                    | 1.3%                 |
| Total Utilities                                | <u>\$ 21,185</u>        | <u>24.3%</u>         | <u>\$ 18,915</u>         | <u>14.9%</u>         | <u>\$ 40,100</u>                         | <u>18.7%</u>         |
| Chemicals                                      | 3,737                   | 4.3%                 | 5,768                    | 4.5%                 | 9,505                                    | 4.4%                 |
| Supplies and other                             | 7,502                   | 8.6%                 | 15,041                   | 11.8%                | 22,543                                   | 10.5%                |
| Contractual services                           | 32,605                  | 37.4%                | 45,485                   | 35.8%                | 78,090                                   | 36.5%                |
| Capital program allocation                     | (1,427)                 | -1.6%                | (1,012)                  | -0.8%                | (2,438)                                  | -1.1%                |
| Shared services allocation                     | (6,439)                 | -7.4%                | (323)                    | -0.3%                | (6,762)                                  | -3.2%                |
| <b>Operations and Maintenance<br/>Expenses</b> | <u><b>\$ 87,173</b></u> | <u><b>100.0%</b></u> | <u><b>\$ 126,957</b></u> | <u><b>100.0%</b></u> | <u><b>\$ 214,129</b></u>                 | <u><b>100.0%</b></u> |

Totals may be off due to rounding.

- ✓ Core expenses for water and sewage disposal systems are utilities (18.7% of total O&M expenses) and chemicals (4.4%).
- ✓ Personnel costs (34.1% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (36.5%) includes:
  - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$9.3 million);
  - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$11.7 million); and
  - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.



## Supplemental Schedule of Nonoperating Expenses – All Funds Combined

The Supplemental Schedule of Nonoperating Expenses – All Funds Combined is shown in Table 4. Explanatory notes follow this schedule.

**Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined**  
**For the Nine Months ended March 31, 2019**  
 (\$000)

|   | Water            | Sewage Disposal  | Total Business-type Activities | Comparative June 30, 2018 |
|---|------------------|------------------|--------------------------------|---------------------------|
| <b>Nonoperating (Revenue)/Expense</b>       |                  |                  |                                |                           |
| Interest income contractual obligation      | \$ (17,163)      | \$ (12,630)      | \$ (29,793)                    | \$ (38,857)               |
| Interest income DWSD Shortfall              | -                | (811)            | (811)                          | -                         |
| Investment earnings                         | (9,583)          | (8,181)          | (17,764)                       | (11,396)                  |
| Other nonoperating revenue                  | (342)            | 5,983            | 5,641                          | (430)                     |
| Interest expense                            |                  |                  |                                |                           |
| Bonded debt                                 | 85,729           | 102,674          | 188,403                        | 255,868                   |
| Lease obligation                            | 13,271           | 16,220           | 29,490                         | 39,702                    |
| Other obligations                           | 3,459            | 624              | 4,083                          | 4,825                     |
| Total interest expense                      | 102,459          | 119,518          | 221,977                        | 300,395                   |
| Other capital / non-capital expense         | 303              | 302              | 606                            | 1,684                     |
| Amortization, issuance costs, debt          | (7,226)          | (1,238)          | (8,464)                        | (8,684)                   |
| Amortization, raw water rights              | 2,675            | -                | 2,675                          | 2,081                     |
| (Gain) loss on disposal of capital assets   | 381              | 5                | 386                            | (2,463)                   |
| Loss on impairment of capital assets        | -                | -                | -                              | 654                       |
| Water Residential Assistance Program        | 385              | 524              | 909                            | 3,756                     |
| Legacy pension expense                      | (6,014)          | (10,764)         | (16,778)                       | 24,922                    |
| <b>Total Nonoperating (Revenue)/Expense</b> | <b>\$ 65,875</b> | <b>\$ 92,707</b> | <b>\$ 158,583</b>              | <b>\$ 271,662</b>         |

Totals may be off due to rounding.

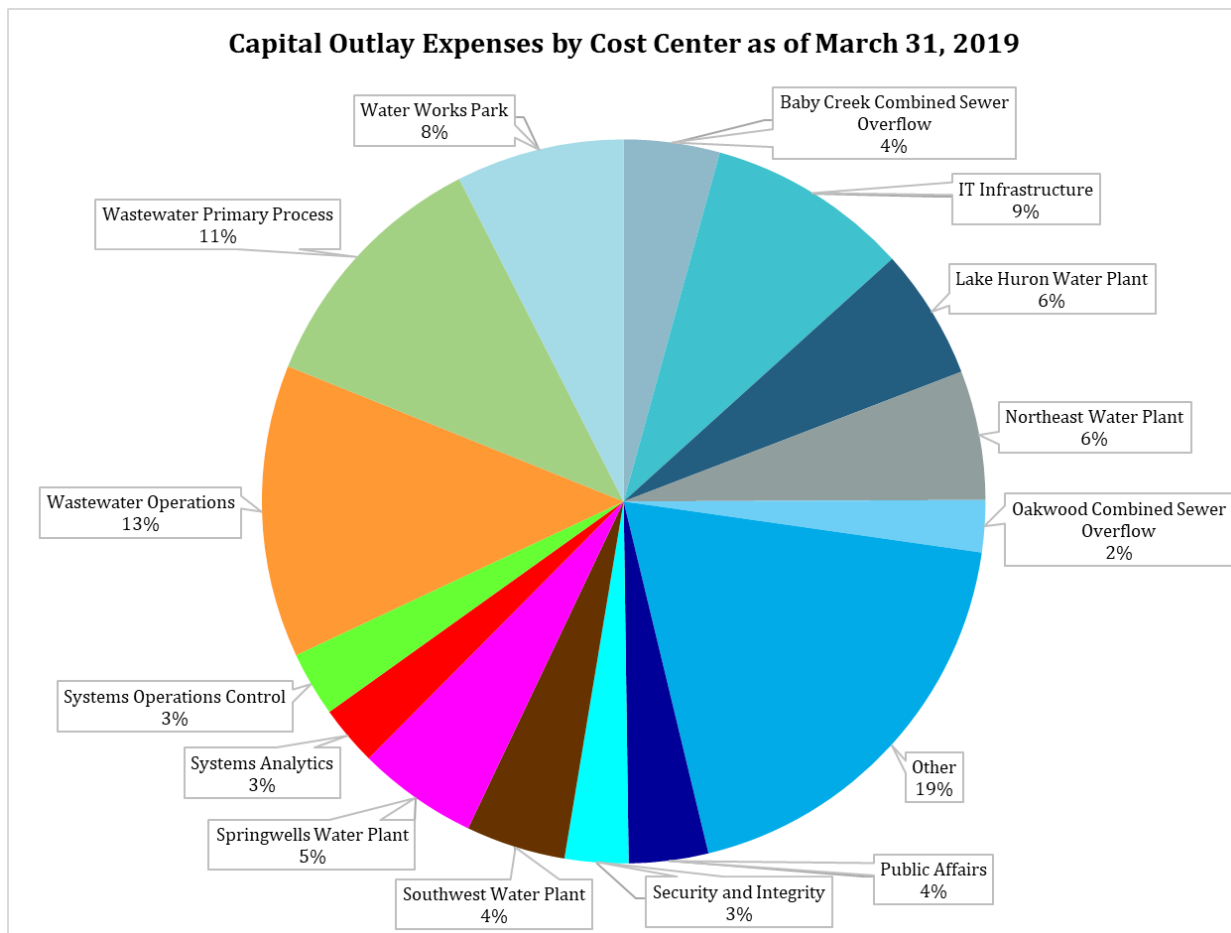
- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Interest income DWSD shortfall represents interest from a budgetary shortfall loan from fiscal years 2016 and 2017 and is in accordance to the April 2018 MOU. The repayment of the shortfall will last for three years.
- ✓ Investment earnings in this report are reflected at book value and may therefore not agree with the Cash and Investment Income section of this Financial Report Binder and the Quarterly Debt Report which present balances at market value.
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:

- Bonded debt;
  - Lease obligation for the regional assets from the City of Detroit; and
  - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ Legacy Pension expense for FY 2019 is currently reflected as income due to changes in actuarial assumptions and rates from the June 30, 2018 City of Detroit General Retirement System Component II audited financial statement.
  - ✓ Sewer Other Non-operating expense includes the 2018 Memorandum of Understanding (MOU) Item 8 a from June 27, 2018 for a final bad debt lookback adjustment for DWSD of \$6.5 million.

## Financial Activity Charts

### Chart 1 – Capital Outlay – Water and Sewer System Combined

Capital Outlay represents purchases of equipment, software, and small facility improvement projects. It *excludes* any capital investment which is included in the monthly construction work-in-progress report related to the Capital Improvement Program. Some items span several months so the entire cost may not have been incurred yet. In addition, items are capitalized only if they meet GLWA’s capitalization policy.



**Note:** Due to rounding totals may not equal 100%.

Through March 31, 2019, total capital outlay spend is \$11.1 million. Below is a sample list of projects and purchases from the total spend of \$11.1 million.

**Water Operations:** filter upgrade at Water Works Park (\$124k) and gas scrubber (\$95k)

**Wastewater Operations:** chiller replacement at Water Resource Recovery Facility (WRRF) (\$756k); grit crane (\$563k); WRRF engineering offices design (\$280k); pump pull-out assembly (\$197k); booster pump and expansion tank for Scum building (\$196k) and screw conveyor (\$114k)

**Information Technology:** software (\$747k) and low voltage wiring (\$305k)

**Security:** security infrastructure (\$265k)

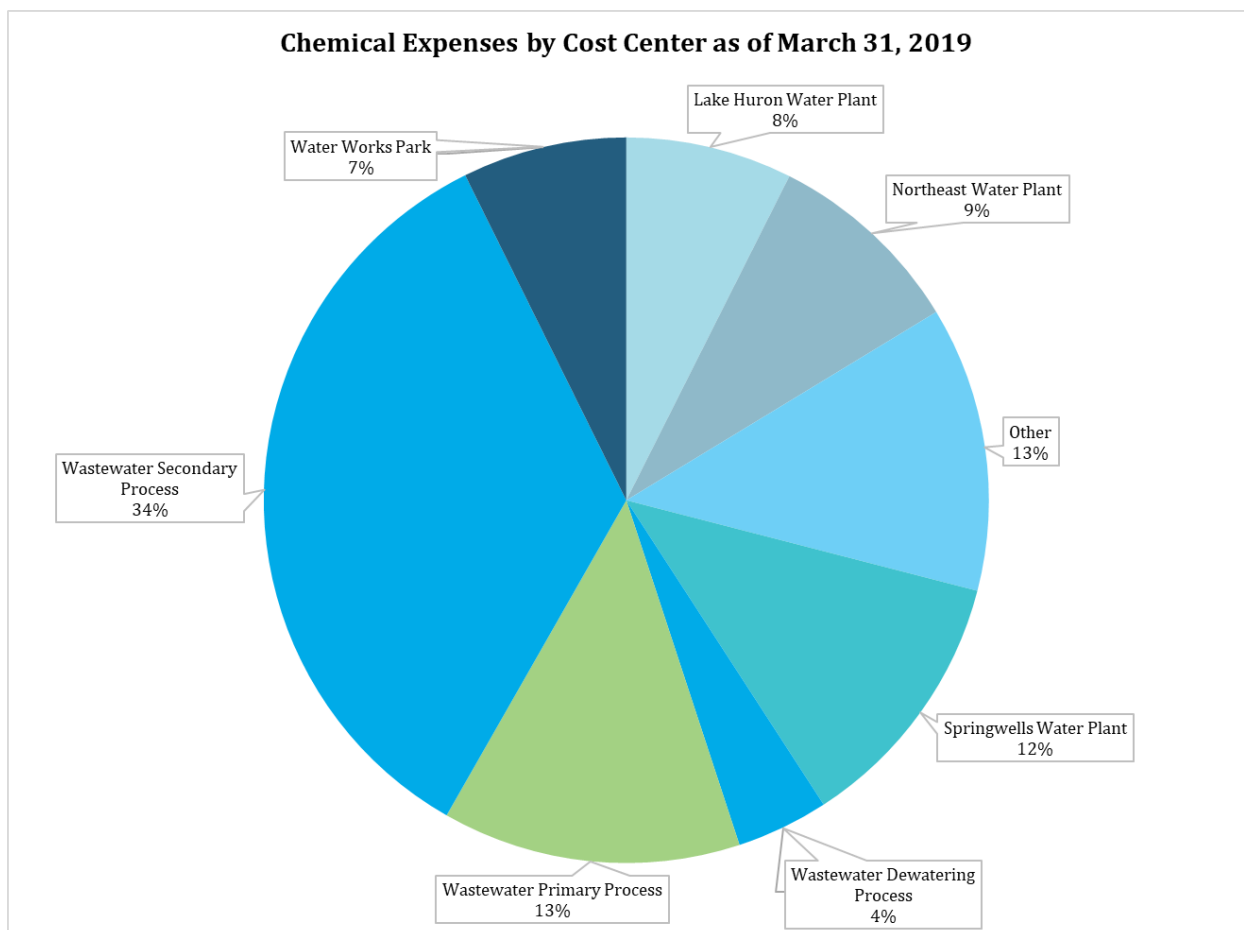
**System Analytics:** flow meters (\$193k)

**CSO Facilities:** channel meters (\$470k); chemical feed pump (\$178k); submersible sewage pump (\$144k); chopper pump (\$125k) and chemical induction unit (\$124k)

**Centralized & Administrative Facilities:** underground storage tanks, dispenser and management system (\$3.0M); Public Affairs & 13<sup>th</sup> floor renovation and furniture (\$367k); variable feed drives (\$113k) and VFD upgrade (\$106k)

### Chart 2 – Chemical Spend – Water and Sewer System Combined

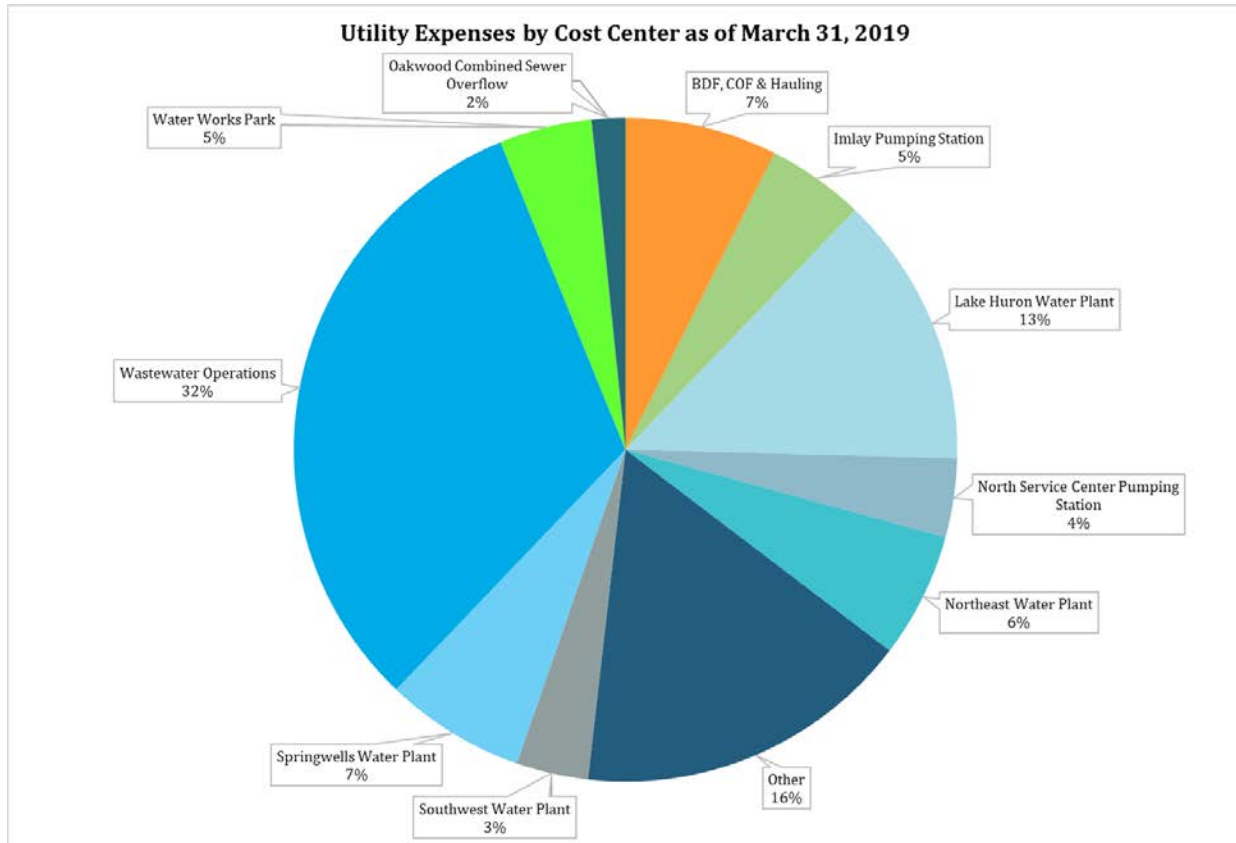
Chemical spend is \$9.5 million through March 31, 2019. The allocation is shown in the chart below.



**Note:** “Other” includes Combined Sewer Overflow (CSO), portions of the Wastewater process and two departments from Water. Due to rounding totals may not equal 100%.

### Chart 3 – Utility Spend – Water and Sewer System Combined

Utility spend is \$40.1 million through March 31, 2019. The allocation is shown in the chart below.



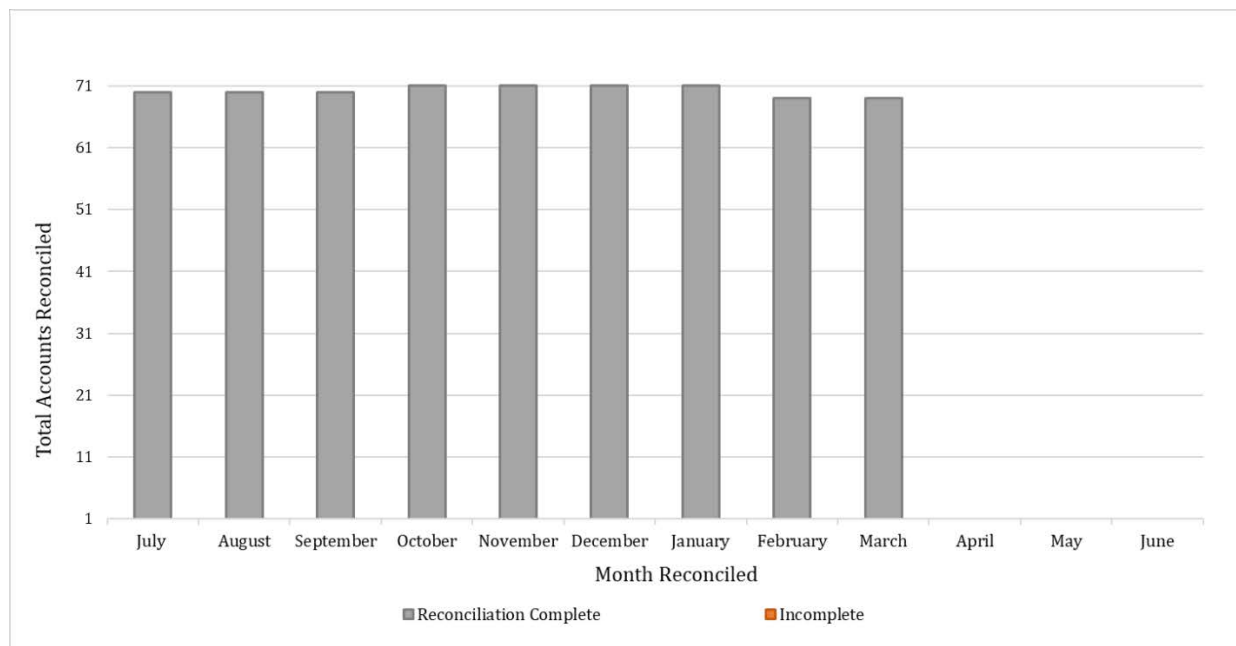
**Note:** Due to rounding totals may not equal 100%.

## Financial Operations KPI

This key performance indicator shown in Chart 1 below provides a measure of the progress made in the month-end close process which includes bank reconciliations with a completed status at month end.

There were no changes in accounts from February 2019.

**Chart 1 – Bank Reconciliation Completion Status**



**Table 1 – Fiscal Year 2019 Bank Account Rollforward**

|                                     |                  |
|-------------------------------------|------------------|
| Total accounts as of July 1, 2018   | 70               |
| Bank accounts opened                | 2                |
| Bank accounts closed                | <u>(3)</u>       |
| Total accounts as of March 31, 2019 | <u><u>69</u></u> |

The monthly Budget to Financial Statements Crosswalk includes the following.

1. Crosswalk Budget Basis to Financial Reporting Basis
2. Explanatory Notes for Crosswalk

**Purpose for Crosswalk:** The Great Lakes Water Authority establishes a “Revenue Requirements” budget for the purposes of establishing charges for services. The financial report is prepared in accordance with Generally Accepted Accounting Policies for enterprise funds of a local government. Because the budget and the financial statements are prepared using different basis of accounting, the crosswalk reconciles the “Net Revenue Requirement Basis” from the Budget to Actual Analysis (Table 1A and Table 1B) to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in the monthly Financial Report.

The Authority has a Water Master Bond Ordinance and a Sewer Master Bond Ordinance (MBO). The Ordinances provide additional security for payment of the bonds. All revenues of the system are deposited into Revenue Receipts Funds which are held in trust by a trustee. The cash is moved to multiple bank accounts monthly based on 1/12<sup>th</sup> of the budget as defined in the MBO (“the flow of funds”) for all revenue requirements except for the Debt Service monthly transfer. The Debt Service monthly requirement is computed by the trustee, U.S. Bank. The cash transfer for debt is net of investment earnings that remain in the debt service accounts to be used for debt service.

The budget is prepared on a modified cash basis budget. The revenue requirements are determined based upon the cash needed to meet the financial commitments as required by the Master Bond Ordinance.

- Operation & Maintenance (O&M) expenses based on an accrual basis
- O&M Legacy Pension Allocation (includes administrative fee) and Accelerated Legacy Pension Allocation (includes B&C notes obligation) based on a cash basis
- Debt Service Allocation based on a cash set aside basis to provide the cash for the debt payments on the due dates
- Lease payments based on a cash basis
- Water Residential Assistance Program based on a percentage of budgeted revenue
- Regional System Improvement & Extension Fund Allocation on a cash basis

**Budget:** In Table 1A and Table 1B of the Budget to Actual Analysis the ‘Revenues’ section is the accrual basis revenues that are available to meet the ‘Revenue Requirements’. The “Revenue Requirements’ section budget column indicates the annual cash transfers to be made.

**Financial Reporting:** The Authority’s financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Authority maintains its records on the accrual basis of accounting to conform to GAAP.



Revenues from operations, investments and other sources are recorded when earned. Expenses (including depreciation) are recorded when incurred.

**Table 1 – Crosswalk Budget Basis to Financial Reporting Basis** provides a reconciliation of the “Net Difference” in Table 1A and Table 1B in the Budget to Actual Analysis report to the “Increase/(Decrease) in Net Position” in Table 2 of the Basic Financial Statements in this monthly Financial Report. Explanatory notes follow the Crosswalk shown in Table 1 below.

**Table 1 – Crosswalk Budget Basis to Financial Reporting Basis (\$000)**  
**For the Nine Months Ended March 31, 2019**

|  | Water             | Sewer           | Total           |
|--|-------------------|-----------------|-----------------|
| <b>Net Revenue Requirement Budget Variance (a)</b>                   | \$ 6,202          | \$ 13,051       | \$ 19,253       |
| <b>Budgetary categories adjustments to financial reporting basis</b> |                   |                 |                 |
| Pension delayed accounting election adjustments                      |                   |                 |                 |
| Current year pension transfers/payments recorded as deferral (c)     | 8,581             | 15,357          | 23,938          |
| Prior year pension contribution accounted for in current year (d)    | 6,014             | 10,764          | 16,778          |
| Administrative prepaid adjustment (e)                                | -                 | -               | -               |
| Debt service (f)   | 29,555            | 66,028          | 95,583          |
| Accelerated pension B&C notes obligation portion (g)                 | 379               | 853             | 1,232           |
| Lease payment (h)  | 3,604             | 4,405           | 8,009           |
| WRAP (i)   | 870               | 1,257           | 2,127           |
| DWSD short term allocation (j)                                       | -                 | 9,998           | 9,998           |
| Improvement & Extension Fund (j)                                     | 35,771            | 16,911          | 52,682          |
| <b>Nonbudgeted financial reporting categories adjustments</b>        |                   |                 |                 |
| Depreciation (k)   | (106,827)         | (129,131)       | (235,958)       |
| Amortization (k)   | 4,551             | 1,238           | 5,789           |
| Other nonoperating income (k)  | 340               | (5,983)         | (5,643)         |
| Other nonoperating expense (k)                                       | (303)             | (302)           | (605)           |
| Gain(loss) on disposal of capital assets (k)                         | (381)             | (5)             | (386)           |
| Raw water rights (l)   | 2,246             | -               | 2,246           |
| Investment earnings construction fund (m)                            | 2,355             | 1,700           | 4,055           |
| <b>Net Position Increase/(Decrease) per Financial Statements (b)</b> | <u>\$ (7,043)</u> | <u>\$ 6,141</u> | <u>\$ (902)</u> |

**Table 2- Explanatory Notes for Crosswalk**

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Binder
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Binder
- (c) Current year pension payments are an expense for budget purposes but not for financial reporting purposes.
- (d) Prior year pension payments are accounted for in the current year financial statements.
- (e) The administrative fee is part of the O&M Legacy Pension shown as an expense for budget purposes. For financial reporting purposes part of the administrative fee is considered prepaid based on the prior year General Retirement System audit information and therefore not an expense for the current year financial reporting. The prepaid portion is adjusted in June each year.
- (f) Debt service (principal and interest payments) are shown as an expense for budget purposes. Most of the adjustment relates to principal payments which

are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense variances on state revolving fund debt due to the timing of payment draws. The cash set aside basis for interest expense generally is the same as the accrual basis for financial reporting.

- (g) The accelerated pension payment includes the obligation payable for the B&C notes. The pension portion is included in item (c) above. This adjustment relates to the B&C note obligation payments. The principal and interest cash basis payments are treated as an expense for budget purposes. The principal portion is not an expense for financial reporting purposes. For financial reporting purposes interest is expensed on an accrual basis which is different from the cash basis.
- (h) The lease payment is included as an expense for budget and includes both principal and interest payments. Most of the adjustment relates to the principal payments which are not an expense for financial reporting purposes. A portion of the adjustment relates to interest expense which is recorded on an accrual basis for financial reporting which is different from the cash basis.
- (i) WRAP is shown as an expense for budget purposes. For financial reporting purposes the expense is not recognized until the funds have been transferred to the WRAP administrator. The adjustment shown is the amount of current year transfers that have not been transferred to the WRAP administrator. Note that there are funds from the prior year that have not been transferred to the WRAP administrator.
- (j) The DWSD short term allocation and Improvement & Extension Fund transfers are shown as an expense for budget purposes but not for financial reporting purposes.
- (k) Certain nonoperating income and expenses are reported in financial statements only.
- (l) The water service contract with Flint includes a license for raw water rights which has been recorded as an asset and liability by the Authority. The contract provides a credit to Flint as Flint satisfies its monthly bond payment obligation to KWA. This KWA credit is treated as a noncash payment of principal and interest on the liability recorded for the raw water rights. For budget, wholesale customer charges are net of the anticipated KWA credits to Flint as that is the cash that will be received and available to meet the budgeted revenue requirements. For financial reporting basis the Flint wholesale charges are recorded at the total amount billed. When the KWA credit is issued, the receivable from Flint is reduced and the principal and interest payments on the liability for the raw water rights are recorded as a noncash transaction. Most of the adjustment shown relates to the principal reduction made for the credits applied which are not an expense for financial reporting basis.
- (m) Investment earnings from the construction fund are not shown as revenue in the budget and are shown as revenue in the financial statements. Construction fund investment earnings are excluded from the definition of revenue for budget purposes as they are used for construction costs and are not used to meet the revenue requirements in the budget.

The Monthly Construction Work in Progress (CWIP) Summary includes the following.

1. Water System Construction Work in Progress costs incurred to date
2. Sewer System Construction Work in Progress costs incurred to date

## **Construction Work in Progress**

Great Lakes Water Authority (GLWA) capital improvement projects generally span two or more years due to size and complexity. Therefore, the GLWA Board of Directors adopts a biennial budget that establishes allowable amounts for construction spending during that period to support a five-year capital improvement plan (CIP). The CIP is a five-year, rolling plan which is updated annually, reviewed, and formally adopted by the GLWA Board of Directors.

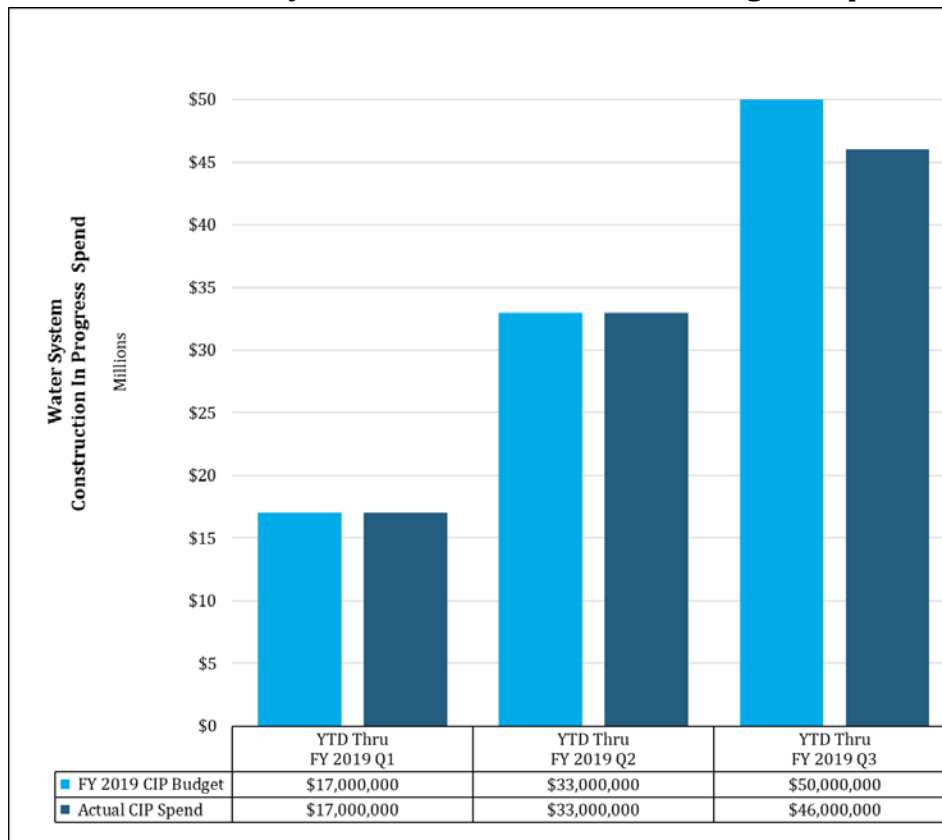
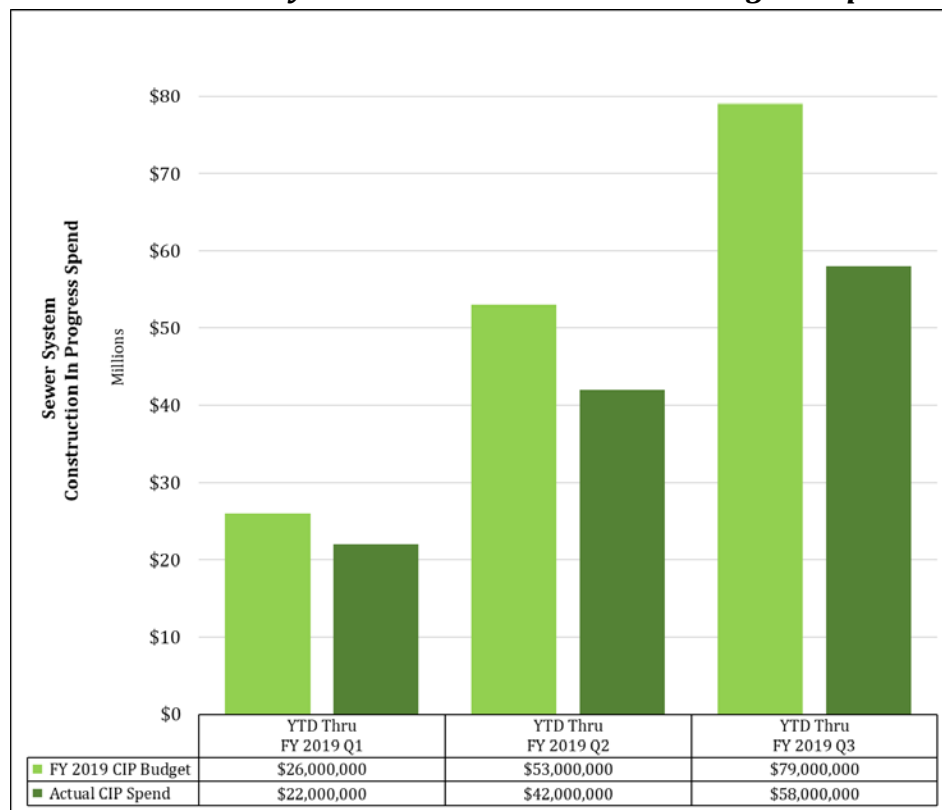
This report presents quarterly and monthly CWIP spending trends against a prorated spending plan. The prorated spending plan is calculated by dividing the total fiscal year 2019 board-approved CIP plan by twelve equal months. It should be noted that these interim reports are prepared on a modified cash basis. Known expenses, where material in nature, have been accrued.

### **Chart 1 – Water System Construction in Work in Progress Spend**

As of March 2019, the Water system incurred nearly \$46 million of construction costs to date. This is 92% of the total fiscal year 2019 prorated, spending plan and continues a trend of on-target spend.

### **Chart 2 – Sewer System Construction in Work in Progress Spend**

As of March 2019, the Sewer system incurred over \$58 million of construction costs to date. This is 73% of the total fiscal year 2019 prorated, spending plan and a slight decrease over the prior period.

**Chart 1 – Water System Construction Work in Progress Spend**

**Chart 2 – Sewer System Construction Work in Progress Spend**


This report includes the following.

1. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by GLWA
2. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by DWSD

## **MBO Transfers to Accounts Held by GLWA**

**GLWA Transfers:** The Treasury team completes required MBO transfers on the first business day of each month. These transfers are completed in accordance with the Great Lakes Water Authority (GLWA) and Detroit Water & Sewerage Department (DWSD) budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually.

Monthly transfers for Operations & Maintenance (O&M), Pension, and Water Residential Assistance Program (WRAP) are one-twelfth of the annual, budgeted amount. Budget stabilization should not require additional funding due to new, baseline funding levels established as part of the April 2018 Memorandum of Understanding but is included to reflect historical activity. Transfers to the Extraordinary Repair & Replacement (ER&R) fund are completed annually based on budget and year-end fund status.

**Table 1 – GLWA FY 2019 Water MBO Transfers** reflects the required transfers for FY 2019 completed through March 1, 2019. The December O&M transfer amount is less than the other months due to correction to bring fiscal year to date transfers to the approved FY 2019 year to date budget. For FY 2019, through March 1, 2019, MBO transfers for Water totaling \$105.2 million have been transferred to accounts held by GLWA.

**Table 2 – GLWA FY 2019 Sewer MBO Transfers** reflects the required transfers for FY 2019 completed through March 1, 2019. The December O&M transfer amount is less than the other months due to correction to bring fiscal year to date transfers to the approved FY 2019 year to date budget. For FY 2019, through March 1, 2019, MBO transfers for Water totaling \$164.6 million have been transferred to accounts held by GLWA.

**Table 3 – GLWA MBO Transfer History** reflects historical transfers for FY 2016, FY 2017, FY 2018 and FY 2019 to date.

**Table 1 – GLWA FY 2019 Water MBO Transfers**

|                      | <b>WATER</b>                        |                            |                           |                  |   |  |                    |
|----------------------|-------------------------------------|----------------------------|---------------------------|------------------|---|--|--------------------|
|                      | <u>Operations &amp; Maintenance</u> | <u>Pension Sub Account</u> | <u>Pension Obligation</u> | <u>WRAP</u>      | <u>Budget Stabilization (For Benefit of DWSD)</u> | <u>Extraordinary Repair &amp; Replacement (ER&amp;R)</u> | <u>Total Water</u> |
| <b>FY 2019</b>       |                                     |                            |                           |                  |   |  |                    |
| July 2018            | 10,393,475                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,960,466         |
| August 2018          | 10,393,475                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,960,466         |
| September 2018       | 10,393,475                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,960,466         |
| October 2018         | 10,393,475                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,960,466         |
| November 2018        | 10,393,475                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,960,466         |
| December 2018        | 8,813,927                           | 504,000                    | 891,308                   | 171,683          | -   | -  | 10,380,918         |
| January 2019         | 10,130,217                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,697,208         |
| February 2019        | 10,130,217                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,697,208         |
| March 2019           | 10,130,217                          | 504,000                    | 891,308                   | 171,683          | -   | -  | 11,697,208         |
| <b>Total FY 2019</b> | <b>91,171,953</b>                   | <b>4,536,000</b>           | <b>8,021,772</b>          | <b>1,545,147</b> | <b>\$0</b>  | <b>\$0</b>   | <b>105,274,872</b> |

**Table 2 – GLWA FY 2019 Sewer MBO Transfers**

|                      | <b>SEWER</b>                        |                            |                           |                  |   |  |                    |
|----------------------|-------------------------------------|----------------------------|---------------------------|------------------|---|--|--------------------|
|                      | <u>Operations &amp; Maintenance</u> | <u>Pension Sub Account</u> | <u>Pension Obligation</u> | <u>WRAP</u>      | <u>Budget Stabilization (For Benefit of DWSD)</u> | <u>Extraordinary Repair &amp; Replacement (ER&amp;R)</u> | <u>Total Water</u> |
| <b>FY 2019</b>       |                                     |                            |                           |                  |   |  |                    |
| July 2018            | 16,093,500                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,457,941         |
| August 2018          | 16,093,500                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,457,941         |
| September 2018       | 16,093,500                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,457,941         |
| October 2018         | 16,093,500                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,457,941         |
| November 2018        | 16,093,500                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,457,941         |
| December 2018        | 15,072,198                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 17,436,639         |
| January 2019         | 15,923,283                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,287,724         |
| February 2019        | 15,923,283                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,287,724         |
| March 2019           | 15,923,283                          | 902,000                    | 1,223,958                 | 238,483          | -   | -  | 18,287,724         |
| <b>Total FY 2019</b> | <b>143,309,547</b>                  | <b>\$8,118,000</b>         | <b>11,015,622</b>         | <b>2,146,347</b> | <b>\$0</b>  | <b>\$0</b>   | <b>164,589,516</b> |

**Table 3 – GLWA MBO Transfer History**

|                          | <b>GLWA MBO Transfer History</b>    |                            |                           |                     |   |  |                      |
|--------------------------|-------------------------------------|----------------------------|---------------------------|---------------------|---|--|----------------------|
|                          | <b>WATER</b>                        |                            |                           |                     |   |  |                      |
|                          | <u>Operations &amp; Maintenance</u> | <u>Pension Sub Account</u> | <u>Pension Obligation</u> | <u>WRAP</u>         | <u>Budget Stabilization (For Benefit of DWSD)</u> | <u>Extraordinary Repair &amp; Replacement (ER&amp;R)</u> | <u>Total Water</u>   |
| Total FY 2016            | \$71,052,000                        | \$6,037,100                | \$10,297,200              | \$1,983,300         | \$2,326,900                                       | \$606,000  | \$92,302,500         |
| Total FY 2017            | 111,879,600                         | 6,037,200                  | 10,297,200                | 2,077,200           | 360,000   | -  | 130,651,200          |
| Total FY 2018            | 121,562,604                         | 6,048,000                  | 10,695,696                | 2,159,400           | -   | -  | 140,465,700          |
| Total FY 2019 (9 months) | 91,171,953                          | 4,536,000                  | 8,021,772                 | 1,545,147           | -   | -  | 105,274,872          |
| <b>Life to Date</b>      | <b>\$395,666,157</b>                | <b>\$22,658,300</b>        | <b>\$39,311,868</b>       | <b>\$7,765,047</b>  | <b>\$2,686,900</b>                                | <b>\$606,000</b>   | <b>\$468,694,272</b> |
|                          | <b>SEWER</b>                        |                            |                           |                     |   |  |                      |
|                          | <u>Operations &amp; Maintenance</u> | <u>Pension Sub Account</u> | <u>Pension Obligation</u> | <u>WRAP</u>         | <u>Budget Stabilization (For Benefit of DWSD)</u> | <u>Extraordinary Repair &amp; Replacement (ER&amp;R)</u> | <u>Total Water</u>   |
| Total FY 2016            | \$100,865,600                       | \$10,838,400               | \$14,025,800              | \$2,523,400         | \$5,591,700                                       | \$779,600  | \$134,624,500        |
| Total FY 2017            | 175,858,800                         | 10,838,400                 | 14,026,800                | 2,654,400           | 2,654,400   | -  | 206,032,800          |
| Total FY 2018            | 191,079,396                         | 10,824,000                 | 14,687,496                | 2,760,804           | -   | -  | 219,351,696          |
| Total FY 2019 (9 months) | 143,309,547                         | 8,118,000                  | 11,015,622                | 2,146,347           | -   | -  | 164,589,516          |
| <b>Life to Date</b>      | <b>\$611,113,343</b>                | <b>\$40,618,800</b>        | <b>\$53,755,718</b>       | <b>\$10,084,951</b> | <b>\$8,246,100</b>                                | <b>\$779,600</b>   | <b>\$724,598,512</b> |

## **MBO Required and Lease Payment Transfers to DWSD**

**DWSD Transfers:** The GLWA Treasury team completes the required MBO transfers on the first business day of each month. These transfers are completed in accordance with the GLWA and DWSD budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually. Transfers are coordinated with other areas of GLWA Financial Services in advance of the first business day of each month. GLWA Treasury sends confirmation of transfers made to DWSD Treasury.

Monthly transfers for O&M and O&M Pension are one-twelfth of the annual, budgeted amount. The annual lease payment, as stated in the Water & Sewer Lease Agreements, is \$22,500,000 for Water and \$27,500,000 for Sewer. The monthly lease transfer is one-twelfth of the amount as stated in the Lease agreements unless otherwise designated by DWSD. Per Section 3.5 of the Lease, the Lease payment may be used for (a) bond principal and interest for Local System Improvements, (b) bond principal and interest for the City's share of common-to-all System Improvements, and (c) Local System improvements.

**Table 4 - DWSD FY 2019 Water MBO Transfers** reflects the required transfers for FY 2019 completed through March 1, 2019. MBO transfers for Water totaling \$43.8 million have been transferred to accounts held by DWSD. For FY 2019, DWSD has requested \$3,972,200 of the lease payment be utilized to offset a portion of debt service. (Note: the original FY 2019 request was for \$3,949,200; the net impact of the revision in the requested amount is reflected in the March - June 2019 transfers.)

**Table 5 - DWSD FY 2019 Sewer MBO Transfers** reflects the required transfers for FY 2019 completed through March 1, 2019. MBO transfers for Sewer totaling \$69.9 million have been transferred to accounts held by DWSD. For FY 2019, DWSD has requested \$4,415,000 of the lease payment be utilized to offset a portion of debt service. (Note: the original FY 2019 request was for \$4,864,000; the net impact of the revision in the requested amount is reflected in the March - June 2019 transfers.)

**Table 6 - DWSD MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016, FY 2017, FY 2018 and FY 2019 to date.



**Table 4 – DWSD FY 2019 Water MBO Transfers**

| <b>WATER</b>         |                                     |                     |                                     |                      |  |
|----------------------|-------------------------------------|---------------------|-------------------------------------|----------------------|--|
|                      | <u>Operations &amp; Maintenance</u> | <u>Pension</u>      | <u>Lease Payment (I&amp;E Fund)</u> | <u>Total Water</u>   |  |
| <b>FY 2019</b>       |                                     |                     |                                     |                      |  |
| July 2018            | \$ 2,957,025                        | \$ 356,000          | \$ 1,545,900                        | \$ 4,858,925         |  |
| August 2018          | 2,957,025                           | 356,000             | 1,545,900                           | 4,858,925            |  |
| September 2018       | 2,957,025                           | 356,000             | 1,545,900                           | 4,858,925            |  |
| October 2018         | 2,957,025                           | 356,000             | 1,545,900                           | 4,858,925            |  |
| November 2018        | 2,957,025                           | 356,000             | 1,545,900                           | 4,858,925            |  |
| December 2018        | 2,957,025                           | 356,000             | 1,545,900                           | 4,858,925            |  |
| January 2019         | 2,957,025                           | 356,000             | 1,545,900                           | 4,858,925            |  |
| February 2019        | 2,957,025                           | 356,000             | 1,545,900                           | 4,858,925            |  |
| March 2019           | 2,957,025                           | 356,000             | 1,594,200                           | 4,907,225            |  |
| <b>Total FY 2019</b> | <b>\$ 26,613,225</b>                | <b>\$ 3,204,000</b> | <b>\$ 13,961,400</b>                | <b>\$ 43,778,625</b> |  |

**Table 5 – DWSD FY 2019 Sewer MBO Transfers**

| <b>SEWER</b>         |                                     |                     |                                     |                      |  |
|----------------------|-------------------------------------|---------------------|-------------------------------------|----------------------|--|
|                      | <u>Operations &amp; Maintenance</u> | <u>Pension</u>      | <u>Lease Payment (I&amp;E Fund)</u> | <u>Total Sewer</u>   |  |
| <b>FY 2019</b>       |                                     |                     |                                     |                      |  |
| July 2018            | \$ 5,676,792                        | \$ 238,000          | \$ 1,886,333                        | \$ 7,801,125         |  |
| August 2018          | 5,676,792                           | 238,000             | 1,886,333                           | 7,801,125            |  |
| September 2018       | 5,676,792                           | 238,000             | 1,886,333                           | 7,801,125            |  |
| October 2018         | 5,676,792                           | 238,000             | 1,886,333                           | 7,801,125            |  |
| November 2018        | 5,676,792                           | 238,000             | 1,886,333                           | 7,801,125            |  |
| December 2018        | 5,676,792                           | 238,000             | 1,886,333                           | 7,801,125            |  |
| January 2019         | 5,676,792                           | 238,000             | 1,886,333                           | 7,801,125            |  |
| February 2019        | 5,676,792                           | 238,000             | 1,886,333                           | 7,801,125            |  |
| March 2019           | 5,676,792                           | 238,000             | 1,538,734                           | 7,453,526            |  |
| <b>Total FY 2019</b> | <b>\$ 51,091,128</b>                | <b>\$ 2,142,000</b> | <b>\$ 16,629,398</b>                | <b>\$ 69,862,526</b> |  |

**Table 6 – DWSD MBO and Lease Payment Transfer History**

| Transfers to DWSD         |                          |                                  |                          |                       |
|---------------------------|--------------------------|----------------------------------|--------------------------|-----------------------|
| WATER                     |                          |                                  |                          |                       |
|                           | Operations & Maintenance | Operations & Maintenance Pension | Lease Payment (I&E Fund) | Total Water           |
| <b>FY 2016 *</b>          |                          |                                  |                          |                       |
| MBO/Lease Requirement     | \$ 26,185,600            | \$ 4,262,700                     | \$ 22,500,000            | \$ 73,121,400         |
| Offset to Debt Service    | -                        | -                                | (2,326,900)              | (2,326,900)           |
| Net MBO Transfer          | 26,185,600               | 4,262,700                        | 20,173,100               | 70,794,500            |
| <b>FY 2017</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 33,596,400               | 4,262,400                        | 22,500,000               | 60,358,800            |
| Offset to Debt Service    | -                        | -                                | -                        | -                     |
| Net MBO Transfer          | 33,596,400               | 4,262,400                        | 22,500,000               | 60,358,800            |
| <b>FY 2018</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 35,059,704               | 4,272,000                        | 22,500,000               | 61,831,704            |
| Offset to Debt Service    | -                        | -                                | (1,875,000)              | (1,875,000)           |
| Net MBO Transfer          | 35,059,704               | 4,272,000                        | 20,625,000               | 59,956,704            |
| <b>FY 2019 (9 months)</b> |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 26,613,225               | 3,204,000                        | 16,875,000               | 46,692,225            |
| Offset to Debt Service    | -                        | -                                | (2,913,600)              | (2,913,600)           |
| Net MBO Transfer          | 26,613,225               | 3,204,000                        | 13,961,400               | 43,778,625            |
| <b>Life-to-Date</b>       |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 121,454,929              | 16,001,100                       | 84,375,000               | 242,004,129           |
| Offset to Debt Service    | -                        | -                                | (7,115,500)              | (7,115,500)           |
| <b>Total Water</b>        | <b>\$ 121,454,929</b>    | <b>\$ 16,001,100</b>             | <b>\$ 77,259,500</b>     | <b>\$ 234,888,629</b> |
| SEWER                     |                          |                                  |                          |                       |
|                           | Operations & Maintenance | Operations & Maintenance Pension | Lease Payment (I&E Fund) | Total Sewer           |
| <b>FY 2016 *</b>          |                          |                                  |                          |                       |
| MBO/Lease Requirement     | \$ 19,774,300            | \$ 2,861,800                     | \$ 27,500,000            | \$ 50,136,100         |
| Offset to Debt Service    | -                        | -                                | (19,991,500)             | (19,991,500)          |
| Total MBO Transfer        | 19,774,300               | 2,861,800                        | 7,508,500                | 30,144,600            |
| <b>FY 2017</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 41,535,600               | 2,862,000                        | 27,500,000               | 71,897,600            |
| Offset to Debt Service    | -                        | -                                | -                        | -                     |
| Total MBO Transfer        | 41,535,600               | 2,862,000                        | 27,500,000               | 71,897,600            |
| <b>FY 2018</b>            |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 60,517,992               | 2,856,000                        | 27,500,000               | 90,873,992            |
| Offset to Debt Service    | -                        | -                                | (9,166,664)              | (9,166,664)           |
| Total MBO Transfer        | 60,517,992               | 2,856,000                        | 18,333,336               | 81,707,328            |
| <b>FY 2019 (9 months)</b> |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 51,091,128               | 2,142,000                        | 20,625,000               | 73,858,128            |
| Offset to Debt Service    | -                        | -                                | (3,995,602)              | (3,995,602)           |
| Total MBO Transfer        | 51,091,128               | 2,142,000                        | 16,629,398               | 69,862,526            |
| <b>Life-to-Date</b>       |                          |                                  |                          |                       |
| MBO/Lease Requirement     | 172,919,020              | 10,721,800                       | 103,125,000              | 286,765,820           |
| Offset to Debt Service    | -                        | -                                | (33,153,766)             | (33,153,766)          |
| <b>Total Sewer</b>        | <b>\$ 172,919,020</b>    | <b>\$ 10,721,800</b>             | <b>\$ 69,971,234</b>     | <b>\$ 253,612,054</b> |

\* **Note:** FY 2016 lease transfer amounts shown do not include prepayment on the lease amount for the 6 month period before bifurcation.

This report includes the following:

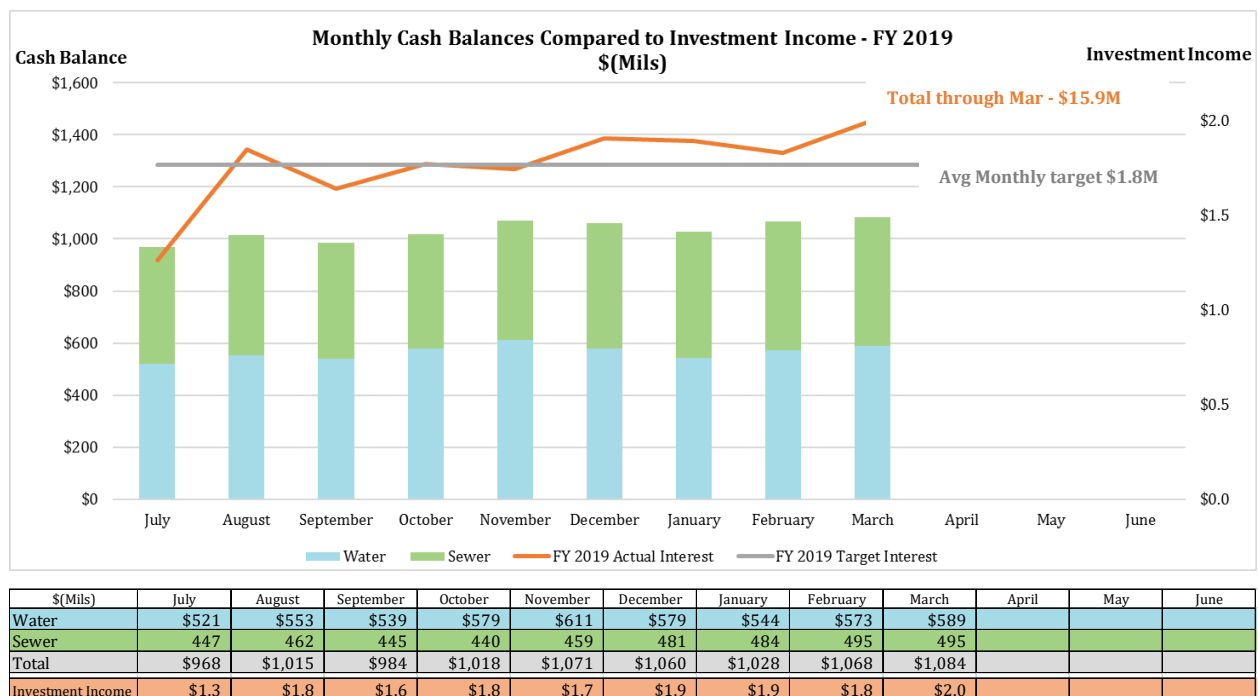
1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

## Monthly Cash Balances Compared to Investment Income

GLWA's investment holdings comply with the requirements of Public Act 20 of 1948, as amended and the GLWA Investment Policy. The cash balances shown in this report include bank deposits, money market funds, a local government investment pool, U.S. Treasuries, Federal Agencies, and commercial paper.

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. The cumulative investment earnings through March 2019 of \$15.9 million is 75% of the FY 2019 target of \$21.2 million.

**Chart 1 – Monthly Cash Balances Compared to Investment Income – Through March 2019.**



## Cash Balance Detail

**Funds Held By GLWA:** GLWA cash balances are held in accounts as defined by the Master Bond Ordinance. The accounts are funded by monthly transfers, as stipulated in the MBO, on the first business day of each month. The “operations and maintenance” (O&M) fund transfer amounts are based upon the annual O&M budget approved by the GLWA Board of Directors for the regional systems and by the Board of Water Commissioners for the Detroit Water & Sewerage Department (DWSD) local system budgets. The water and sewer funds held by GLWA and their purpose, as defined by the MBO, are listed below.

***Funds Held Within Trust:***

- Receiving – all retail and wholesale revenues collected which are distributed in subsequent month(s)
- Debt Service – funds set aside for debt service and debt reserve requirements
- Pension Obligation – funds set aside to meet GLWA’s annual funding requirements for the legacy General Retirement System Pension Plan
- Water Residential Assistance Program (WRAP) – funds set aside to be used to provide financial assistance to qualified residents throughout the local and regional water system as directed by program guidelines
- Budget Stabilization – funds held by GLWA on behalf of DWSD that can be applied against shortfalls in retail revenues
- Emergency Repair & Replacement (ER&R) – funds set aside to pay the costs for major unanticipated repairs and replacements of the local and regional systems
- Improvement & Extension (I&E) – funds set aside to be used for the improvements, enlargements and extensions of the regional system

***Funds Held Outside Trust:***

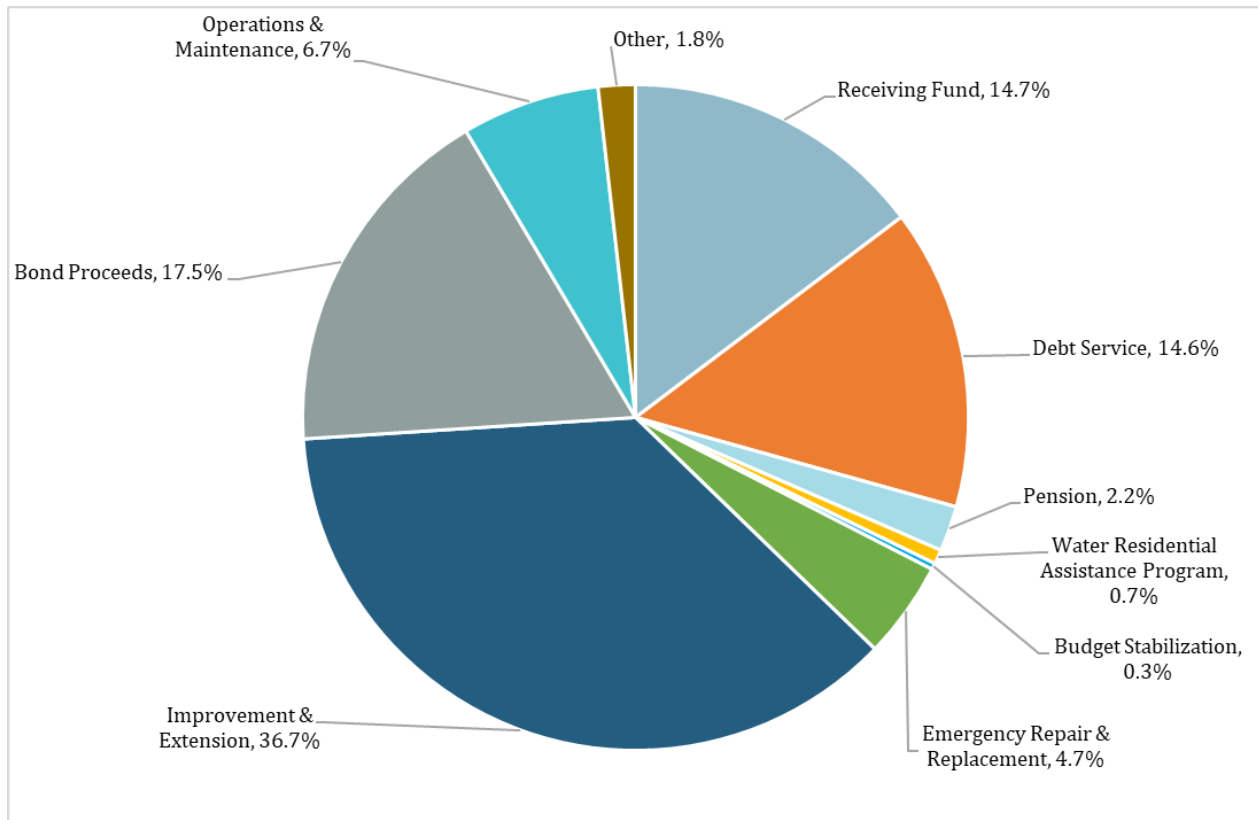
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors and security deposit funds held on behalf of the City of Flint

A [chart](#) depicting the follow of funds is online at [glwater.org](http://glwater.org) as well as the [MBO](#) documents.

### **Chart 2 – Cash Balances - Water Funds as of March 31, 2019**

The chart below shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of March 31, 2019 is \$589 million. The allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

### **Chart 2 – Cash Balances - Water Funds as of March 31, 2019**

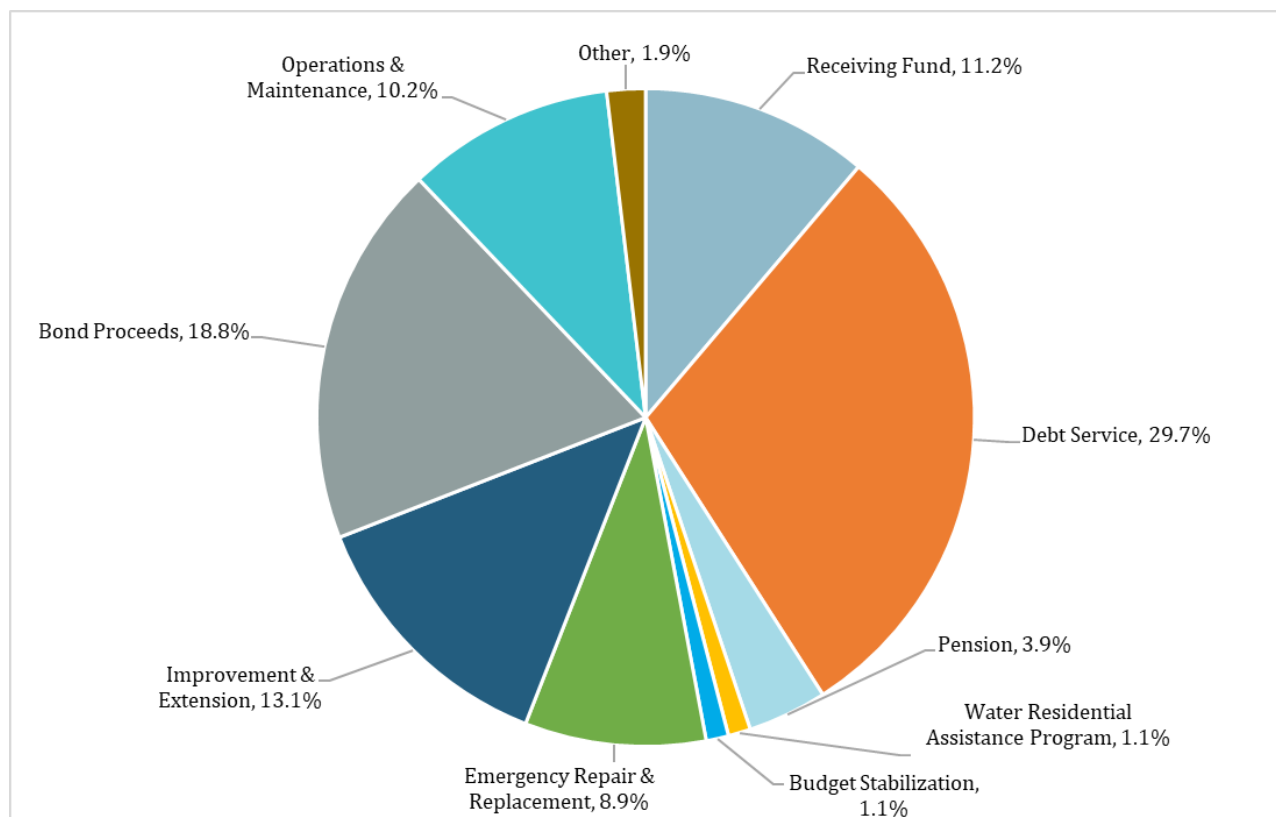


**Note:** Due to rounding totals may not equal 100%.

### **Chart 3 – Cash Balances - Sewer Funds as of March 31, 2019**

The chart below shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of March 31, 2019 is \$495 million. Like the Water Funds, the allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future. The pace for Sewer Funds I&E deposits has been less than budget to address a budget shortfall over multiple years by DWSD. Beginning in February 2019, DWSD began making payments on the FY 2017 shortfall note which will replenish the I&E Fund.

### **Chart 3 – Cash Balances - Sewer Funds as of March 31, 2019**



**Note:** Due to rounding totals may not equal 100%.

**Retail Revenues, Receivables, and Collections:** Pursuant to the terms of the lease agreement between the City of Detroit and the Great Lakes Water Authority (GLWA), the Detroit Water & Sewerage Department (DWSD) serves as GLWA's agent for billing activities for the City of Detroit retail customer class. All water and sewer service collections from DWSD customers are deposited in a trust account and are administered in accordance with the GLWA Master Bond Ordinance.

The Monthly Retail Revenues, Receivables, & Collections Report includes the following.

1. DWSD Retail Water Revenue Billings and Collections
2. DWSD Retail Sewer Revenue Billings and Collections
3. DWSD Retail Water & Sewer System Accounts Receivable Aging Report

Note: Wholesale customer revenues are billed by the Great Lakes Water Authority.

## **DWSD Retail Water Billings and Collections**

**Retail Billing Basis:** DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

**Table 1 - DWSD Retail Billings** shows the FY 2019 water usage and billed revenue which are provided by DWSD staff. As of March 31, 2019, the DWSD usage was at 100.92% of the budget and billed revenue was at 103.35% of budget.

**DWSD Retail Water Collections:** The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

**Table 2 - Retail Water Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

**Note:** DWSD shared with the Reconciliation Committee the additional, billings to collections rolling average report requested by the GLWA Audit Committee at the December 21, 2018 meeting. That report was part of the Reconciliation Committee update in the May packet. We will continue to work with DWSD to determine if a monthly format could be included in this report.



**Table 1 – DWSD Retail Water Billings**

| RETAIL WATER CUSTOMERS |                       |                    |              |                  |                   |              |                    |                  |
|------------------------|-----------------------|--------------------|--------------|------------------|-------------------|--------------|--------------------|------------------|
| Month (1)              | FY 2019 - Budget/Goal |                    |              | FY 2019 - Actual |                   |              | FY 2019 - Variance |                  |
|                        | Volume                | Revenue            | Unit         | Volume           | Revenue (2)       | Unit         | Volume             | Revenue          |
|                        | Mcf                   | \$                 | \$/Mcf       | Mcf              | \$                | \$/Mcf       | Mcf                | \$               |
| July                   | 269,000               | 9,424,500          | 35.04        | 300,613          | 10,203,409        | 33.94        | 31,613             | 778,909          |
| August                 | 273,100               | 9,377,700          | 34.34        | 302,476          | 9,833,149         | 32.09        | 29,376             | 455,449          |
| September              | 270,500               | 8,494,300          | 31.40        | 221,531          | 8,996,692         | 40.61        | (48,969)           | 502,392          |
| October                | 233,800               | 8,165,900          | 34.93        | 215,104          | 8,010,524         | 37.24        | (18,696)           | (155,376)        |
| November               | 224,500               | 7,750,100          | 34.52        | 232,770          | 8,325,013         | 35.76        | 8,270              | 574,913          |
| December               | 206,500               | 8,224,900          | 39.83        | 202,686          | 7,659,930         | 37.79        | (3,814)            | (564,970)        |
| January                | 226,600               | 7,978,800          | 35.21        | 227,697          | 8,250,078         | 36.23        | 1,097              | 271,278          |
| February               | 216,400               | 7,980,200          | 36.88        | 232,094          | 8,649,072         | 37.27        | 15,694             | 668,872          |
| March                  | 213,300               | 8,163,900          | 38.27        | 218,435          | 8,165,904         | 37.38        | 5,135              | 2,004            |
| April                  | 223,100               | 7,856,900          | 35.22        |                  |                   |              |                    |                  |
| May                    | 211,000               | 9,109,200          | 43.17        |                  |                   |              |                    |                  |
| June                   | 240,200               | 9,063,600          | 37.73        |                  |                   |              |                    |                  |
| <b>Total</b>           | <b>2,808,000</b>      | <b>101,590,000</b> | <b>36.18</b> | <b>2,153,406</b> | <b>78,093,771</b> | <b>36.27</b> | <b>19,706</b>      | <b>2,533,471</b> |
| <b>Subtotals ytd</b>   | <b>2,133,700</b>      | <b>75,560,300</b>  | <b>35.41</b> | <b>2,153,406</b> | <b>78,093,771</b> | <b>36.27</b> | <b>19,706</b>      | <b>2,533,471</b> |
| Achievement of Budget  |                       |                    |              | 100.92%          | 103.35%           |              |                    |                  |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Retail Revenues include Miscellaneous Revenues and Penalties

**Table 2 – DWSD Retail Water Collections**

| Water                            |                    |                   |           |         |
|----------------------------------|--------------------|-------------------|-----------|---------|
| Month                            | Current Year       | Prior Year        | Variance  | Ratio   |
| April                            | 9,226,675          | 6,977,199         | 2,249,477 | 32.24%  |
| May                              | 8,969,019          | 8,568,632         | 400,387   | 4.67%   |
| June                             | 7,940,939          | 7,141,568         | 799,371   | 11.19%  |
| July                             | 7,375,402          | 8,357,505         | (982,103) | -11.75% |
| August                           | 8,692,784          | 9,509,488         | (816,704) | -8.59%  |
| September                        | 9,766,449          | 8,949,906         | 816,543   | 9.12%   |
| October                          | 9,015,400          | 9,528,528         | (513,128) | -5.39%  |
| November                         | 7,938,517          | 8,049,328         | (110,811) | -1.38%  |
| December                         | 7,297,698          | 8,265,636         | (967,938) | -11.71% |
| January                          | 8,158,817          | 8,066,448         | 92,369    | 1.15%   |
| February                         | 7,927,299          | 6,432,245         | 1,495,054 | 23.24%  |
| March                            | 8,707,578          | 8,280,635         | 426,943   | 5.16%   |
| <b>Rolling, 12-Month Total</b>   | <b>101,016,577</b> | <b>98,127,117</b> |           |         |
| <b>Rolling, 12-Month Average</b> | <b>8,418,048</b>   | <b>8,177,260</b>  |           |         |

## DWSD Retail Sewer Billings and Collections

**Retail billing basis:** DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

**Table 3 - DWSD Retail Sewer Billings** shows the FY 2019 sewer billed revenue which are provided by DWSD staff. As of March 31, 2019, the DWSD usage was at 104.82% of the budget and billed revenue was at 98.55% of budget.

**DWSD Retail Sewer Collections:** The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

**Table 4 - DWSD Retail Sewer Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

**Note:** DWSD shared with the Reconciliation Committee the additional, billings to collections rolling average report requested by the GLWA Audit Committee at the December 21, 2018 meeting. That report was part of the Reconciliation Committee update in the May packet. We will continue to work with DWSD to determine if a monthly format could be included in this report.

**Table 3 - DWSD Retail Sewer Billings**

| RETAIL SEWER CUSTOMERS            |                       |                    |                  |                    |                    |                    |
|-----------------------------------|-----------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| Month (1)                         | FY 2019 - Budget/Goal |                    | FY 2019 - Actual |                    | FY 2019 - Variance |                    |
|                                   | Volume                | Revenue            | Volume           | Revenue (2)        | Volume             | Revenue            |
|                                   | Mcf                   | \$                 | Mcf              | \$                 | Mcf                | \$                 |
| July                              | 242,100               | 27,423,400         | 273,862          | 27,711,606         | 31,762             | 288,206            |
| August                            | 244,200               | 27,232,200         | 262,525          | 27,263,163         | 18,325             | 30,963             |
| September                         | 239,600               | 25,367,500         | 221,660          | 25,413,790         | (17,940)           | 46,290             |
| October                           | 211,000               | 25,177,200         | 205,267          | 24,092,209         | (5,733)            | (1,084,991)        |
| November                          | 197,600               | 23,861,000         | 205,806          | 24,176,849         | 8,206              | 315,849            |
| December                          | 182,400               | 25,293,500         | 193,791          | 23,787,394         | 11,391             | (1,506,106)        |
| January                           | 198,600               | 24,852,800         | 201,171          | 24,269,509         | 2,571              | (583,291)          |
| February                          | 191,600               | 25,329,400         | 220,021          | 25,455,499         | 28,421             | 126,099            |
| March                             | 191,000               | 25,474,500         | 205,424          | 24,510,043         | 14,424             | (964,457)          |
| April                             | 197,300               | 24,789,700         |                  |                    |                    |                    |
| May                               | 187,300               | 26,205,200         |                  |                    |                    |                    |
| June                              | 210,300               | 26,730,700         |                  |                    |                    |                    |
| <b>Total</b>                      | <b>2,493,000</b>      | <b>307,737,100</b> | <b>1,989,527</b> | <b>226,680,062</b> | <b>91,427</b>      | <b>(3,331,438)</b> |
| <b>Subtotals ytd</b>              | <b>1,898,100</b>      | <b>230,011,500</b> | <b>1,989,527</b> | <b>226,680,062</b> | <b>91,427</b>      | <b>(3,331,438)</b> |
| <b>Achievement of Budget/Goal</b> |                       |                    | <b>104.82%</b>   | <b>98.55%</b>      |                    |                    |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Retail Revenues include Miscellaneous Revenues and Penalties

**Table 4 – DWSD Retail Sewer Collections**

| Sewer                            |                    |                    |             |         |
|----------------------------------|--------------------|--------------------|-------------|---------|
| Month                            | Current Year       | Prior Year         | Variance    | Ratio   |
| April                            | 16,159,844         | 17,219,106         | (1,059,262) | -6.15%  |
| May                              | 18,341,298         | 20,046,357         | (1,705,059) | -8.51%  |
| June                             | 27,591,834         | 18,005,548         | 9,586,286   | 53.24%  |
| July                             | 21,461,926         | 18,582,964         | 2,878,962   | 15.49%  |
| August                           | 21,746,714         | 24,263,141         | (2,516,427) | -10.37% |
| September                        | 23,727,505         | 21,320,358         | 2,407,147   | 11.29%  |
| October                          | 23,938,933         | 23,786,903         | 152,030     | 0.64%   |
| November                         | 20,624,039         | 19,485,270         | 1,138,769   | 5.84%   |
| December                         | 19,612,154         | 19,522,952         | 89,203      | 0.46%   |
| January                          | 21,140,835         | 18,308,458         | 2,832,377   | 15.47%  |
| February                         | 20,758,852         | 17,495,563         | 3,263,289   | 18.65%  |
| March                            | 22,111,691         | 23,015,525         | (903,834)   | -3.93%  |
| <b>Rolling 12-Month Total</b>    | <b>257,215,625</b> | <b>241,052,144</b> |             |         |
| <b>Rolling, 12-Month Average</b> | <b>21,434,635</b>  | <b>20,087,679</b>  |             |         |

## DWSD Retail Water and Sewer Accounts Receivable Aging Report

The DWSD detailed accounts receivable aging is categorized by customer category.

**Table 5** is a summary of the total, current and non-current Water and Sewer receivables by category as of March 31, 2019. As requested, DWSD will begin including prior year activity beginning with their April 2019 Aging Report.

**Table 5 – DWSD Retail Accounts Receivable Aging Report – Water & Sewer Combined**

| Sales Class                | # of Accounts  | Avg. Balance     | Current                        | > 30 Days                     | > 60 Days                      | > 180 Days                     | Accounts Receivable Balance      |
|----------------------------|----------------|------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|----------------------------------|
| Residential                | 287,163        | \$ 333.95        | \$ 13,086,000<br>13.6%         | \$ 6,964,000<br>7.3%          | \$ 18,015,000<br>18.8%         | \$ 57,832,000<br>60.3%         | \$ 95,897,000<br>100.0%          |
| Commercial                 | 28,170         | 1,214.26         | 8,200,000<br>24.0%             | 2,646,000<br>7.7%             | 6,774,000<br>19.8%             | 16,585,000<br>48.5%            | 34,205,000<br>100.0%             |
| Industrial                 | 4,797          | 3,213.76         | 5,018,000<br>32.5%             | 1,076,000<br>7.0%             | 2,635,000<br>17.1%             | 6,688,000<br>43.4%             | 15,417,000<br>100.0%             |
| Tax Exempt Entities        | 8,396          | 1,535.14         | 2,289,000<br>17.8%             | 1,163,000<br>9.0%             | 2,514,000<br>19.5%             | 6,923,000<br>53.7%             | 12,889,000<br>100.0%             |
| Government Entities        | 2,604          | 2,072.27         | 721,000<br>13.4%               | 511,000<br>9.5%               | 1,043,000<br>19.3%             | 3,121,000<br>57.8%             | 5,396,000<br>100.0%              |
| Subtotal - Active Accounts | <b>331,130</b> | <b>\$ 494.68</b> | <b>\$ 29,314,000<br/>17.9%</b> | <b>\$ 12,360,000<br/>7.5%</b> | <b>\$ 30,981,000<br/>18.9%</b> | <b>\$ 91,149,000<br/>55.6%</b> | <b>\$ 163,804,000<br/>100.0%</b> |
| Inactive Accounts          | 259,464        | 75.56            | 326,000<br>1.7%                | 160,000<br>0.8%               | 982,000<br>5.0%                | 18,138,000<br>92.5%            | 19,606,000<br>100.0%             |
| <b>Total</b>               | <b>590,594</b> | <b>\$ 310.55</b> | <b>\$ 29,640,000</b>           | <b>\$ 12,520,000</b>          | <b>\$ 31,963,000</b>           | <b>\$ 109,287,000</b>          | <b>\$ 183,410,000</b>            |
| % of Total A/R             |                |                  | 16.2%                          | 6.8%                          | 17.4%                          | 59.6%                          | 100.0%                           |
| Water Fund                 | 211,500        | 188.63           | \$ 7,040,000                   | \$ 2,461,000                  | \$ 5,717,000                   | \$ 24,675,000                  | \$ 39,893,000                    |
| Sewer Fund                 | 268,019        | 535.47           | \$ 22,600,000                  | \$ 10,059,000                 | \$ 26,246,000                  | \$ 84,612,000                  | \$ 143,517,000                   |
| <b>Total</b>               | <b>590,594</b> | <b>310.55</b>    | <b>\$ 29,640,000</b>           | <b>\$ 12,520,000</b>          | <b>\$ 31,963,000</b>           | <b>\$ 109,287,000</b>          | <b>\$ 183,410,000</b>            |

The Monthly Wholesale Billings, Receivables, & Collections Report includes the following.

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. City of Highland Park Billings and Collections
4. Wholesale Water & Sewer Accounts Receivable Aging Report

## Wholesale Water Billings and Collections

**Wholesale Water Contracts:** Great Lakes Water Authority (GLWA) provides wholesale water service to 87 member-partners through a variety of service arrangements.

### Service Arrangement Type

|                 |                  |
|-----------------|------------------|
| Model Contract  | 82               |
| Emergency       | 1                |
| Older Contracts | <u>4</u>         |
| Total           | <u><u>87</u></u> |

**Note:** Services are provided to the Detroit Water & Sewerage Department (DWSD) via a Water and Sewer Services Agreement (WSSA). See the “Retail Revenues, Receivables, and Collections Report” section of this monthly report.

**Wholesale Water Billing Basis:** Beginning with FY 2016, wholesale water charges were restructured to create a more stable revenue stream by using a historical rolling average to project customer volumes which accounts for 40% of the monthly charges and 60% of the annual customer revenue requirement as a monthly fixed charge.

**Table 1 - Wholesale Water Billings** shows the FY 2019 water billed usage and revenues. As of March 31, 2019, the billed usage was at 101.69% of budget and billed revenue at 103.14% of budget. Billings and usage from the City of Flint are included as they were assumed in the FY 2019 Budget.

**Wholesale Water Collections:** The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA’s Master Bond Ordinance.

**Table 2 - Wholesale Water Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. The difference in rolling average from current year to prior year reflects the gentle downward trend in water usage over time. The variability in collections month-to-month are associated with timing of the billing cycle. While at times unavoidable, the GLWA billing team is identifying steps to prevent delays wherever possible.

**Table 1 – FY 2019 Wholesale Water Billings Report**

| WHOLESALE WATER CUSTOMERS (2) |                       |             |        |                  |             |        |                    |           |
|-------------------------------|-----------------------|-------------|--------|------------------|-------------|--------|--------------------|-----------|
| Month (1)                     | FY 2019 - Budget/Goal |             |        | FY 2019 - Actual |             |        | FY 2019 - Variance |           |
|                               | Volume                | Revenue     | Unit   | Volume           | Revenue     | Unit   | Volume             | Revenue   |
|                               | Mcf                   | \$          | \$/Mcf | Mcf              | \$          | \$/Mcf | Mcf                | \$        |
| July                          | 1,632,120             | 30,347,500  | 18.59  | 1,800,256        | 32,754,760  | 18.19  | 168,136            | 2,407,260 |
| August                        | 1,518,130             | 29,405,800  | 19.37  | 1,490,896        | 29,776,242  | 19.97  | (27,234)           | 370,442   |
| September                     | 1,354,440             | 27,424,800  | 20.25  | 1,380,514        | 28,039,719  | 20.31  | 26,074             | 614,919   |
| October                       | 1,091,580             | 24,826,000  | 22.74  | 1,027,086        | 24,866,975  | 24.21  | (64,494)           | 40,975    |
| November                      | 912,260               | 23,273,500  | 25.51  | 938,511          | 24,145,548  | 25.73  | 26,251             | 872,048   |
| December                      | 1,002,110             | 23,912,600  | 23.86  | 997,281          | 24,545,455  | 24.61  | (4,829)            | 632,855   |
| January                       | 1,019,240             | 24,133,400  | 23.68  | 1,001,885        | 24,622,107  | 24.58  | (17,355)           | 488,707   |
| February                      | 885,170               | 23,021,600  | 26.01  | 927,982          | 23,986,734  | 25.85  | 42,812             | 965,134   |
| March                         | 1,000,060             | 23,933,100  | 23.93  | 1,027,131        | 24,778,252  | 24.12  | 27,071             | 845,152   |
| April                         | 952,450               | 23,568,200  | 24.74  |                  |             |        |                    |           |
| May                           | 1,116,620             | 25,296,500  | 22.65  |                  |             |        |                    |           |
| June                          | 1,557,060             | 29,624,900  | 19.03  |                  |             |        |                    |           |
| <b>Total</b>                  | 14,041,240            | 308,767,900 | 21.99  | 10,591,542       | 237,515,792 | 22.43  | 176,432            | 7,237,492 |
| <b>Subtotals ytd</b>          | 10,415,110            | 230,278,300 | 22.11  | 10,591,542       | 237,515,792 | 22.43  | 176,432            | 7,237,492 |
| Achievement of Budget         |                       |             |        | 101.69%          | 103.14%     |        |                    |           |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

**Table 2 - Wholesale Water Collections**

| Water                            |              |             |              |         |
|----------------------------------|--------------|-------------|--------------|---------|
| Month                            | Current Year | Prior Year  | Variance     | Ratio   |
| April                            | 18,489,754   | 24,583,235  | (6,093,480)  | -24.79% |
| May                              | 30,447,581   | 22,312,189  | 8,135,392    | 36.46%  |
| June                             | 21,815,013   | 24,337,730  | (2,522,716)  | -10.37% |
| July                             | 21,923,590   | 28,138,726  | (6,215,136)  | -22.09% |
| August                           | 31,920,586   | 25,280,453  | 6,640,133    | 26.27%  |
| September                        | 26,037,313   | 26,757,992  | (728,038)    | -2.72%  |
| October                          | 27,827,722   | 38,336,777  | (10,509,055) | -27.41% |
| November                         | 29,238,260   | 27,261,391  | 1,976,869    | 7.25%   |
| December                         | 27,720,646   | 22,125,972  | 5,594,674    | 25.29%  |
| January                          | 23,430,974   | 32,002,334  | (8,533,044)  | -26.66% |
| February                         | 26,147,082   | 21,352,903  | 4,794,179    | 22.45%  |
| March                            | 24,967,335   | 27,715,696  | (2,748,361)  | -9.92%  |
| <b>Rolling 12-Month Total</b>    | 309,965,857  | 320,205,398 |              |         |
| <b>Rolling, 12-Month Average</b> | 25,830,488   | 26,683,783  |              |         |

## Wholesale Sewer Billings and Collections

**Wholesale Sewer Contracts:** GLWA provides wholesale sewer service to 18 member-partners via multiple service arrangements.

Service Arrangement Type

|                 |           |
|-----------------|-----------|
| Model Contract  | 11        |
| Emergency       | 0         |
| Older Contracts | 7         |
| Total           | <u>18</u> |

**Note:** Services are provided to the Detroit Water & Sewerage Department via a Water and Sewer Services Agreement (WSSA). See the “Retail Revenues, Receivables, and Collections Report” section of the monthly report.

**Wholesale Sewer Billing Basis:** Beginning in FY 2015, the “sewer rate simplification” initiative was applied which provides for a stable revenue stream and predictability for our member partners. Wholesale sewer customers are billed a fixed monthly fee based upon the annual revenue requirement.

**Table 3 - Wholesale Sewer Billings** shows the FY 2019 sewer billed revenue. Consistent with expectations as a result of sewer rate simplification, billed revenue is at 100.00% of budget through March 31, 2019.

**Wholesale Sewer Collections:** The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA’s Master Bond Ordinance.

**Table 4 - Wholesale Sewer Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. The year-over-year rolling average has rebounded after a slight dip in February.

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Table 6 confirms that these payments are not delinquent as Sewer past due balances relate in full to Highland Park. This pattern is a change from the prior twelve months when payments timing was more consistent.

**Table 3 – FY 2019 Wholesale Sewer Billings Report**

| WHOLESALE SEWER CUSTOMERS    |                       |             |                  |             |                    |         |
|------------------------------|-----------------------|-------------|------------------|-------------|--------------------|---------|
| Month (1)                    | FY 2019 - Budget/Goal |             | FY 2019 - Actual |             | FY 2019 - Variance |         |
|                              | Volume (2)            | Revenue     | Volume (2)       | Revenue     | Volume (2)         | Revenue |
|                              | Mcf                   | \$          | Mcf              | \$          | Mcf                | \$      |
| July                         | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| August                       | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| September                    | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| October                      | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| November                     | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| December                     | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| January                      | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| February                     | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| March                        | N/A                   | 22,912,800  | N/A              | 22,912,800  | N/A                | -       |
| April                        | N/A                   | 22,912,800  | N/A              |             | N/A                |         |
| May                          | N/A                   | 22,912,800  | N/A              |             | N/A                |         |
| June                         | N/A                   | 22,912,800  | N/A              |             | N/A                |         |
| <b>Total</b>                 |                       | 274,953,600 |                  | 206,215,200 |                    | -       |
| <i>Subtotals ytd</i>         |                       | 206,215,200 |                  | 206,215,200 |                    | 0       |
| <i>Achievement of Budget</i> |                       |             |                  | 100.00%     |                    |         |

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Not tracked as part of the wholesale sewer charges.

**Table 4 - Wholesale Sewer Collections**

| Sewer                            |              |             |              |         |
|----------------------------------|--------------|-------------|--------------|---------|
| Month                            | Current Year | Prior Year  | Variance     | Ratio   |
| April                            | 27,812,417   | 22,502,725  | 5,309,692    | 23.60%  |
| May                              | 15,342,700   | 21,620,300  | (6,277,600)  | -29.04% |
| June                             | 28,810,500   | 21,645,500  | 7,165,000    | 33.10%  |
| July                             | 16,179,117   | 22,732,006  | (6,552,889)  | -28.83% |
| August                           | 28,384,600   | 21,949,300  | 6,435,300    | 29.32%  |
| September                        | 22,672,400   | 21,040,913  | 1,631,487    | 7.75%   |
| October                          | 16,105,200   | 21,902,800  | (5,797,600)  | -26.47% |
| November                         | 28,633,300   | 22,662,700  | 5,970,600    | 26.35%  |
| December                         | 24,440,000   | 23,643,400  | 796,600      | 3.37%   |
| January                          | 26,874,927   | 22,057,972  | (8,162,872)  | -37.01% |
| February                         | 13,895,100   | 30,280,800  | (16,385,700) | -54.11% |
| March                            | 22,388,600   | 15,552,000  | 6,836,600    | 43.96%  |
| <b>Rolling 12-Month Total</b>    | 271,538,861  | 267,590,415 |              |         |
| <b>Rolling, 12-Month Average</b> | 22,628,238   | 22,299,201  |              |         |



## City of Highland Park Billings and Collections

The City of Highland Park is provided water service pursuant to an emergency service basis. Sewer service is provided pursuant to a 1982 amended contract which indicates that the parties are guided in their legal relationship by a Michigan Supreme Court decision from 1949.

As of March 31, 2019, Highland Park had a delinquent balance of \$41.3 million, including \$32.6 million for wastewater treatment services, \$1.7million for industrial waste control services, and \$7.0 million for water supply services. Highland Park did make a payment of \$1.09 million on April 24, 2019. This will be reflected in next month's financial reports.

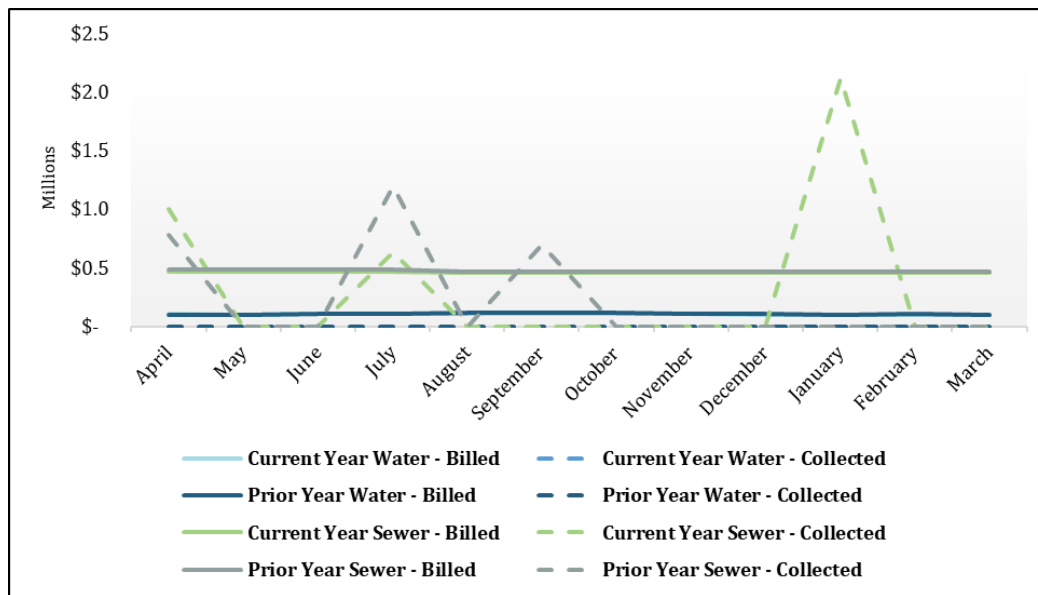
**Table 5 - City of Highland Park Billings and Collections** provides a life-to-date balance summary of the billing and collection history for Highland Park with detail provided for fiscal year 2019 through March 31, 2019. Please note the numbers below reflect the month the billing was sent and not the month the service was provided. A life-to-date summary is provided as an appendix to this monthly financial report.

**Chart 1 - City of Highland Park Billings and Collections - Past Twelve Months** is provided to depict Highland Park's most current performance specific to Water and Sewer. Payments received-to-date are applied to Sewer at this time.

**Table 5 - City of Highland Park Billings and Collections**

|                            | Water        | Sewer         | IWC          | Total         |
|----------------------------|--------------|---------------|--------------|---------------|
| June 30, 2018 Balance      | \$ 6,112,248 | \$ 31,097,327 | \$ 1,624,023 | \$ 38,833,598 |
| July 2018 Billing          | \$ 109,568   | \$ 470,200    | \$ 6,754     | 586,521       |
| July 2018 Payments         | -            | (629,017)     | -            | (629,017)     |
| July 31, 2018 Balance      | 6,221,815    | 30,938,511    | 1,630,776    | 38,791,102    |
| August 2018 Billing        | 108,651      | 467,900       | 4,233        | 580,784       |
| August 2018 Payments       | -            | -             | -            | -             |
| August 31, 2018 Balance    | 6,330,467    | 31,406,411    | 1,635,009    | 39,371,887    |
| September 2018 Billing     | 109,780      | 467,900       | 4,261        | 581,941       |
| September 2018 Payments    | -            | -             | -            | -             |
| September 30, 2018 Balance | 6,440,247    | 31,874,311    | 1,639,270    | 39,953,828    |
| October 2018 Billing       | 109,298      | 467,900       | 4,281        | 581,479       |
| October 2018 Payments      | -            | -             | -            | -             |
| October 31, 2018 Balance   | 6,549,545    | 32,342,211    | 1,643,551    | 40,535,307    |
| November 2018 Billing      | 104,007      | 467,900       | 3,963        | 575,869       |
| November 2018 Payments     | -            | -             | -            | -             |
| November 30, 2018 Balance  | 6,653,552    | 32,810,111    | 1,647,514    | 41,111,176    |
| December 2018 Billing      | 101,944      | 467,900       | 3,961        | 573,805       |
| December 2018 Payments     | -            | -             | -            | -             |
| December 31, 2018 Balance  | \$ 6,755,496 | \$ 33,278,011 | \$ 1,651,474 | 41,684,981    |
| January 2019 Billing       | 98,430       | 467,900       | 3,961        | 570,290       |
| January 2019 Payments      | -            | (2,116,727)   | -            | (2,116,727)   |
| January 31, 2019 Balance   | \$ 6,853,926 | \$ 31,629,183 | \$ 1,655,435 | 40,138,544    |
| February 2019 Billing      | 98,898       | 467,900       | 3,932        | 570,731       |
| February 2019 Payments     | -            | -             | -            | -             |
| February 28, 2019 Balance  | \$ 6,952,824 | \$ 32,097,083 | \$ 1,659,368 | 40,709,275    |
| March 2019 Billing         | 98,353       | 467,900       | 3,881        | 570,134       |
| March 2019 Payments        | -            | -             | -            | -             |
| March 31, 2019 Balance     | \$ 7,051,177 | \$ 32,564,983 | \$ 1,663,248 | 41,279,409    |

**Chart 1 - City of Highland Park Water & Sewer Billings and Collections – Past Twelve Months**



**Note:** Current and prior year water billing amounts are very close so the two lines are nearly overlapping when reviewed at this high-level.

## Wholesale Water & Sewer Accounts Receivable Aging Report

The detailed accounts receivable aging is in the Appendix to this monthly report. This report reflects the wholesale receivables only and does not include DWSD. (Note: percentages vary from 100% due to rounding.)

**Table 6 - Wholesale Accounts Receivable Aging Report Summary** is a summary of the total, current and non-current receivables by category as of March 31, 2019.

**Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park** is the same summary *without* the past due balances for the City of Highland Park.

**Table 8 - Wholesale Accounts Receivable Aging Report, Net of Highland Park and WTUA** is a summary *without* the past due balances for the City of Highland Park and net of pending credits for certain Western Township Utilities Authority (WTUA). Credits for billed services are pending receipt of a final agreement from Wayne County to effectuate a transfer retroactive to July 1, 2018.

**Table 6 - Wholesale Accounts Receivable Aging Report Summary**

|                     | Total                   | Current                 | 46-74 Days           | 75-104 Days          | >105 Days               |
|---------------------|-------------------------|-------------------------|----------------------|----------------------|-------------------------|
| Water               | \$ 35,742,462.82        | \$ 28,888,537.20        | \$ 98,429.60         | \$ 101,944.01        | \$ 6,653,552.01         |
| Sewer               | \$ 52,482,082.87        | \$ 20,384,999.50        | \$ 467,900.00        | \$ 467,900.00        | \$ 31,161,283.37        |
| IWC                 | \$ 3,154,338.03         | \$ 583,497.70           | \$ 40,332.57         | \$ 40,332.57         | \$ 2,490,175.19         |
| Pollutant Surcharge | \$ 1,148,203.00         | \$ 539,702.73           | \$ 60,842.38         | \$ 43,697.23         | \$ 503,960.66           |
| <b>Total</b>        | <b>\$ 92,527,086.72</b> | <b>\$ 50,396,737.13</b> | <b>\$ 667,504.55</b> | <b>\$ 653,873.81</b> | <b>\$ 40,808,971.23</b> |
|                     | 100.00%                 | 54.47%                  | 0.72%                | 0.71%                | 44.10%                  |

**Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park**

|                     | Total                   | Current                 | 46-74 Days          | 75-104 Days         | >105 Days              |
|---------------------|-------------------------|-------------------------|---------------------|---------------------|------------------------|
| Water               | \$ 28,691,285.61        | \$ 28,691,285.61        | \$ -                | \$ -                | \$ -                   |
| Sewer               | \$ 19,917,099.50        | \$ 19,917,099.50        | \$ -                | \$ -                | \$ -                   |
| IWC                 | \$ 1,491,089.64         | \$ 575,684.52           | \$ 36,371.76        | \$ 36,371.76        | \$ 842,661.60          |
| Pollutant Surcharge | \$ 1,148,203.00         | \$ 539,702.73           | \$ 60,842.38        | \$ 43,697.23        | \$ 503,960.66          |
| <b>Total</b>        | <b>\$ 51,247,677.75</b> | <b>\$ 49,723,772.36</b> | <b>\$ 97,214.14</b> | <b>\$ 80,068.99</b> | <b>\$ 1,346,622.26</b> |
|                     | 100.00%                 | 97.03%                  | 0.19%               | 0.16%               | 2.63%                  |

**Table 8 - Wholesale Accounts Receivable Aging Report, Net of Highland Park and WTUA**

|                     | Total                   | Current                 | 46-74 Days          | 75-104 Days         | >105 Days            |
|---------------------|-------------------------|-------------------------|---------------------|---------------------|----------------------|
| Water               | \$ 28,691,285.61        | \$ 28,691,285.61        | \$ -                | \$ -                | \$ -                 |
| Sewer               | \$ 19,917,099.50        | \$ 19,917,099.50        | \$ -                | \$ -                | \$ -                 |
| IWC                 | \$ 502,941.00           | \$ 502,941.00           | \$ -                | \$ -                | \$ -                 |
| Pollutant Surcharge | \$ 1,148,203.00         | \$ 539,702.73           | \$ 60,842.38        | \$ 43,697.23        | \$ 503,960.66        |
| <b>Total</b>        | <b>\$ 50,259,529.11</b> | <b>\$ 49,651,028.84</b> | <b>\$ 60,842.38</b> | <b>\$ 43,697.23</b> | <b>\$ 503,960.66</b> |
|                     | 100.00%                 | 98.79%                  | 0.12%               | 0.09%               | 1.00%                |

The Monthly Trust Receipts & Disbursements Report includes the following.

1. GLWA Trust Receipts & Disbursements – Net Cash Flows and Receipts
2. DWSD Trust Receipts & Disbursements – Net Cash Flows, Receipts & Loan Receivable
3. Combined System Trust Receipts & Disbursements – Net Cash Flows

## GLWA Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

**Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for GLWA since inception at January 1, 2016. Fiscal year 2019 reflects nine months of activity to date.

Water fund cash receipts exceeded MBO disbursements by 20% through March 31, 2019 with a historical ratio of cash receipts exceeding MBO disbursements at 13% since January 1, 2016.

Sewer fund cash receipts exceeded MBO disbursements by 4% through March 31, 2019 with a historical ratio of cash receipts exceeding MBO disbursements at 3% since January 1, 2016.

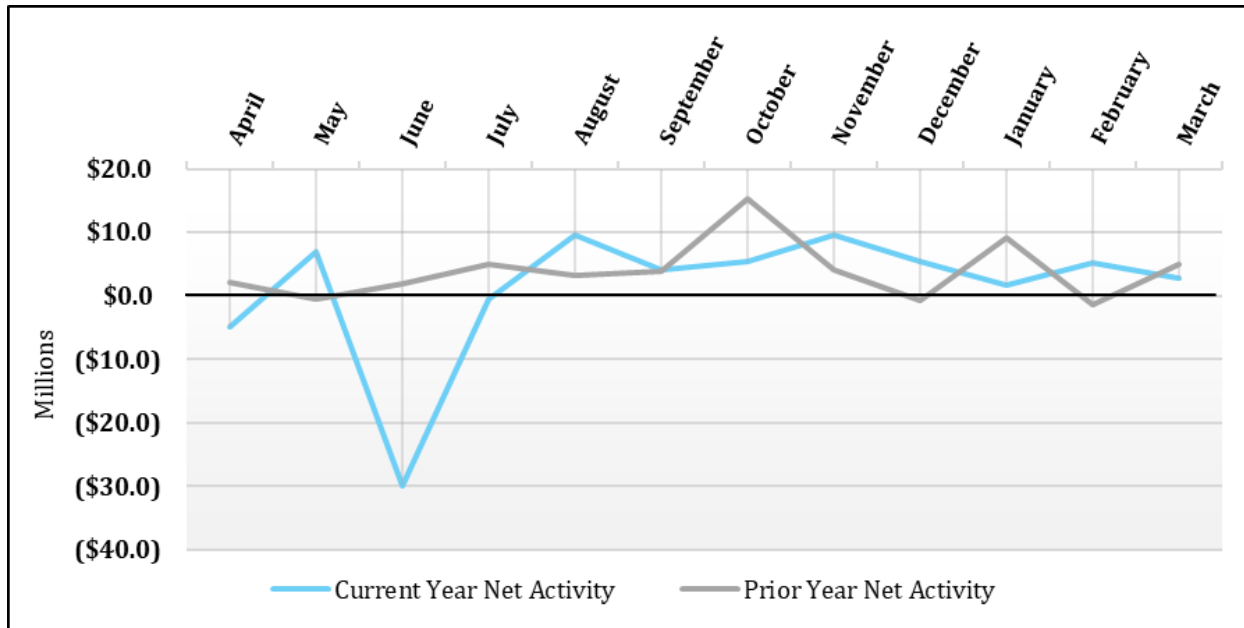
**Chart 1 – GLWA 12-Month Net Receipts – Water** outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

**Chart 2 – GLWA 12-Month Net Receipts – Sewer** outlines monthly cash receipt trends across two points of reference for the regional sewer system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

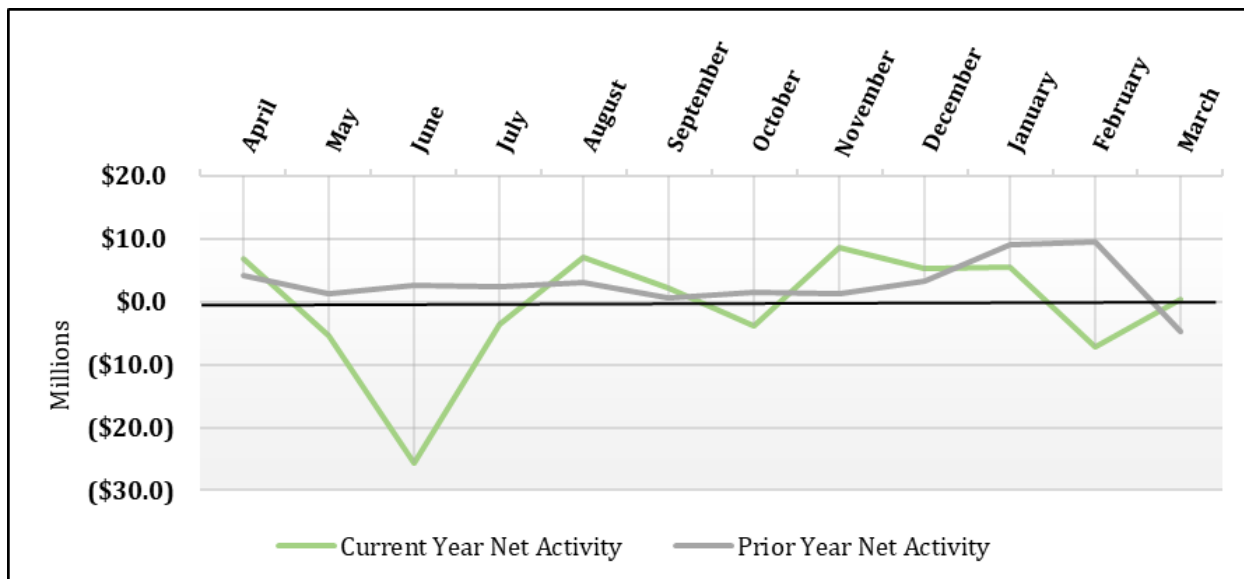
**Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements**

|  | FY 2016        | FY 2017        | FY 2018        | FY 2019-to-<br>Date | Life-to-Date<br>Total |
|--|----------------|----------------|----------------|---------------------|-----------------------|
| <b>Water</b>                                 |                |                |                |                     |                       |
| 1 Receipts                                   | \$ 149,688,711 | \$ 352,941,909 | \$ 338,452,001 | \$ 260,007,466      | \$1,101,090,087       |
| 2 MOU Adjustments                            | -              | -              | -              | -                   | -                     |
| 3 Adjusted Receipts                          | 149,688,711    | 352,941,909    | 338,452,001    | 260,007,466         | 1,101,090,087         |
| 4 Disbursements                              | 146,256,185    | 288,777,985    | 322,804,510    | 216,660,047         | 974,498,727           |
| 5 Net Receipts                               | \$ 3,432,526   | \$ 64,163,924  | \$ 15,647,491  | \$ 43,347,419       | \$ 126,591,360        |
| 6 <i>Ratio of Receipts to Disbursements</i>  | 102%           | 122%           | 105%           | 120%                | 113%                  |
| <b>Sewer</b>                                 |                |                |                |                     |                       |
| 7 Receipts                                   | \$ 232,377,715 | \$ 469,788,882 | \$ 476,269,761 | \$ 353,473,540      | \$1,531,909,898       |
| 8 MOU Adjustments                            | 0              | -              | -              | -                   | -                     |
| 9 Adjusted Receipts                          | 232,310,973    | 469,205,156    | 476,269,761    | 353,473,540         | 1,531,259,430         |
| 10 Disbursements                             | 219,538,325    | 441,443,340    | 481,601,435    | 338,620,827         | 1,481,203,927         |
| 11 Net Receipts                              | \$ 12,839,390  | \$ 28,345,543  | \$ (5,331,674) | \$ 14,852,713       | \$ 50,705,972         |
| 12 <i>Ratio of Receipts to Disbursements</i> | 106%           | 106%           | 99%            | 104%                | 103%                  |
| <b>Combined</b>                              |                |                |                |                     |                       |
| 13 Receipts                                  | \$ 382,066,426 | \$ 822,730,791 | \$ 814,721,762 | \$ 613,481,006      | \$2,632,999,985       |
| 14 MOU Adjustments                           | -              | -              | -              | -                   | -                     |
| 15 Adjusted Receipts                         | 382,066,426    | 822,730,791    | 814,721,762    | 613,481,006         | 2,632,999,985         |
| 16 Disbursements                             | 365,794,510    | 730,221,325    | 804,405,945    | 555,280,874         | 2,455,702,654         |
| 17 Net Receipts                              | \$ 16,271,916  | \$ 92,509,466  | \$ 10,315,817  | \$ 58,200,132       | \$ 177,297,331        |
| 18 <i>Ratio of Receipts to Disbursements</i> | 104%           | 113%           | 101%           | 110%                | 107%                  |

*MOU Adjustments applies to DWSD and is shown here for consistency.*

**Chart 1 – GLWA 12-Month Net Receipts - Water**


**Note:** June 2018 net activity reflects a year-end improvement and extension fund transfer.

**Chart 2 – GLWA 12-Month Net Receipts – Sewer**


## DWSD Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

**Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for DWSD since inception at January 1, 2016. Fiscal year 2019 reflects nine months of activity to date.

Water fund cash receipts exceeded MBO disbursements by 2% through March 31, 2019 with a historical ratio of cash receipts exceeding MBO disbursements at 3% since January 1, 2016.

Sewer fund cash receipts fell short of MBO disbursements by 5% through March 31, 2019 with a historic shortfall of 7% since January 1, 2016. FY 2019 activity to date reflects a \$6.5 million sewer lookback adjustment completed in December 2018. This was due from GLWA to DWSD as part of the April 2018 MOU. As of the time of this report preparation, DWSD has communicated a plan to reduce expenses in May and June to improve net receipt status.

The Reconciliation Committee also monitors this balance and repayment progress as part of its quarterly meetings.

**Table 3 – DWSD Loan Receivable - Sewer** provides an activity summary of loan receivable established under the terms of the April 2018 MOU addressing the cash shortfall from FY 2016 and FY 2017. At the time of this report preparation, DWSD has reduced O&M transfers in May and June to assist in achieving a goal of positive, sewer net cash flows for FY 2019.

**Chart 3 – DWSD 12-Month Net Receipts – Water** outlines monthly activity trends across two points of reference for the local water system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.

**Chart 4 – DWSD 12-Month Net Receipts – Sewer** outlines monthly activity trends across two points of reference for the local sewer system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.



**Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements**

|  | FY 2016        | FY 2017         | FY 2018         | FY 2019-to-Date | Life-to-Date Total |
|--|----------------|-----------------|-----------------|-----------------|--------------------|
| <b>Water</b>                                 |                |                 |                 |                 |                    |
| 1 Receipts                                   | \$ 26,201,881  | \$ 96,451,105   | \$ 101,716,017  | \$ 74,926,943   | \$ 299,295,946     |
| 2 MOU Adjustments                            | 18,446,100     | -               | -               | -               | 18,446,100         |
| 3 Adjusted Receipts                          | 44,647,981     | 96,451,105      | 101,716,017     | 74,926,943      | 317,742,046        |
| 4 Disbursements                              | 47,809,552     | 93,066,144      | 93,049,457      | 73,271,050      | 307,196,203        |
| 5 Net Receipts                               | \$ (3,161,571) | \$ 3,384,961    | \$ 8,666,560    | \$ 1,655,893    | \$ 10,545,843      |
| 6 <i>Ratio of Receipts to Disbursements</i>  | 93%            | 104%            | 109%            | 102%            | 103%               |
| <b>Sewer</b>                                 |                |                 |                 |                 |                    |
| 7 Receipts                                   | \$ 65,256,734  | \$ 233,723,367  | \$ 247,975,470  | \$ 195,296,507  | \$ 742,252,078     |
| 8 MOU Adjustments                            | 55,755,100     | -               | -               | 6,527,200       | 62,282,300         |
| 9 Adjusted Receipts                          | 121,011,834    | 233,723,367     | 247,975,470     | 201,823,707     | 804,534,378        |
| 10 Disbursements                             | 122,297,300    | 261,963,973     | 266,217,825     | 211,821,368     | 862,300,466        |
| 11 Net Receipts                              | \$ (1,285,466) | \$ (28,240,606) | \$ (18,242,355) | \$ (9,997,661)  | \$ (57,766,088)    |
| 12 <i>Ratio of Receipts to Disbursements</i> | 99%            | 89%             | 93%             | 95%             | 93%                |
| <b>Combined</b>                              |                |                 |                 |                 |                    |
| 13 Receipts                                  | \$ 91,458,615  | \$ 330,174,472  | \$ 349,691,487  | \$ 270,223,450  | \$1,041,548,024    |
| 14 MOU Adjustments                           | 74,201,200     | 0               | -               | 6,527,200       | 80,728,400         |
| 15 Adjusted Receipts                         | 165,659,815    | 330,174,472     | 349,691,487     | 276,750,650     | 1,122,276,424      |
| 16 Disbursements                             | 170,106,852    | 355,030,117     | 359,267,282     | 285,092,418     | 1,169,496,669      |
| 17 Net Receipts                              | \$ (4,447,037) | \$ (24,855,645) | \$ (9,575,795)  | \$ (8,341,768)  | \$ (47,220,245)    |
| 18 <i>Ratio of Receipts to Disbursements</i> | 97%            | 93%             | 97%             | 97%             | 96%                |

**Note 1:** The \$29,300,000 for the DWSD loan receivable balance is calculated as follows.

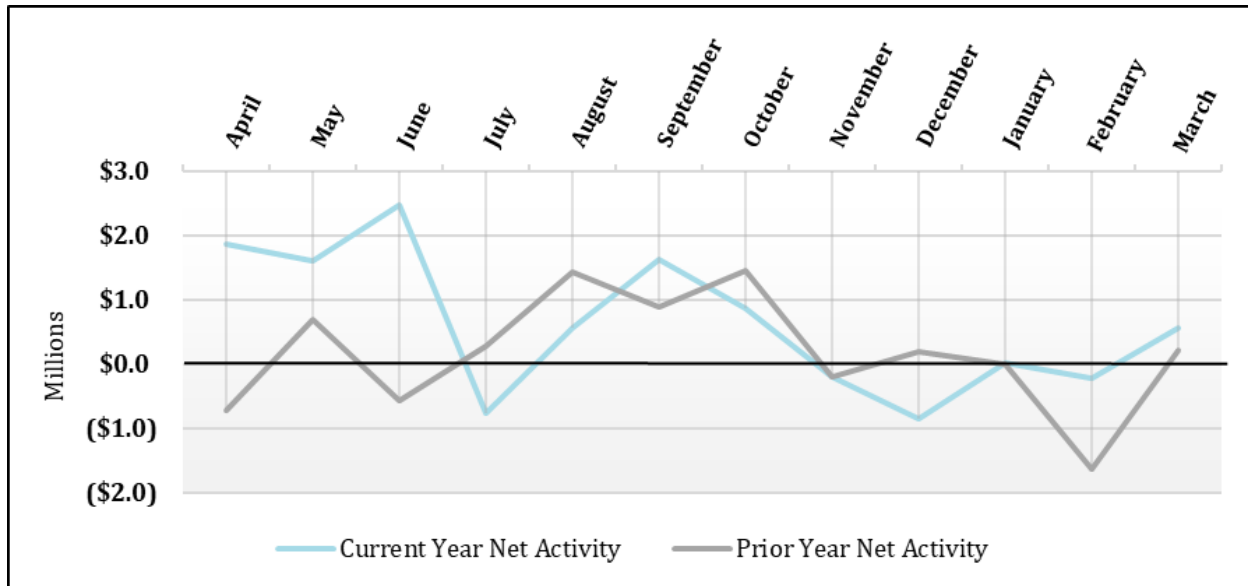
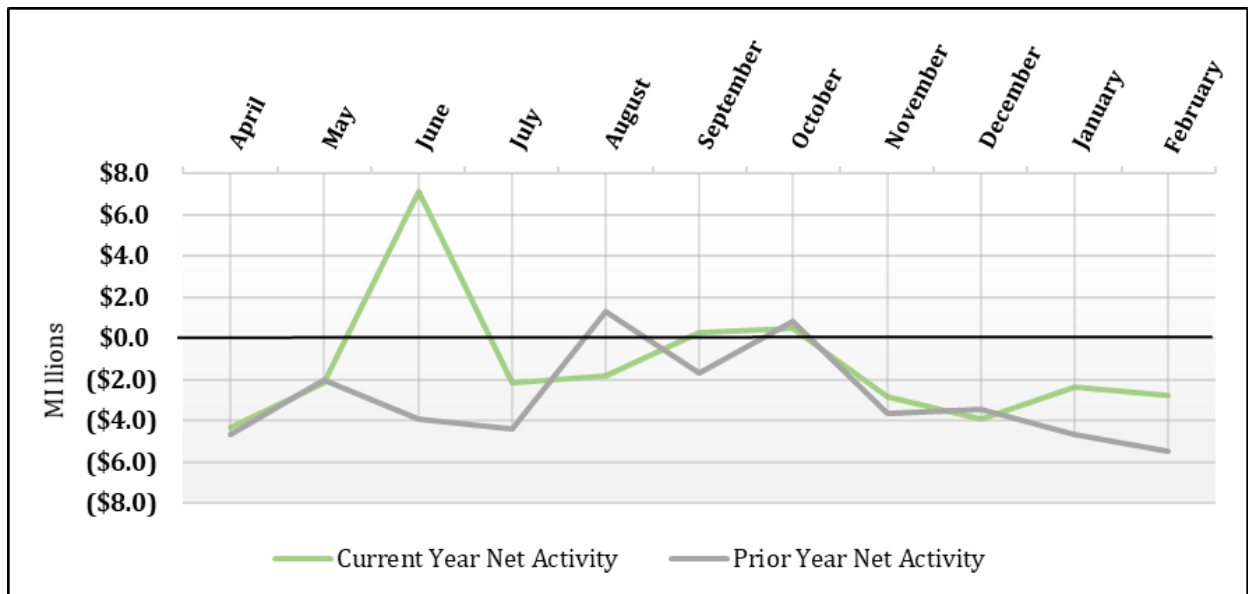
|              |                             |
|--------------|-----------------------------|
| (1,285,466)  | FY 2016 Shortfall           |
| (28,240,606) | FY 2017 Shortfall           |
| (29,526,072) | Subtotal                    |
| 238,264      | June IWC not due until July |
| (29,287,808) | FY 2017 Shortfall-to-Date   |

**29,300,000 FY 2017 Shortfall-to-Date, Rounded**

**Table 3 – DWSD Loan Receivable - Sewer**

| Date      | Transaction   | Principal        | Interest       | Total Paid       |
|-----------|---|------------------|----------------|------------------|
| 2/8/2019  | Loan Receivable Payment (for the months of Jul - Dec) | 4,635,462        | 564,636        | 5,200,098        |
| 2/22/2019 | Loan Receivable Payment (for the months of Jan - Mar) | 2,353,768        | 246,280        | 2,600,049        |
|           |   | <b>6,989,230</b> | <b>810,916</b> | <b>7,800,147</b> |

**Note 2:** DWSD has made additional, scheduled loan receivable payments in April, May and June which will be reflected in Table 3 above in each respective month.

**Chart 3 – DWSD 12-Month Net Receipts - Water**

**Chart 4 – DWSD 12-Month Net Receipts – Sewer**


## Combined System Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

**Table 4 – Combined Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year as well as a total of all activity for GLWA since inception at January 1, 2016. Fiscal year 2019 reflects nine months of activity to date.

Water fund cash receipts exceeded MBO disbursements by 16% through March 31, 2019 with a ratio of 11% since January 1, 2016. Sewer fund cash receipts exceeded MBO disbursements by 1% through March 31, 2019 and is functioning at a breakeven status since January 1, 2016.

**Table 4 – Combined Net Cash Flows from Trust Receipts & Disbursements**

|  | FY 2016        | FY 2017         | FY 2018         | FY 2019-to-Date | Life-to-Date Total |
|--|----------------|-----------------|-----------------|-----------------|--------------------|
| <b>Water</b>                                 |                |                 |                 |                 |                    |
| 1 Receipts                                   | \$ 175,826,163 | \$ 448,883,201  | \$ 440,168,018  | \$ 334,934,409  | \$1,399,811,791    |
| 2 MOU Adjustments                            | 18,446,100     | 0               | 0               | 0               | 18,446,100         |
| 3 Adjusted Receipts                          | 194,272,263    | 448,883,201     | 440,168,018     | 334,934,409     | 1,418,257,891      |
| 4 Disbursements                              | 194,001,308    | 381,334,316     | 415,853,967     | 289,931,097     | 1,281,120,688      |
| 5 Net Receipts                               | \$ 270,955     | \$ 67,548,885   | \$ 24,314,051   | \$ 45,003,312   | \$ 137,137,203     |
| 6 <i>Ratio of Receipts to Disbursements</i>  | 100%           | 118%            | 106%            | 116%            | 111%               |
| <b>Sewer</b>                                 |                |                 |                 |                 |                    |
| 7 Receipts                                   | \$ 297,567,707 | \$ 702,928,523  | \$ 724,245,231  | \$ 548,770,047  | \$2,273,511,508    |
| 8 MOU Adjustments                            | 55,755,100     | 0               | 0               | 6,527,200       | 62,282,300         |
| 9 Adjusted Receipts                          | 353,322,807    | 702,928,523     | 724,245,231     | 555,297,247     | 2,335,793,808      |
| 10 Disbursements                             | 341,768,883    | 702,823,586     | 747,819,260     | 550,442,195     | 2,342,853,924      |
| 11 Net Receipts                              | \$ 11,553,924  | \$ 104,937      | \$ (23,574,029) | \$ 4,855,052    | \$ (7,060,116)     |
| 12 <i>Ratio of Receipts to Disbursements</i> | 103%           | 100%            | 97%             | 101%            | 100%               |
| <b>Combined</b>                              |                |                 |                 |                 |                    |
| 13 Receipts                                  | \$ 473,525,041 | \$1,152,905,263 | \$1,164,413,249 | \$ 883,704,456  | \$3,674,548,009    |
| 14 MOU Adjustments                           | 74,201,200     | 0               | 0               | 6,527,200       | 80,728,400         |
| 15 Adjusted Receipts                         | 547,726,241    | 1,152,905,263   | 1,164,413,249   | 890,231,656     | 3,755,276,409      |
| 16 Disbursements                             | 535,901,362    | 1,085,251,442   | 1,163,673,227   | 840,373,292     | 3,625,199,323      |
| 17 Net Receipts                              | \$ 11,824,879  | \$ 67,653,821   | \$ 740,022      | \$ 49,858,364   | \$ 130,077,086     |
| 18 <i>Ratio of Receipts to Disbursements</i> | 102%           | 106%            | 100%            | 106%            | 104%               |

## APPENDIX

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 03/31/19

| Customer Name         | Total Due      | Current        | 46 - 74 Days | 75 - 104 Days | >105 Days |
|-----------------------|----------------|----------------|--------------|---------------|-----------|
| ALLEN PARK            | \$176,837.92   | \$176,837.92   | \$0.00       | \$0.00        | \$0.00    |
| ASH TOWNSHIP          | \$65,485.70    | \$65,485.70    | \$0.00       | \$0.00        | \$0.00    |
| BELLEVILLE            | \$25,263.30    | \$25,263.30    | \$0.00       | \$0.00        | \$0.00    |
| BERLIN TOWNSHIP       | \$58,255.01    | \$58,255.01    | \$0.00       | \$0.00        | \$0.00    |
| BROWNSTOWN TOWNSHIP   | \$275,119.93   | \$275,119.93   | \$0.00       | \$0.00        | \$0.00    |
| BRUCE TOWNSHIP        | \$12,144.66    | \$12,144.66    | \$0.00       | \$0.00        | \$0.00    |
| BURTCHVILLE TOWNSHIP  | \$22,276.65    | \$22,276.65    | \$0.00       | \$0.00        | \$0.00    |
| CANTON TOWNSHIP       | \$739,704.69   | \$739,704.69   | \$0.00       | \$0.00        | \$0.00    |
| CENTER LINE           | \$36,179.56    | \$36,179.56    | \$0.00       | \$0.00        | \$0.00    |
| CHESTERFIELD TOWNSHIP | \$315,815.20   | \$315,815.20   | \$0.00       | \$0.00        | \$0.00    |
| CLINTON TOWNSHIP      | \$627,866.77   | \$627,866.77   | \$0.00       | \$0.00        | \$0.00    |
| COMMERCE TOWNSHIP     | \$276,557.76   | \$276,557.76   | \$0.00       | \$0.00        | \$0.00    |
| DEARBORN              | \$1,474,482.28 | \$1,474,482.28 | \$0.00       | \$0.00        | \$0.00    |
| DEARBORN HEIGHTS      | \$287,237.54   | \$287,237.54   | \$0.00       | \$0.00        | \$0.00    |
| EASTPOINTE            | \$255,831.28   | \$255,831.28   | \$0.00       | \$0.00        | \$0.00    |
| ECORSE                | \$129,378.50   | \$129,378.50   | \$0.00       | \$0.00        | \$0.00    |
| FARMINGTON            | \$78,497.32    | \$78,497.32    | \$0.00       | \$0.00        | \$0.00    |
| FARMINGTON HILLS      | \$686,117.44   | \$686,117.44   | \$0.00       | \$0.00        | \$0.00    |
| FERNDAL               | \$167,603.66   | \$167,603.66   | \$0.00       | \$0.00        | \$0.00    |
| FLAT ROCK             | \$96,618.24    | \$96,618.24    | \$0.00       | \$0.00        | \$0.00    |
| FLINT                 | \$373,694.86   | \$373,694.86   | \$0.00       | \$0.00        | \$0.00    |
| FRASER                | \$91,225.87    | \$91,225.87    | \$0.00       | \$0.00        | \$0.00    |
| GARDEN CITY           | \$131,818.12   | \$131,818.12   | \$0.00       | \$0.00        | \$0.00    |

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 03/31/19

| Customer Name        | Total Due      | Current        | 46 - 74 Days | 75 - 104 Days | >105 Days      |
|----------------------|----------------|----------------|--------------|---------------|----------------|
| GIBRALTAR            | \$26,584.14    | \$26,584.14    | \$0.00       | \$0.00        | \$0.00         |
| GREENWOOD TOWNSHIP   | \$42,329.38    | \$42,329.38    | \$0.00       | \$0.00        | \$0.00         |
| GROSSE ILE TOWNSHIP  | \$113,425.32   | \$113,425.32   | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE PARK   | \$97,147.03    | \$97,147.03    | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE SHORES | \$47,563.06    | \$47,563.06    | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE WOODS  | \$113,382.56   | \$113,382.56   | \$0.00       | \$0.00        | \$0.00         |
| HAMTRAMCK            | \$57,185.39    | \$57,185.39    | \$0.00       | \$0.00        | \$0.00         |
| HARPER WOODS         | \$66,820.04    | \$66,820.04    | \$0.00       | \$0.00        | \$0.00         |
| HARRISON TWP         | \$118,544.07   | \$118,544.07   | \$0.00       | \$0.00        | \$0.00         |
| HAZEL PARK           | \$58,622.09    | \$58,622.09    | \$0.00       | \$0.00        | \$0.00         |
| HIGHLAND PARK        | \$7,051,177.21 | \$197,251.59   | \$98,429.60  | \$101,944.01  | \$6,653,552.01 |
| HURON TOWNSHIP       | \$115,365.52   | \$115,365.52   | \$0.00       | \$0.00        | \$0.00         |
| IMLAY CITY           | \$95,169.75    | \$95,169.75    | \$0.00       | \$0.00        | \$0.00         |
| IMLAY TOWNSHIP       | \$1,048.69     | \$1,048.69     | \$0.00       | \$0.00        | \$0.00         |
| INKSTER              | \$228,632.36   | \$228,632.36   | \$0.00       | \$0.00        | \$0.00         |
| KEEGO HARBOR         | \$24,636.71    | \$24,636.71    | \$0.00       | \$0.00        | \$0.00         |
| LAPEER               | \$115,007.16   | \$115,007.16   | \$0.00       | \$0.00        | \$0.00         |
| LENOX TOWNSHIP       | \$25,460.79    | \$25,460.79    | \$0.00       | \$0.00        | \$0.00         |
| LINCOLN PARK         | \$194,161.75   | \$194,161.75   | \$0.00       | \$0.00        | \$0.00         |
| LIVONIA              | \$1,053,523.18 | \$1,053,523.18 | \$0.00       | \$0.00        | \$0.00         |
| MACOMB TWP           | \$793,457.90   | \$793,457.90   | \$0.00       | \$0.00        | \$0.00         |
| MADISON HEIGHTS      | \$155,775.29   | \$155,775.29   | \$0.00       | \$0.00        | \$0.00         |

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 03/31/19

| Customer Name       | Total Due      | Current        | 46 - 74 Days | 75 - 104 Days | >105 Days |
|---------------------|----------------|----------------|--------------|---------------|-----------|
| MAYFIELD TOWNSHIP   | \$4,410.88     | \$4,410.88     | \$0.00       | \$0.00        | \$0.00    |
| MELVINDALE          | \$113,031.81   | \$113,031.81   | \$0.00       | \$0.00        | \$0.00    |
| NEW HAVEN           | \$29,515.95    | \$29,515.95    | \$0.00       | \$0.00        | \$0.00    |
| NOCWA               | \$1,789,185.79 | \$1,789,185.79 | \$0.00       | \$0.00        | \$0.00    |
| NORTHVILLE          | \$60,619.60    | \$60,619.60    | \$0.00       | \$0.00        | \$0.00    |
| NORTHVILLE TOWNSHIP | \$401,863.71   | \$401,863.71   | \$0.00       | \$0.00        | \$0.00    |
| NOVI                | \$673,887.63   | \$673,887.63   | \$0.00       | \$0.00        | \$0.00    |
| OAK PARK            | \$111,420.94   | \$111,420.94   | \$0.00       | \$0.00        | \$0.00    |
| OAKLAND CO DR COM   | \$12,030.57    | \$12,030.57    | \$0.00       | \$0.00        | \$0.00    |
| PLYMOUTH            | \$84,886.45    | \$84,886.45    | \$0.00       | \$0.00        | \$0.00    |
| PLYMOUTH TOWNSHIP   | \$327,947.27   | \$327,947.27   | \$0.00       | \$0.00        | \$0.00    |
| REDFORD TOWNSHIP    | \$245,455.16   | \$245,455.16   | \$0.00       | \$0.00        | \$0.00    |
| RIVER ROUGE         | \$57,595.82    | \$57,595.82    | \$0.00       | \$0.00        | \$0.00    |
| RIVERVIEW           | \$70,354.78    | \$70,354.78    | \$0.00       | \$0.00        | \$0.00    |
| ROCKWOOD            | \$24,300.74    | \$24,300.74    | \$0.00       | \$0.00        | \$0.00    |
| ROMEO               | \$19,197.94    | \$19,197.94    | \$0.00       | \$0.00        | \$0.00    |
| ROMULUS             | \$324,236.76   | \$324,236.76   | \$0.00       | \$0.00        | \$0.00    |
| ROSEVILLE           | \$213,491.52   | \$213,491.52   | \$0.00       | \$0.00        | \$0.00    |
| ROYAL OAK TOWNSHIP  | \$17,760.94    | \$17,760.94    | \$0.00       | \$0.00        | \$0.00    |
| SHELBY TOWNSHIP     | \$993,735.11   | \$993,735.11   | \$0.00       | \$0.00        | \$0.00    |
| SOCWA               | \$3,607,862.12 | \$3,607,862.12 | \$0.00       | \$0.00        | \$0.00    |
| SOUTH ROCKWOOD      | \$8,434.80     | \$8,434.80     | \$0.00       | \$0.00        | \$0.00    |
| SOUTHGATE           | \$180,523.34   | \$180,523.34   | \$0.00       | \$0.00        | \$0.00    |



56 **GLWA Aged Accounts Receivable- WATER ACCOUNTS**  
Balances as of 03/31/19

| Customer Name               | Total Due              | Current                | 46 - 74 Days       | 75 - 104 Days       | >105 Days             |
|-----------------------------|------------------------|------------------------|--------------------|---------------------|-----------------------|
| ST. CLAIR SHORES            | \$237,014.50           | \$237,014.50           | \$0.00             | \$0.00              | \$0.00                |
| STERLING HEIGHTS            | \$2,235,590.43         | \$2,235,590.43         | \$0.00             | \$0.00              | \$0.00                |
| SUMPTER TOWNSHIP            | \$55,589.47            | \$55,589.47            | \$0.00             | \$0.00              | \$0.00                |
| SYLVAN LAKE                 | \$18,498.45            | \$18,498.45            | \$0.00             | \$0.00              | \$0.00                |
| TAYLOR                      | \$706,791.85           | \$706,791.85           | \$0.00             | \$0.00              | \$0.00                |
| TRENTON                     | \$175,833.13           | \$175,833.13           | \$0.00             | \$0.00              | \$0.00                |
| TROY (SEOC)                 | \$1,043,639.36         | \$1,043,639.36         | \$0.00             | \$0.00              | \$0.00                |
| UTICA                       | \$41,953.47            | \$41,953.47            | \$0.00             | \$0.00              | \$0.00                |
| VAN BUREN TOWNSHIP          | \$292,178.13           | \$292,178.13           | \$0.00             | \$0.00              | \$0.00                |
| VILLAGE OF ALMONT           | \$23,689.66            | \$23,689.66            | \$0.00             | \$0.00              | \$0.00                |
| WALLED LAKE                 | \$74,602.09            | \$74,602.09            | \$0.00             | \$0.00              | \$0.00                |
| WARREN                      | \$826,979.35           | \$826,979.35           | \$0.00             | \$0.00              | \$0.00                |
| WASHINGTON TOWNSHIP         | \$153,905.35           | \$153,905.35           | \$0.00             | \$0.00              | \$0.00                |
| WAYNE                       | \$250,284.21           | \$250,284.21           | \$0.00             | \$0.00              | \$0.00                |
| WEST BLOOMFIELD TWP (C-O)   | \$1,622,124.29         | \$1,622,124.29         | \$0.00             | \$0.00              | \$0.00                |
| WESTLAND                    | \$496,239.91           | \$496,239.91           | \$0.00             | \$0.00              | \$0.00                |
| WIXOM                       | \$182,454.20           | \$182,454.20           | \$0.00             | \$0.00              | \$0.00                |
| WOODHAVEN                   | \$123,360.89           | \$123,360.89           | \$0.00             | \$0.00              | \$0.00                |
| YCUA                        | \$810,952.80           | \$810,952.80           | \$0.00             | \$0.00              | \$0.00                |
| <b>TOTAL WATER ACCOUNTS</b> | <b>\$35,742,462.82</b> | <b>\$28,888,537.20</b> | <b>\$98,429.60</b> | <b>\$101,944.01</b> | <b>\$6,653,552.01</b> |

## GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 03/31/19

| Customer Name               | Total Due              | Current                | 46 - 74 Days        | 75 - 104 Days       | >105 Days              |
|-----------------------------|------------------------|------------------------|---------------------|---------------------|------------------------|
| ALLEN PARK                  | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| CENTER LINE                 | \$85,599.50            | \$85,599.50            | \$0.00              | \$0.00              | \$0.00                 |
| DEARBORN                    | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| EVERGREEN-FARMINGTON        | \$2,881,500.00         | \$2,881,500.00         | \$0.00              | \$0.00              | \$0.00                 |
| FARMINGTON                  | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| GROSSE POINTE               | \$74,100.00            | \$74,100.00            | \$0.00              | \$0.00              | \$0.00                 |
| GROSSE POINTE FARMS         | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| GROSSE POINTE PARK          | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| HAMTRAMCK                   | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| HARPER WOODS                | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| HIGHLAND PARK               | \$32,564,983.37        | \$467,900.00           | \$467,900.00        | \$467,900.00        | \$31,161,283.37        |
| MELVINDALE                  | \$126,900.00           | \$126,900.00           | \$0.00              | \$0.00              | \$0.00                 |
| OAKLAND COUNTY GWK DD       | \$3,747,700.00         | \$3,747,700.00         | \$0.00              | \$0.00              | \$0.00                 |
| OMID                        | \$6,461,100.00         | \$6,461,100.00         | \$0.00              | \$0.00              | \$0.00                 |
| REDFORD TOWNSHIP            | \$0.00                 | \$0.00                 | \$0.00              | \$0.00              | \$0.00                 |
| ROUGE VALLEY                | \$4,480,100.00         | \$4,480,100.00         | \$0.00              | \$0.00              | \$0.00                 |
| WAYNE COUNTY N.E.           | \$2,056,000.00         | \$2,056,000.00         | \$0.00              | \$0.00              | \$0.00                 |
| WAYNE COUNTY-AREA #3        | \$4,100.00             | \$4,100.00             | \$0.00              | \$0.00              | \$0.00                 |
| <b>TOTAL SEWER ACCOUNTS</b> | <b>\$52,482,082.87</b> | <b>\$20,384,999.50</b> | <b>\$467,900.00</b> | <b>\$467,900.00</b> | <b>\$31,161,283.37</b> |

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 03/31/19

| Customer Name            | Total Due    | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days    |
|--------------------------|--------------|-------------|--------------|---------------|--------------|
| ALLEN PARK               | \$1,612.35   | \$1,612.35  | \$0.00       | \$0.00        | \$0.00       |
| AUBURN HILLS (C-O)       | \$18,610.66  | \$18,610.66 | \$0.00       | \$0.00        | \$0.00       |
| AUBURN HILLS (E-F)       | \$357.41     | \$357.41    | \$0.00       | \$0.00        | \$0.00       |
| BERKLEY                  | \$2,901.33   | \$2,901.33  | \$0.00       | \$0.00        | \$0.00       |
| BEVERLY HILLS            | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| BINGHAM FARMS            | \$1,066.57   | \$1,066.57  | \$0.00       | \$0.00        | \$0.00       |
| BIRMINGHAM (E-F)         | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| BIRMINGHAM (SEOC)        | \$5,592.29   | \$5,592.29  | \$0.00       | \$0.00        | \$0.00       |
| BLOOMFIELD HILLS         | \$1,539.41   | \$1,539.41  | \$0.00       | \$0.00        | \$0.00       |
| BLOOMFIELD TOWNSHIP      | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| CANTON TOWNSHIP          | \$517,937.44 | \$38,132.92 | \$19,066.46  | \$19,066.46   | \$441,671.60 |
| CENTER LINE              | \$3,683.10   | \$3,683.10  | \$0.00       | \$0.00        | \$0.00       |
| CHESTERFIELD TOWNSHIP    | \$12,118.72  | \$12,118.72 | \$0.00       | \$0.00        | \$0.00       |
| CITY OF FARMINGTON (E-F) | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| CITY OF FERNDALE         | \$3,581.42   | \$3,581.42  | \$0.00       | \$0.00        | \$0.00       |
| CITY OF ROCHESTER        | \$3,725.23   | \$3,725.23  | \$0.00       | \$0.00        | \$0.00       |
| CLARKSTON                | \$220.18     | \$220.18    | \$0.00       | \$0.00        | \$0.00       |
| CLAWSON                  | \$2,763.45   | \$2,763.45  | \$0.00       | \$0.00        | \$0.00       |
| CLINTON TOWNSHIP         | \$25,328.54  | \$25,328.54 | \$0.00       | \$0.00        | \$0.00       |
| DEARBORN                 | \$73,939.92  | \$73,939.92 | \$0.00       | \$0.00        | \$0.00       |
| DEARBORN HEIGHTS         | \$9,480.49   | \$9,480.49  | \$0.00       | \$0.00        | \$0.00       |
| DETROIT METRO WC AIRPORT | \$106.64     | \$106.64    | \$0.00       | \$0.00        | \$0.00       |
| EASTPOINTE               | \$12,863.13  | \$12,863.13 | \$0.00       | \$0.00        | \$0.00       |

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 03/31/19

| Customer Name        | Total Due      | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days      |
|----------------------|----------------|-------------|--------------|---------------|----------------|
| FARMINGTON           | \$4,046.54     | \$4,046.54  | \$0.00       | \$0.00        | \$0.00         |
| FARMINGTON HILLS     | \$24,055.17    | \$24,055.17 | \$0.00       | \$0.00        | \$0.00         |
| FRASER               | \$4,960.88     | \$4,960.88  | \$0.00       | \$0.00        | \$0.00         |
| GARDEN CITY          | \$7.10         | \$7.10      | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE        | \$1,580.76     | \$1,580.76  | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE FARMS  | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE PARK   | \$1,182.65     | \$1,182.65  | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE SHORES | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| GROSSE POINTE WOODS  | \$2,608.01     | \$2,608.01  | \$0.00       | \$0.00        | \$0.00         |
| HAMTRAMCK            | \$4,175.13     | \$4,175.13  | \$0.00       | \$0.00        | \$0.00         |
| HARPER WOODS         | \$1,892.64     | \$1,892.64  | \$0.00       | \$0.00        | \$0.00         |
| HARRISON TWP         | \$3,166.76     | \$3,166.76  | \$0.00       | \$0.00        | \$0.00         |
| HAZEL PARK           | \$3,118.78     | \$3,118.78  | \$0.00       | \$0.00        | \$0.00         |
| HIGHLAND PARK        | \$1,663,248.39 | \$7,813.18  | \$3,960.81   | \$3,960.81    | \$1,647,513.59 |
| HUNTINGTON WOODS     | \$572.36       | \$572.36    | \$0.00       | \$0.00        | \$0.00         |
| INDEPENDENCE         | \$ (220.18)    | \$ (220.18) | \$0.00       | \$0.00        | \$0.00         |
| INKSTER              | \$5,559.87     | \$5,559.87  | \$0.00       | \$0.00        | \$0.00         |
| KEEGO HARBOR         | \$686.05       | \$686.05    | \$0.00       | \$0.00        | \$0.00         |
| LAKE ORION           | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| LATHRUP              | \$0.00         | \$0.00      | \$0.00       | \$0.00        | \$0.00         |
| LENOX TOWNSHIP       | \$325.36       | \$325.36    | \$0.00       | \$0.00        | \$0.00         |
| LIVONIA              | \$39,630.07    | \$39,630.07 | \$0.00       | \$0.00        | \$0.00         |

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 03/31/19

| Customer Name        | Total Due    | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days    |
|----------------------|--------------|-------------|--------------|---------------|--------------|
| MACOMB TWP           | \$206.29     | \$206.29    | \$0.00       | \$0.00        | \$0.00       |
| MADISON HEIGHTS      | \$ (37.34)   | \$ (37.34)  | \$0.00       | \$0.00        | \$0.00       |
| MELVINDALE           | \$7,259.98   | \$7,259.98  | \$0.00       | \$0.00        | \$0.00       |
| NEW HAVEN            | \$567.00     | \$567.00    | \$0.00       | \$0.00        | \$0.00       |
| NORTHVILLE           | \$2,095.20   | \$2,095.20  | \$0.00       | \$0.00        | \$0.00       |
| NORTHVILLE TOWNSHIP  | \$124,280.08 | \$9,148.06  | \$4,574.03   | \$4,574.03    | \$105,983.96 |
| NOVI                 | \$17,375.72  | \$17,375.72 | \$0.00       | \$0.00        | \$0.00       |
| OAK PARK             | \$13,663.92  | \$13,663.92 | \$0.00       | \$0.00        | \$0.00       |
| OAKLAND TOWNSHIP     | \$440.84     | \$440.84    | \$0.00       | \$0.00        | \$0.00       |
| ORCHARD LAKE VILLAGE | \$382.19     | \$382.19    | \$0.00       | \$0.00        | \$0.00       |
| ORION TOWNSHIP (C-O) | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| OXFORD TOWNSHIP      | \$1,043.46   | \$1,043.46  | \$0.00       | \$0.00        | \$0.00       |
| OXFORD VILLAGE       | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| PLEASANT RIDGE       | \$273.77     | \$273.77    | \$0.00       | \$0.00        | \$0.00       |
| PLYMOUTH             | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| PLYMOUTH TOWNSHIP    | \$345,931.12 | \$25,462.54 | \$12,731.27  | \$12,731.27   | \$295,006.04 |
| REDFORD TOWNSHIP     | \$12,492.82  | \$12,492.82 | \$0.00       | \$0.00        | \$0.00       |
| ROCHESTER HILLS      | \$18,280.05  | \$18,280.05 | \$0.00       | \$0.00        | \$0.00       |
| ROMULUS              | \$926.07     | \$926.07    | \$0.00       | \$0.00        | \$0.00       |
| ROSEVILLE            | \$14,856.81  | \$14,856.81 | \$0.00       | \$0.00        | \$0.00       |
| ROYAL OAK            | \$0.00       | \$0.00      | \$0.00       | \$0.00        | \$0.00       |
| ROYAL OAK TOWNSHIP   | \$880.00     | \$880.00    | \$0.00       | \$0.00        | \$0.00       |
| SHELBY TOWNSHIP      | \$12,414.74  | \$12,414.74 | \$0.00       | \$0.00        | \$0.00       |

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 03/31/19

| Customer Name             | Total Due             | Current             | 46 - 74 Days       | 75 - 104 Days      | >105 Days             |
|---------------------------|-----------------------|---------------------|--------------------|--------------------|-----------------------|
| SOUTHFIELD (E-F)          | \$0.00                | \$0.00              | \$0.00             | \$0.00             | \$0.00                |
| SOUTHFIELD (SEOC)         | \$3,770.45            | \$3,770.45          | \$0.00             | \$0.00             | \$0.00                |
| ST. CLAIR SHORES          | \$0.00                | \$0.00              | \$0.00             | \$0.00             | \$0.00                |
| STERLING HEIGHTS          | \$31,372.27           | \$31,372.27         | \$0.00             | \$0.00             | \$0.00                |
| TROY (E-F)                | \$0.00                | \$0.00              | \$0.00             | \$0.00             | \$0.00                |
| TROY (SEOC)               | \$37,349.43           | \$37,349.43         | \$0.00             | \$0.00             | \$0.00                |
| UTICA                     | \$3,010.88            | \$3,010.88          | \$0.00             | \$0.00             | \$0.00                |
| VAN BUREN TOWNSHIP        | \$2,092.18            | \$2,092.18          | \$0.00             | \$0.00             | \$0.00                |
| VILLAGE OF FRANKLIN       | \$65.69               | \$65.69             | \$0.00             | \$0.00             | \$0.00                |
| WASHINGTON TOWNSHIP       | \$2,762.20            | \$2,762.20          | \$0.00             | \$0.00             | \$0.00                |
| WATERFORD TOWNSHIP        | \$0.00                | \$0.00              | \$0.00             | \$0.00             | \$0.00                |
| WAYNE                     | \$5,017.87            | \$5,017.87          | \$0.00             | \$0.00             | \$0.00                |
| WEST BLOOMFIELD TWP (C-O) | \$1,893.36            | \$1,893.36          | \$0.00             | \$0.00             | \$0.00                |
| WEST BLOOMFIELD TWP (E-F) | \$12,623.08           | \$12,623.08         | \$0.00             | \$0.00             | \$0.00                |
| WESTLAND                  | \$23,023.28           | \$23,023.28         | \$0.00             | \$0.00             | \$0.00                |
| <b>TOTAL IWC ACCOUNTS</b> | <b>\$3,154,338.03</b> | <b>\$583,497.70</b> | <b>\$40,332.57</b> | <b>\$40,332.57</b> | <b>\$2,490,175.19</b> |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days   |
|------------------------------|-------------|-------------|--------------|---------------|-------------|
| 3M COMPANY                   | \$5,479.10  | \$5,479.10  | \$0.00       | \$0.00        | \$0.00      |
| A & R PACKING CO., LLC       | \$3,567.12  | \$3,567.12  | \$0.00       | \$0.00        | \$0.00      |
| AACTRON                      | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ACADEMY PACKING CO.          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ACME RUSTPROOF               | \$94.02     | \$94.02     | \$0.00       | \$0.00        | \$0.00      |
| ADVANCED RESOURCE RECOVERY   | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| AEVITAS SPECIALITY SERVICES  | \$22,015.49 | \$13,825.49 | \$8,190.00   | \$0.00        | \$0.00      |
| ALEXANDER & HORNUNG          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ALEXANDER & HORNUNG          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ALEXANDER & HORNUNG          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| ALGAL SCIENTIFIC CORPORATION | \$16,533.05 | \$0.00      | \$0.00       | \$0.00        | \$16,533.05 |
| ALL CHEM CORP, LLC.          | \$ (89.96)  | \$0.00      | \$0.00       | \$0.00        | \$ (89.96)  |
| ALPHA STAMPING COMPANY       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| AMERICAN WASTE TECH INC.     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| AMERITI MFG. CO.             | \$7,078.25  | \$7,078.25  | \$0.00       | \$0.00        | \$0.00      |
| ATWATER IN THE PARK          | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| AUTOMOTIVE FINISH            | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| AXLE BREWING COMPANY, LLC    | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| B. NEKTAR MEADERY            | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| BAFFIN BREWING COMPANY       | \$108.95    | \$0.00      | \$108.95     | \$0.00        | \$0.00      |
| BARON INDUSTRIES             | \$1,152.11  | \$1,152.11  | \$0.00       | \$0.00        | \$0.00      |
| BARTZ BAKERY                 | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| BASTONE BREWERY              | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |



## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name               | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days   |
|-----------------------------|-------------|-------------|--------------|---------------|-------------|
| BATCH BREWING COMPANY       | \$ (121.94) | \$0.00      | \$0.00       | \$0.00        | \$ (121.94) |
| BAYS MICHIGAN CORPORATION   | \$651.91    | \$651.91    | \$0.00       | \$0.00        | \$0.00      |
| BEIRUT BAKERY, INC.         | \$99.69     | \$99.69     | \$0.00       | \$0.00        | \$0.00      |
| BETTER MADE SNACK FOOD      | \$14,925.72 | \$14,925.72 | \$0.00       | \$0.00        | \$0.00      |
| BLACK LOTUS BREWING CO.     | \$228.69    | \$0.00      | \$54.24      | \$0.00        | \$174.45    |
| BOZEK'S MARKET              | \$55.95     | \$55.95     | \$0.00       | \$0.00        | \$0.00      |
| BREW DETROIT                | \$4,994.38  | \$4,994.38  | \$0.00       | \$0.00        | \$0.00      |
| BROADWAY MKT CORNED BEEF    | \$ (172.77) | \$0.00      | \$ (172.77)  | \$0.00        | \$0.00      |
| BROOKS BREWING, LLC.        | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| BROWN IRON BREWHOUSE        | \$41.69     | \$0.00      | \$41.69      | \$0.00        | \$0.00      |
| CANTON BREW WORKS           | \$199.03    | \$0.00      | \$56.40      | \$0.00        | \$142.63    |
| CAPITAL REPRODUCTIONS       | \$1.62      | \$1.62      | \$0.00       | \$0.00        | \$0.00      |
| CF BURGER CREAMERY          | \$13,522.14 | \$13,522.14 | \$0.00       | \$0.00        | \$0.00      |
| CHILANGO'S BAKERY           | \$2,287.45  | \$49.05     | \$25.32      | \$22.15       | \$2,190.93  |
| CINTAS CORP. - MACOMB TWP.  | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| CINTAS CORPORATION          | \$26,074.75 | \$26,074.75 | \$0.00       | \$0.00        | \$0.00      |
| CINTAS CORPORATION          | \$13,496.41 | \$13,496.41 | \$0.00       | \$0.00        | \$0.00      |
| CITY LAUNDRY, INC.          | \$14.79     | \$14.79     | \$0.00       | \$0.00        | \$0.00      |
| CLASSIC CONTAINER CORP.     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00      |
| COCA-COLA REFRESHMENTS USA, | \$3,152.41  | \$3,152.41  | \$0.00       | \$0.00        | \$0.00      |
| COSTCO WHOLESALE STORE      | \$2,154.56  | \$2,154.56  | \$0.00       | \$0.00        | \$0.00      |
| COSTCO WHOLESALE STORE      | \$739.68    | \$739.68    | \$0.00       | \$0.00        | \$0.00      |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name                | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days  |
|------------------------------|-------------|-------------|--------------|---------------|------------|
| COSTCO WHOLESALE STORE       | \$2,481.59  | \$2,481.59  | \$0.00       | \$0.00        | \$0.00     |
| COSTCO WHOLESALE STORE       | \$317.43    | \$317.43    | \$0.00       | \$0.00        | \$0.00     |
| COUNTRY FRESH DAIRY CO.      | \$1,831.74  | \$1,831.74  | \$0.00       | \$0.00        | \$0.00     |
| CROSS CHEMICAL COMPANY, INC. | \$3,047.40  | \$985.11    | \$0.00       | \$1,033.49    | \$1,028.80 |
| DARLING INGREDIENTS, INC.    | \$7,926.73  | \$7,926.73  | \$0.00       | \$0.00        | \$0.00     |
| DAVE'S SAUSAGE FACTORY 2     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DEARBORN BREWING             | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DEARBORN SAUSAGE             | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DEARBORN SAUSAGE CO., INC.   | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DETROIT BEER                 | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DETROIT LINEN SERVICE        | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DETROIT METRO WC AIRPORT     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DETROIT RIVERTOWN BREWERY CC | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| DETROIT SAUSAGES CO INC      | \$53.15     | \$25.18     | \$11.19      | \$16.78       | \$0.00     |
| DETRONIC INDUSTRIES, INC.    | \$51.60     | \$51.60     | \$0.00       | \$0.00        | \$0.00     |
| DIFCO LABORATORIES, INC.     | \$22,934.33 | \$22,934.33 | \$0.00       | \$0.00        | \$0.00     |
| DIVERSIFIED CHEM TECH. INC.  | \$170.85    | \$170.85    | \$0.00       | \$0.00        | \$0.00     |
| DOMESTIC UNIFORM RENTAL      | \$1,078.03  | \$1,078.03  | \$0.00       | \$0.00        | \$0.00     |
| DOMESTIC UNIFORM RENTAL      | \$1,744.29  | \$1,744.29  | \$0.00       | \$0.00        | \$0.00     |
| DOWNEY BREWING COMPANY       | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| E.W. GROBBEL'S SONS, INC.    | \$4,059.24  | \$4,059.24  | \$0.00       | \$0.00        | \$0.00     |
| EASTERN MARKET BREWING COMP  | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |
| ENVIROSOLIDS, L.L.C.         | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00     |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name                | Total Due     | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days     |
|------------------------------|---------------|-------------|--------------|---------------|---------------|
| EQ DETROIT, INC.             | \$680.28      | \$680.28    | \$0.00       | \$0.00        | \$0.00        |
| EQ DETROIT, INC.             | \$4,454.16    | \$4,454.16  | \$0.00       | \$0.00        | \$0.00        |
| EQ DETROIT, INC.             | \$ (1,238.68) | \$0.00      | \$0.00       | \$0.00        | \$ (1,238.68) |
| EQ DETROIT, INC.             | \$ (4,588.68) | \$0.00      | \$0.00       | \$0.00        | \$ (4,588.68) |
| ETON ST BREWERY- GRIFFIN CLF | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| EXTRUDE HONE CORPORATION     | \$129.19      | \$129.19    | \$0.00       | \$0.00        | \$0.00        |
| EXTRUDEHODE                  | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| FARMINGTON BREWING COMPANY   | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| FAYGO BEVERAGES, INC.        | \$583,887.79  | \$87,662.88 | \$40,594.87  | \$33,547.38   | \$422,082.66  |
| FORD NEW MODEL PROGRAM       | \$635.05      | \$635.05    | \$0.00       | \$0.00        | \$0.00        |
| FOUNDERS BREWING COMPANY     | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| FRESH-PAK                    | \$357.73      | \$357.73    | \$0.00       | \$0.00        | \$0.00        |
| FRESH-PAK                    | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| G2O ENERGY, LLC              | \$7,079.62    | \$2,487.77  | \$2,361.81   | \$738.11      | \$1,491.93    |
| GENERAL LINEN SUPPLY CO.     | \$62,155.66   | \$11,264.08 | \$6,309.89   | \$5,748.09    | \$38,833.60   |
| GLOBAL TITANIUM, INC.        | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| GRANITE CITY FOOD & BREWERY  | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| GRANITE CITY FOOD & BREWERY  | \$0.00        | \$0.00      | \$0.00       | \$0.00        | \$0.00        |
| GRANITE CITY FOOD & BREWERY  | \$331.98      | \$0.00      | \$86.66      | \$0.00        | \$245.32      |
| GREAT BARABOO BREWING CO.    | \$ (2,054.91) | \$0.00      | \$0.00       | \$0.00        | \$ (2,054.91) |
| HACIENDA MEXICAN FOODS       | \$6,988.48    | \$1,243.82  | \$621.91     | \$2,487.62    | \$2,635.13    |
| HENKEL CORPORATION           | \$178.95      | \$178.95    | \$0.00       | \$0.00        | \$0.00        |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name                | Total Due  | Current    | 46 - 74 Days | 75 - 104 Days | >105 Days |
|------------------------------|------------|------------|--------------|---------------|-----------|
| HOME STYLE FOOD INC.         | \$4,743.12 | \$4,743.12 | \$0.00       | \$0.00        | \$0.00    |
| HOMEGROWN BREWING COMPANY    | \$0.00     | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| HOOD CLEANERS                | \$211.33   | \$0.00     | \$0.97       | \$0.00        | \$210.36  |
| HOUGHTON INTERNATIONAL INC.  | \$138.91   | \$138.91   | \$0.00       | \$0.00        | \$0.00    |
| HOUGHTON INTERNATIONAL INC.  | \$110.31   | \$110.31   | \$0.00       | \$0.00        | \$0.00    |
| HOUGHTON INTERNATIONAL INC.  | \$2,541.15 | \$2,541.15 | \$0.00       | \$0.00        | \$0.00    |
| HUNTINGTON CLEANERS          | \$0.00     | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| INDUSTRIAL METAL COATING     | \$624.78   | \$624.78   | \$0.00       | \$0.00        | \$0.00    |
| ISLAMIC SLAUGHTER HOUSE      | \$3,070.91 | \$3,070.91 | \$0.00       | \$0.00        | \$0.00    |
| ITALIAN BUTTER BREAD STICKS  | \$7.91     | \$7.91     | \$0.00       | \$0.00        | \$0.00    |
| J & G FOOD PRODUCTS, INC.    | \$114.69   | \$114.69   | \$0.00       | \$0.00        | \$0.00    |
| JAMEX BREWING CO.            | \$0.00     | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| KAR NUT PRODUCTS             | \$1,112.96 | \$1,112.96 | \$0.00       | \$0.00        | \$0.00    |
| KOWALSKI SAUSAGES, CO.       | \$540.20   | \$540.20   | \$0.00       | \$0.00        | \$0.00    |
| KUHNHENN BREWING             | \$118.88   | \$0.00     | \$118.88     | \$0.00        | \$0.00    |
| LA MICHOACANA FLOUR TORTILLA | \$964.93   | \$964.93   | \$0.00       | \$0.00        | \$0.00    |
| LA MICHOACANA FLOUR TORTILLA | \$105.98   | \$105.98   | \$0.00       | \$0.00        | \$0.00    |
| LEAR CORPORATION DBA EAGLE C | \$4,617.81 | \$4,617.81 | \$0.00       | \$0.00        | \$0.00    |
| LIBERTY STREET PROD. BREWERY | \$0.00     | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| LILY'S SEAFOOD GRILL & BREWE | \$0.00     | \$0.00     | \$0.00       | \$0.00        | \$0.00    |
| MACDERMID, INC.              | \$1,746.40 | \$1,746.40 | \$0.00       | \$0.00        | \$0.00    |
| MCNICHOLS POLISHING & ANODIZ | \$20.93    | \$20.93    | \$0.00       | \$0.00        | \$0.00    |
| MELLO MEATS INC, - KUBISCH S | \$55.95    | \$55.95    | \$0.00       | \$0.00        | \$0.00    |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name                 | Total Due   | Current     | 46 - 74 Days | 75 - 104 Days | >105 Days |
|-------------------------------|-------------|-------------|--------------|---------------|-----------|
| METROPOLITAN BAKERY           | \$384.50    | \$384.50    | \$0.00       | \$0.00        | \$0.00    |
| MIBA HYDRAMECHANICA CORP.     | \$163.85    | \$163.85    | \$0.00       | \$0.00        | \$0.00    |
| MICHIGAN DAIRY                | \$88,152.38 | \$88,152.38 | \$0.00       | \$0.00        | \$0.00    |
| MICHIGAN PROD. MACHINING      | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| MICHIGAN SOY PRODUCTS CO.     | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| MIDWEST WIRE PRODUCTS, INC.   | \$ (2.94)   | \$0.00      | \$0.00       | \$0.00        | \$ (2.94) |
| MILANO BAKERY                 | \$642.31    | \$642.31    | \$0.00       | \$0.00        | \$0.00    |
| MILTON CHILI CO.              | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| MINNIE MARIE BAKERS, INC      | \$4,902.32  | \$4,902.32  | \$0.00       | \$0.00        | \$0.00    |
| MISTER UNIFORM & MAT RENTALS  | \$103.77    | \$0.00      | \$0.00       | \$0.00        | \$103.77  |
| MOTOR CITY BREWING WORKS      | \$606.55    | \$606.55    | \$0.00       | \$0.00        | \$0.00    |
| NATIONAL CHILI COMPANY        | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| NORTH CENTER BREWING COMPANY  | \$57.69     | \$0.00      | \$57.69      | \$0.00        | \$0.00    |
| NORTHERN LAKES SEAFOOD & MEAT | \$35.59     | \$35.59     | \$0.00       | \$0.00        | \$0.00    |
| OAKWOOD BAKERY                | \$173.96    | \$173.96    | \$0.00       | \$0.00        | \$0.00    |
| PARKER'S HILLTOP BREWER & SE  | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| PELLERITO FOODS INC.          | \$663.58    | \$663.58    | \$0.00       | \$0.00        | \$0.00    |
| PEPSI COLA, INC.              | \$27,044.87 | \$27,044.87 | \$0.00       | \$0.00        | \$0.00    |
| PERSONAL UNIFORM SERVICE, IN  | \$59.70     | \$59.70     | \$0.00       | \$0.00        | \$0.00    |
| PETRO ENVIRON TECH, INC.      | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |
| PINE TREE ACRES, INC.         | \$50,573.97 | \$50,573.97 | \$0.00       | \$0.00        | \$0.00    |
| PLATING SPEC                  | \$0.00      | \$0.00      | \$0.00       | \$0.00        | \$0.00    |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name                | Total Due     | Current    | 46 - 74 Days | 75 - 104 Days | >105 Days     |
|------------------------------|---------------|------------|--------------|---------------|---------------|
| POWER VAC OF MICHIGAN, INC.  | \$29.61       | \$29.61    | \$0.00       | \$0.00        | \$0.00        |
| PREMIER PLATING, LLC         | \$2,111.53    | \$2,111.53 | \$0.00       | \$0.00        | \$0.00        |
| PRODUCTION SPRING, LLC.      | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| QUALA SERVICES, LLC          | \$1,524.71    | \$1,524.71 | \$0.00       | \$0.00        | \$0.00        |
| RAY'S ICE CREAM CO.          | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| RED SPOT PAINT #409139       | \$17.63       | \$17.63    | \$0.00       | \$0.00        | \$0.00        |
| RIVER ROUGE BREWING COMPANY  | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| ROAK BREWING CO. LLC         | \$1,161.12    | \$0.00     | \$1,161.12   | \$0.00        | \$0.00        |
| ROCHESTER MILLS BEER COMPANY | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| ROCHESTER MILLS PROD BREWERY | \$3,083.05    | \$0.00     | \$1,077.32   | \$0.00        | \$2,005.73    |
| RTT                          | \$23,842.21   | \$0.00     | \$0.00       | \$0.00        | \$23,842.21   |
| SEAFARE FOODS, INC.          | \$61.35       | \$61.35    | \$0.00       | \$0.00        | \$0.00        |
| SHERWOOD BREWING COMPANY     | \$908.84      | \$89.76    | \$0.00       | \$0.00        | \$819.08      |
| SMITH-WATKINS, LLC           | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| SPRAYTEK, INC.               | \$33.83       | \$33.83    | \$0.00       | \$0.00        | \$0.00        |
| SWEETHEART BAKERY, INC.      | \$1,168.95    | \$151.44   | \$77.14      | \$75.72       | \$864.65      |
| THE CROWN GROUP-LIVONIA PLAN | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| THE ROYAL OAK BREWERY        | \$ (1,400.20) | \$0.00     | \$0.00       | \$0.00        | \$ (1,400.20) |
| TOM LAUNDRY CLEANERS         | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| TRAFFIC JAM & SNUG           | \$31.21       | \$0.00     | \$31.21      | \$0.00        | \$0.00        |
| TURRI'S ITALIAN FOODS        | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| TURRI'S ITALIAN FOODS        | \$0.00        | \$0.00     | \$0.00       | \$0.00        | \$0.00        |
| U-METCO, INC.                | \$1,290.68    | \$1,290.68 | \$0.00       | \$0.00        | \$0.00        |

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 03/31/19

| Customer Name                             | Total Due             | Current             | 46 - 74 Days       | 75 - 104 Days      | >105 Days           |
|---|-----------------------|---------------------|--------------------|--------------------|---------------------|
| UNCLE RAYS SNACKS, LLC                    | \$41,894.00           | \$41,894.00         | \$0.00             | \$0.00             | \$0.00              |
| UNCLE RAYS SNACKS, LLC                    | \$4,771.16            | \$4,771.16          | \$0.00             | \$0.00             | \$0.00              |
| UNIQUE LINEN SERVICES, INC.               | \$0.00                | \$0.00              | \$0.00             | \$0.00             | \$0.00              |
| UNITED FISH DISTRIBUTORS                  | \$9.72                | \$9.72              | \$0.00             | \$0.00             | \$0.00              |
| UNITED LINEN SERVICE, LLC.                | \$277.59              | \$277.59            | \$0.00             | \$0.00             | \$0.00              |
| UNITED MEAT & DELI                        | \$674.21              | \$674.21            | \$0.00             | \$0.00             | \$0.00              |
| US ECOLOGY MICHIGAN                       | \$ (38.40)            | \$0.00              | \$0.00             | \$0.00             | \$ (38.40)          |
| US ECOLOGY ROMULUS, INC.                  | \$2,886.52            | \$2,886.52          | \$0.00             | \$0.00             | \$0.00              |
| USHER OIL SERVICES                        | \$4,097.25            | \$4,097.25          | \$0.00             | \$0.00             | \$0.00              |
| VERNDALE PRODUCTS                         | \$9,063.04            | \$9,063.04          | \$0.00             | \$0.00             | \$0.00              |
| VERNDALE PRODUCTS, INC.                   | \$2,722.12            | \$2,722.12          | \$0.00             | \$0.00             | \$0.00              |
| VERNOR FOOD PRODUCTS                      | \$153.41              | \$25.11             | \$27.89            | \$27.89            | \$72.52             |
| WIGLEY'S MEAT PROCESS                     | \$696.58              | \$696.58            | \$0.00             | \$0.00             | \$0.00              |
| WINTER SAUSAGE MFG. CO.                   | \$772.12              | \$772.12            | \$0.00             | \$0.00             | \$0.00              |
| WINTER SAUSAGE MFG. CO.                   | \$111.90              | \$111.90            | \$0.00             | \$0.00             | \$0.00              |
| WOLVERINE PACKING CO                      | \$6,028.26            | \$6,028.26          | \$0.00             | \$0.00             | \$0.00              |
| WOLVERINE PACKING CO.                     | \$2,612.91            | \$2,612.91          | \$0.00             | \$0.00             | \$0.00              |
| WOODWARD AVENUE BREWERS                   | \$219.55              | \$0.00              | \$0.00             | \$0.00             | \$219.55            |
| <b>TOTAL POLLUTANT SURCHARGE ACCOUNTS</b> | <b>\$1,148,203.00</b> | <b>\$539,702.73</b> | <b>\$60,842.38</b> | <b>\$43,697.23</b> | <b>\$503,960.66</b> |

## City of Highland Park Billings and Collections

|                                     | <u>Water</u>               | <u>Sewer</u>                | <u>IWC</u>                 | <u>Cumulative<br/>Total</u> |
|-------------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| June 30, 2012 Balance               | \$ -                       | \$ 10,207,956               | \$ 852,987                 | \$ 11,060,943               |
| FY 2013 Billings                    | 485,887                    | 4,987,635                   | 154,444                    | 5,627,966                   |
| FY 2013 Payments                    | <u>(65,652)</u>            | <u>(2,206,211)</u>          | <u>-</u>                   | <u>(2,271,863)</u>          |
|                                     |                            |                             |                            | -                           |
| June 30, 2013 Balance               | \$ 420,235                 | \$ 12,989,380               | \$ 1,007,431               | \$ 14,417,046               |
| FY 2014 Billings                    | 1,004,357                  | 6,980,442                   | 161,951                    | 8,146,750                   |
| FY 2014 Payments                    | <u>-</u>                   | <u>(1,612,633)</u>          | <u>-</u>                   | <u>(1,612,633)</u>          |
|                                     |                            |                             |                            | -                           |
| June 30, 2014 Balance               | \$ 1,424,592               | \$ 18,357,189               | \$ 1,169,382               | \$ 20,951,163               |
| FY 2015 Billings                    | 1,008,032                  | 5,553,123                   | 165,739                    | 6,726,894                   |
| FY 2015 Payments                    | <u>-</u>                   | <u>(1,444,623)</u>          | <u>-</u>                   | <u>(1,444,623)</u>          |
|                                     |                            |                             |                            | -                           |
| June 30, 2015 Balance               | \$ 2,432,625               | \$ 22,465,689               | \$ 1,335,121               | \$ 26,233,435               |
| FY 2016 Billings                    | 1,157,178                  | 5,612,167                   | 106,431                    | 6,875,776                   |
| FY 2016 Payments                    | <u>-</u>                   | <u>(2,022,335)</u>          | <u>-</u>                   | <u>(2,022,335)</u>          |
|                                     |                            |                             |                            | -                           |
| June 30, 2016 Balance               | \$ 3,589,803               | \$ 26,055,521               | \$ 1,441,551               | \$ 31,086,875               |
| FY 2017 Billings                    | 1,245,267                  | 5,802,000                   | 101,999                    | 7,149,265                   |
| FY 2017 Payments                    | <u>-</u>                   | <u>(2,309,186)</u>          | <u>-</u>                   | <u>(2,309,186)</u>          |
|                                     |                            |                             |                            | -                           |
| June 30, 2017 Balance               | \$ 4,835,070               | \$ 29,548,335               | \$ 1,543,550               | \$ 35,926,954               |
| FY 2018 Billings                    | 1,277,179                  | 5,657,101                   | 80,472                     | 7,014,752                   |
| FY 2018 Payments                    | <u>-</u>                   | <u>(4,108,108)</u>          | <u>-</u>                   | <u>(4,108,108)</u>          |
|                                     |                            |                             |                            | -                           |
| June 30, 2018 Balance               | \$ 6,112,248               | \$ 31,097,327               | \$ 1,624,022               | \$ 38,833,597               |
| FY 2019 Billings (9 Months)         | 938,929                    | 4,213,400                   | 39,226                     | 5,191,555                   |
| FY 2019 Payments (9 Months)         | <u>-</u>                   | <u>(2,745,744)</u>          | <u>-</u>                   | <u>(2,745,744)</u>          |
|                                     |                            |                             |                            | -                           |
| <b>Balance as of March 31, 2019</b> | <b><u>\$ 7,051,177</u></b> | <b><u>\$ 32,564,983</u></b> | <b><u>\$ 1,663,248</u></b> | <b><u>\$ 41,279,409</u></b> |