



Financial Services Audit Committee Communication

Date: June 15, 2018

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, Public Finance Management Professional

Re: Trust Receipt & Disbursement Report for Activity through April 30, 2018

Background: Beginning January 2016, water and sewer system services are provided to the City of Detroit through the DWSD. Accordingly, DWSD is allocated a revenue requirement for those services in accordance with a services agreement. Consistent with the terms of the GLWA Master Bond Ordinance, which is applicable to assumed pre- and new post-bifurcation debt of the DWSD which was transferred to GLWA on the effective date, the cash receipts of both DWSD and GLWA are deposited in a Trust and distributed in accordance with the terms of the Master Bond Ordinance.

The purpose of this report is to provide an ongoing status as to the ability of both organizations to cover their Master Bond Ordinance requirements with their cash receipts.

Analysis: The following tables summarize this activity along three lines: Local System Activity, Regional System Activity, and Combined Activity accompanied by a series of charts that further breakdown this activity by fund, inflows and outflows. *This information does reflect activity and transfers associated with the April 2018 Memorandum of Understanding Term Sheet as part of fiscal year ending June 30, 2017 activity.*

This is a new report and process, made possible mainly due to continuous process improvement and the steady implementation of financial reporting best practices. It will take time to refine but is being put in use at a high-level for Board and Audit Committee use and at a more detailed level for use by DWSD and GLWA finance team members.

This initial report highlights the continued health of the regional system water and sewer funds and local system water fund. While the local system sewer fund does reflect a deficit, this report helps provide a basis to discuss changes and monitor progress. DWSD management has already taken steps to address the local system sewer deficit as evidenced by the use lease payment proceeds beginning in March to support current debt requirements.

Proposed Action: Receive and file report.

Great Lakes Water Authority
Local System Trust Receipts & Disbursements - Budget to Actual
January 1, 2016 thru April 30, 2018

Month	Retail System Cash Receipts			Revenue Requirements due to GLWA			Local System O&M and MBO Disbursements		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
YE 6/30/2016	27,365,381	75,252,534	102,617,915	6,833,500	96,981,750	103,815,250	42,139,552	35,311,350	77,450,902
YE 6/30/2017	114,210,305	285,398,467	330,174,472	15,490,300	188,809,372	204,299,672	76,888,944	69,074,600	145,963,544
Jul-17	8,358,980	18,584,448	26,943,428	1,260,883	15,150,489	16,411,372	6,807,834	7,850,191	14,658,025
Aug-17	9,512,385	24,266,091	33,778,476	1,260,883	15,148,550	16,409,433	6,807,834	7,850,191	14,658,025
Sep-17	8,952,012	21,323,940	30,275,952	1,260,883	15,148,770	16,409,653	6,807,834	7,850,191	14,658,025
Oct-17	9,531,471	23,791,664	33,323,135	1,260,883	15,151,126	16,412,009	6,807,834	7,850,191	14,658,025
Nov-17	8,053,735	19,491,771	27,545,506	1,260,883	15,137,426	16,398,309	6,983,027	7,975,498	14,958,525
Dec-17	8,271,571	19,531,290	27,802,861	1,260,883	15,135,108	16,395,991	6,807,834	7,850,191	14,658,025
Jan-18	8,075,038	18,317,964	26,393,002	1,260,883	15,136,391	16,397,274	6,807,834	7,850,191	14,658,025
Feb-18	6,443,649	17,507,247	23,950,896	1,260,883	15,135,893	16,396,776	6,807,834	7,850,191	14,658,025
Mar-18	8,292,929	25,318,954	33,611,883	1,260,883	15,136,739	16,397,622	6,807,834	7,850,191	14,658,025
Apr-18	9,243,981	18,465,537	27,709,519	1,260,883	15,136,070	16,396,953	6,113,232	7,641,892	13,755,124
YTD 4/30/2018	84,735,751	206,598,906	291,334,657	12,608,830	151,416,562	164,025,392	67,558,931	78,418,918	145,977,849
	\$ 226,311,437	\$ 567,249,907	\$ 724,127,045	\$ 34,932,630	\$ 437,207,684	\$ 472,140,314	\$ 186,587,428	\$ 182,804,868	\$ 369,392,295

Month	Difference (shortfall)/surplus			Budgeted Requirements (Reference)		
	Water	Sewer	Total	Water	Sewer	Total
YE 6/30/2016	(21,607,671)	(57,040,566)	(78,648,237)	42,139,900	35,311,100	77,451,000
YE 6/30/2017	21,831,061	27,514,495	49,345,556	74,132,300	72,903,200	147,035,500
Jul-17	290,263	(4,416,232)	(4,125,969)	6,550,883	6,866,492	13,417,375
Aug-17	1,443,668	1,267,350	2,711,018	6,550,883	6,866,492	13,417,375
Sep-17	883,295	(1,675,021)	(791,726)	6,550,883	6,866,492	13,417,375
Oct-17	1,462,754	790,347	2,253,101	6,550,883	6,866,492	13,417,375
Nov-17	(190,175)	(3,621,153)	(3,811,328)	6,550,883	6,866,492	13,417,375
Dec-17	202,854	(3,454,009)	(3,251,155)	6,550,883	6,866,492	13,417,375
Jan-18	6,321	(4,668,618)	(4,662,297)	6,550,883	6,866,492	13,417,375
Feb-18	(1,625,068)	(5,478,837)	(7,103,905)	6,550,883	6,866,492	13,417,375
Mar-18	224,212	2,332,024	2,556,236	6,550,883	6,866,492	13,417,375
Apr-18	1,869,866	(4,312,425)	(2,442,558)	6,550,883	6,866,492	13,417,375
YTD 4/30/2018	4,567,990	(23,236,573)	(18,668,584)	65,508,833	68,664,917	134,173,750
	\$ 4,791,380	\$ (52,762,644)	\$ (47,971,265)	\$ 181,781,033	\$ 176,879,217	\$ 358,660,250

Report Notes: This report reflects actual cash receipts received. These values will not tie to revenues reported on the CAFR due to that difference.

Actual O&M/MBO Disbursements differ from budget in FY 17 & FY18 to date as a result of the use of lease payments to cover budgeted expenses and adjustments made for actual pension expense.

Great Lakes Water Authority
Regional System Trust Receipts & Disbursements - Budget to Actual
January 1, 2016 thru April 30, 2018

Month	Regional System Cash Receipts			Regional System O&M Disbursements			Regional System MBO Disbursements		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
YE 6/30/2016	148,460,783	222,315,173	370,775,955	58,846,800	92,551,800	151,398,600	86,181,457	116,923,983	203,105,440
YE 6/30/2017	352,432,097	469,205,155	821,637,251	117,927,700	186,682,800	304,610,500	170,340,472	254,176,813	424,517,285
Jul-17	29,487,166	39,464,719	68,951,885	10,634,217	16,825,283	27,459,500	13,693,206	20,319,222	34,012,428
Aug-17	26,681,875	38,984,345	65,666,220	10,634,217	16,825,283	27,459,500	12,834,449	19,000,583	31,835,032
Sep-17	28,167,949	37,793,282	65,961,231	10,634,217	16,825,283	27,459,500	13,597,892	20,429,213	34,027,105
Oct-17	39,786,742	38,672,972	78,459,714	10,634,217	16,825,283	27,459,500	13,792,757	20,290,667	34,083,424
Nov-17	28,702,426	39,207,527	67,909,953	10,645,017	16,810,883	27,455,900	13,952,799	21,016,173	34,968,972
Dec-17	23,591,223	40,540,948	64,132,171	10,634,217	16,825,283	27,459,500	13,729,347	20,387,673	34,117,020
Jan-18	33,481,060	38,878,363	72,359,423	10,634,217	16,825,283	27,459,500	13,723,698	20,446,937	34,170,635
Feb-18	22,859,171	46,831,437	69,690,608	10,634,217	16,825,283	27,459,500	13,662,466	20,396,598	34,059,064
Mar-18	29,230,393	30,141,091	59,371,484	10,634,217	16,825,283	27,459,500	13,687,023	18,127,661	31,814,684
Apr-18	20,052,031	42,244,880	62,296,911	10,634,217	16,825,283	27,459,500	14,398,826	18,421,619	32,820,445
YTD 4/30/2018	282,040,036	392,759,564	674,799,600	106,352,970	168,238,430	274,591,400	137,072,463	198,836,346	335,908,809
	\$ 782,932,916	\$ 1,084,279,891	\$ 1,867,212,807	\$ 283,127,470	\$ 447,473,030	\$ 730,600,500	\$ 393,594,392	\$ 569,937,142	\$ 963,531,534

Month	Difference (shortfall)/surplus			Budgeted Requirements (Reference)		
	Water	Sewer	Total	Water	Sewer	Total
YE 6/30/2016	3,432,526	12,839,390	16,271,915	159,276,000	220,731,000	380,007,000
YE 6/30/2017	64,163,925	28,345,542	92,509,466	331,213,200	471,710,200	802,923,400
Jul-17	5,159,743	2,320,214	7,479,957	27,343,275	39,025,892	66,369,167
Aug-17	3,213,209	3,158,479	6,371,688	27,343,275	39,025,892	66,369,167
Sep-17	3,935,840	538,786	4,474,626	27,343,275	39,025,892	66,369,167
Oct-17	15,359,768	1,557,022	16,916,790	27,343,275	39,025,892	66,369,167
Nov-17	4,104,610	1,380,471	5,485,081	27,343,275	39,025,892	66,369,167
Dec-17	(772,341)	3,327,992	2,555,651	27,343,275	39,025,892	66,369,167
Jan-18	9,123,145	1,606,143	10,729,288	27,343,275	39,025,892	66,369,167
Feb-18	(1,437,512)	9,609,556	8,172,044	27,343,275	39,025,892	66,369,167
Mar-18	4,909,153	(4,811,853)	97,300	27,343,275	39,025,892	66,369,167
Apr-18	(4,981,012)	6,997,978	2,016,966	27,343,275	39,025,892	66,369,167
YTD 4/30/2018	38,614,603	25,684,788	64,299,391	273,432,750	390,258,917	663,691,667
	\$ 106,211,054	\$ 66,869,719	\$ 173,080,773	\$ 763,921,950	\$ 1,082,700,117	\$ 1,846,622,067

Report Notes: This report reflects actual cash receipts received. These values will not tie to revenues reported on the CAFR due to that difference.

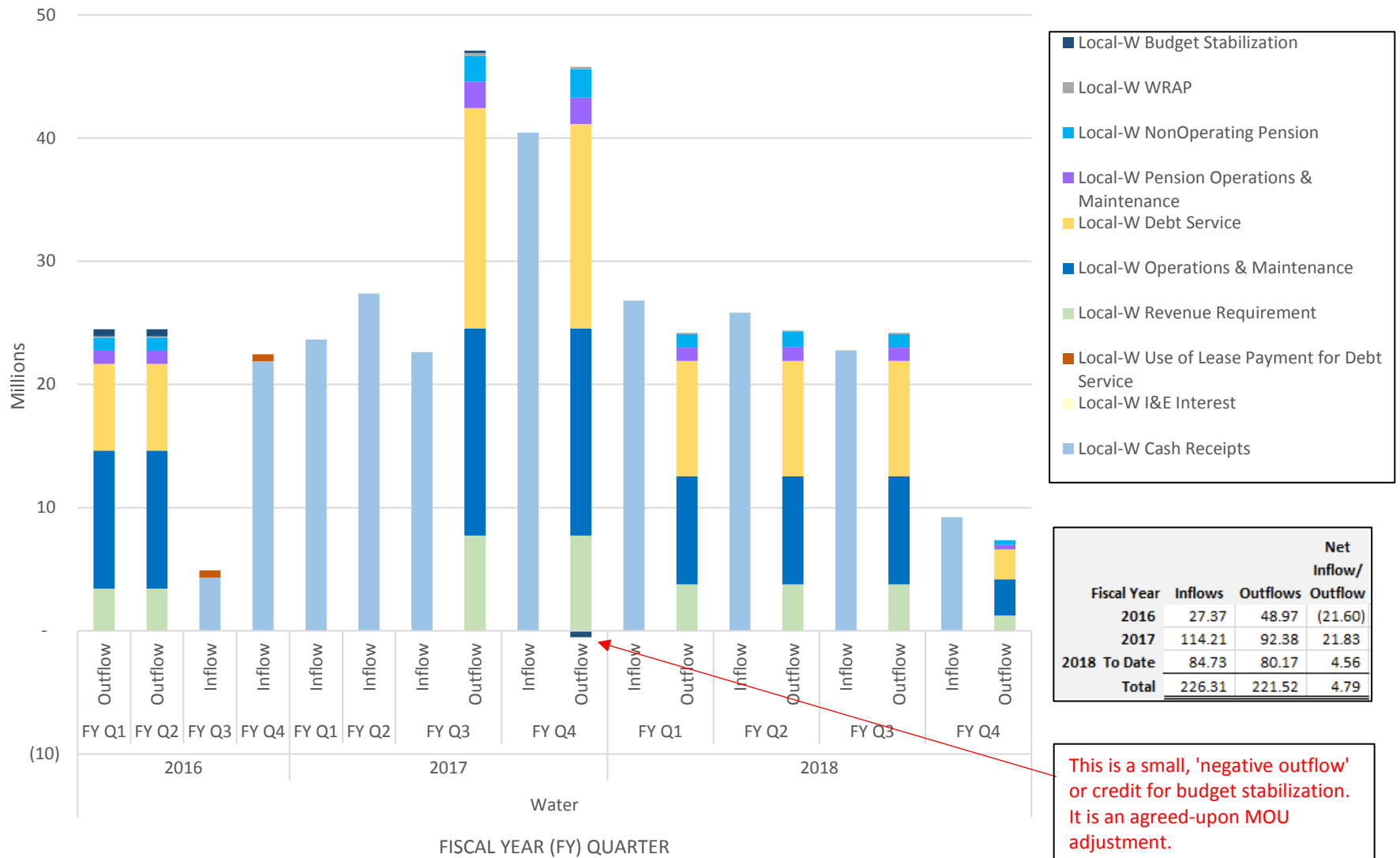
Actual O&M/MBO Disbursements differ from budget in FY 17 & FY18 to date as a result of the use of lease payments to cover budgeted expenses, adjustments made for actual pension expense and because debt payments are net of interest earned.

Great Lakes Water Authority
Combined System Trust Receipts & Disbursements - Budget to Actual
January 1, 2016 thru April 30, 2018

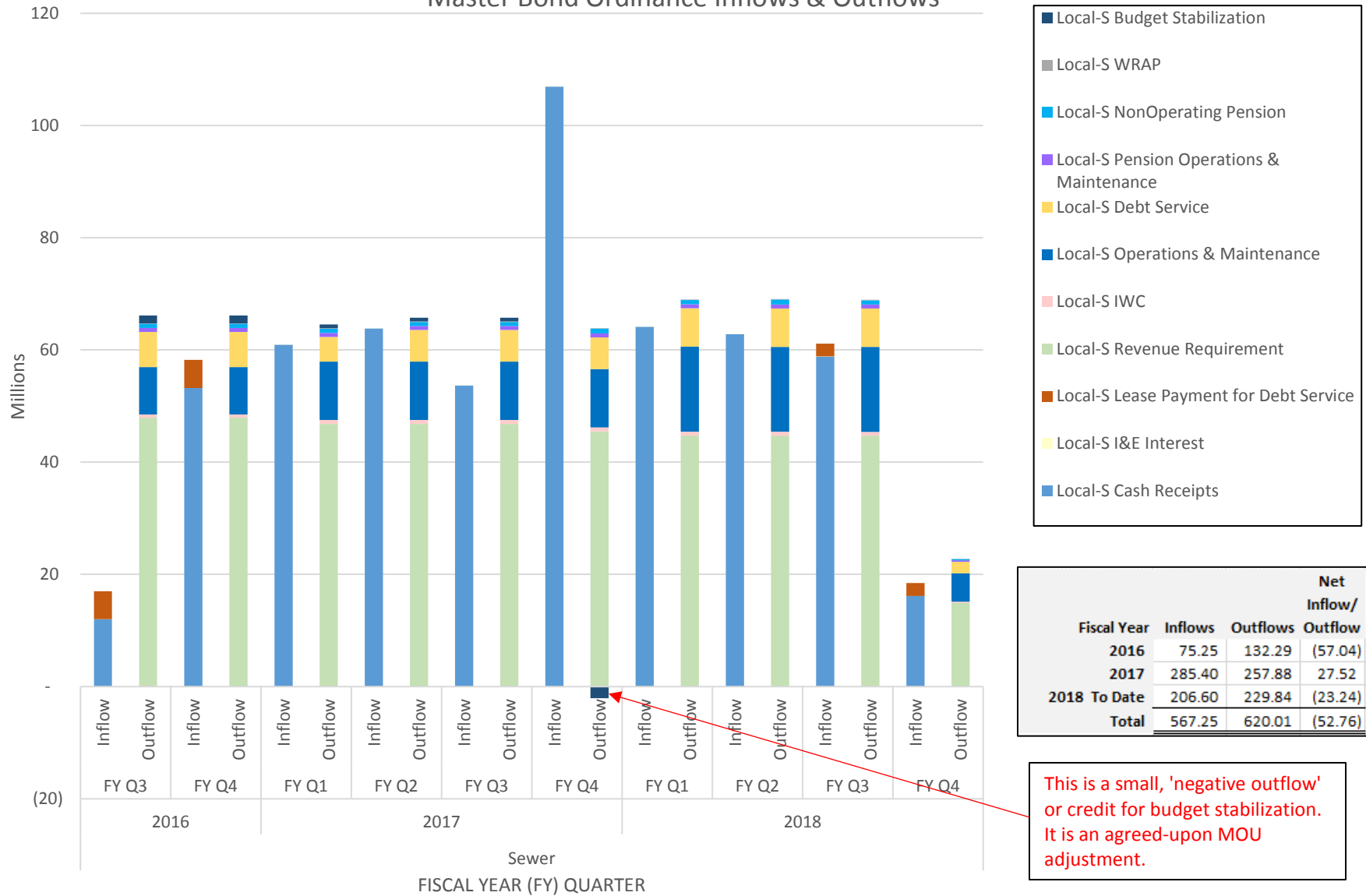
Month	Combined Systems Cash Receipts			Combined Systems O&M and MBO Disbursements		
	Water	Sewer	Total	Water	Sewer	Total
YE 6/30/2016	175,826,164	297,567,707	473,393,871	194,001,309	341,768,883	535,770,192
YE 6/30/2017	466,642,402	754,603,622	1,221,246,023	380,647,416	698,743,585	1,079,391,001
Jul-17	37,846,146	58,049,167	95,895,313	32,396,140	60,145,185	92,541,325
Aug-17	36,194,261	63,250,436	99,444,697	31,537,383	58,824,607	90,361,990
Sep-17	37,119,961	59,117,222	96,237,183	32,300,826	60,253,457	92,554,283
Oct-17	49,318,213	62,464,636	111,782,849	32,495,691	60,117,267	92,612,958
Nov-17	36,756,162	58,699,298	95,455,459	32,841,726	60,939,980	93,781,706
Dec-17	31,862,794	60,072,238	91,935,032	32,432,281	60,198,255	92,630,536
Jan-18	41,556,098	57,196,327	98,752,425	32,426,632	60,258,802	92,685,434
Feb-18	29,302,820	64,338,684	93,641,504	32,365,400	60,207,965	92,573,365
Mar-18	37,523,322	55,460,045	92,983,367	32,389,957	57,939,874	90,329,831
Apr-18	29,296,012	60,710,417	90,006,429	32,407,158	58,024,864	90,432,022
YTD 4/30/2018	366,775,788	599,358,470	689,502,958	323,593,194	596,910,256	920,503,450
	\$ 1,009,244,353	\$ 1,651,529,799	\$ 2,384,142,851	\$ 898,241,920	\$ 1,637,422,724	\$ 2,535,664,643

Difference (shortfall)/surplus			Budgeted Requirements (Reference)		
			Combined Systems O&M and MBO Requirements		
Water	Sewer	Total	Water	Sewer	Total
(18,175,146)	(44,201,176)	(62,376,322)	182,453,300	242,630,800	425,084,100
85,994,986	55,860,037	141,855,022	405,345,500	536,981,700	942,327,200
5,450,006	(2,096,018)	3,353,988	33,894,158	45,658,167	79,552,325
4,656,878	4,425,829	9,082,707	33,894,158	45,658,167	79,552,325
4,819,135	(1,136,235)	3,682,900	33,894,158	45,658,167	79,552,325
16,822,522	2,347,369	19,169,891	33,894,158	45,658,167	79,552,325
3,914,435	(2,240,682)	1,673,753	33,894,158	45,658,167	79,552,325
(569,487)	(126,017)	(695,504)	33,894,158	45,658,167	79,552,325
9,129,466	(3,062,475)	6,066,991	33,894,158	45,658,167	79,552,325
(3,062,580)	4,130,719	1,068,139	33,894,158	45,658,167	79,552,325
5,133,365	(2,479,829)	2,653,536	33,894,158	45,658,167	79,552,325
(3,111,146)	2,685,553	(425,593)	33,894,158	45,658,167	79,552,325
43,182,593	2,448,215	45,630,808	338,941,583	456,581,667	795,523,250
\$ 111,002,433	\$ 14,107,075	\$ 125,109,508	\$ 926,740,383	\$ 1,236,194,167	\$ 2,162,934,550

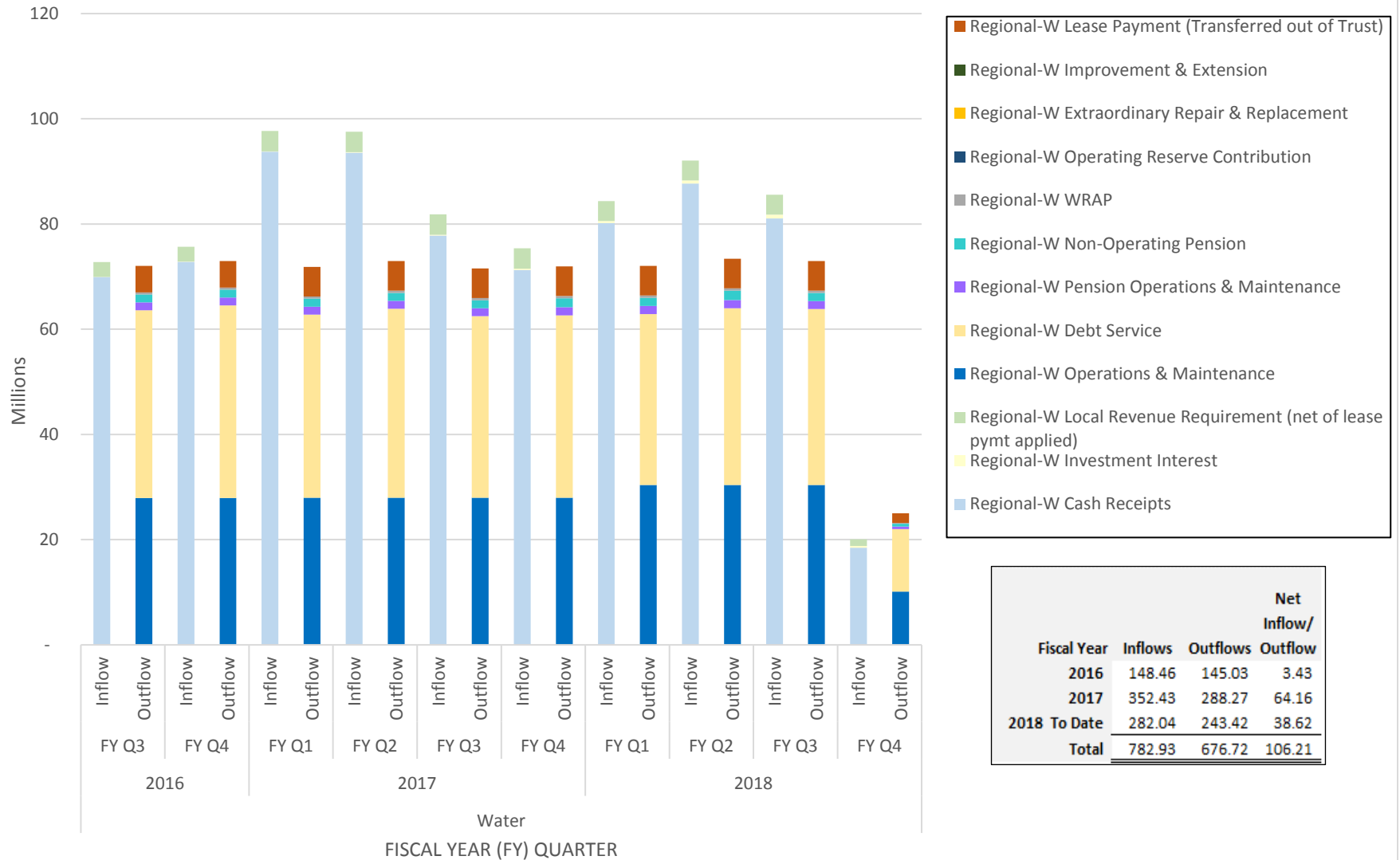
Local Water System Master Bond Ordinance Inflows and Outflows



Local Sewer System Master Bond Ordinance Inflows & Outflows



Regional Water System Master Bond Ordinance Inflows and Outflows



Regional Sewer System Master Bond Ordinance Inflows & Outflows

