



Financial Services Audit Committee Communication

Date: July 20, 2018

To: Great Lakes Water Authority Audit Committee

From: Kim Garland, Public Finance Management Professional

Re: Trust Receipt & Disbursement Report for Activity through May 31, 2018

Background: 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) activities which are further separated by the water system and the sewage disposal system.¹

The purpose of this report is to provide 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. This report begins with the operational effective date of the GLWA on January 1, 2016.

Analysis: The attached tables summarize 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.

Although the collection rate between water and sewer vary slightly each month, there is overall consistency in cash receipts between the regional and local systems. The local sewage disposal (sewer) system shortfall continues to be tempered through use of the sewer lease payment to offset allocated debt obligations. Overall, the combined systems report a modest gain in the surplus of receipts over Operations & Maintenance and Master Bond Ordinance obligations for the period. Discussions continue regarding plans to address the local sewer system shortfall.

Proposed Action: Receive and file report.

¹ The Master Bond Ordinance is online at <http://www.glwater.org/board/organizational-documents/> (see "compiled" documents dated August 10, 2016. A graphic depiction of the MBO Flow of Funds is at <http://www.glwater.org/wp-content/uploads/2015/11/Master-Bond-Ordinance-Flow-of-Funds-Graphic-version10-10-16.pdf>).

Great Lakes Water Authority
Combined System Trust Receipts & Disbursements - Budget to Actual
January 1, 2016 thru May 31, 2018

Month	Combined Systems Cash Receipts			Lease Consideration - Debt Contribution			Combined Systems O&M and MBO Disbursements		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
YE 6/30/2016	167,829,164	190,590,157	358,419,321	1,163,500	9,995,800	11,159,300	187,167,809	244,787,133	431,954,942
YE 6/30/2017	451,152,102	565,794,250	1,016,946,351	-	-	-	365,157,116	509,934,213	875,091,329
Jul-17	36,585,263	42,898,678	79,483,941	0	0	0	31,210,257	44,994,696	76,204,953
Aug-17	34,933,378	48,101,886	83,035,264	0	0	0	30,276,500	43,675,966	73,952,466
Sep-17	35,859,078	43,968,452	79,827,530	0	0	0	31,039,943	45,104,687	76,144,630
Oct-17	48,057,330	47,313,510	95,370,840	0	0	0	31,234,808	44,966,141	76,200,949
Nov-17	35,495,279	43,561,872	79,057,150	0	0	0	31,580,843	45,802,554	77,383,397
Dec-17	30,601,911	44,937,130	75,539,041	0	0	0	31,171,398	45,063,147	76,234,545
Jan-18	40,295,215	42,059,936	82,355,151	0	0	0	31,165,749	45,122,411	76,288,160
Feb-18	28,041,937	49,202,791	77,244,728	0	0	0	31,104,517	45,072,072	76,176,589
Mar-18	36,262,439	40,323,306	76,585,745	0	2,291,667	2,291,667	31,129,074	45,094,802	76,223,876
Apr-18	28,035,129	45,574,350	73,609,479	0	2,291,667	2,291,667	31,146,275	45,180,461	76,326,736
May-18	39,744,822	35,379,400	75,124,222	0	2,291,667	2,291,667	31,181,015	45,203,935	76,384,950
YTD 5/31/2018	393,911,780	483,321,311	877,233,091	-	6,875,001	6,875,001	342,240,379	495,280,872	837,521,251
	\$ 1,012,893,045	\$ 1,239,705,717	\$ 2,252,598,763	\$ 1,163,500	\$ 16,870,801	\$ 18,034,301	\$ 894,565,305	\$ 1,250,002,218	\$ 2,144,567,523

Month	Difference (shortfall)/surplus			Budgeted Requirements (Reference)		
	Water	Sewer	Total	Water	Sewer	Total
YE 6/30/2016	(18,175,146)	(44,201,176)	(62,376,322)	201,415,900	256,042,100	457,458,000
YE 6/30/2017	85,994,986	55,860,037	141,855,022	405,345,500	544,613,400	949,958,900
Jul-17	5,375,006	(2,096,018)	3,278,988	33,894,158	45,892,383	79,786,542
Aug-17	4,656,878	4,425,920	9,082,798	33,894,158	45,892,383	79,786,542
Sep-17	4,819,135	(1,136,235)	3,682,900	33,894,158	45,892,383	79,786,542
Oct-17	16,822,522	2,347,369	19,169,891	33,894,158	45,892,383	79,786,542
Nov-17	3,914,435	(2,240,682)	1,673,753	33,894,158	45,892,383	79,786,542
Dec-17	(569,487)	(126,017)	(695,504)	33,894,158	45,892,383	79,786,542
Jan-18	9,129,466	(3,062,475)	6,066,991	33,894,158	45,892,383	79,786,542
Feb-18	(3,062,580)	4,130,719	1,068,139	33,894,158	45,892,383	79,786,542
Mar-18	5,133,365	(2,479,829)	2,653,536	33,894,158	45,892,383	79,786,542
Apr-18	(3,111,146)	2,685,556	(425,590)	33,894,158	45,892,383	79,786,542
May-18	8,563,807	(7,532,869)	1,030,939	33,894,158	45,892,383	79,786,542
YTD 5/31/2018	51,671,401	(5,084,560)	46,586,841	372,835,742	504,816,217	877,651,958
	\$ 119,491,241	\$ 6,574,300	\$ 126,065,541	\$ 979,597,142	\$ 1,305,471,717	\$ 2,285,068,858

Great Lakes Water Authority
Local System Trust Receipts & Disbursements - Budget to Actual
January 1, 2016 thru May 31, 2018

Month	Retail System Cash Receipts			Lease Consideration - Debt Contribution			Revenue Requirements due to GLWA		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
<i>YE 6/30/2016</i>	<i>26,201,881</i>	<i>65,256,734</i>	<i>91,458,615</i>	<i>1,163,500</i>	<i>9,995,800</i>	<i>11,159,300</i>	<i>6,833,500</i>	<i>96,981,750</i>	<i>103,815,250</i>
<i>YE 6/30/2017</i>	<i>114,210,305</i>	<i>285,398,467</i>	<i>399,608,772</i>	-	-	-	<i>15,490,300</i>	<i>188,809,372</i>	<i>204,299,672</i>
Jul-17	8,358,980	18,584,448	26,943,428	0	0	0	1,260,883	15,150,489	16,411,372
Aug-17	9,512,385	24,266,091	33,778,476	0	0	0	1,260,883	15,148,550	16,409,433
Sep-17	8,952,012	21,323,940	30,275,952	0	0	0	1,260,883	15,148,770	16,409,653
Oct-17	9,531,471	23,791,664	33,323,135	0	0	0	1,260,883	15,151,126	16,412,009
Nov-17	8,053,735	19,491,771	27,545,506	0	0	0	1,260,883	15,137,426	16,398,309
Dec-17	8,271,571	19,531,290	27,802,861	0	0	0	1,260,883	15,135,108	16,395,991
Jan-18	8,075,038	18,317,964	26,393,002	0	0	0	1,260,883	15,136,391	16,397,274
Feb-18	6,443,649	17,507,247	23,950,896	0	0	0	1,260,883	15,135,893	16,396,776
Mar-18	8,292,929	23,027,287	31,320,216	0	2,291,667	2,291,667	1,260,883	15,136,739	16,397,622
Apr-18	9,243,981	16,173,870	25,417,852	0	2,291,667	2,291,667	1,260,883	15,136,070	16,396,953
May-18	8,989,292	18,356,200	27,345,492	0	2,291,667	2,291,667	1,260,883	15,135,927	16,396,810
<i>YTD 5/31/2018</i>	<i>93,725,043</i>	<i>220,371,772</i>	<i>314,096,815</i>	-	<i>6,875,001</i>	<i>6,875,001</i>	<i>13,869,713</i>	<i>166,552,489</i>	<i>180,422,202</i>
	\$ 234,137,229	\$ 571,026,973	\$ 805,164,202	\$ 1,163,500	\$ 16,870,801	\$ 18,034,301	\$ 36,193,513	\$ 452,343,611	\$ 488,537,124

Month	Local System O&M and MBO Disbursements			Difference (shortfall)/surplus			Budgeted Requirements (Reference)		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
<i>YE 6/30/2016</i>	<i>42,139,552</i>	<i>35,311,350</i>	<i>77,450,902</i>	<i>(21,607,671)</i>	<i>(57,040,566)</i>	<i>(78,648,237)</i>	<i>42,139,900</i>	<i>35,311,100</i>	<i>77,451,000</i>
<i>YE 6/30/2017</i>	<i>76,888,944</i>	<i>69,074,600</i>	<i>145,963,544</i>	<i>21,831,061</i>	<i>27,514,495</i>	<i>49,345,556</i>	<i>74,132,300</i>	<i>72,903,200</i>	<i>147,035,500</i>
Jul-17	6,807,834	7,850,191	14,658,025	290,263	(4,416,232)	(4,125,969)	6,550,883	6,866,492	13,417,375
Aug-17	6,807,834	7,850,191	14,658,025	1,443,668	1,267,350	2,711,018	6,550,883	6,866,492	13,417,375
Sep-17	6,807,834	7,850,191	14,658,025	883,295	(1,675,021)	(791,726)	6,550,883	6,866,492	13,417,375
Oct-17	6,807,834	7,850,191	14,658,025	1,462,754	790,347	2,253,101	6,550,883	6,866,492	13,417,375
Nov-17	6,983,027	7,975,498	14,958,525	(190,175)	(3,621,153)	(3,811,328)	6,550,883	6,866,492	13,417,375
Dec-17	6,807,834	7,850,191	14,658,025	202,854	(3,454,009)	(3,251,155)	6,550,883	6,866,492	13,417,375
Jan-18	6,807,834	7,850,191	14,658,025	6,321	(4,668,618)	(4,662,297)	6,550,883	6,866,492	13,417,375
Feb-18	6,807,834	7,850,191	14,658,025	(1,625,068)	(5,478,837)	(7,103,905)	6,550,883	6,866,492	13,417,375
Mar-18	6,807,834	7,850,191	14,658,025	224,212	2,332,024	2,556,236	6,550,883	6,866,492	13,417,375
Apr-18	6,113,232	7,641,892	13,755,124	1,869,866	(4,312,425)	(2,442,558)	6,550,883	6,866,492	13,417,375
May-18	6,113,232	7,641,892	13,755,124	1,615,177	(2,129,952)	(514,775)	6,550,883	6,866,492	13,417,375
<i>YTD 5/31/2018</i>	<i>73,672,163</i>	<i>86,060,810</i>	<i>159,732,973</i>	<i>6,183,166</i>	<i>(25,366,526)</i>	<i>(19,183,359)</i>	<i>72,059,717</i>	<i>75,531,408</i>	<i>147,591,125</i>
	\$ 192,700,660	\$ 190,446,760	\$ 383,147,419	\$ 6,406,556	\$ (54,892,596)	\$ (48,486,040)	\$ 188,331,917	\$ 183,745,708	\$ 372,077,625

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 May 31, 2018

Month	Regional System Cash Receipts			Regional System O&M Disbursements			Regional System MBO Disbursements		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
<i>YE 6/30/2016</i>	<i>148,460,783</i>	<i>222,315,173</i>	<i>370,775,955</i>	<i>58,846,800</i>	<i>92,551,800</i>	<i>151,398,600</i>	<i>86,181,457</i>	<i>116,923,983</i>	<i>203,105,440</i>
<i>YE 6/30/2017</i>	<i>352,432,097</i>	<i>469,205,155</i>	<i>821,637,251</i>	<i>117,927,700</i>	<i>186,682,800</i>	<i>304,610,500</i>	<i>170,340,472</i>	<i>254,176,813</i>	<i>424,517,285</i>
Jul-17	29,487,166	39,464,719	68,951,885	10,634,217	16,825,283	27,459,500	13,768,206	20,319,222	34,087,428
Aug-17	26,681,875	38,984,345	65,666,220	10,634,217	16,825,283	27,459,500	12,834,449	19,000,492	31,834,941
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	32,432,758	61,663,151	10,634,217	16,825,283	27,459,500	13,687,023	20,419,328	34,106,351
Apr-18	20,052,031	44,536,550	64,588,581	10,634,217	16,825,283	27,459,500	14,398,826	20,713,286	35,112,112
May-18	32,016,414	32,159,127	64,175,541	10,634,217	16,825,283	27,459,500	14,433,566	20,736,760	35,170,326
<i>YTD 5/31/2018</i>	<i>314,056,450</i>	<i>429,502,028</i>	<i>743,558,478</i>	<i>116,987,187</i>	<i>185,063,713</i>	<i>302,050,900</i>	<i>151,581,029</i>	<i>224,156,349</i>	<i>375,737,378</i>
	\$ 814,949,329	\$ 1,121,022,355	\$ 1,935,971,685	\$ 293,761,687	\$ 464,298,313	\$ 758,060,000	\$ 408,102,958	\$ 595,257,145	\$ 1,003,360,103

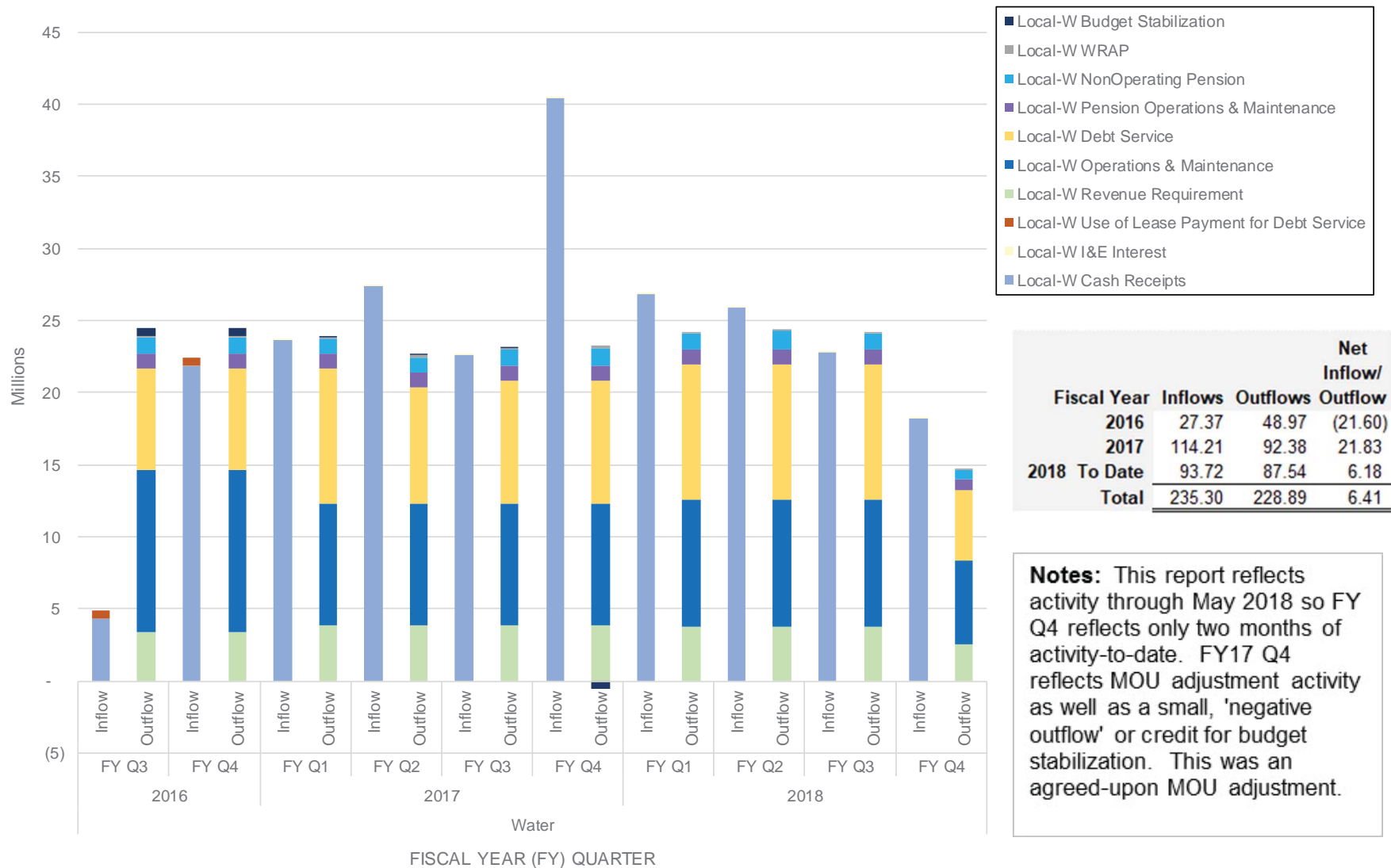
Month	Difference (shortfall)/surplus			Budgeted Requirements (Reference)		
	Water	Sewer	Total	Regional System O&M and MBO Requirements		
<i>YE 6/30/2016</i>	<i>3,432,526</i>	<i>12,839,390</i>	<i>16,271,915</i>	<i>159,276,000</i>	<i>220,731,000</i>	<i>380,007,000</i>
<i>YE 6/30/2017</i>	<i>64,163,925</i>	<i>28,345,542</i>	<i>92,509,466</i>	<i>331,213,200</i>	<i>471,710,200</i>	<i>802,923,400</i>
Jul-17	5,084,743	2,320,214	7,404,957	27,343,275	39,025,892	66,369,167
Aug-17	3,213,209	3,158,570	6,371,779	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)	6,997,981	2,016,969	27,343,275	39,025,892	66,369,167
May-18	6,948,631	(5,402,917)	1,545,714	27,343,275	39,025,892	66,369,167
<i>YTD 5/31/2018</i>	<i>45,488,234</i>	<i>20,281,965</i>	<i>65,770,200</i>	<i>300,776,025</i>	<i>429,284,808</i>	<i>730,060,833</i>
	\$ 113,084,685	\$ 61,466,897	\$ 174,551,581	\$ 791,265,225	\$ 1,121,726,008	\$ 1,912,991,233

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.

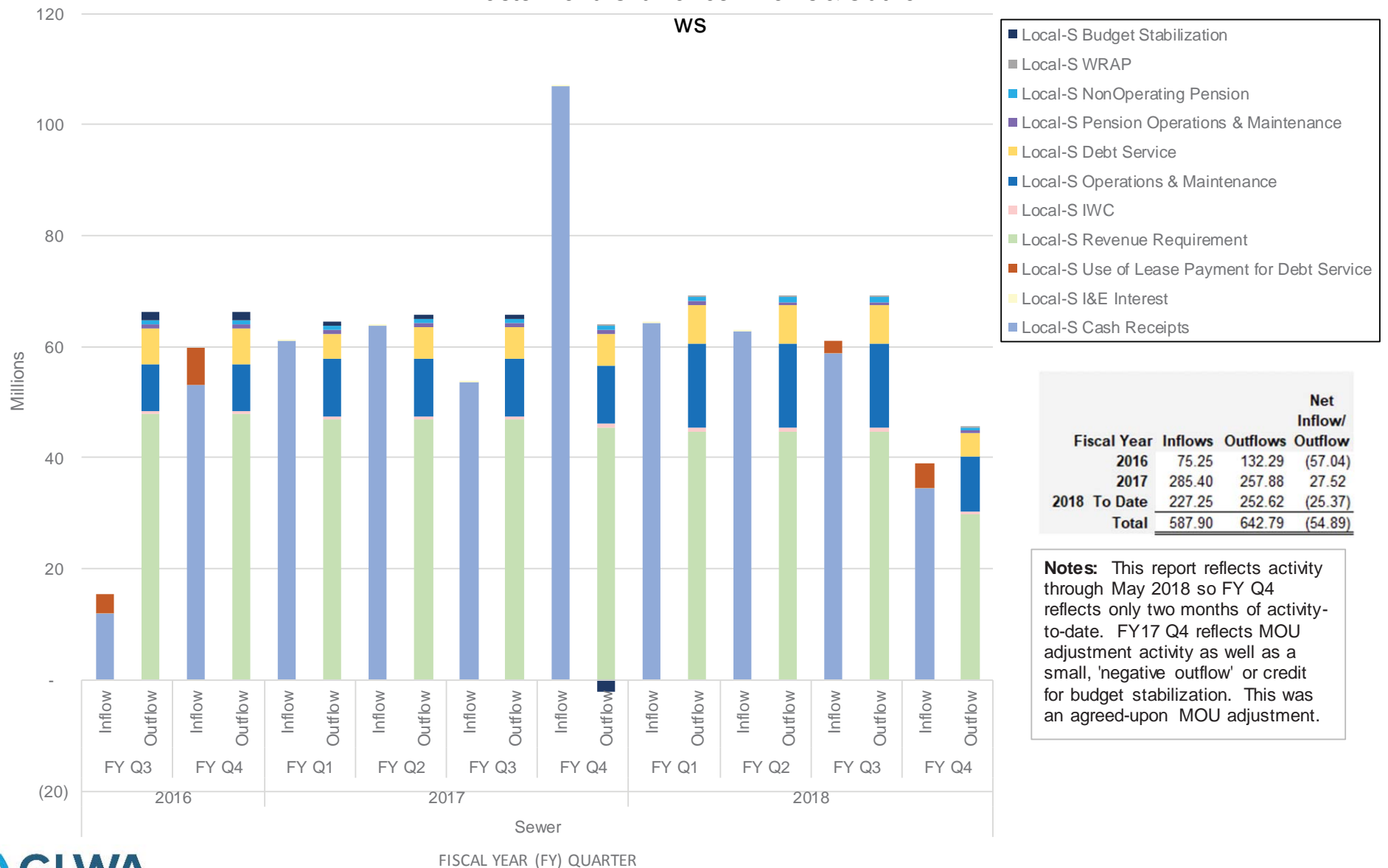
Revenue Requirement Reporting

Local Water System (DWSD) Master Bond Ordinance Inflows and Outflows



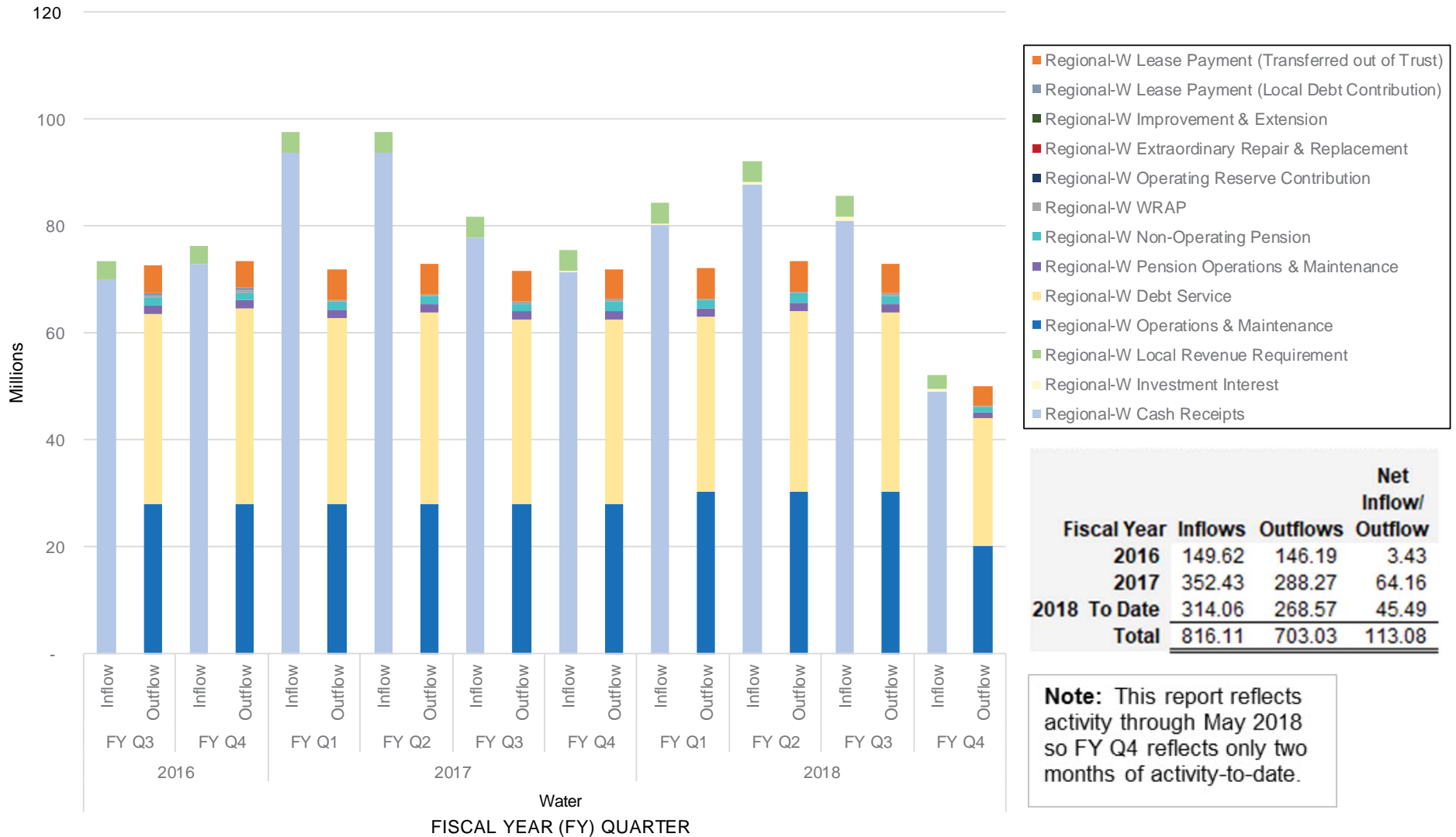
Revenue Requirement Reporting

Local Sewer System (DWSD) Master Bond Ordinance Inflows & Outflow



Revenue Requirement Reporting

Regional Water System Master Bond Ordinance Inflows and Outflows



Revenue Requirement Reporting

Regional Sewer System Master Bond Ordinance Inflows & Outflows

