

**GLWA**

*Great Lakes Water Authority*



# **Monthly Financial Report Binder**

January 2025

**Presented to the  
Great Lakes Water Authority Audit  
Committee on May 2, 2025**

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**Key Financial Metrics**

The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows: No Risk (green) - Potential (yellow) - Likely (red)

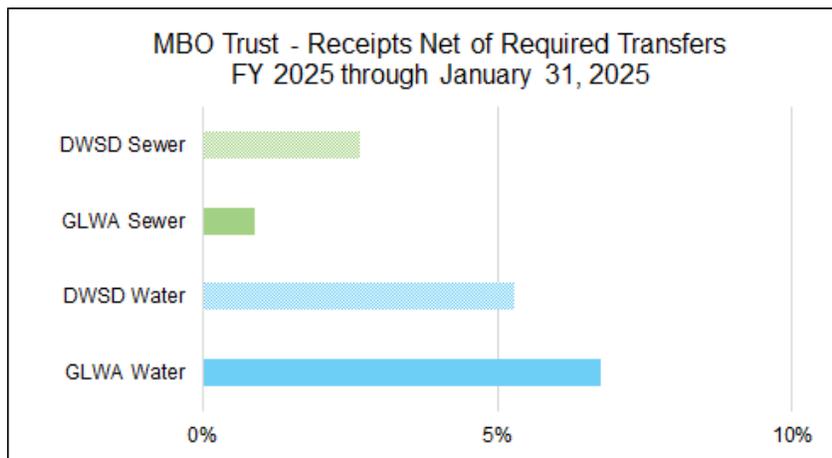
Variations are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. Staff reviews the need for budget amendments quarterly and requests necessary amendments when required based on the most current information available. Staff will include first and second quarter budget amendments currently under GLWA Board of Director review in the February 2025 monthly financial report.

For the current year, water and sewer capital spend, and investment earnings reflect variances to budget outside the normal range. Capital spend variances reflect evolving changes in timing that the Capital Improvement Planning group continues to monitor and review. FY 2025 investment earnings are in line with FY 2024 earnings, though expectations are for lower interest income in FY 2025 due to the Federal Reserve moving monetary policy to a more neutral level.

As of January 31, 2025					
Metric	FY 2025 Budget	FY 2025 Amended Budget	FY 2025 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$209.4	\$209.4	\$208.5	0%	49
Wholesale Water Billed Usage (mcf)	7,990,000	7,990,000	7,840,000	-2%	
Wholesale Sewer Billed Revenue (\$M)	\$167.2	\$167.2	\$167.2	0%	51
Wholesale Water Operations & Maintenance (\$M)	\$98.9	\$98.9	\$102.0	3%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$133.5	\$133.5	\$134.0	0%	
Investment Income (\$M)	\$13.0	\$13.0	\$30.8	138%	38
Water Prorated Capital Spend w/SRA* (\$M)	\$120.9	\$120.9	\$95.2	-21%	29
Sewer Prorated Capital Spend w/SRA* (\$M)	\$98.7	\$98.7	\$88.4	-10%	30

\*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

**Master Bond Ordinance (MBO) Trust Net Receipts (page 53)**



Net cash flow receipts remain positive for GLWA and DWSD Water and Sewer. This means that all legal commitments of the MBO trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in subsequent year(s). DWSD water reports a surplus of \$4.0 million and DWSD sewer reports a surplus of \$4.8 million of net receipts over disbursements through January 2025.

### **Budget to Actual Analysis (page 3)**

- The total revenue requirements are on target through January 2025.
- The total overall Operations & Maintenance expenses are at 59.2% of budget through January 2025 which is above the pro-rata benchmark of 58.3%. This negative variance equates to a dollar amount of \$3.4 million.

### **Basic Financial Statements (page 9)**

- The basic financial statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for January 2025 is \$64.9 million for the Water fund (28.9% of total revenues) and \$75.4 million for the Sewer fund (25.5% of total revenues).
- Water net position increased by \$28.3 million, and sewage disposal net position increased by \$26.2 million for the year to date through January 2025.

### **Capital Improvement Plan Financial Summary (page 28)**

- Water system costs incurred to date are below the 100% Capital Spend Ratio assumption.
- Sewer system costs incurred to date are below the 100% Capital Spend Ratio assumption.

### **Master Bond Ordinance Transfers (page 31)**

- For January, transfers of \$14.7 million and \$19.9 million were completed for the GLWA Water and Sewer funds, respectively.
- Also, for January, transfers of \$5.8 million and \$7.2 million were completed for the DWSD Water and Sewer funds, respectively.

### **Cash Balances & Investment Income (page 38)**

- Total cash & investments are \$528 million for Water and \$674 million in the Sewer fund.
- Total, combined, cumulative, FY 2025 investment income through January is \$30.8 million.

### **DWSD Retail Revenues, Receivables & Collections (page 42)**

- Water usage through January 31, 2025 is 98.43% and revenues are 99.38% of budget.
- Sewer usage through January 31, 2025 is 95.58% and revenues are 96.80% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$51.4 million over the prior year.
- Past dues over 180 days make up of 69.9% the total accounts receivable balance. The current bad debt allowance covers 95.1% of past dues over 60 days.

### **GLWA Wholesale Billing, Receivables & Collections (page 48)**

- GLWA accounts receivable past due balance net of Dearborn is 4.57% of the total accounts receivable balance. Discussions remain underway between GLWA and Dearborn regarding the water balance in dispute.
- Average wholesale water collections for the period of February 2024 through January 2025 are trending above the prior year.
- Average wholesale sewer collections for the period of February 2024 through January 2025 are below the prior year.

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



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

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

The FY 2025 information presented in these sections does not include the second quarter proposed FY 2025 budget amendments which were presented to the Audit Committee on March 28, 2025.

## Revenue Requirements Budget Basis Analysis

GLWA's annual revenue requirements represent the basis for calculating Member Partner charges and 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 expenses are largely reported on an accrual basis. The primary difference between the revenue requirements budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirements Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

**Table 1A – Water Revenue Requirements Budget** and **Table 1B – Sewer Revenue Requirements Budget** presents a year-over-year budget to actual performance report. The revenue requirements budget is accounted for in the operations and maintenance fund for each system. Since this report is for January 2025 the pro-rata benchmark is 58.3% (7 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, total revenues for FY 2025 are above the pro-rata benchmark; the *water* system is at 59.8% while the *sewer* system is at 59.3%. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly credit issued to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through January 31, 2025, these payments total \$3.5 million for FY 2025.

2. **Investment Earnings:** For the water system, investment earnings is above the pro-rata benchmark for FY 2025 the *water* system is at 96.7%. The *sewer* system is also above the pro-rata benchmark for FY 2025 at 104.1%. FY 2025 investment earnings are in line with FY 2024 earnings, though expectations are for lower interest income in FY 2025 due to the Federal Reserve moving monetary policy to a more neutral level. GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize investment income while meeting the objectives of safety and liquidity.
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.
4. **Operations & Maintenance Expense:** Actual expenses<sup>1</sup> for the *water* system are above the pro-rata benchmark for FY 2025 at 60.1%, and the *sewer* system O&M is above the pro-rata benchmark for FY 2025 at 58.5%.
5. **Debt Service:** For FY 2025, both systems are slightly above the pro-rata benchmark for debt service; the *water* system is at 58.5% while the *sewer* system is at 58.6%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility.
7. **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 2025, neither the DWSD *water* system nor the DWSD *sewer* system have a budgetary shortfall through January 31, 2025. GLWA and DWSD staff meet regularly to discuss steps to mitigate shortfalls, when they occur, as outlined in the 2018 MOU.
8. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the *water* and *sewer* systems.
9. **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.
10. **Overall:** Total revenue requirements for the water system are slightly below the pro-rata benchmark at 58.2%. Total revenue requirements for the sewer system is at the pro-rata benchmark at 58.3%.

<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 is at 1/12 of the budget to a DWSD O&M bank account outside the trust. Actual budget may be less than that amount providing an actual positive variance for DWSD.



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

	FY 2024 Amended Budget	FY 2024 Activity Thru 1/31/2024	Percent Year-to-Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 1/31/2025	Percent Year-to-Date at 1/31/2025
<b>Water System</b>							
<b>Revenues</b>							
Wholesale Charges	\$ 328,203	\$ 197,549	60.2%	\$ 347,758	\$ 347,758	\$ 204,762	58.9%
Local System Charges	25,537	14,897	58.3%	27,095	27,095	15,805	58.3%
Investment Earnings	18,051	10,118	56.1%	9,874	9,874	9,547	96.7%
Other Revenues	943	623	66.1%	400	400	243	60.8%
<b>Total Revenues</b>	<b>\$ 372,734</b>	<b>\$ 223,186</b>	<b>59.9%</b>	<b>\$ 385,127</b>	<b>\$ 385,127</b>	<b>\$ 230,358</b>	<b>59.8%</b>
<b>Revenue Requirements</b>							
Operations & Maintenance Expense	\$ 168,873	\$ 90,278	53.5%	\$ 169,625	\$ 169,625	\$ 101,988	60.1%
Debt Service	162,236	95,217	58.7%	175,301	175,301	102,468	58.5%
General Retirement System Pension	1,506	1,506	100.0%	2,283	2,283	1,332	58.3%
Water Residential Assistance Program Contribution	1,852	1,080	58.3%	1,948	1,948	1,136	58.3%
Regional System Lease	22,500	13,125	58.3%	22,500	22,500	13,125	58.3%
Receiving Fund Working Capital Requirement	-	-	0.0%	6,200	6,200	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	15,768	12,593	79.9%	7,270	7,270	4,241	58.3%
<b>Total Revenue Requirements</b>	<b>\$ 372,734</b>	<b>\$ 213,799</b>	<b>57.4%</b>	<b>\$ 385,127</b>	<b>\$ 385,127</b>	<b>\$ 224,290</b>	<b>58.2%</b>
<b>Net Difference</b>		<b>\$ 9,388</b>				<b>\$ 6,067</b>	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 5,758				\$ 5,700	
Revenue Requirement Variance						367	
Overall Variance		<b>\$ 9,388</b>				<b>\$ 6,067</b>	

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 1/31/2024	Percent Year-to-Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 1/31/2025	Percent Year-to-Date at 1/31/2025
<b>Sewer System</b>							
<b>Revenues</b>							
Wholesale Charges	\$ 267,879	\$ 164,195	61.3%	\$ 287,518	\$ 287,518	\$ 167,988	58.4%
Local System Charges	196,570	114,666	58.3%	205,925	205,925	120,123	58.3%
Industrial Waste Control Charges	8,560	5,072	59.3%	8,719	8,719	5,145	59.0%
Pollutant Surcharges	5,328	2,195	41.2%	5,434	5,434	2,534	46.6%
Investment Earnings	22,882	12,956	56.6%	12,356	12,356	12,868	104.1%
Other Revenues	1,130	547	48.4%	700	700	187	26.7%
<b>Total Revenues</b>	<b>\$ 502,349</b>	<b>\$ 299,630</b>	<b>59.6%</b>	<b>\$ 520,652</b>	<b>\$ 520,652</b>	<b>\$ 308,844</b>	<b>59.3%</b>
<b>Revenue Requirements</b>							
Operations & Maintenance Expense	\$ 224,874	\$ 123,075	54.7%	\$ 228,934	\$ 228,934	\$ 133,971	58.5%
Debt Service	230,976	135,669	58.7%	226,279	226,279	132,639	58.6%
General Retirement System Pension	3,097	3,097	100.0%	4,846	4,846	2,827	58.3%
Water Residential Assistance Program Contribution	2,503	1,460	58.3%	2,652	2,652	1,547	58.3%
Regional System Lease	27,500	16,042	58.3%	27,500	27,500	16,042	58.3%
Receiving Fund Working Capital Requirement	-	-	0.0%	2,300	2,300	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending	-	-	0.0%	-	-	-	0.0%
Improvement & Extension Fund Transfer Pending	13,400	14,545	108.5%	28,141	28,141	16,415	58.3%
<b>Total Revenue Requirements</b>	<b>\$ 502,349</b>	<b>\$ 293,887</b>	<b>58.5%</b>	<b>\$ 520,652</b>	<b>\$ 520,652</b>	<b>\$ 303,441</b>	<b>58.3%</b>
<b>Net Difference</b>		<b>\$ 5,743</b>				<b>\$ 5,403</b>	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 6,594				\$ 5,131	
Revenue Requirement Variance						(851)	
Overall Variance		<b>\$ 5,743</b>				<b>\$ 5,403</b>	

All amounts are unaudited unless otherwise noted.

## Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of January 31, 2025, is 58.3% (seven months). When comparing FY 2025 to FY 2024 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending is higher in FY 2025.

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)**

Service Area	FY 2024			FY 2025		FY 2025	
	FY 2024 Amended Budget	Activity Thru 1/31/2024	Percent Year-to-Date at 1/31/2024	Board Adopted Budget	FY 2025 Amended Budget	Activity Thru 1/31/2025	Percent Year-to-Date at 1/31/2025
A Water System Operations	\$ 90,810	\$ 49,283	54.3%	\$ 94,670	\$ 94,670	\$ 54,509	57.6%
B Wastewater System Operations	146,722	82,756	56.4%	147,245	147,245	85,083	57.8%
C Centralized Services	117,468	60,664	51.6%	116,980	116,980	73,592	62.9%
D Administrative & Other Services	38,747	20,650	53.3%	39,664	39,664	22,801	57.5%
Employee Benefits	-	-	0.0%	-	-	(25)	0.0%
<b>Total O&amp;M Budget</b>	<b>\$ 393,747</b>	<b>\$ 213,353</b>	<b>54.2%</b>	<b>\$ 398,559</b>	<b>\$ 398,559</b>	<b>\$ 235,960</b>	<b>59.2%</b>

*Totals may be off due to rounding*

## 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 overall O&M expenses are at 59.2% which is above the pro-rata benchmark of 58.3%. This negative variance equates to a dollar amount of \$3.4 million. The expense category commentary is provided below for items highlighted on Table 3.

**Personnel Costs:** The overall category is above the pro-rata benchmark; coming in at 62.0% through January 2025.

**Utilities:** The overall category is below with the pro-rata benchmark; coming in at 55.0% through January 2025. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is below the pro-rata benchmark, coming in at 57.5%. It should be noted that variances are not unexpected as usage varies throughout the year. The first three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** is coming in at 55.7% which is below than the benchmark of 58.3%. This category is under review.
- **Sewage service** is lower than the benchmark, coming in at 35.1%. This category is under review.
- **Water service** is lower than the benchmark, coming in at 49.3%. This category is under review.

**Chemicals:** This category is higher than the benchmark; coming in at 58.8% through January 2025. The FY 2025 budget is being closely monitored to account for rising chemical costs.

**Supplies & Other:** This category is lower than the pro-rata benchmark; coming in at 57.3% through January 2025. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected.

**Contractual Services:** The overall category is higher than the pro-rata benchmark; coming in at 65.0% through January 2025. Variances in this category, when they occur, are not unexpected as the usage of contracts varies throughout the year (projects scheduled to begin during the latter half of the year as well as contracts that are on an as needed basis). Budget amendments are processed for those projects in which the actual start dates have been delayed from that in which they were budgeted.

**Capital Program Allocation:** This category is lower than the benchmark; coming in at 37.0% through January 2025. The amount in the Capital Program Allocation account is shown as negative as this is a "contra" account which represents an offset to the Personnel Costs section of the Operations & Maintenance (O&M) budget.

**Shared Services:** This category is lower than the benchmark; coming in at 57.7% through January 2025. 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. Based on these evaluations, adjustments have been made to both the billings and accounting accruals to reflect the forecasted activity more accurately for FY 2025. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount and activity includes true-up billings from prior years.


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

Expense Categories Entity-wide	FY 2024 AMENDED BUDGET	FY 2024 ACTIVITY THRU 1/31/2024	Percent Year-to- Date at 1/31/2024	FY 2023 ACTIVITY THRU 6/30/2024	Percent Year-to- Date at 6/30/2024	FY 2025 AMENDED BUDGET	FY 2025 PRORATED AMENDED BUDGET (7 MONTHS)	FY 2025 ACTIVITY THRU 1/31/2025	Percent Year-to- Date 1/31/2025	FY 2025 Prorated Amended Budget Less FY 2025 Activity
Salaries & Wages	\$ 77,415	\$ 44,821	57.9%	\$ 77,595	57.8%	\$ 81,644	\$ 47,626	\$ 48,080	58.9%	\$ (455)
Workforce Development	1,820	1,096	60.2%	1,949	56.2%	2,105	1,228	974	46.3%	254
Overtime	8,672	5,230	60.3%	9,171	57.0%	8,074	4,710	8,810	109.1%	(4,100)
Employee Benefits	27,869	15,524	55.7%	27,491	56.5%	30,347	17,703	18,175	59.9%	(473)
Transition Services	9,877	5,462	55.3%	9,249	59.1%	8,198	4,782	4,761	58.1%	22
Employee Benefits Fund	-	-	0.0%	-	0.0%	-	-	(25)	0.0%	25
<i>Personnel Costs</i>	<u>125,653</u>	<u>72,134</u>	57.4%	<u>125,455</u>	57.5%	<u>130,368</u>	<u>76,048</u>	<u>80,775</u>	62.0%	<u>(4,727)</u>
Electric	50,716	29,642	58.4%	49,805	59.5%	49,021	28,595	28,170	57.5%	425
Gas	7,767	3,819	49.2%	7,211	53.0%	7,000	4,083	3,896	55.7%	188
Sewage Service	2,538	1,328	52.3%	2,336	56.8%	2,980	1,738	1,045	35.1%	694
Water Service	12,803	6,847	53.5%	12,586	54.4%	11,602	6,768	5,715	49.3%	1,053
<i>Utilities</i>	<u>73,823</u>	<u>41,637</u>	56.4%	<u>71,939</u>	57.9%	<u>70,603</u>	<u>41,185</u>	<u>38,825</u>	55.0%	<u>2,359</u>
Chemicals	32,824	17,375	52.9%	31,075	55.9%	34,835	20,320	20,480	58.8%	(160)
Supplies & Other	45,364	22,610	49.8%	43,604	51.9%	43,539	25,398	24,930	57.3%	468
Contractual Services	120,914	62,353	51.6%	116,766	53.4%	113,871	66,424	73,963	65.0%	(7,538)
Capital Program Allocation	(2,624)	(1,377)	52.5%	(2,847)	48.4%	(4,582)	(2,673)	(1,697)	37.0%	(975)
Shared Services	(2,207)	(1,378)	62.5%	(2,281)	60.4%	(2,280)	(1,330)	(1,316)	57.7%	(14)
Unallocated Reserve	-	-	0.0%	-	0.0%	12,205	7,120	-	0.0%	7,120
<b>Total Expenses</b>	<u>\$ 393,747</u>	<u>\$ 213,353</u>	54.2%	<u>\$ 383,711</u>	55.6%	<u>\$ 398,559</u>	<u>\$ 232,493</u>	<u>\$ 235,960</u>	59.2%	<u>\$ (3,467)</u>



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 Fund*, and *Capital Asset Fund*.

The June 2024 comparative amounts shown in the tables below are presented based on final audited figures.

## 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 January 31, 2025  
(\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2024
<b>Assets</b>				
Cash - unrestricted (a)	\$ 173,151	\$ 254,054	\$ 427,205	\$ 443,799
Cash - restricted (a)	108,055	130,489	238,544	662,614
Investments - unrestricted (a)	121,526	137,983	259,510	175,045
Investments - restricted (a)	104,779	174,310	279,089	108,102
Accounts Receivable	82,401	54,729	137,130	135,263
Due from (to) Other Funds (b)	33,314	(33,314)	-	-
Other Assets (c)	635,611	382,135	1,017,745	1,016,028
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,227,501	1,849,235	3,076,736	3,211,032
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	508,684	424,768	933,452	752,481
<b>Total assets</b>	<b>3,288,646</b>	<b>3,501,206</b>	<b>6,789,851</b>	<b>6,924,804</b>
<b>Deferred Outflows (f)</b>	<b>24,952</b>	<b>50,961</b>	<b>75,913</b>	<b>89,954</b>
<b>Liabilities</b>				
Liabilities - Liabilities-ST	228,372	244,406	472,777	537,600
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,518	6,295	8,812	7,500
Cash Held FBO DWSD (d)	32,235	40,377	72,613	58,147
Liabilities - Long-Term (i)	3,071,809	3,249,049	6,320,858	6,468,572
<b>Total liabilities</b>	<b>3,334,934</b>	<b>3,540,126</b>	<b>6,875,060</b>	<b>7,071,818</b>
<b>Deferred Inflows (f)</b>	<b>61,522</b>	<b>65,118</b>	<b>126,640</b>	<b>133,364</b>
<b>Total net position (j)</b>	<b>\$ (82,857)</b>	<b>\$ (53,078)</b>	<b>\$ (135,935)</b>	<b>\$ (190,425)</b>

Totals may be off due to rounding

In general, the Statement of Net Position reflects a mature organization with no unexpected trends.

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 2032 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* are reported at market value. Investments at June 30, 2024 are also reported at market value. The January 31, 2025 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross 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. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *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 only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *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 because 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 January 2024 Financial Report Binder. Prior year ending balances are provided in the June 30, 2024 column as a reference for comparative purposes. Explanatory notes follow this statement.

Water revenues presented below in Table 2 differ from those presented in *Table 1A – Water Revenue Requirement Budget* found in the *Budget to Actual Analysis* section of this report because water revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment to the City of Flint for a license to raw water rights.

**Table 2 – Statement of Revenues, Expenses and Changes in Net Position  
– All Funds Combined  
For the Seven Months ended January 31, 2025  
(\$000)**

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2024
<b>Revenue</b>						
Wholesale customer charges	\$ 208,226	92.8%	\$ 167,988	56.8%	\$ 376,214	\$ 599,569
Local system charges	15,805	7.0%	120,123	40.6%	135,928	222,107
Industrial waste charges	-	0.0%	5,145	1.7%	5,145	8,617
Pollutant surcharges	-	0.0%	2,534	0.9%	2,534	4,089
Other revenues	238	0.1%	187	0.1%	425	1,149
<b>Total Revenues</b>	<b>224,270</b>	<b>100.0%</b>	<b>295,977</b>	<b>100.0%</b>	<b>520,247</b>	<b>835,531</b>
<b>Operating expenses</b>						
Operations and Maintenance	101,078	45.1%	132,793	44.9%	233,871	376,757
Depreciation	55,509	24.8%	86,822	29.3%	142,331	265,044
Amortization of intangible assets	2,808	1.3%	984	0.3%	3,793	4,837
<b>Total operating expenses</b>	<b>159,396</b>	<b>71.1%</b>	<b>220,600</b>	<b>74.5%</b>	<b>379,996</b>	<b>646,638</b>
<b>Operating Income</b>	<b>64,874</b>	<b>28.9%</b>	<b>75,377</b>	<b>25.5%</b>	<b>140,251</b>	<b>188,893</b>
<b>Total Nonoperating (revenue) expense</b>	<b>36,600</b>	<b>16.3%</b>	<b>49,162</b>	<b>16.6%</b>	<b>85,762</b>	<b>147,736</b>
<b>Increase/(Decrease) in Net Position</b>	<b>28,274</b>	<b>12.6%</b>	<b>26,216</b>	<b>8.9%</b>	<b>54,489</b>	<b>41,157</b>
Net Position (deficit), beginning of year	(111,131)		(79,294)		(190,425)	(231,582)
<b>Net position (deficit), end of year</b>	<b>\$ (82,857)</b>		<b>\$ (53,078)</b>		<b>\$(135,935)</b>	<b>\$ (190,425)</b>

*Totals may be off due to rounding*

## Water Fund

- ✓ The increase in Water Fund Net Position is \$28.3 million.
- ✓ Wholesale water customer charges of \$208.2 million account for 92.8% of Water System revenues.
- ✓ Operating expenses of \$159.4 million represent 71.1% of total operating revenue. Depreciation is the largest operating expense at \$55.5 million or 34.8% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$64.9 million or 28.9% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$52.1 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

## Sewage Disposal Fund

- ✓ The increase in the Sewage Disposal Fund Net Position is \$26.2 million.
- ✓ Wholesale customer charges of \$168.0 million account for 56.8% 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 \$120.1 million account for 40.6% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$220.6 million represent 74.5% of total operating revenue. Depreciation is the largest operating expense at \$86.8 million or 39.4% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease and subscription-based information technology arrangements (SBITA).
- ✓ Operating income after operating expenses (including depreciation) equals \$75.4 million or 25.5% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$60.2 million (this equates to the bonded debt interest expense 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 January 2025 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses  
– All Funds Combined  
For the Seven Months ended January 31, 2025  
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
<b>Operating Expenses</b>						
<b>Personnel</b>						
Salaries & Wages	16,600	16.4%	37,216	28.0%	53,815	23.0%
Overtime	5,900	5.8%	2,909	2.2%	8,810	3.8%
Employee Benefits	12,829	12.7%	5,321	4.0%	18,150	7.8%
<b>Total Personnel</b>	<b>\$ 35,329</b>	<b>35.0%</b>	<b>\$ 45,446</b>	<b>34.2%</b>	<b>\$ 80,775</b>	<b>34.5%</b>
<b>Utilities</b>						
Electric	17,696	17.5%	10,474	7.9%	28,170	12.0%
Gas	604	0.6%	3,292	2.5%	3,896	1.7%
Sewage	317	0.3%	727	0.5%	1,045	0.4%
Water	18	0.0%	5,697	4.3%	5,715	2.4%
<b>Total Utilities</b>	<b>\$ 18,635</b>	<b>18.4%</b>	<b>\$ 20,191</b>	<b>15.2%</b>	<b>\$ 38,825</b>	<b>16.6%</b>
Chemicals	8,105	8.0%	12,376	9.3%	20,481	8.8%
Supplies and other	8,253	8.2%	15,785	11.9%	24,037	10.3%
Contractual services	32,388	32.0%	41,529	31.3%	73,917	31.6%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital Program allocation	(901)	-0.9%	(796)	-0.6%	(1,697)	-0.7%
Intergovernmental Agreement	178	0.2%	(1,329)	-1.0%	(1,151)	-0.5%
Shared Services allocation	(908)	-0.9%	(408)	-0.3%	(1,316)	-0.6%
<b>Operations and Maintenance Expenses</b>	<b>\$ 101,078</b>	<b>100.0%</b>	<b>\$ 132,793</b>	<b>100.0%</b>	<b>\$ 233,871</b>	<b>100.0%</b>
<i>Totals may be off due to rounding</i>						

- ✓ Core expenses for water and sewage disposal systems are utilities (16.6% of total O&M expenses) and chemicals (8.8% of total O&M expenses).
- ✓ Personnel costs (34.5% 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 (31.6%) includes:
  - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$3.0 million);
  - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$10.3 million); and
  - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

## 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 Seven Months ended January 31, 2025**

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2024
<b>Nonoperating (Revenue)/Expense</b>				
Interest income contractual obligation	\$ (13,542)	\$ (8,794)	\$ (22,336)	\$ (39,855)
Investment earnings	(13,313)	(17,569)	(30,882)	(59,786)
Net (incr) decr in fair value of invstmt	(621)	(1,045)	(1,667)	(2,068)
Other nonoperating revenue	(5)	(1,399)	(1,404)	(9,405)
<b>Interest Expense</b>				
Bonded debt	65,597	68,982	134,579	236,892
Lease obligation	9,539	11,658	21,197	36,780
Other obligations	2,094	953	3,046	5,286
	<u>77,229</u>	<u>81,593</u>	<u>158,822</u>	<u>278,958</u>
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	(1,849)	-	(1,849)	(40,432)
Amortization, issuance costs, debt	(12,605)	(5,874)	(18,479)	4,155
(Gain) loss on disposal of capital assets	(7)	(3)	(10)	2,694
Loss on impairment of capital assets	-	-	-	-
Discontinued Capital Projects	-	-	-	-
Water Residential Assistance Program	229	310	539	6,772
Legacy pension expense	1,085	1,942	3,026	6,703
<b>Total Nonoperating (Revenue)/Expense</b>	<b>\$ 36,600</b>	<b>\$ 49,162</b>	<b>\$ 85,762</b>	<b>\$ 147,736</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.
- ✓ Investment earnings in this report are reflected at book value. Any differences between the Basic Financial report and Cash and Investment section of this Financial Report binder are due to accrued interest.
- ✓ Net (increase) decrease in fair value of investments consists of market value of investments and realized gain/loss on sale of investments. FY 2023 market value adjustments for Water and Sewer total \$1.3 million and \$2.6 million, respectively. FY 2024 market value adjustments for Water and Sewer total \$621 thousand and \$1.0 million, respectively. Any difference is due to realized gain or loss on investments.

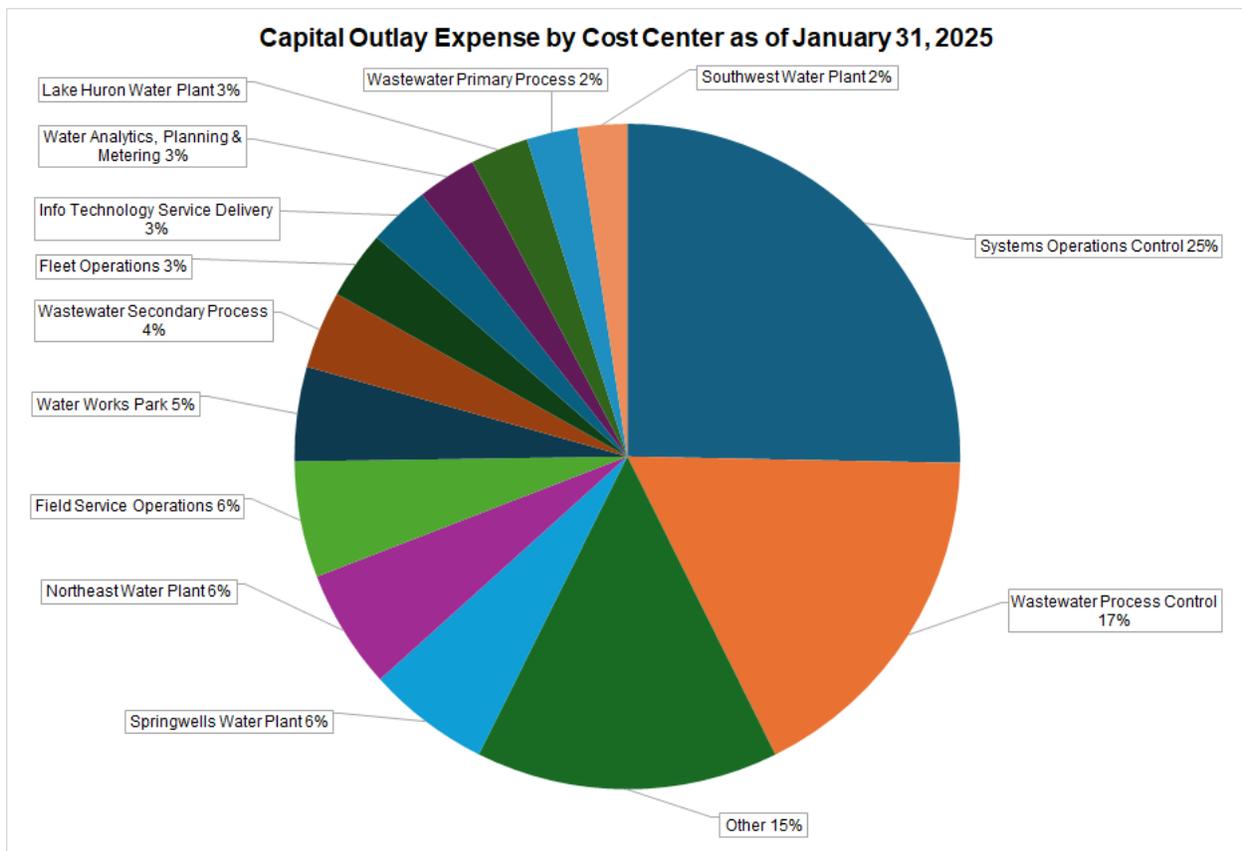
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
  - Bonded debt;
  - Lease obligation for the regional assets from the City of Detroit; and
  - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ FY 2025 other non-operating income consists of debt forgiveness for the Sewage Disposal system.
- ✓ FY 2024 other non-operating income consists of grant revenue for the Water and Sewage Disposal systems and debt forgiveness for the Sewage Disposal system.
- ✓ The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$1.8m) grant revenue for the Water system.
- ✓ The FY 2024 capital contribution in Nonoperating (revenue) expense represents ARPA (\$33.9m), FEMA (\$1.9m) and other (\$3.6m) grant revenue for the Water and Sewage Disposal systems.
- ✓ FY 2024 Water system loss on disposal of capital assets includes sale of Longitudinal Collectors.

## 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.

Through January 31, 2025, total capital outlay spend is \$12.0 million. Following this chart is a sample list of projects and purchases from the total spend of \$12.0 million.



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

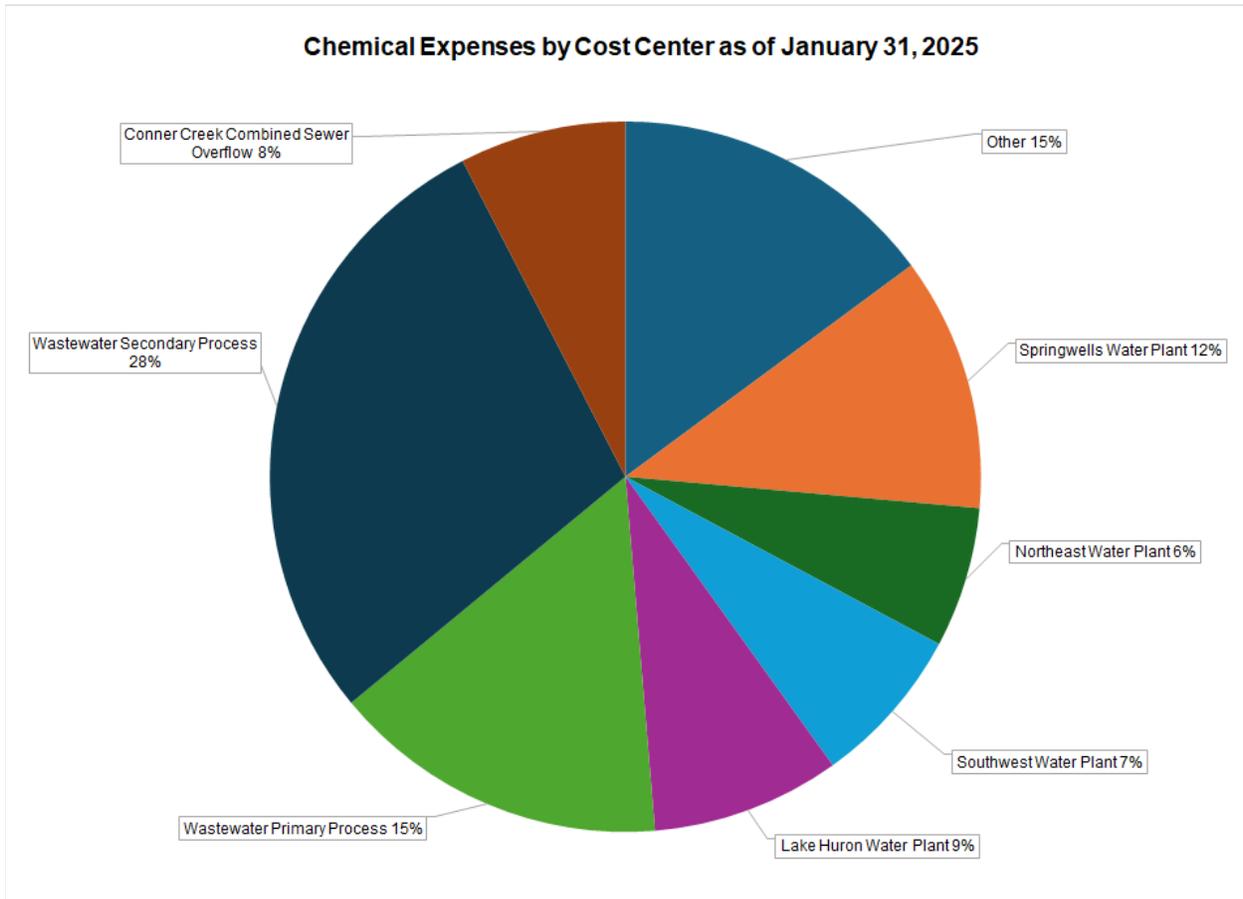
**Water Operations:** Ovation/power supply upgrade (\$595k); ozonation pilot module (\$347k); fluid heater (\$189k); lead removal and disposal (\$185k); granular media filtration pilot plant (\$171k); aluminum sludge processing facilities (\$105k); drive unit (\$99k); Northeast water plant furniture (\$92k); above ground storage tank (\$75k) and hydraulic drive unit (\$65k).

**Wastewater Operations:** Ovation upgrade and cabinet replacement (\$4.8m); ferric chloride buffering (\$453k); Bluehill pump station ovation upgrade (\$168k); scum hopper pump (\$155k); Fischer pump station ovation upgrade (\$155k); Conner Creek CSO equipment plus installation (\$123k); Baby Creek CSO equipment plus installation (\$114k); Woodmere elevator modernization (\$80k) and chopper pump (\$59k).

**Centralized & Administrative Facilities:** Pump stations ovation upgrade (\$641k); trucks and vehicles (\$371k); computer hardware and software (\$358k); system level sensors (\$356k); sewer meter support (\$166k); database support (\$136k); Water Works Park furniture (\$94k) and flow meter verification tool (\$76k).

**Chart 2 – Chemical Expenses – Water and Sewer System Combined**

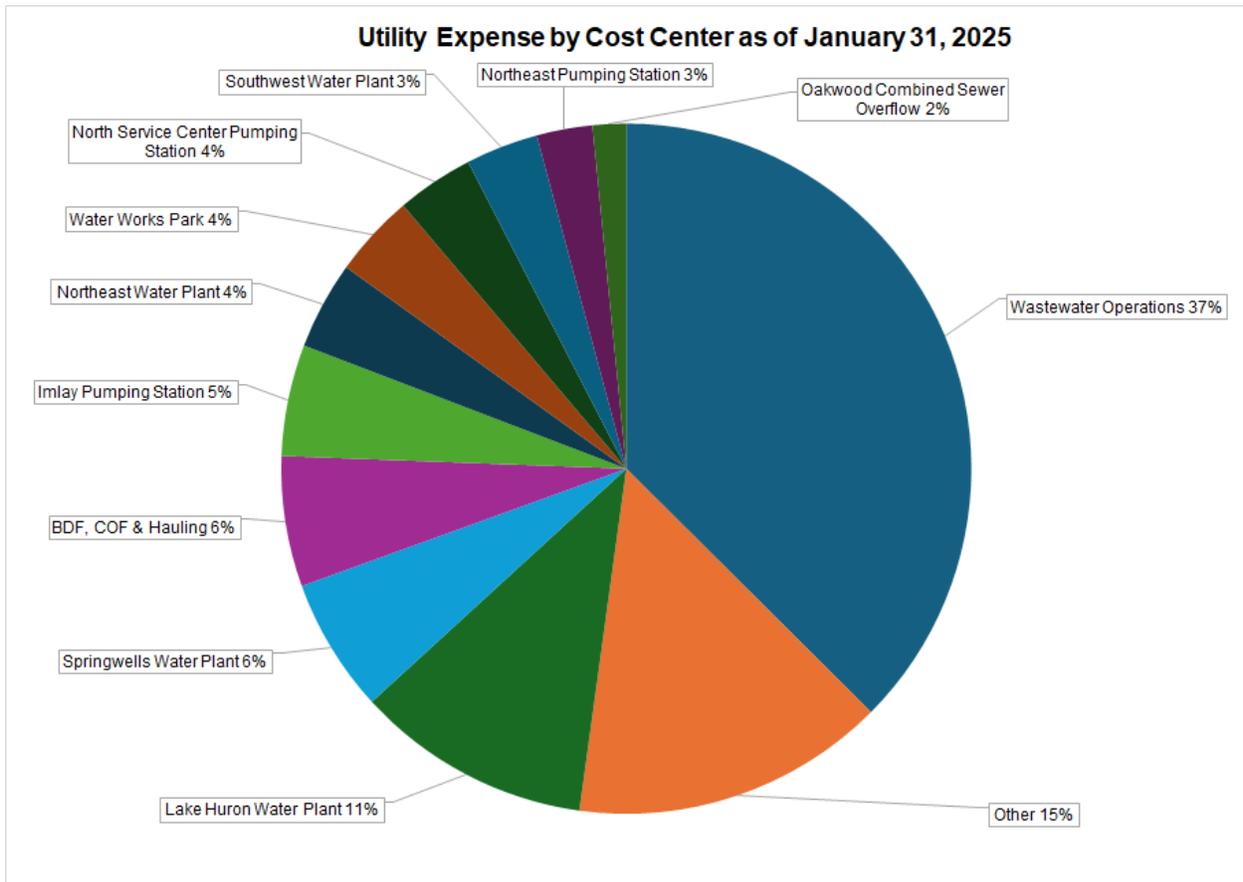
Chemical expenses are \$20.5 million through January 31, 2025. The allocation is shown in the chart below and remains consistent with prior periods.



**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 Expenses – Water and Sewer System Combined

Utility expenses are \$38.8 million through January 31, 2025. The allocation is shown in the chart below and consistent with prior periods.



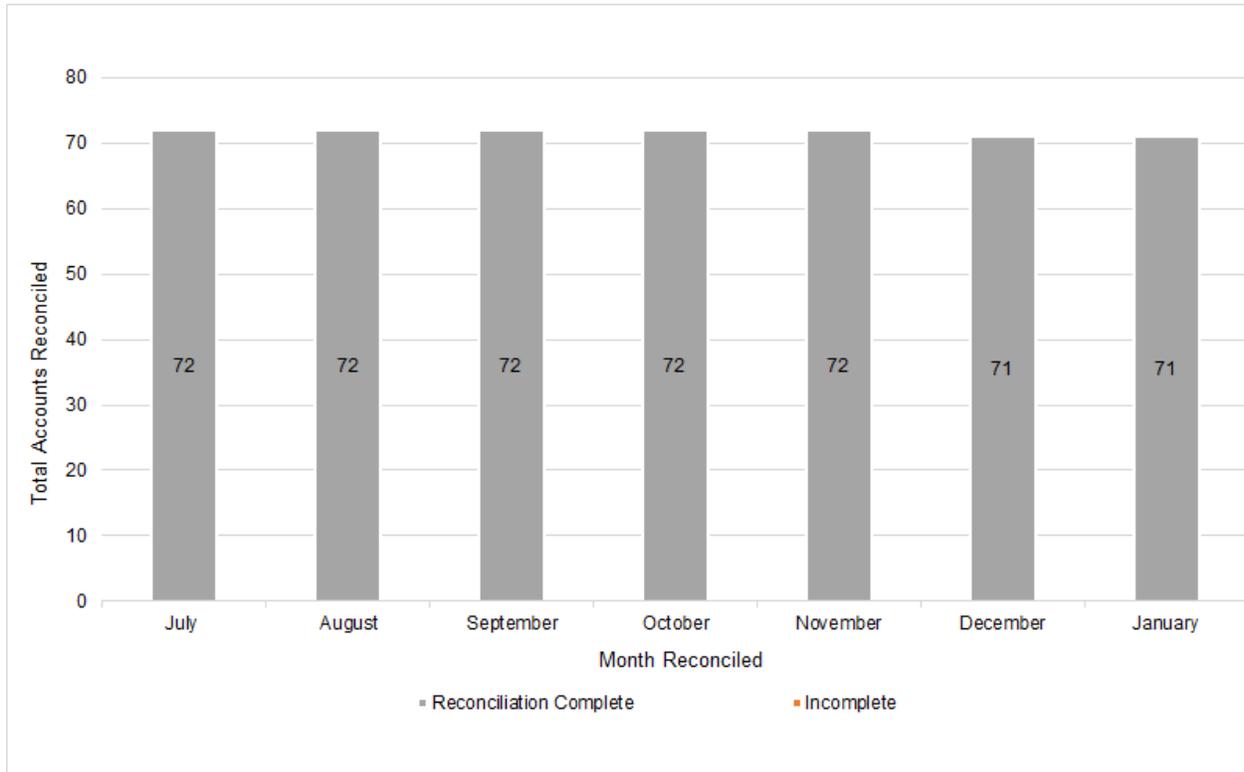
**Note:** Due to rounding totals may not equal 100%.



### Financial Operations KPI

This key performance indicator shown in **Chart 1 – Bank Reconciliation Completion Status** 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. Through January 31, 2025, all bank accounts are reconciled. There were no accounts added in the general ledger accounts since June 2024.

**Chart 1 – Bank Reconciliation Completion Status**



**Table 1 – Fiscal Year 2025 GL Cash Account Rollforward**

Total GL Cash accounts as of July 1, 2024	72
New GL Cash accounts	0
Inactivated GL Cash accounts (Dec 2024)	(1)
Total GL Cash accounts as of January 31, 2025	71

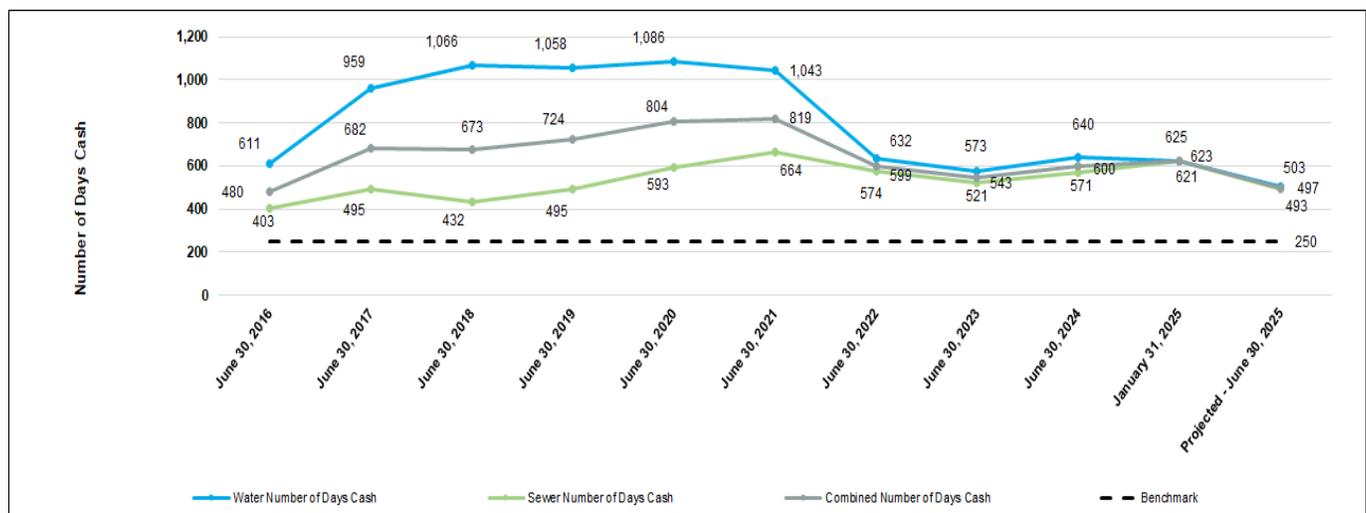


## Financial Operations KPI - Liquidity

This key performance indicator shown in **Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System** and **Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System** below provides a measure of a utility’s ability to meet expenses, cope with emergencies and navigate business interruptions. Liquidity is one of several key metrics monitored by bond rating agencies reflecting an organization’s financial strength. A best practice benchmark for this key performance indicator is greater than 250 days cash on hand as shown by the dashed line in Chart 1 below.

Both GLWA Water and Sewer funds continue to exceed this target with Water at 621 and Sewer at 625 days cash on hand as of January 31, 2025. These balances remain strong for the regional system but did decrease in FY 2022 as I&E funds were used as planned to fund capital improvement projects. A December 2023 revenue bond transaction that replenished the construction bond funds reducing the emphasis on I&E funding. The FY 2025 projection is calculated based on values from the GLWA FY 2025 – 2029 Budget & Five-Year Plan.

**Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System**



**Note:** The GLWA Annual Comprehensive Financial Reports are the source of all historic data referenced. Refer to these reports for detailed calculations by fiscal year.

**Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System**

	June 30, 2024	January 31, 2025	Projected June 30, 2025
<b>Water Fund</b>			
Cash and Investments - Unrestricted	276,591,000	294,677,000	238,600,000
<b>Operating Expense</b>			
Operating Expense (a)	272,172,000	153,295,000	262,792,000
Less: Depreciation (a)	(110,557,000)	(50,186,000)	(86,033,000)
Less: Amortization of Intangible Asset (a)	(3,982,000)	(2,081,000)	(3,567,000)
Net Operating Expense	157,633,000	101,028,000	173,192,000
<b>Operating Expense per Day</b>	<b>432,000</b>	<b>474,000</b>	<b>474,000</b>
<b>Days Cash</b>			
Number of Days Cash	640	621	503
<b>Sewage Disposal Fund</b>			
Cash and Investments - Unrestricted	342,253,000	392,038,000	309,000,000
<b>Operating Expense</b>			
Operating Expense (a)	374,287,000	217,078,000	372,134,000
Less: Depreciation (a)	(154,486,000)	(83,533,000)	(143,200,000)
Less: Amortization of Intangible Asset (a)	(855,000)	-	-
Net Operating Expense	218,946,000	133,545,000	228,934,000
<b>Operating Expense per Day</b>	<b>600,000</b>	<b>627,000</b>	<b>627,000</b>
<b>Days Cash</b>			
Number of Days Cash	571	625	493
<b>Combined</b>			
Cash and Investments - Unrestricted	618,844,000	686,715,000	547,600,000
<b>Operating Expense</b>			
Operating Expense (a)	646,460,000	370,373,000	634,926,000
Less: Depreciation (a)	(265,044,000)	(133,719,000)	(229,233,000)
Less: Amortization of Intangible Asset (a)	(4,837,000)	(2,081,000)	(3,567,000)
Net Operating Expense	376,579,000	234,573,000	402,126,000
<b>Operating Expense per Day</b>	<b>1,032,000</b>	<b>1,102,000</b>	<b>1,102,000</b>
<b>Days Cash</b>			
Number of Days Cash	600	623	497
<i>Totals may be off due to rounding</i>			

(a) Current year expenses are expressed as a proration of the annual budget for the purposes of this metric.



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 Difference” 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. 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 Seven Months Ended January 31, 2025**

	Water	Sewer	Total
<b>Net Revenue Requirement Budget Variance (a)</b>	\$ 6,068	\$ 5,403	\$ 11,471
<b>Budgetary categories adjustments to financial reporting basis</b>			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	368	658	1,026
Prior year pension contribution accounted for in current year (d)	(1,085)	(1,942)	(3,027)
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	50,413	72,451	122,864
Accelerated pension B&C notes obligation portion (g)	585	1,317	1,902
Regional System lease (h)	3,586	4,384	7,970
GASB 87 & GASB 96 adjustments (h)	870	1,109	1,978
WRAP (i)	907	1,237	2,144
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	4,241	16,415	20,656
<b>Nonbudgeted financial reporting categories adjustments</b>			
Depreciation and amortization (k)	(58,317)	(87,806)	(146,123)
Amortization - debt related (k)	12,605	5,874	18,479
Other nonoperating income (k)	-	1,399	1,399
Other nonoperating expense (k)	-	-	-
Gain(loss) on disposal of capital assets (k)	7	3	10
Raw water rights obligation (l)	1,790	-	1,790
Investment earnings for construction fund (m)	3,766	4,700	8,466
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	621	1,045	1,666
Improvement & extension fund operating expenses (p)	-	(30)	(30)
Capital Contribution (q)	1,849	-	1,849
<b>Net Position Increase/(Decrease) per Financial Statements (b)</b>	<b>\$ 28,274</b>	<b>\$ 26,216</b>	<b>\$ 54,490</b>

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee May 2, 2025

**Table 2 - Explanatory Notes for Crosswalk**

- (a) Source: Budget to Actual Table 1A and Table 1B in Monthly Financial Report
- (b) Source: Basic Financial Statements Table 2 in Monthly Financial Report
- (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) Payments for the warehouse lease and subscription-based information technology arrangements (SBITA) are expensed for budget purposes. For financial reporting purposes, the warehouse lease is recorded under GASB 87 and payments are treated as a reduction in the lease liability and interest expense (which is a nonoperating expense). The SBITA payments are recorded under GASB 96 and are treated as a prepaid subscription asset as the software is currently in the implemented phase.

- (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 Extraordinary Repair & Replacement Fund 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 for 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 purposes the Flint wholesale charges are recorded as 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.
- (n) Interest on a DWSD note receivable is budgeted as part of the Sewer improvement and extension fund and is transferred directly to that fund as payments are made. DWSD does not currently have a note receivable due to GLWA.

- (o) Unrealized gains and losses are recorded annually as required for financial reporting purposes but do not reflect actual investment earnings and are not included in cash basis reporting.
- (p) The Water Improvement and Extension fund and the Sewer Improvement and Extension fund reflect certain expenses relating to repairs paid for through the Water and Sewer Improvement and Extension funds, respectively. These are consolidated expenses for financial reporting purposes but are not reflected in the current Operations and Maintenance budget expenses.
- (q) The FY 2025 capital contribution in Nonoperating (revenue) expense represents ARPA (\$1.2m) grant revenue for the Water system. This nonoperating revenue is reported only in the GAAP-basis financial statements.



The Monthly Capital Improvement Plan Financial Summary includes the following.

1. Water System Capital Improvement Plan Spend Incurred to date
2. Sewer System Capital Improvement Plan Spend Incurred to date

## Capital Improvement Plan Financial Summary

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 (Board) adopts a five-year capital improvement plan (CIP). The CIP is a five-year, rolling plan which is updated annually and formally adopted by the GLWA Board of Directors. In addition, the Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.

This report presents quarterly and monthly CIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2025 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes Primavera P6 for refined monthly projections for cash management and project management.

Capital spend reflects a noticeable variance from budgeted CIP for both the water and sewer funds. For the purposes of this metric, we compare actual spend with the Board-approved budget. For the purposes of managing the financial plan, budget amendments are made to align spending with resources available. The capital spend rate adjustment is 100% of the Board approved CIP planned spend for the water fund and 100% of the Board approved CIP planned spend for the sewer fund.

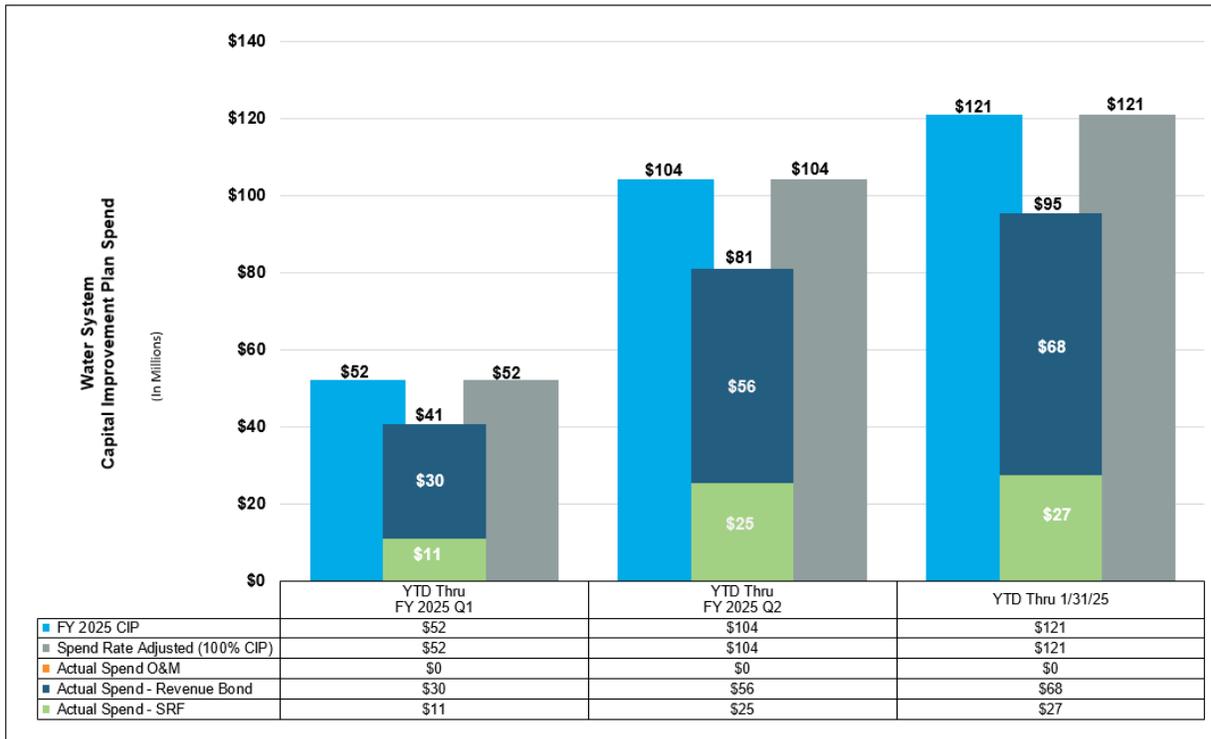
The State Revolving Fund (SRF) activity reported in Charts 1 and 2 have been revised to reflect changes in approved, GLWA SRF funding.

### Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date

As of January 2025, the water system incurred \$95 million of construction costs to date. This spend represents 79% of the original, Board-approved CIP, and 79% of the Board-reviewed spend rate adjustment.

Economic factors affecting the CIP spend are considered by the Board quarterly at which time the Board may amend the planned spend rate adjusted.

### Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date – Spend Rate Adjusted

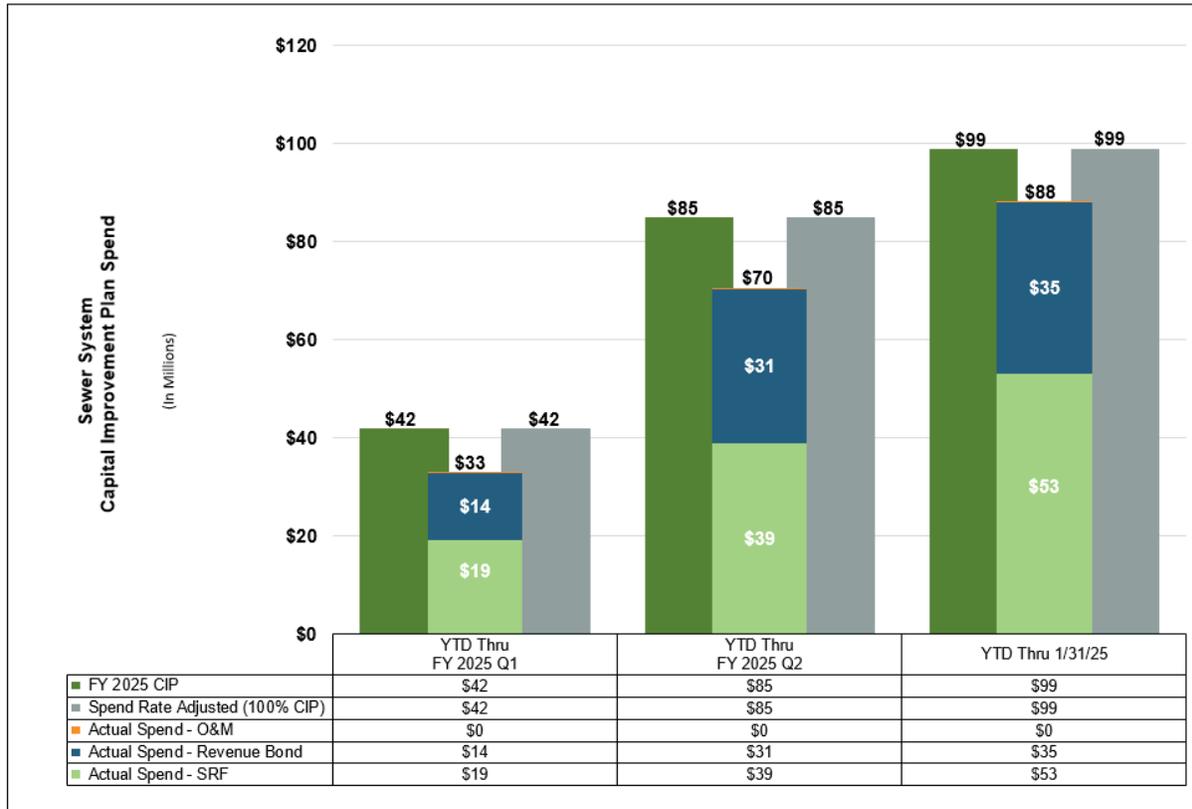


### Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of January 2025, the Sewer system incurred \$88 million of construction costs to date. This spend represents 89% of the original, Board-approved CIP, and 89% of the Board-reviewed spend rate adjustment.

Economic factors affecting the CIP spend are considered by the Board quarterly at which time the Board may amend the planned spend rate adjusted.

### Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date – Spend Rate Adjusted





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 June 2018 Memorandum of Understanding but is included to reflect historical activity. If there are transfers to the Extraordinary Repair & Replacement (ER&R) fund they would be completed annually based on budget and year-end fund status.

**Table 1 – GLWA FY 2025 Water MBO Transfers** reflects the required transfers for FY 2025 completed through January 2025. MBO transfers for water totaling \$102.9 million have been transferred to GLWA accounts.

**Table 2 – GLWA FY 2025 Sewer MBO Transfers** reflects the required transfers for FY 2025 completed through January 2025. MBO transfers for sewer totaling \$139.5 million have been transferred to GLWA accounts.

**Table 3 – GLWA MBO Transfer History** reflects historical transfers for FY 2016 through FY 2025 to date.

**Table 1 – GLWA FY 2025 Water MBO Transfers**

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
<b>FY 2025</b>							
July 2024	\$ 14,135,417	\$ -	\$ 324,642	\$ 236,359	\$ -	\$ -	\$ 14,696,418
August 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
September 2024	14,135,417	-	324,642	236,359	-	-	14,696,418
October 2024	14,135,417	-	324,642	235,958	-	-	14,696,017
November 2024	14,135,417	-	324,642	235,958	-	-	14,696,017
December 2024	14,135,417	-	324,642	236,560	-	-	14,696,619
January 2025	14,135,417	-	324,642	236,259	-	-	14,696,318
February 2025							
March 2025							
April 2025							
May 2025							
June 2025							
<b>Total FY 2025</b>	<b>\$ 98,947,919</b>	<b>\$ -</b>	<b>\$ 2,272,494</b>	<b>\$ 1,653,812</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 102,874,225</b>

**Table 2 – GLWA FY 2025 Sewer MBO Transfers**

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
<b>FY 2025</b>							
July 2024	\$ 19,077,833	\$ -	\$ 510,516	\$ 332,933	\$ -	\$ -	\$ 19,921,282
August 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
September 2024	19,077,833	-	510,516	332,933	-	-	19,921,282
October 2024	19,077,833	-	510,516	339,168	-	-	19,927,517
November 2024	19,077,833	-	510,516	339,168	-	-	19,927,517
December 2024	19,077,833	-	510,516	329,816	-	-	19,918,165
January 2025	19,077,833	-	510,516	334,492	-	-	19,922,841
February 2025							
March 2025							
April 2025							
May 2025							
June 2025							
<b>Total FY 2025</b>	<b>\$133,544,831</b>	<b>-</b>	<b>\$ 3,573,612</b>	<b>\$ 2,341,443</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,459,886</b>

**Table 3 – GLWA MBO Transfer History**

WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
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	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Total FY 2022	143,933,800	6,048,000	10,695,700	2,376,600	-	-	163,054,100
Total FY 2023	156,747,700	6,048,000	10,695,700	2,611,800	-	2,200,000	178,303,200
Total FY 2024	168,873,100	-	2,568,700	2,710,200	-	2,836,000	176,988,000
Total FY 2025 (year to date)	98,947,919	-	2,272,494	1,653,812	-	-	102,874,225
<b>Life to Date</b>	<b>\$ 1,255,526,831</b>	<b>\$ 48,362,300</b>	<b>\$ 89,609,769</b>	<b>\$ 21,938,316</b>	<b>\$ 2,686,900</b>	<b>\$ 5,642,000</b>	<b>\$ 1,423,766,116</b>

SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
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	191,079,396	10,824,000	14,687,496	2,870,992	-	-	219,461,884
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-	210,324,617
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-	211,571,800
Total FY 2022	191,908,600	10,824,000	14,687,400	3,868,700	-	-	221,288,700
Total FY 2023	204,122,500	10,824,000	14,687,400	3,673,800	-	-	233,307,700
Total FY 2024	224,873,500	-	3,914,500	3,836,402	150,000	-	232,774,402
Total FY 2025 (year to date)	133,544,831	-	3,573,612	2,341,443	-	-	139,459,886
<b>Life to Date</b>	<b>\$ 1,777,554,423</b>	<b>\$ 86,620,800</b>	<b>\$ 123,665,521</b>	<b>\$ 31,181,541</b>	<b>\$ 8,396,100</b>	<b>\$ 779,600</b>	<b>\$ 2,028,197,985</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 and 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 2025 Water MBO Transfers** reflects the required transfers for FY 2025 completed through January 2025. MBO transfers for Water totaling \$40.9 million have been transferred to accounts held by DWSD.

**Table 5 – DWSD FY 2025 Sewer MBO Transfers** reflects the required transfers for FY 2025 completed through January 2025. MBO transfers for Sewer totaling \$50.3 million have been transferred to accounts held by DWSD.

**Table 6 – DWSD Water MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016 through FY 2025 to date.

**Table 7 – DWSD Sewer MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016 through FY 2025 to date.

**Table 4 – DWSD FY 2025 Water MBO Transfers**

WATER				
	Operations & <u>Maintenance</u>	<u>Pension</u>	Lease Payment <u>(I&amp;E Fund)</u>	<u>Total Water</u>
<b>FY 2025</b>				
July 2024	\$ 3,970,517	\$ -	\$ 1,875,000	\$ 5,845,517
August 2024	3,970,517	-	1,875,000	5,845,517
September 2024	3,970,517	-	1,875,000	5,845,517
October 2024	3,970,517	-	1,875,000	5,845,517
November 2024	3,970,517	-	1,875,000	5,845,517
December 2024	3,970,517	-	1,875,000	5,845,517
January 2025	3,970,517	-	1,875,000	5,845,517
February 2025				
March 2025				
April 2025				
May 2025				
June 2025				
<b>Total FY 2025</b>	<b>\$ 27,793,619</b>	<b>-</b>	<b>\$ 13,125,000</b>	<b>\$ 40,918,619</b>

**Table 5 – DWSD FY 2025 Sewer MBO Transfers**

SEWER				
	Operations & <u>Maintenance</u>	<u>Pension</u>	Lease Payment <u>(I&amp;E Fund)</u>	<u>Total Sewer</u>
<b>FY 2025</b>				
July 2024	\$ 4,889,950	\$ -	\$ 2,291,667	\$ 7,181,617
August 2024	4,889,950	-	2,291,667	7,181,617
September 2024	4,889,950	-	2,291,667	7,181,617
October 2024	4,889,950	-	2,291,667	7,181,617
November 2024	4,889,950	-	2,291,667	7,181,617
December 2024	4,889,950	-	2,291,667	7,181,617
January 2025	4,889,950	-	2,291,667	7,181,617
February 2025				
March 2025				
April 2025				
May 2025				
June 2025				
<b>Total FY 2025</b>	<b>\$ 34,229,650</b>	<b>-</b>	<b>\$ 16,041,669</b>	<b>\$ 50,271,319</b>

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

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	\$ 52,948,300
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)
<b>Total MBO Transfer</b>	<b>26,185,600</b>	<b>4,262,700</b>	<b>20,173,100</b>	<b>50,621,400</b>
<b>FY 2017</b>				
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>33,596,400</b>	<b>4,262,400</b>	<b>22,500,000</b>	<b>60,358,800</b>
<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)
<b>Total MBO Transfer</b>	<b>35,059,704</b>	<b>4,272,000</b>	<b>20,625,000</b>	<b>59,956,704</b>
<b>FY 2019</b>				
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)
<b>Total MBO Transfer</b>	<b>35,484,300</b>	<b>4,272,000</b>	<b>18,527,800</b>	<b>58,284,100</b>
<b>FY 2020</b>				
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)
<b>Total MBO Transfer</b>	<b>34,662,400</b>	<b>4,272,000</b>	<b>18,952,000</b>	<b>57,886,400</b>
<b>FY 2021</b>				
MBO/Lease Requirement	35,833,900	4,272,000	22,500,000	62,605,900
Offset to Debt Service	-	-	(8,278,300)	(8,278,300)
<b>Total MBO Transfer</b>	<b>35,833,900</b>	<b>4,272,000</b>	<b>14,221,700</b>	<b>54,327,600</b>
<b>FY 2022</b>				
MBO/Lease Requirement	29,989,000	4,272,000	22,500,000	56,761,000
Offset to Debt Service	-	-	(8,925,400)	(8,925,400)
<b>Total MBO Transfer</b>	<b>29,989,000</b>	<b>4,272,000</b>	<b>13,574,600</b>	<b>47,835,600</b>
<b>FY 2023</b>				
MBO/Lease Requirement	42,581,600	4,272,000	22,500,000	69,353,600
Offset to Debt Service	-	-	(2,922,100)	(2,922,100)
<b>Total MBO Transfer</b>	<b>42,581,600</b>	<b>4,272,000</b>	<b>19,577,900</b>	<b>66,431,500</b>
<b>FY 2024</b>				
MBO/Lease Requirement	44,776,800	-	22,500,000	67,276,800
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>44,776,800</b>	<b>-</b>	<b>22,500,000</b>	<b>67,276,800</b>
<b>FY 2025 (year to date)</b>				
MBO/Lease Requirement	27,793,619	-	13,125,000	40,918,619
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>27,793,619</b>	<b>-</b>	<b>13,125,000</b>	<b>40,918,619</b>
<b>Life-to-Date</b>				
MBO/Lease Requirement	345,963,323	34,157,100	215,625,000	595,745,423
Offsets	-	-	(31,847,900)	(31,847,900)
<b>Total Water</b>	<b>\$ 345,963,323</b>	<b>\$ 34,157,100</b>	<b>\$ 183,777,100</b>	<b>\$ 563,897,523</b>

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

**Table 7 – DWSD Sewer MBO and Lease Payment Transfer History**

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)
<b>Total MBO Transfer</b>	<b>19,774,300</b>	<b>2,861,800</b>	<b>7,508,500</b>	<b>30,144,600</b>
<b>FY 2017</b>				
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>41,535,600</b>	<b>2,862,000</b>	<b>27,500,000</b>	<b>71,897,600</b>
<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)
<b>Total MBO Transfer</b>	<b>60,517,992</b>	<b>2,856,000</b>	<b>18,333,336</b>	<b>81,707,328</b>
<b>FY 2019</b>				
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)
<b>Total MBO Transfer</b>	<b>56,767,920</b>	<b>2,856,000</b>	<b>23,085,000</b>	<b>82,708,920</b>
<b>FY 2020</b>				
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)
<b>Total MBO Transfer</b>	<b>55,243,500</b>	<b>2,856,000</b>	<b>22,467,300</b>	<b>80,566,800</b>
<b>FY 2021</b>				
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)
<b>Total MBO Transfer</b>	<b>69,915,700</b>	<b>2,856,000</b>	<b>24,242,800</b>	<b>97,014,500</b>
<b>FY 2022</b>				
MBO/Lease Requirement	61,301,000	2,856,000	27,500,000	90,735,453
Offset to Debt Service	-	-	(5,529,297)	(4,607,750)
<b>Total MBO Transfer</b>	<b>61,301,000</b>	<b>2,856,000</b>	<b>21,970,703</b>	<b>86,127,703</b>
<b>FY 2023</b>				
MBO/Lease Requirement	51,396,400	2,856,000	27,500,000	81,752,400
Offset to Debt Service	-	-	(4,388,300)	(4,388,300)
<b>Total MBO Transfer</b>	<b>51,396,400</b>	<b>2,856,000</b>	<b>23,111,700</b>	<b>77,364,100</b>
<b>FY 2024</b>				
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>55,705,700</b>	<b>-</b>	<b>27,500,004</b>	<b>83,205,704</b>
<b>FY 2025 (year to date)</b>				
MBO/Lease Requirement	34,229,650	-	16,041,669	50,271,319
Offset to Debt Service	-	-	-	-
<b>Total MBO Transfer</b>	<b>34,229,650</b>	<b>-</b>	<b>16,041,669</b>	<b>50,271,319</b>
<b>Life-to-Date</b>				
MBO/Lease Requirement	513,487,762	22,859,800	263,541,673	798,967,688
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
<b>Total Sewer</b>	<b>\$ 506,387,762</b>	<b>\$ 22,859,800</b>	<b>\$ 211,761,012</b>	<b>\$ 741,008,574</b>

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



This report includes the following:

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

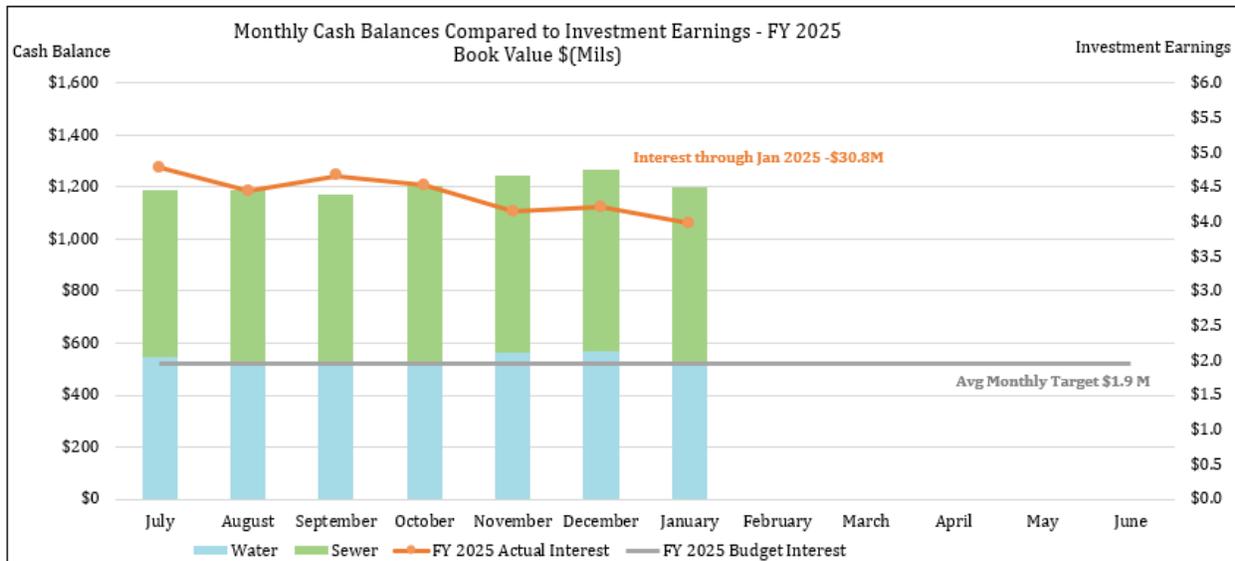
## Monthly Cash Balances Compared to Investment Income

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. For the month of January 2025, GLWA earned investment income of \$4.0 million and cumulative FY 2025 earnings through January 2025 of \$30.8 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize future investment income while meeting the objectives of safety and liquidity.

**Chart 1 – Monthly Cash Balances Compared to Investment Income – Through January 2025**



\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	549	527	527	526	566	569	528	-	-	-	-	-
Sewer	638	662	644	681	680	697	674	-	-	-	-	-
Total	1,187	1,189	1,171	1,207	1,246	1,267	1,201	-	-	-	-	-
Investment Income	4.8	4.4	4.7	4.5	4.2	4.2	4.0	-	-	-	-	-

All amounts are unaudited unless otherwise noted.

## 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:***

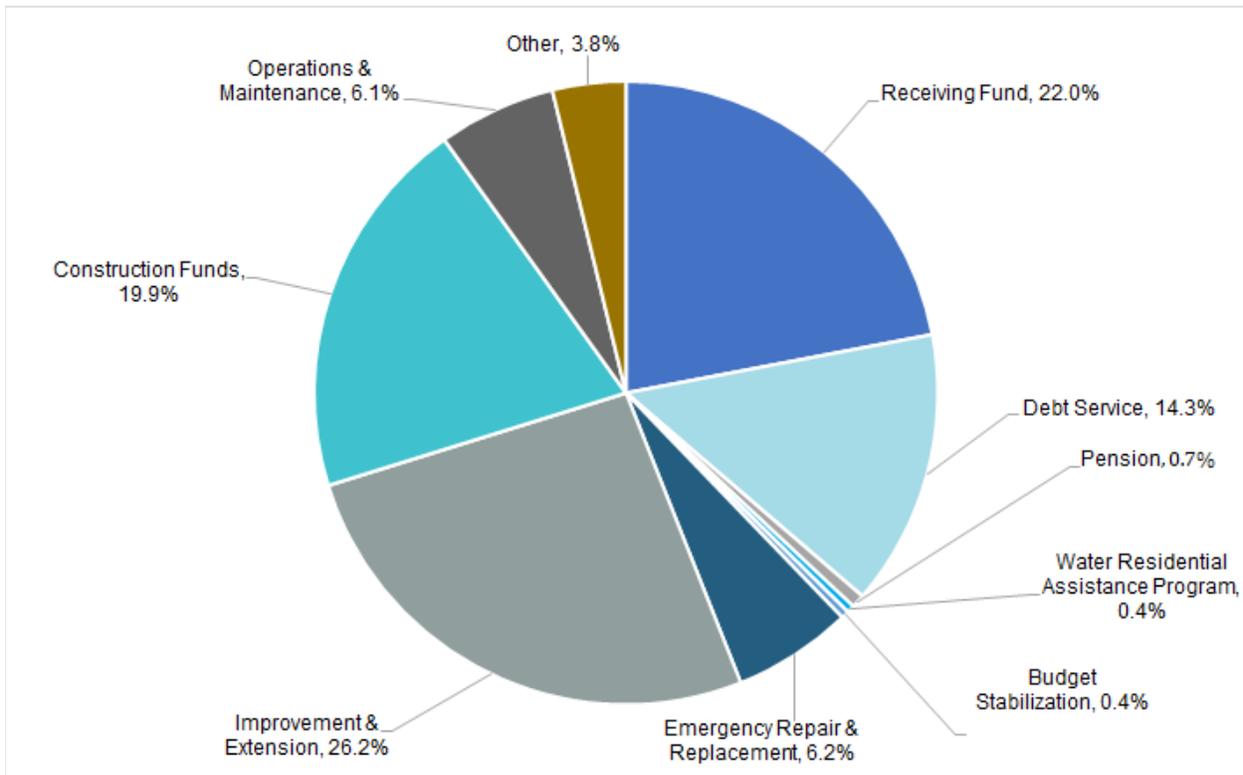
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors and security deposit funds held on behalf of the City of Flint, and capital contribution funds provided by the Evergreen Farmington Sewer District recognized as related project work is completed

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 January 2025** - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of January 2025 is \$528 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.

GLWA completed a bond transaction of \$148.5 million in December 2023 to support water system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

**Chart 2 – Cash Balances - Water Funds as of January 2025**

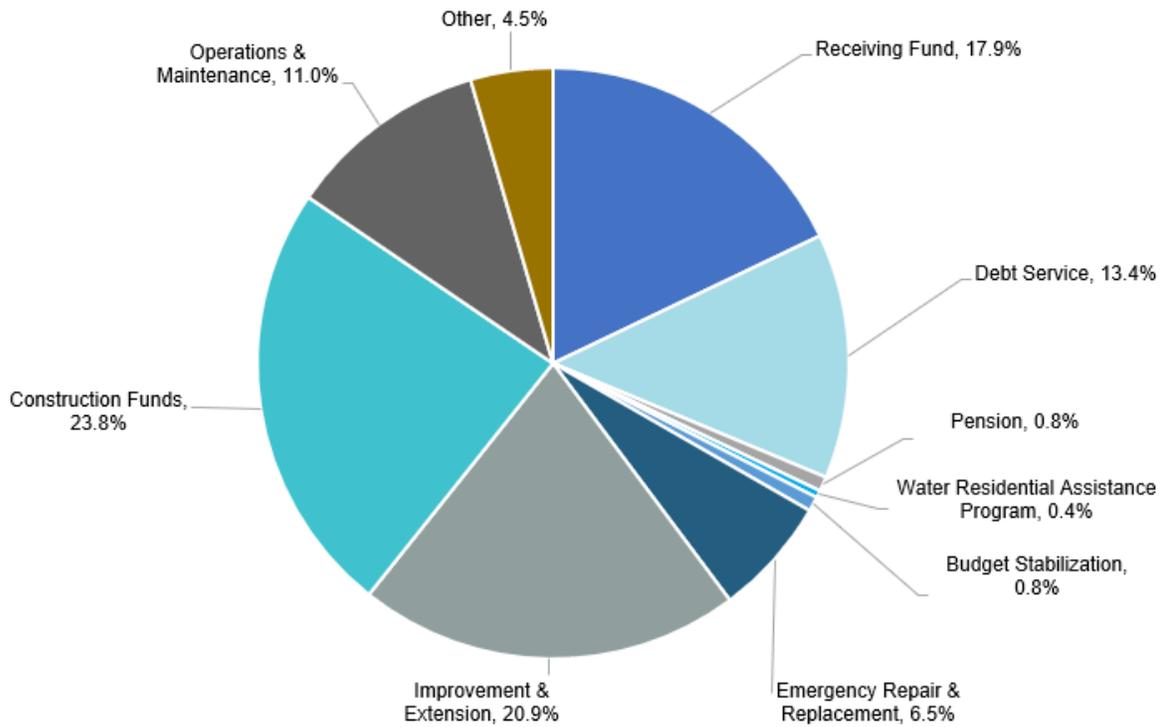


**Note:** Due to rounding totals may not equal 100%.

**Chart 3 – Cash Balances - Sewer Funds as of January 2025** - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of January 2025 is \$674 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.

In conjunction with the Water Fund transaction, GLWA completed a bond transaction of \$96.8 million in December 2023 to support sewage disposal system improvements. These funds along with I&E and SRF low-interest loans will fund the capital program going forward.

**Chart 3 – Cash Balances - Sewer Funds as of January 2025**



**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 and 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 2025 water usage and billed revenue which are provided by DWSD staff. As of January 31, 2025, the DWSD usage was at 98.43% of the budget and billed revenue was at 99.38% 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.

**Table 1 – DWSD Retail Water Billing**

RETAIL WATER CUSTOMERS								
Month (1)	FY 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	241,000	12,395,932	226,703	11,590,136	(14,297)	(805,796)	248,307	12,606,397
August	261,000	13,459,400	240,621	12,171,324	(20,379)	(1,288,076)	255,079	12,913,867
September	248,000	12,773,235	238,868	12,205,143	(9,132)	(568,092)	214,796	11,119,261
October	212,000	10,944,671	216,527	11,222,004	4,527	277,333	222,909	11,409,427
November	208,000	10,711,071	212,832	11,115,046	4,832	403,975	210,687	10,898,684
December	198,000	10,200,009	212,252	11,100,382	14,252	900,373	214,139	11,246,818
January	195,000	10,077,416	190,716	10,661,000	(4,284)	583,584	224,414	11,263,184
February	207,000	10,656,080					225,042	11,774,408
March	201,000	10,347,960					206,204	11,096,805
April	203,000	10,437,186					213,950	10,552,343
May	193,000	9,948,001					214,474	10,667,783
June	211,000	10,879,139					226,703	10,637,883
<b>Total</b>	<b>2,578,000</b>	<b>132,830,100</b>	<b>1,538,519</b>	<b>80,065,035</b>	<b>(24,481)</b>	<b>(496,699)</b>	<b>2,676,703</b>	<b>136,186,859</b>
<i>Subtotals ytd</i>	<i>1,563,000</i>	<i>80,561,734</i>	<i>1,538,519</i>	<i>80,065,035</i>	<i>(24,481)</i>	<i>(496,699)</i>		
<i>Achievement of Budget</i>			<i>98.43%</i>	<i>99.38%</i>				

(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
February	8,996,740	8,244,713	752,027	9.12%
March	15,842,538	10,417,832	5,424,705	52.07%
April	13,840,518	9,417,449	4,423,069	46.97%
May	5,960,146	12,162,719	(6,202,573)	-51.00%
June	9,045,195	13,467,858	(4,422,663)	-32.84%
July	12,645,121	5,943,286	6,701,835	112.76%
August	10,203,737	11,794,131	(1,590,394)	-13.48%
September	10,837,378	9,790,065	1,047,313	10.70%
October	12,110,080	9,884,937	2,225,143	22.51%
November	8,572,356	10,499,606	(1,927,250)	-18.36%
December	10,277,979	13,663,688	(3,385,709)	-24.78%
January	10,935,031	8,506,008	2,429,023	28.56%
<b>Rolling, 12-Month Total</b>	<b>129,266,819</b>	<b>123,792,291</b>		
<b>Rolling, 12-Month Average</b>	<b>10,772,235</b>	<b>10,316,024</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 2025 sewer billed revenue which are provided by DWSD staff. As of January 31, 2025, the DWSD usage was at 95.58% of the budget and billed revenue was at 96.80% 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.

**Table 3 - DWSD Retail Sewer Billings**

RETAIL SEWER CUSTOMERS								
Month (1)	FY 2025 - Original Budget		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume (2)	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	214,000	30,316,100	173,084	26,350,527	(40,916)	(3,965,573)	207,574	29,192,723
August	196,000	29,206,000	195,207	28,301,325	(793)	(904,675)	211,503	29,278,720
September	215,000	30,359,800	198,474	28,536,169	(16,526)	(1,823,631)	178,576	27,476,376
October	180,000	28,256,800	181,932	28,141,699	1,932	(115,101)	184,382	27,700,094
November	181,000	28,322,800	171,499	28,166,266	(9,501)	(156,534)	175,498	26,939,338
December	166,000	27,436,800	192,915	28,831,326	26,915	1,394,526	156,168	26,546,712
January	160,000	27,139,500	140,835	26,273,695	(19,165)	(865,805)	182,643	26,882,316
February	177,000	28,085,500					179,551	27,455,737
March	166,000	27,448,400					165,992	26,725,597
April	169,000	27,639,700					179,514	26,737,898
May	166,000	27,458,600					170,754	26,225,089
June	175,000	27,995,600					173,084	26,149,588
<b>Total</b>	<b>2,165,000</b>	<b>339,665,600</b>	<b>1,253,947</b>	<b>194,601,007</b>	<b>(58,053)</b>	<b>(6,436,793)</b>	<b>2,165,240</b>	<b>327,310,189</b>
Subtotals ytd	1,312,000	201,037,800	1,253,947	194,601,007	(58,053)	(6,436,793)		
Achievement of Budget/Goal			95.58%	96.80%				

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

(2) Reflects billed volume based on actual usage except for residential customers where the billed volume differs from actual usage due to residential sewer volume caps implemented in FY 2023.

(3) Retail revenues include miscellaneous revenues and penalties

**Table 4 – DWSD Retail Sewer Collections**

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
February	24,230,304	23,867,073	363,230	1.52%
March	26,438,687	30,697,464	(4,258,777)	-13.87%
April	23,532,381	21,542,671	1,989,710	9.24%
May	22,487,372	24,419,561	(1,932,189)	-7.91%
June	20,945,929	23,769,626	(2,823,696)	-11.88%
July	36,297,569	32,379,222	3,918,346	12.10%
August	22,591,511	25,391,891	(2,800,380)	-11.03%
September	22,367,425	23,489,448	(1,122,023)	-4.78%
October	25,231,098	21,610,149	3,620,949	16.76%
November	23,609,169	25,951,736	(2,342,568)	-9.03%
December	23,914,649	23,249,973	664,676	2.86%
January	26,416,591	26,248,512	168,079	0.64%
<b>Rolling 12-Month Total</b>	<b>298,062,684</b>	<b>302,617,327</b>		
<b>Rolling, 12-Month Average</b>	<b>24,838,557</b>	<b>25,218,111</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 monthly sales, total receivables, bad debt allowance and net water and sewer receivables as of January 31, 2025 with comparative totals from June 30, 2024, June 30, 2023 and June 30, 2022. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The table provides a comparison of days in accounts receivable calculated as net receivables divided by daily sales and confirms that over time days in AR is held in check overall due to a consistent practice of adjusting the allowance for doubtful accounts monthly. To the extent this allowance is adjusted, and bad debt expense is recognized in the DWSD budget, it does not impact GLWA.

**Table 6** is a summary of the total, current and non-current Water and Sewer receivables by category as of January 31, 2025 with comparative totals from January 31, 2025. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The Total Balance and Total Bad Debt Allowance as of January 31, 2025 are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

**Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary**

Summary					
Period Ending	Monthly Sales	Receivables			Days in AR (1)
		Total	Allowance	Net	
June 30, 2022	39,022,000	300,346,000	(253,924,000)	46,422,000	36
June 30, 2023	39,443,000	327,023,000	(272,012,000)	55,011,000	42
June 30, 2024	38,352,000	324,867,000	(249,922,000)	74,944,000	59
Jan 31, 2025 (2)	38,352,000	348,940,000	(285,229,000)	63,712,000	50

*Totals may be off due to rounding*

(1) Days in AR is calculated as net receivables divided by daily sales (monthly sales/30 days)

(2) The annual AR Tax Roll Transfer totaling \$25,890,000 was made in October 2024.

**Table 6 – DWSD Retail Accounts Receivable Aging Report – Water & Sewer Combined**

	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	A/R Balance
Residential	966.05	14,147,000 6.6%	9,227,000 4.3%	36,850,000 17.2%	154,294,000 71.9%	214,518,000 100.0%
Commercial	1,249.96	7,194,000 26.8%	2,323,000 8.6%	6,600,000 24.6%	10,744,000 40.0%	26,860,000 100.0%
Industrial	3,391.09	4,696,000 37.7%	780,000 6.3%	2,559,000 20.6%	4,416,000 35.5%	12,452,000 100.0%
Tax Exempt	688.16	540,000 20.5%	159,000 6.0%	675,000 25.7%	1,253,000 47.7%	2,627,000 100.0%
Government	494.66	3,071,000 14.9%	4,122,000 20.0%	2,932,000 14.2%	10,528,000 51.0%	20,652,000 100.0%
Drainage	581.07	1,871,000 7.2%	613,000 2.4%	4,851,000 18.7%	18,619,000 71.7%	25,953,000 100.0%
<b>Subtotal - Active Accounts</b>	<b>898.10</b>	<b>31,518,000</b> 10.4%	<b>17,223,000</b> 5.7%	<b>54,467,000</b> 18.0%	<b>199,854,000</b> 65.9%	<b>303,063,000</b> 100.0%
Inactive Accounts	121.01	67,000 0.1%	128,000 0.3%	1,572,000 3.4%	44,111,000 96.1%	45,878,000 100.0%
<b>Total</b>	<b>486.95</b>	<b>31,585,000</b>	<b>17,352,000</b>	<b>56,039,000</b>	<b>243,965,000</b>	<b>348,940,000</b>
<b>% of Total A/R</b>		<b>9.1%</b>	<b>5.0%</b>	<b>16.1%</b>	<b>69.9%</b>	<b>100.0%</b>
Water Fund	105.82	8,976,000	4,379,000	14,445,000	48,026,000	75,827,000
Sewer Fund	381.13	22,608,000	12,973,000	41,594,000	195,939,000	273,113,000
<b>Total Jan 31, 2025 (a)</b>	<b>486.95</b>	<b>31,585,000</b>	<b>17,352,000</b>	<b>56,039,000</b>	<b>243,965,000</b>	<b>348,940,000</b>
Water Fund- Allowance						(55,814,000)
Sewer Fund- Allowance						(229,415,000)
<b>Total Bad Debt Allowance</b>						<b>(285,229,000)</b>
<b>Comparative - Jan 2024 (b)</b>	<b>520.73</b>	<b>32,012,000</b>	<b>15,942,000</b>	<b>51,187,000</b>	<b>198,360,000</b>	<b>297,500,000</b>
<b>Difference (a) - (b)</b>		<b>(427,000)</b>	<b>1,410,000</b>	<b>4,852,000</b>	<b>45,606,000</b>	<b>51,440,000</b>



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

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. Wholesale Water & Sewer Accounts Receivable Aging Reports

## 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	85
Emergency	0
Older Contracts	<u>2</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 2025 water billed usage and revenues. As of January 31, 2025, the billed usage was at 98.11% of the original plan and billed revenue at 99.53% of the original plan. Billings and usage from the City of Flint *are* included as they were assumed in the FY 2025 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. Current year collections are trending above the prior year for the twelve-month period ending January 31, 2025.

**Table 1 – FY 2025 Wholesale Water Billings Report**

WHOLESALE WATER CHARGES								
Month (1)	FY 2025 Charges (2)		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume	Revenue	Volume	Revenue (3)	Volume	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	1,471,701	33,806,600	1,347,527	32,449,201	(124,174)	(1,357,399)	1,396,012	31,956,320
2 August	1,378,066	32,779,600	1,297,169	31,977,986	(80,897)	(801,614)	1,295,617	30,947,078
3 September	1,252,529	31,226,000	1,315,030	32,104,405	62,501	878,405	1,212,814	29,862,077
4 October	1,040,750	28,617,400	1,051,234	28,946,404	10,484	329,004	1,043,901	27,856,141
5 November	902,080	27,224,500	872,926	26,975,632	(29,154)	(248,868)	899,934	26,481,380
6 December	965,968	27,817,100	966,671	27,877,869	703	60,769	947,841	26,904,465
7 January	979,263	27,960,900	989,175	28,114,300	9,912	153,400	984,406	27,231,881
8 February	869,226	26,840,000					877,428	26,143,840
9 March	946,913	27,587,200					930,938	26,675,356
10 April	904,594	27,235,000					886,646	26,342,756
11 May	1,122,987	29,809,800					1,101,158	28,684,891
12 June	1,440,113	33,505,700					1,313,310	31,043,002
<b>Total</b>	<b>13,274,190</b>	<b>354,409,800</b>	<b>7,839,732</b>	<b>208,445,797</b>	<b>(150,625)</b>	<b>(986,303)</b>	<b>12,890,005</b>	<b>340,129,187</b>
Subtotals ytd	7,990,357	209,432,100	7,839,732	208,445,797	(150,625)	(986,303)		
Achievement of Original Plan			98.11%	99.53%				

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

(2) Charges are based on the approved FY 2025 water supply system charge schedule.

(3) Water Revenues differ from Table 1A because amounts are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract in Table 1A

**Table 2 - Wholesale Water Collections**

Water				
Month	Current Year	Prior Year	Variance	Ratio
February	29,100,065	26,553,529	2,546,536	9.59%
March	24,740,554	26,074,213	(1,333,659)	-5.11%
April	26,856,179	20,940,451	5,915,728	28.25%
May	25,838,255	29,265,308	(3,427,053)	-11.71%
June	24,182,036	29,370,704	(5,188,669)	-17.67%
July	30,278,936	22,645,008	7,633,928	33.71%
August	25,054,796	36,275,672	(11,220,876)	-30.93%
September	31,569,804	29,955,755	1,614,049	5.39%
October	29,858,946	26,617,271	3,241,675	12.18%
November	29,728,772	35,490,010	(5,761,238)	-16.23%
December	33,080,276	28,246,829	4,833,447	17.11%
January	28,917,330	24,448,936	4,468,394	18.28%
<b>Rolling 12-Month Total</b>	<b>339,205,949</b>	<b>335,883,687</b>		
<b>Rolling, 12-Month Average</b>	<b>28,267,162</b>	<b>27,990,307</b>		

## 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	14
Emergency	0
Older Contracts	4
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 2025 sewer billed revenue. As of January 31, 2025 the billed revenue is at 100.00% of the original plan.

**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 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. Current year collections are trending below the twelve-month period ending January 31, 2025.



**Table 3 – FY 2025 Wholesale Sewer Billings Report**

WHOLESALE SEWER CHARGES								
Month (1)	FY 2025 Charges		FY 2025 - Actual		FY 2025 - Variance		FY 2024 - Actuals	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
1 July	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
2 August	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
3 September	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
4 October	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
5 November	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
6 December	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
7 January	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
8 February	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
9 March	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
10 April	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
11 May	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
12 June	N/A	23,883,900	N/A	23,883,900	N/A	-	N/A	23,494,800
<b>Total</b>		286,606,800		167,187,300		-		281,937,600
<i>Subtotals ytd</i>		167,187,300		167,187,300		-		

Achievement of Original Plan

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
February	27,856,400	33,102,769	(5,246,369)	-15.85%
March	23,460,900	23,746,469	(285,569)	-1.20%
April	18,685,600	17,769,710	915,890	5.15%
May	28,363,300	18,213,966	10,149,334	55.72%
June	23,300,100	38,287,549	(14,987,449)	-39.14%
July	18,438,961	22,331,831	(3,892,870)	-17.43%
August	13,987,797	22,377,366	(8,389,569)	-37.49%
September	25,450,281	18,770,419	6,679,862	35.59%
October	13,037,715	23,107,016	(10,069,301)	-43.58%
November	33,933,304	27,958,885	5,974,419	21.37%
December	23,958,644	21,351,498	2,607,146	12.21%
January	23,850,161	21,117,470	2,732,691	12.94%
<b>Rolling 12-Month Total</b>	274,323,163	288,134,948		
<b>Rolling, 12-Month Average</b>	22,860,264	24,011,246		

## 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.

**Table 5 - Wholesale Accounts Receivable Aging Report Summary** is a summary of the total, current and non-current receivables by category as of January 31, 2025.

**Table 6 - Wholesale Accounts Receivable Aging Report, Net Dearborn** is the same summary *without* the past due balances for the Dearborn. Ten water accounts comprise the past due balances reported. Nine accounts reflect a combined past due balance of \$1.9 million which was fully paid in February. The remaining past due account of \$121,000 made progress toward their past due balance in March. GLWA staff continues to work with the community to become current with their balance.

All Sewer accounts are current during this period. The IWC past due balance reflects three accounts totaling \$18,000 fully paid by the end of January. The Pollutant Surcharge past due balance consists of smaller account holders that GLWA staff continue to communicate with.

**Table 5 - Wholesale Accounts Receivable Aging Report Summary**

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	39,320,752	29,577,320	1,954,290	185,262	64,167	7,539,712
Sewer	14,174,114	14,174,114	-	-	-	-
IWC	446,061	427,785	5,818	5,818	-	6,640
Pollutant	517,356	415,726	57,942	20,480	11,352	11,856
<b>Total</b>	<b>54,458,283</b>	<b>44,594,946</b>	<b>2,018,051</b>	<b>211,560</b>	<b>75,519</b>	<b>7,558,208</b>
	100.00%	81.89%	3.71%	0.39%	0.14%	13.88%

**Table 6 - Wholesale Accounts Receivable Aging Report, Net of Dearborn**

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	31,460,206	29,448,987	1,890,123	121,096	-	-
Sewer	14,174,114	14,174,114	-	-	-	-
IWC	446,061	427,785	5,818	5,818	-	6,640
Pollutant	517,356	415,726	57,942	20,480	11,352	11,856
<b>Total</b>	<b>46,597,737</b>	<b>44,466,612</b>	<b>1,953,884</b>	<b>147,393</b>	<b>11,352</b>	<b>18,496</b>
	100.00%	95.43%	4.19%	0.32%	0.02%	0.04%

**Note:** percentages vary from 100% due to rounding.



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 and Receipts
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. Fiscal year 2025 reflects seven months of activity to date.

Water fund receipts exceeded required disbursements by 7% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 1% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2020.

**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 years. 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 years. The black line at the zero highlights the minimum goal for net receipts.

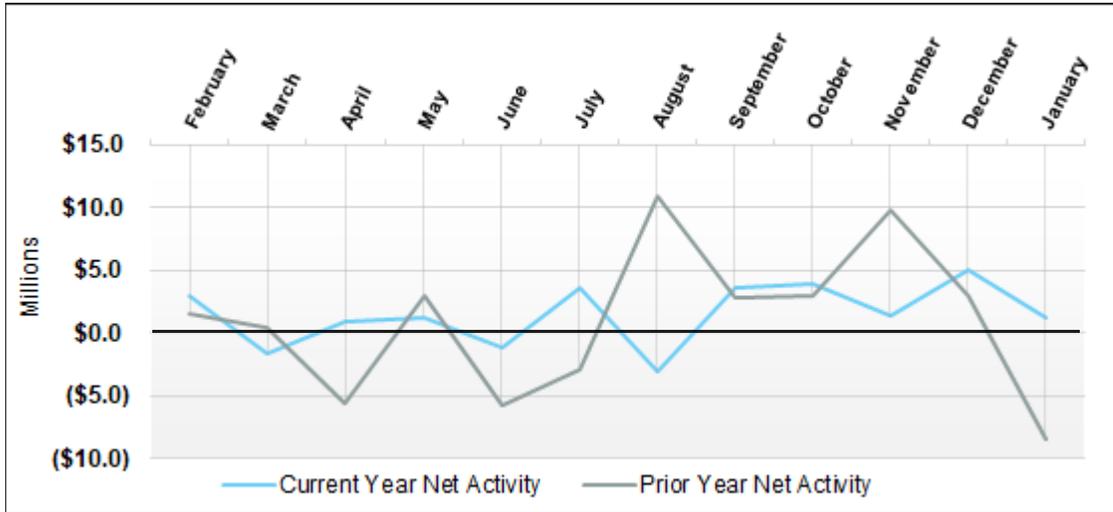
**Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Through January 31
<b>Water</b>					
1 Receipts	336,642,021	338,117,694	363,335,474	374,252,221	232,528,713
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,642,021	338,117,694	363,335,474	374,252,221	232,528,713
4 Disbursements	(308,713,407)	(316,495,360)	(349,186,375)	(353,639,121)	(216,799,856)
5 Receipts Net of Required Transfers	27,928,614	21,622,334	14,149,099	20,613,100	15,728,857
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	(4,063,073)	(5,000,528)	4,250,999	(8,005,400)	15,728,857
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	109%	107%	104%	106%	107%
<b>Sewer</b>					
9 Receipts	472,871,853	471,979,297	498,888,416	506,731,576	288,507,987
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	472,871,853	471,979,297	498,888,416	506,731,576	288,507,987
12 Disbursements	(436,600,883)	(450,701,751)	(473,516,238)	(477,450,794)	(285,956,643)
13 Receipts Net of Required Transfers	36,270,970	21,277,546	25,372,178	29,280,782	2,551,344
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 DWSD Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	13,972,674	(8,077,664)	(1,394,022)	16,812,782	2,551,344
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	108%	105%	105%	106%	101%
<b>Combined</b>					
19 Receipts	809,513,874	810,096,991	862,223,890	880,983,797	521,036,700
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	809,513,874	810,096,991	862,223,890	880,983,797	521,036,700
22 Disbursements	(745,314,290)	(767,197,111)	(822,702,613)	(831,089,915)	(502,756,499)
23 Receipts Net of Required Transfers	64,199,584	42,899,880	39,521,277	49,893,882	18,280,201
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	9,909,601	(13,078,192)	2,856,977	8,807,382	18,280,201
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	109%	106%	105%	106%	104%

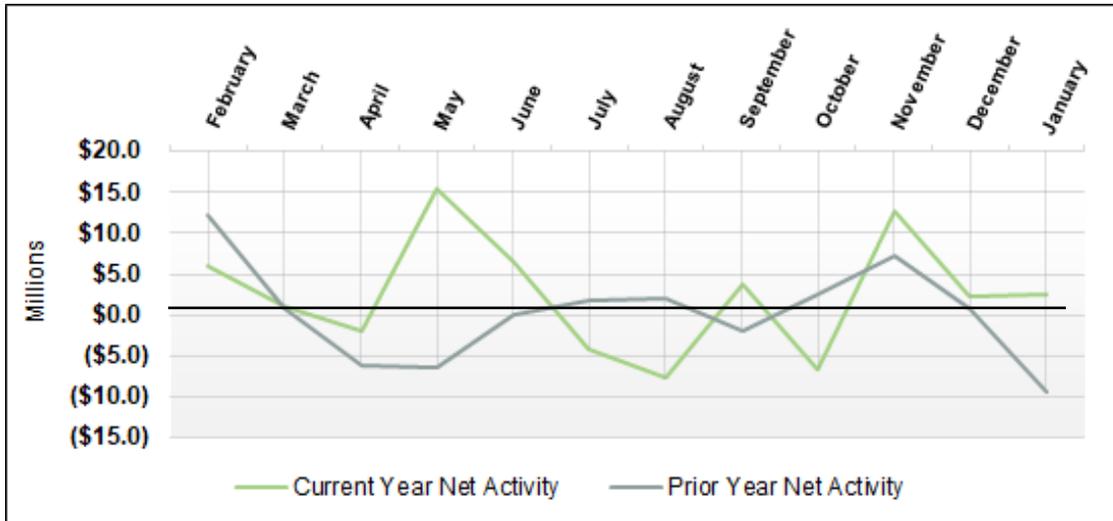
All amounts are unaudited unless otherwise noted.

GLWA Audit Committee May 2, 2025

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



**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. Fiscal year 2025 reflects seven months of activity to date.

Water fund receipts exceeded required disbursements by 6% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 5% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 3% through January 31, 2025 compared to the four-year historical average of required receipts exceeding disbursements by 4% since July 1, 2020.

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru January 31
<b>Water</b>					
1 Receipts	102,067,423	101,964,963	123,766,624	123,818,287	75,618,594
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	102,067,423	101,964,963	123,766,624	123,818,287	75,618,594
4 Disbursements	(100,707,200)	(94,495,601)	(117,666,100)	(117,290,591)	(71,618,550)
5 Receipts Net of Required Transfers	1,360,223	7,469,362	6,100,524	6,527,696	4,000,044
6 I&E Transfer	-	-	-	-	-
7 Net Receipts	1,360,223	7,469,362	6,100,524	6,527,696	4,000,044
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	101%	108%	105%	106%	106%
<b>Sewer</b>					
9 Receipts	308,210,767	291,280,896	298,896,942	296,088,194	180,475,018
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	308,210,767	291,280,896	298,896,942	296,088,194	180,475,018
12 Disbursements	(295,100,771)	(285,256,000)	(283,095,100)	(288,119,517)	(175,647,471)
13 Receipts Net of Required Transfers	13,109,996	6,024,896	15,801,842	7,968,677	4,827,548
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	13,109,996	6,024,896	15,801,842	7,968,677	4,827,548
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	104%	102%	106%	103%	103%
<b>Combined</b>					
18 Receipts	410,278,190	393,245,859	422,663,566	419,906,481	256,093,613
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	410,278,190	393,245,859	422,663,566	419,906,481	256,093,613
21 Disbursements	(395,807,971)	(379,751,601)	(400,761,200)	(405,410,108)	(247,266,021)
22 Receipts Net of Required Transfers	14,470,219	13,494,258	21,902,366	14,496,373	8,827,592
23 I&E Transfer	-	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	14,470,219	13,494,258	21,902,366	14,496,373	8,827,592
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	104%	105%	104%	104%

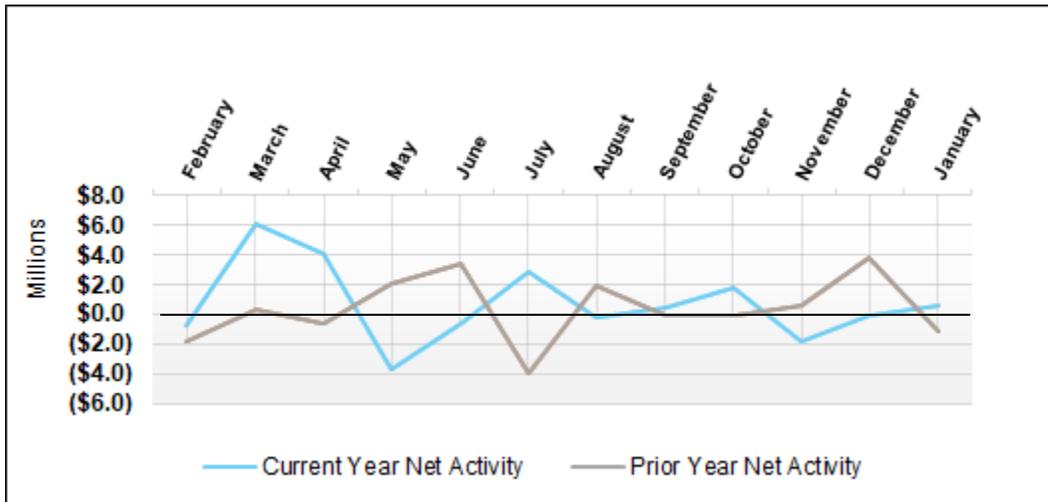
All amounts are unaudited unless otherwise noted.

GLWA Audit Committee May 2, 2025

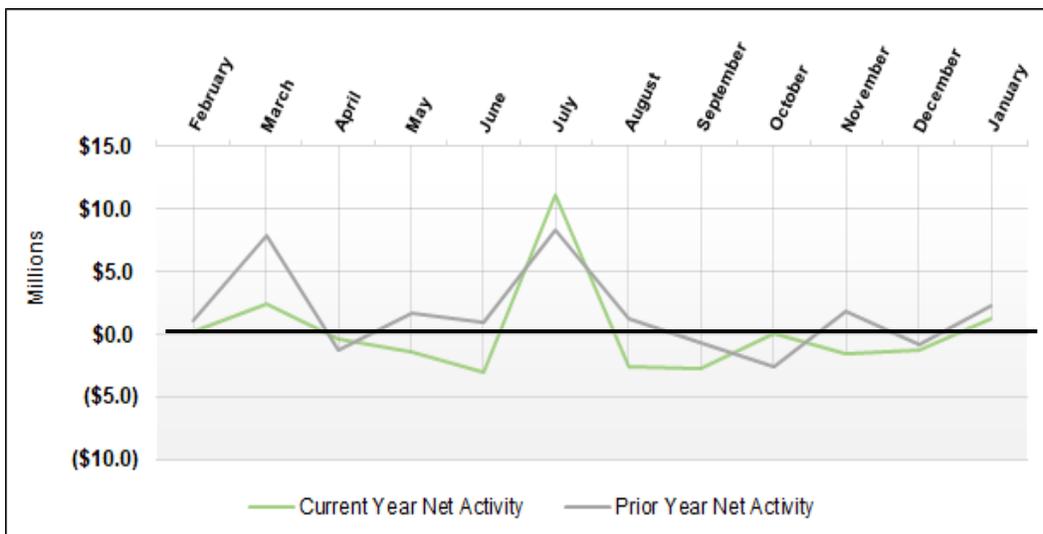
**Chart 3 – DWSD 12-Month Net Receipts – Water** outlines monthly activity trends across two points of reference for the local water system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.

**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.

**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 3 – Combined Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2025 reflects seven months of activity to date.

Water fund net receipts exceeded required disbursements by 7% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Sewer fund receipts exceeded required disbursements 2% through January 31, 2025 compared to the four-year historical average ratio of required receipts exceeding disbursements by 4% since July 1, 2020.

**Table 3 – Combined Net Cash Flows from Trust Receipts & Disbursements**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Thru January 31
<b>Water</b>					
1 Receipts	438,709,444	440,082,657	487,102,098	498,070,508	308,147,307
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	438,709,444	440,082,657	487,102,098	498,070,508	308,147,307
4 Disbursements	(409,420,607)	(410,990,961)	(466,852,475)	(470,929,712)	(288,418,406)
5 Receipts Net of Required Transfers	29,288,837	29,091,696	20,249,623	27,140,796	19,728,901
6 I&E Transfer	(31,991,687)	(26,622,862)	(9,898,100)	(28,618,500)	-
7 Net Receipts	(2,702,850)	2,468,834	10,351,523	(1,477,704)	19,728,901
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	107%	104%	106%	107%
<b>Sewer</b>					
9 Receipts	781,082,620	763,260,193	797,785,358	802,819,770	468,983,005
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	781,082,620	763,260,193	797,785,358	802,819,770	468,983,005
12 Disbursements	(731,701,654)	(735,957,751)	(756,611,338)	(765,570,311)	(461,604,114)
13 Receipts Net of Required Transfers	49,380,966	27,302,442	41,174,020	37,249,459	7,378,892
14 I&E Transfer	(40,504,727)	(37,651,788)	(26,766,200)	(12,468,000)	-
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	18,206,431	8,296,578	-	-	-
17 Net Receipts	27,082,670	(2,052,768)	14,407,820	24,781,459	7,378,892
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	107%	104%	105%	105%	102%
<b>Combined</b>					
19 Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	777,130,312
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	777,130,312
22 Disbursements	(1,141,122,261)	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(750,022,520)
23 Receipts Net of Required Transfers	78,669,803	56,394,138	61,423,643	64,390,255	27,107,793
24 I&E Transfer	(72,496,414)	(64,274,650)	(36,664,300)	(41,086,500)	-
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	18,206,431	8,296,578	-	-	-
27 Net Receipts	24,379,820	416,066	24,759,343	23,303,755	27,107,793
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	107%	105%	105%	105%	104%

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee May 2, 2025