

GLWA

Great Lakes Water Authority



Monthly Financial Report Binder

December 2024

**Presented to the
Great Lakes Water Authority
Audit Committee on March 28, 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)

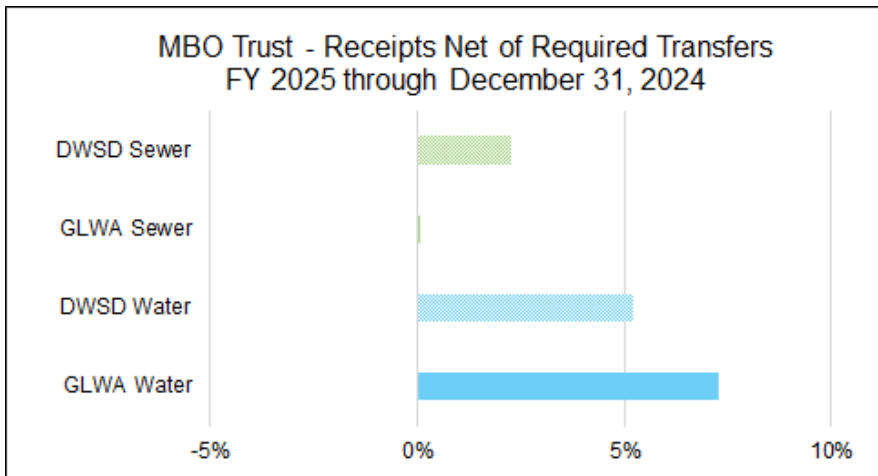
Variations are monitored by the Great Lakes Water Authority (GLWA) management and operating and/or budget priorities are re-evaluated where appropriate. Staff reviews the need for budget amendments quarterly and requests necessary amendments when required based on the most current information available.

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 December 31, 2024					
Metric	FY 2025 Budget	FY 2025 Amended Budget	FY 2025 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$181.5	\$181.5	\$180.3	-1%	41
Wholesale Water Billed Usage (mcf)	7,011,000	7,011,000	6,851,000	-2%	
Wholesale Sewer Billed Revenue (\$M)	\$143.3	\$143.3	\$143.3	0%	43
Wholesale Water Operations & Maintenance (\$M)	\$84.8	\$84.8	\$88.6	4%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$114.5	\$114.5	\$116.9	2%	
Investment Income (\$M)	\$11.1	\$11.1	\$26.8	141%	30
Water Prorated Capital Spend w/SRA* (\$M)	\$103.7	\$103.7	\$80.8	-22%	21
Sewer Prorated Capital Spend w/SRA* (\$M)	\$84.6	\$84.6	\$69.6	-18%	22

*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 45)



Net cash flow receipts remain positive for GLWA Water. 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). GLWA Sewer is at breakeven as of December, but looking

ahead to January does being to show growing positive net receipts. DWSD water reports a surplus of \$3.3 million and DWSD sewer reports a surplus of \$3.5 million of net receipts over disbursements through December 2024.

Budget to Actual Analysis (page 3)

- The total revenue requirements are on target through December 2024.
- The total overall Operations & Maintenance expenses are at 51.6% of budget through December 2024 which is above the pro-rata benchmark of 50.0%. This negative variance equates to a dollar amount of \$6.2 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 December 2024 is \$56.4 million for the Water fund (70.8% of total revenues) and \$66.1 million for the Sewer fund (74.0% of total revenues).
- Water net position increased by \$25.9 million, and sewage disposal net position increased by \$26.1 million for the year to date through December 2024.

Capital Improvement Plan Financial Summary (page 27)

- 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 30)

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

Cash Balances & Investment Income (page 37)

- Total cash & investments are \$569 million for Water and \$697 million in the Sewer fund.
- Total, combined, cumulative, FY 2025 investment income through December is \$26.8 million.

DWSD Retail Revenues, Receivables & Collections (page 41)

- Water usage through December 31, 2024 is 98.52% and revenues are 98.47% of budget.
- Sewer usage through December 31, 2024 is 96.62% and revenues are 96.80% of budget.
- Combined accounts receivable balances for the Water and Sewer funds report an increase of \$50.5 million over the prior year.
- Past dues over 180 days make up of 68.8% the total accounts receivable balance. The current bad debt allowance covers 96.1% of past dues over 60 days.

GLWA Wholesale Billing, Receivables & Collections (page 47)

- GLWA accounts receivable past due balance net of Dearborn is 1.12% 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 January 2024 through December 2024 are trending above the prior year.
- Average wholesale sewer collections for the period of January 2024 through December 2024 are below the prior year.

Questions? Contact the Office of the Chief Financial Officer at 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 are currently being prepared prior to presentation to the Audit Committee.

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 December 2024 the pro-rata benchmark is 50.0% (6 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 51.6% while the *sewer* system is at 50.9%. 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 December 31, 2024, these payments total \$3.0 million for FY 2025.

2. **Investment Earnings:** For the water system, investment earnings are above the pro-rata benchmark for FY 2025 the *water* system at 83.6%. The *sewer* system is also above the pro-rata benchmark for FY 2025 at 90.5%. 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. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses¹ for the *water* system are above the pro-rata benchmark for FY 2025 at 52.2%, and the *sewer* system O&M is above the pro-rata benchmark for FY 2025 at 51.1%.
5. **Debt Service:** For FY 2025, both systems aligned with the pro-rata benchmark for debt service; the *water* system is at 50.0% while the *sewer* system is at 50.1%. 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.² 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 December 31, 2024. 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 1/12th basis each month in accordance with the Master Bond Ordinance.
10. **Overall:** Total revenue requirements for the water system are above the pro-rata benchmark at 50.2%. Total revenue requirements for the sewer system are above the pro-rata benchmark at 50.3%.

¹The 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.

² 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 12/31/2023	Percent Year-to-Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 12/31/2024	Percent Year-to-Date at 12/31/2024
Water System							
Revenues							
Wholesale Charges	\$ 328,203	\$ 170,781	52.0%	\$ 347,758	\$ 347,758	\$ 176,614	50.8%
Local System Charges	25,537	12,769	50.0%	27,095	27,095	13,547	50.0%
Investment Earnings	18,051	8,542	47.3%	9,874	9,874	8,254	83.6%
Other Revenues	943	613	65.0%	400	400	233	58.2%
Total Revenues	\$ 372,734	\$ 192,704	51.7%	\$ 385,127	\$ 385,127	\$ 198,648	51.6%
Revenue Requirements							
Operations & Maintenance Expense	\$ 168,873	\$ 79,635	47.2%	\$ 169,625	\$ 169,625	\$ 88,567	52.2%
Debt Service	162,236	79,741	49.2%	175,301	175,301	87,574	50.0%
General Retirement System Pension	1,506	1,698	112.8%	2,283	2,283	1,142	50.0%
Water Residential Assistance Program Contribution	1,852	926	50.0%	1,948	1,948	974	50.0%
Regional System Lease	22,500	11,250	50.0%	22,500	22,500	11,250	50.0%
Receiving Fund Working Capital Requirement	-	-	0.0%	6,200	6,200	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending Improvement & Extension Fund Transfer Pending	15,768	13,862	87.9%	7,270	7,270	3,635	50.0%
Total Revenue Requirements	\$ 372,734	\$ 187,112	50.2%	\$ 385,127	\$ 385,127	\$ 193,142	50.2%
Net Difference		\$ 5,592				\$ 5,506	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 6,337				\$ 6,084	
Revenue Requirement Variance		(745)				(579)	
Overall Variance		\$ 5,592				\$ 5,506	

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

	FY 2024 Amended Budget	FY 2024 Activity Thru 12/31/2023	Percent Year-to-Date at 6/30/2024	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 12/31/2024	Percent Year-to-Date at 12/31/2024
Sewer System							
Revenues							
Wholesale Charges	\$ 267,879	\$ 140,601	52.5%	\$ 287,518	\$ 287,518	\$ 144,030	50.1%
Local System Charges	196,570	98,285	50.0%	205,925	205,925	102,962	50.0%
Industrial Waste Control Charges	8,560	4,361	50.9%	8,719	8,719	4,418	50.7%
Pollutant Surcharges	5,328	2,164	40.6%	5,434	5,434	2,391	44.0%
Investment Earnings	22,882	10,962	47.9%	12,356	12,356	11,184	90.5%
Other Revenues	1,130	521	46.1%	700	700	148	21.2%
Total Revenues	\$ 502,349	\$ 256,893	51.1%	\$ 520,652	\$ 520,652	\$ 265,133	50.9%
Revenue Requirements							
Operations & Maintenance Expense	\$ 224,874	\$ 102,772	45.7%	\$ 228,934	\$ 228,934	\$ 116,924	51.1%
Debt Service	230,976	114,164	49.4%	226,279	226,279	113,433	50.1%
General Retirement System Pension	3,097	3,240	104.6%	4,846	4,846	2,423	50.0%
Water Residential Assistance Program Contribution	2,503	1,252	50.0%	2,652	2,652	1,326	50.0%
Regional System Lease	27,500	13,750	50.0%	27,500	27,500	13,750	50.0%
Receiving Fund Working Capital Requirement	-	-	0.0%	2,300	2,300	-	0.0%
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%
DWSD Budget Shortfall Pending Improvement & Extension Fund Transfer Pending	13,400	14,338	107.0%	28,141	28,141	14,070	50.0%
Total Revenue Requirements	\$ 502,349	\$ 249,515	49.7%	\$ 520,652	\$ 520,652	\$ 261,926	50.3%
Net Difference		\$ 7,377				\$ 3,207	
<i>Recap of Net Positive Variance</i>							
Revenue Variance		\$ 5,719				\$ 4,807	
Revenue Requirement Variance		1,659				(1,600)	
Overall Variance		\$ 7,377				\$ 3,207	

Operations & Maintenance Budget – Major Budget Categories

The year-over-year benchmark ratio as of December 31, 2024, is 50.0% (six 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 Amended Budget	FY 2024 Activity Thru 12/31/2023	Percent Year-to-Date at 12/31/2023	FY 2025 Board Adopted Budget	FY 2025 Amended Budget	FY 2025 Activity Thru 12/31/2024	Percent Year-to-Date at 12/31/2024
A Water System Operations	\$ 90,810	\$ 42,683	47.0%	\$ 94,670	\$ 94,670	\$ 47,821	50.5%
B Wastewater System Operations	146,722	68,650	46.8%	147,245	147,245	73,646	50.0%
C Centralized Services	117,468	53,142	45.2%	116,980	116,980	65,514	56.0%
D Administrative & Other Services	38,747	17,932	46.3%	39,664	39,664	18,523	46.7%
Employee Benefits	-	-	0.0%	-	-	(13)	0.0%
Total O&M Budget	\$ 393,747	\$ 182,408	46.3%	\$ 398,559	\$ 398,559	\$ 205,491	51.6%

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 51.6% which is above the pro-rata benchmark of 50.0%. This negative variance equates to a dollar amount of \$6.2 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 52.8% through December 2024.

Utilities: The overall category is below with the pro-rata benchmark; coming in at 48.8% through December 2024. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is above the pro-rata benchmark, coming in at 50.3%. 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 42.8% which is below than the benchmark of 50.0%. This category is under review.
- **Sewage service** is lower than the benchmark, coming in at 36.6%. This category is under review.
- **Water service** is lower than the benchmark, coming in at 49.5%. This category is under review.

Chemicals: This category is higher than the benchmark; coming in at 50.7% through December 2024. The FY 2025 budget is being closely monitored to account for rising chemical costs.

Supplies & Other: This category is slightly lower than the pro-rata benchmark; coming in at 49.8% through December 2024. 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 57.1% through December 2024. 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 22.5% through December 2024. 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 49.6% through December 2024. 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	FY 2024	Percent	FY 2024	Percent	FY 2025	FY 2025	FY 2025	Percent	FY 2025
	AMENDED BUDGET	ACTIVITY THRU 12/31/2023	Year-to- Date at 12/31/2023	ACTIVITY THRU 6/30/2024	Year-to-Date at 6/30/2024	AMENDED BUDGET	PRORATED AMENDED BUDGET (6 MONTHS)	ACTIVITY THRU 12/31/2024	Year-to- Date 12/31/2024	Prorated Amended Budget Less FY 2025 Activity
Salaries & Wages	\$ 77,415	\$ 38,533	49.8%	\$ 77,595	49.7%	\$ 81,644	\$ 40,822	\$ 40,344	49.4%	\$ 478
Workforce Development	1,820	943	51.8%	1,949	48.4%	2,105	1,053	974	46.3%	78
Overtime	8,672	4,318	49.8%	9,171	47.1%	8,074	4,037	7,968	98.7%	(3,931)
Employee Benefits	27,869	13,991	50.2%	27,491	50.9%	30,347	15,174	15,501	51.1%	(328)
Transition Services	9,877	4,651	47.1%	9,249	50.3%	8,198	4,099	4,015	49.0%	84
Employee Benefits Fund	-	-	0.0%	-	0.0%	-	-	(13)	0.0%	13
<i>Personnel Costs</i>	<u>125,653</u>	<u>62,436</u>	49.7%	<u>125,455</u>	49.8%	<u>130,368</u>	<u>65,184</u>	<u>68,790</u>	52.8%	<u>(3,606)</u>
Electric	50,716	25,692	50.7%	49,805	51.6%	49,021	24,510	24,641	50.3%	(131)
Gas	7,767	2,942	37.9%	7,211	40.8%	7,000	3,500	2,995	42.8%	505
Sewage Service	2,538	1,178	46.4%	2,336	50.4%	2,980	1,490	1,091	36.6%	399
Water Service	12,803	5,865	45.8%	12,586	46.6%	11,602	5,801	5,741	49.5%	60
<i>Utilities</i>	<u>73,823</u>	<u>35,677</u>	48.3%	<u>71,939</u>	49.6%	<u>70,603</u>	<u>35,301</u>	<u>34,468</u>	48.8%	<u>833</u>
Chemicals	32,824	13,913	42.4%	31,075	44.8%	34,835	17,417	17,655	50.7%	(237)
Supplies & Other	45,364	17,710	39.0%	43,604	40.6%	43,539	21,769	21,691	49.8%	78
Contractual Services	120,914	55,055	45.5%	116,766	47.1%	113,871	56,935	65,046	57.1%	(8,111)
Capital Program Allocation	(2,624)	(1,185)	45.2%	(2,847)	41.6%	(4,582)	(2,291)	(1,030)	22.5%	(1,261)
Shared Services	(2,207)	(1,198)	54.3%	(2,281)	52.5%	(2,280)	(1,140)	(1,130)	49.6%	(10)
Unallocated Reserve	-	-	0.0%	-	0.0%	12,205	6,103	-	0.0%	6,103
Total Expenses	<u>\$ 393,747</u>	<u>\$ 182,408</u>	46.3%	<u>\$ 383,711</u>	47.5%	<u>\$ 398,559</u>	<u>\$ 199,280</u>	<u>\$ 205,491</u>	51.6%	<u>\$ (6,212)</u>
<i>Totals may be off due to rounding</i>										



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 December 31, 2024
(\$000)**

	Water	Sewage Disposal	Total Business- type Activities	Comparative June 30, 2024
Assets				
Cash - unrestricted (a)	\$ 176,541	\$ 237,079	\$ 413,620	\$ 443,799
Cash - restricted (a)	178,264	165,253	343,517	662,614
Investments - unrestricted (a)	130,083	147,803	277,886	175,045
Investments - restricted (a)	73,466	165,969	239,434	108,102
Accounts Receivable	79,522	57,064	136,585	135,263
Due from (to) Other Funds (b)	26,782	(26,782)	-	-
Other Assets (c)	637,098	381,663	1,018,761	1,016,028
Cash held FBO DWSD Advance	-	-	-	-
Capital Assets, net of Depreciation	1,239,961	1,866,931	3,106,892	3,211,032
Land	293,624	126,816	420,440	420,440
Construction Work in Process (e)	489,787	403,148	892,935	752,481
Total assets	3,325,127	3,524,944	6,850,071	6,924,804
Deferred Outflows (f)	28,887	58,062	86,949	89,954
Liabilities				
Liabilities - Liabilities-ST	269,790	274,717	544,508	537,600
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,444	6,181	8,625	7,500
Cash Held FBO DWSD (d)	33,753	40,303	74,056	58,147
Liabilities - Long-Term (i)	3,071,263	3,249,373	6,320,636	6,468,572
Total liabilities	3,377,250	3,570,575	6,947,824	7,071,818
Deferred Inflows (f)	62,011	65,589	127,600	133,364
Total net position (j)	\$ (85,247)	\$ (53,157)	\$ (138,405)	\$ (190,425)

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 December 31, 2024 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 December 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 Six Months ended December 31, 2024
(\$'000)**

	Water	Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2024
Revenue						
Wholesale customer charges	\$ 179,571	92.9%	\$ 144,030	56.7%	\$ 323,601	\$ 599,569
Local system charges	13,547	7.0%	102,962	40.5%	116,510	222,107
Industrial waste charges	-	0.0%	4,418	1.7%	4,418	8,617
Pollutant surcharges	-	0.0%	2,391	0.9%	2,391	4,089
Other revenues	228	0.1%	148	0.1%	376	1,149
Total Revenues	193,347	100.0%	253,949	100.0%	447,296	835,531
Operating expenses						
Operations and Maintenance	87,828	45.4%	115,941	45.7%	203,769	376,757
Depreciation	46,940	24.3%	71,265	28.1%	118,205	265,044
Amortization of intangible assets	2,198	1.1%	635	0.3%	2,833	4,837
Total operating expenses	136,966	70.8%	187,841	74.0%	324,807	646,638
Operating Income	56,381	29.2%	66,108	26.0%	122,489	188,893
Total Nonoperating (revenue) expense	30,497	15.8%	39,972	15.7%	70,469	147,736
Increase/(Decrease) in Net Position	25,884	13.4%	26,136	10.3%	52,020	41,157
Net Position (deficit), beginning of year	(111,131)		(79,294)		(190,425)	(231,582)
Net position (deficit), end of year	\$ (85,247)		\$ (53,157)		\$(138,405)	\$ (190,425)

Totals may be off due to rounding

Water Fund

- ✓ The increase in Water Fund Net Position is \$25.9 million.
- ✓ Wholesale water customer charges of \$179.6 million account for 92.9% of Water System revenues.
- ✓ Operating expenses of \$137.0 million represent 70.8% of total operating revenue. Depreciation is the largest operating expense at \$46.9 million or 34.3% 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 \$56.4 million or 29.2% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$44.6 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 \$26.1 million.
- ✓ Wholesale customer charges of \$144.0 million account for 56.7% 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 \$103.0 million account for 40.5% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$187.8 million represent 74.0% of total operating revenue. Depreciation is the largest operating expense at \$71.3 million or 37.9% 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 \$66.1 million or 26.0% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$51.7 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 December 2024 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses
– All Funds Combined
For the Six Months ended December 31, 2024
(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business- Type Activities	Percent of Total
Operating Expenses						
Personnel						
Salaries & Wages	13,780	15.7%	31,554	27.2%	45,334	22.2%
Overtime	5,350	6.1%	2,618	2.3%	7,968	3.9%
Employee Benefits	10,954	12.5%	4,534	3.9%	15,488	7.6%
Total Personnel	\$ 30,084	34.3%	\$ 38,706	33.4%	\$ 68,790	33.8%
Utilities						
Electric	15,752	17.9%	8,889	7.7%	24,641	12.1%
Gas	345	0.4%	2,650	2.3%	2,995	1.5%
Sewage	362	0.4%	730	0.6%	1,091	0.5%
Water	18	0.0%	5,723	4.9%	5,741	2.8%
Total Utilities	\$ 16,477	18.8%	\$ 17,991	15.5%	\$ 34,468	16.9%
Chemicals	7,120	8.1%	10,535	9.1%	17,655	8.7%
Supplies and other	7,291	8.3%	13,870	12.0%	21,160	10.4%
Contractual services	27,827	31.7%	37,168	32.1%	64,995	31.9%
Capital Adjustment	-	0.0%	-	0.0%	-	0.0%
Capital Program allocation	(368)	-0.4%	(662)	-0.6%	(1,030)	-0.5%
Intergovernmental Agreement	178	0.2%	(1,318)	-1.1%	(1,140)	-0.6%
Shared Services allocation	(781)	-0.9%	(350)	-0.3%	(1,130)	-0.6%
Operations and Maintenance Expenses	\$ 87,828	100.0%	\$ 115,941	100.0%	\$ 203,769	100.0%

Totals may be off due to rounding

- ✓ Core expenses for water and sewage disposal systems are utilities (16.9% of total O&M expenses) and chemicals (8.7% of total O&M expenses).
- ✓ Personnel costs (33.8% 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 (31.9%) 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 \$8.9 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 Six Months ended December 31, 2024**

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2024
Nonoperating (Revenue)/Expense				
Interest income contractual obligation	\$ (11,609)	\$ (7,537)	\$ (19,146)	\$ (39,855)
Investment earnings	(11,615)	(15,285)	(26,900)	(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)
Interest Expense				
Bonded debt	56,212	59,190	115,402	236,892
Lease obligation	8,181	9,999	18,181	36,780
Other obligations	1,785	816	2,601	5,286
	<u>66,178</u>	<u>70,006</u>	<u>136,184</u>	<u>278,958</u>
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	(1,240)	-	(1,240)	(40,432)
Amortization, issuance costs, debt	(10,784)	(5,038)	(15,822)	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	201	272	473	6,772
Legacy pension expense	-	-	-	6,703
Total Nonoperating (Revenue)/Expense	<u>\$ 30,497</u>	<u>\$ 39,972</u>	<u>\$ 70,469</u>	<u>\$ 147,736</u>

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.

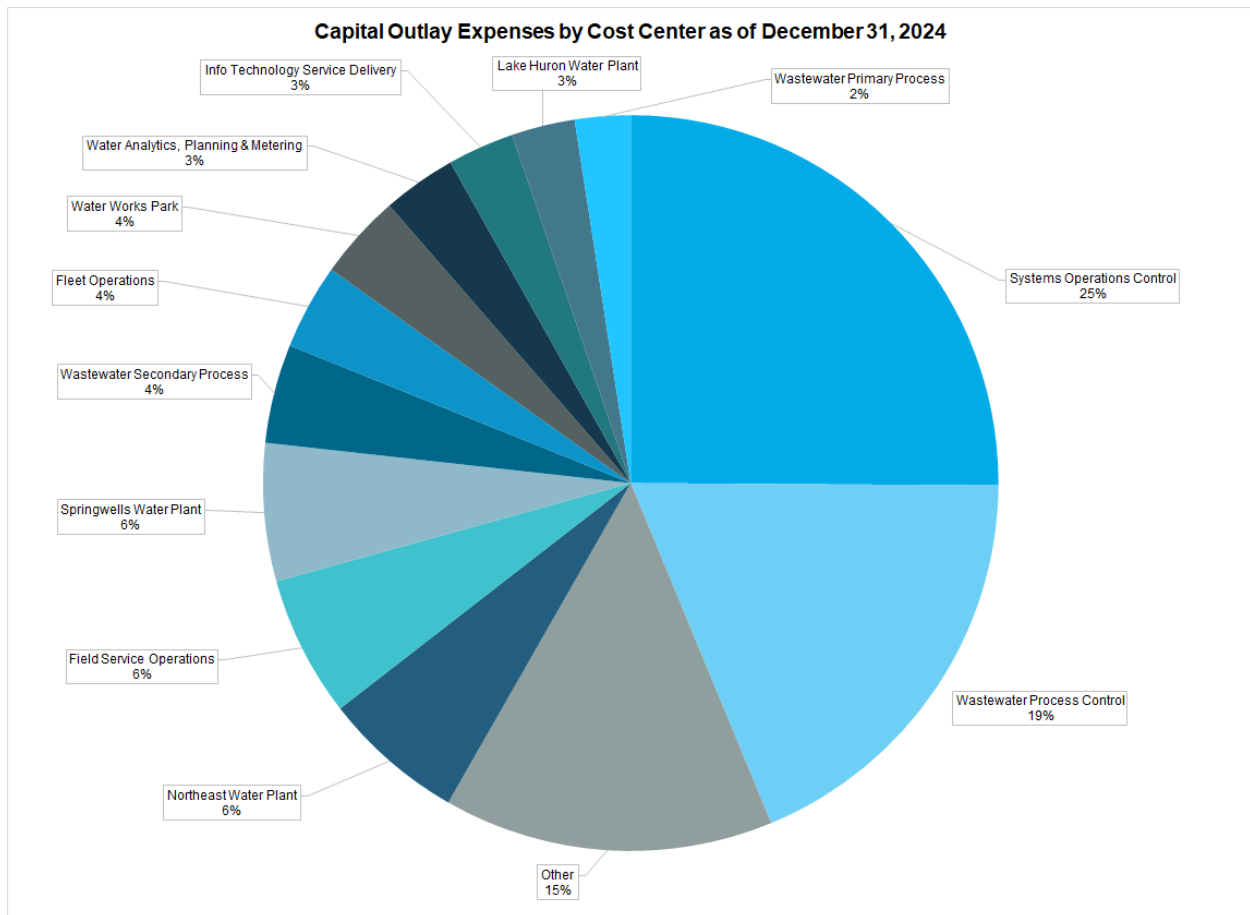
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
 - Bonded debt;
 - Lease obligation for the regional assets from the City of Detroit; and
 - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to 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 (\$1.2m) 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 December 31, 2024, total capital outlay spend is \$10.4 million. Following this chart is a sample list of projects and purchases from the total spend of \$10.4 million:



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

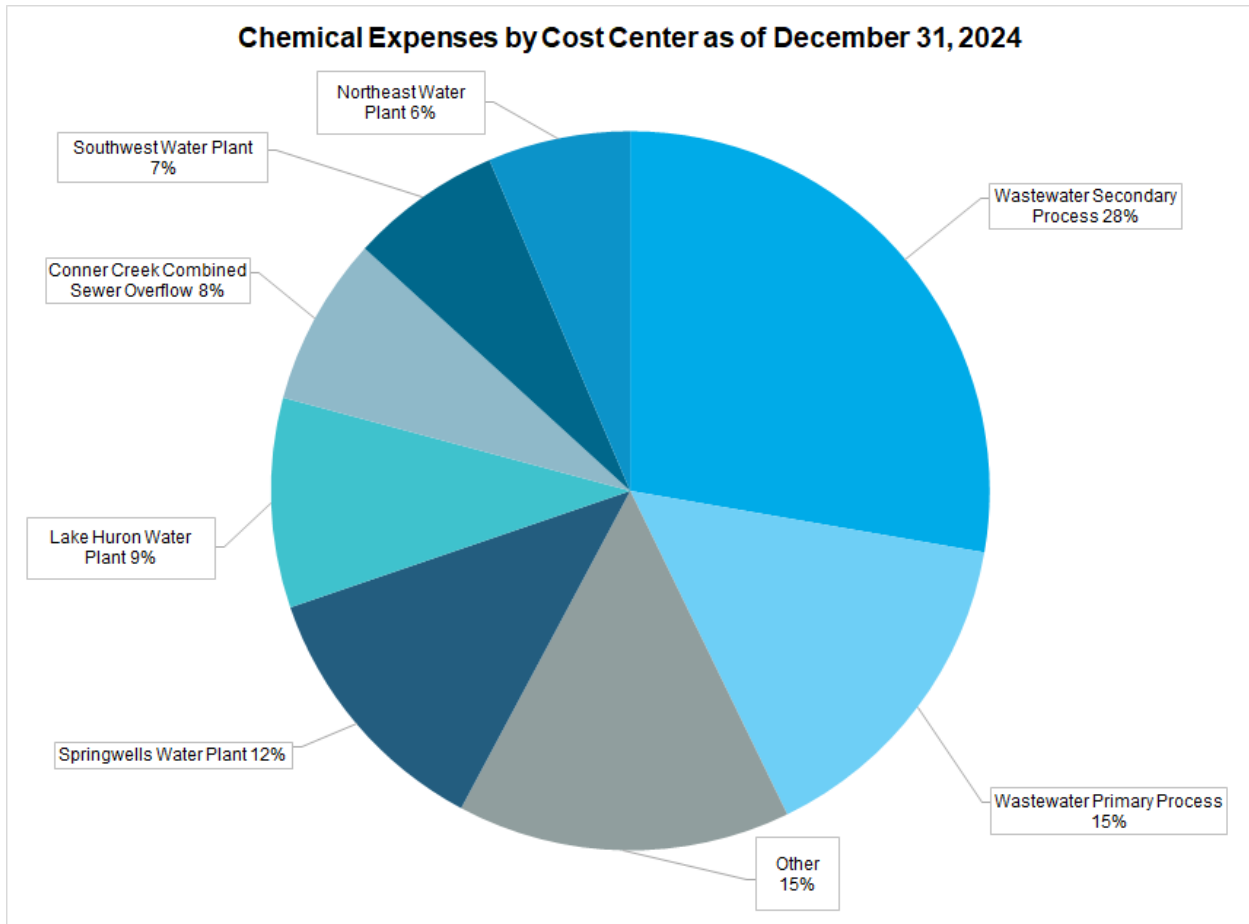
Water Operations: Ovation/power supply upgrade (\$512k); ozonation pilot module (\$347k); fluid heater (\$189k); lead removal and disposal (\$185k); granular media filtration pilot plant (\$171k); northeast water plant furniture (\$92k) and above ground storage tank (\$75k).

Wastewater Operations: Ovation upgrade and cabinet replacement (\$4.3m); ferric chloride buffering (\$453k); Bluehill pump station ovation upgrade (\$166k); scum hopper pump (\$155k); Fischer pump station ovation upgrade (\$153k) and Woodmere elevator modernization.

Centralized & Administrative Facilities: Pump stations ovation upgrade (\$619k); trucks and vehicles (\$368k); system level sensors (\$352k); computer hardware (\$306k); sewer meter support (\$166k); Water Works Park furniture (\$94k); flow meter verification tool (\$76k) and database support (\$68k).

Chart 2 – Chemical Expenses – Water and Sewer System Combined

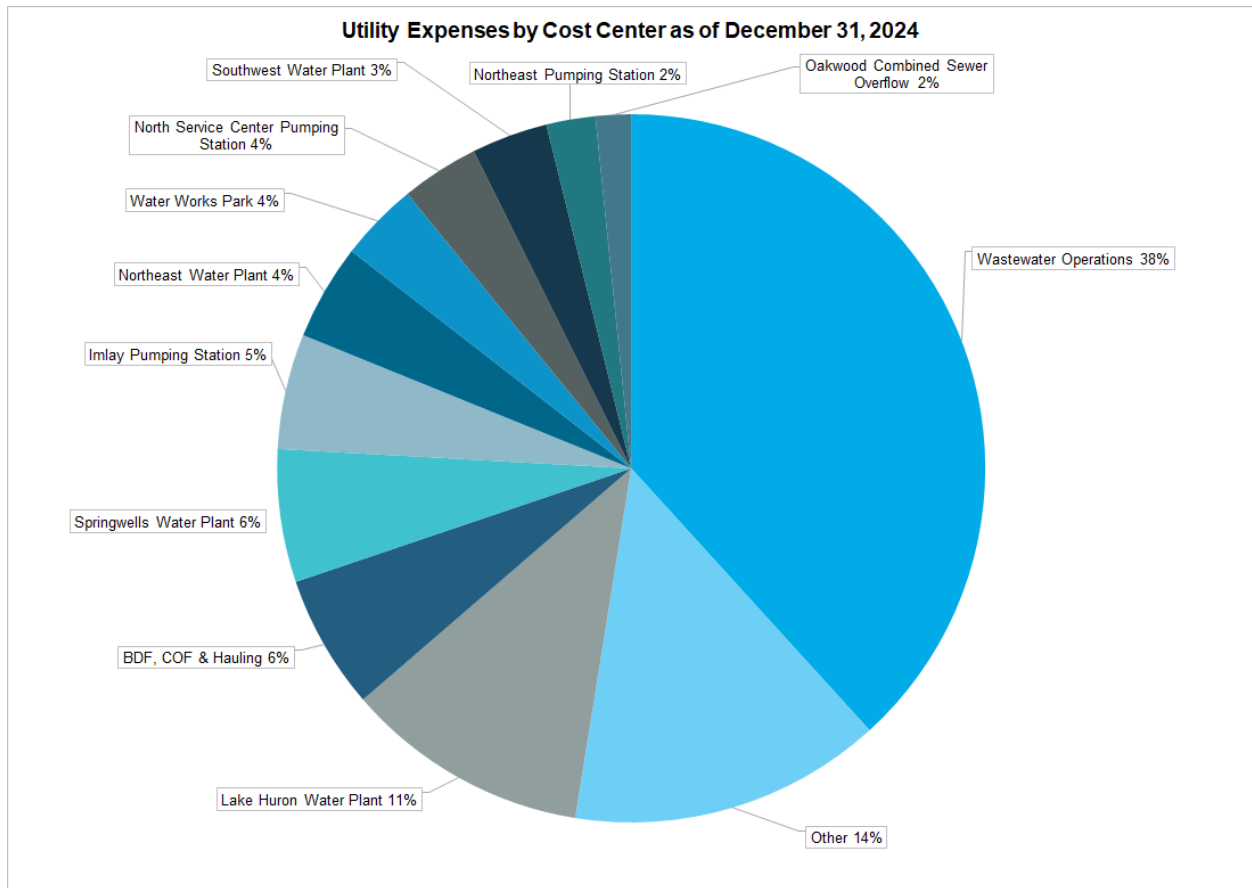
Chemical expenses are \$17.7 million through December 31, 2024. The allocation is shown in the chart below and remains consistent with prior periods.



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 \$34.5 million through December 31, 2024. The allocation is shown in the chart below and consistent with prior periods.



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

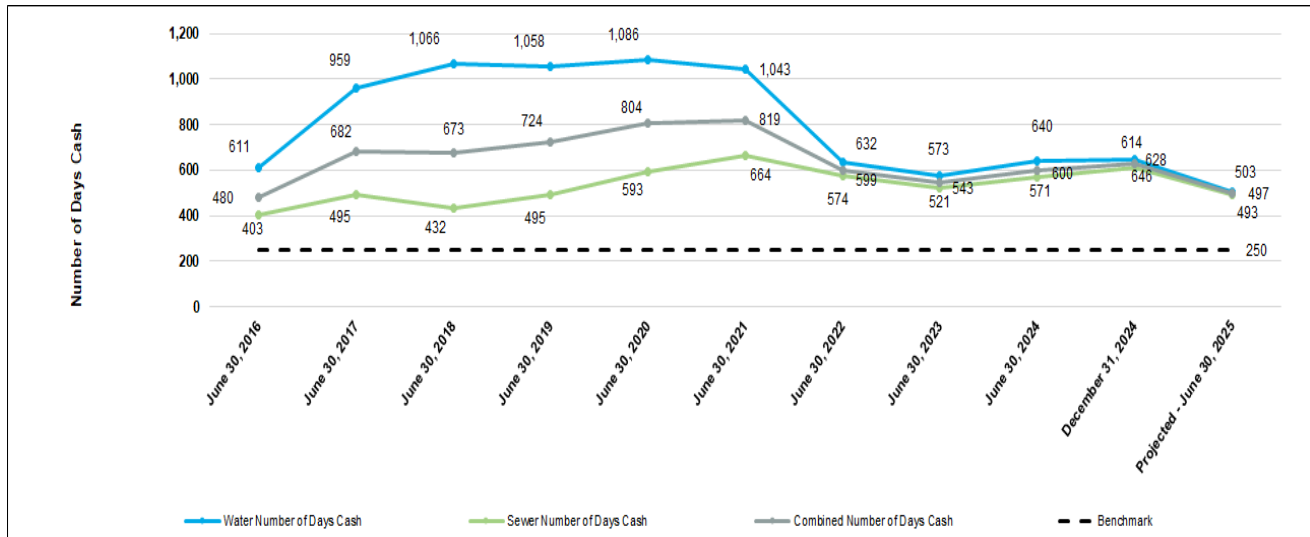


Financial Operations KPI - Liquidity

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 646 and Sewer at 614 days cash on hand as of December 31, 2024. 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	December 31, 2024	Projected June 30, 2025
Water Fund			
Cash and Investments - Unrestricted	276,591,000	306,624,000	238,600,000
Operating Expense			
Operating Expense (a)	272,172,000	131,396,000	262,792,000
Less: Depreciation (a)	(110,557,000)	(43,017,000)	(86,033,000)
Less: Amortization of Intangible Asset (a)	(3,982,000)	(1,783,000)	(3,567,000)
Net Operating Expense	157,633,000	86,596,000	173,192,000
Operating Expense per Day	432,000	474,000	474,000
Days Cash			
Number of Days Cash	640	646	503
Sewage Disposal Fund			
Cash and Investments - Unrestricted	342,253,000	384,882,000	309,000,000
Operating Expense			
Operating Expense (a)	374,287,000	186,067,000	372,134,000
Less: Depreciation (a)	(154,486,000)	(71,600,000)	(143,200,000)
Less: Amortization of Intangible Asset (a)	(855,000)	-	-
Net Operating Expense	218,946,000	114,467,000	228,934,000
Operating Expense per Day	600,000	627,000	627,000
Days Cash			
Number of Days Cash	571	614	493
Combined			
Cash and Investments - Unrestricted	618,844,000	691,506,000	547,600,000
Operating Expense			
Operating Expense (a)	646,460,000	317,463,000	634,926,000
Less: Depreciation (a)	(265,044,000)	(114,617,000)	(229,233,000)
Less: Amortization of Intangible Asset (a)	(4,837,000)	(1,783,000)	(3,567,000)
Net Operating Expense	376,579,000	201,063,000	402,126,000
Operating Expense per Day	1,032,000	1,102,000	1,102,000
Days Cash			
Number of Days Cash	600	628	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 1/12th 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 Six Months Ended December 31, 2024**

	Water	Sewer	Total
Net Revenue Requirement Budget Variance (a)	\$ 5,506	\$ 3,207	\$ 8,713
Budgetary categories adjustments to financial reporting basis			
Pension delayed accounting election adjustments			
Current year pension transfers/payments recorded as deferral (c)	315	564	879
Prior year pension contribution accounted for in current year (d)	-	-	-
Administrative prepaid adjustment (e)	-	-	-
Debt service (f)	42,971	61,780	104,751
Accelerated pension B&C notes obligation portion (g)	502	1,129	1,631
Regional System lease (h)	3,069	3,751	6,820
GASB 87 & GASB 96 adjustments (h)	705	910	1,615
WRAP (i)	773	1,054	1,827
Extraordinary Repair & Replacement Fund transfers (j)	-	-	-
Improvement & Extension Fund transfers (j)	3,635	14,070	17,705
Nonbudgeted financial reporting categories adjustments			
Depreciation and amortization (k)	(49,138)	(71,900)	(121,038)
Amortization - debt related (k)	10,784	5,038	15,822
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)	1,532	-	1,532
Investment earnings for construction fund (m)	3,362	4,097	7,459
Interest on DWSD note receivable (n)	-	-	-
Investment earnings unrealized gain/loss (o)	621	1,045	1,666
Improvement & extension fund operating expenses (p)	-	(11)	(11)
Capital Contribution (q)	1,240	-	1,240
Net Position Increase/(Decrease) per Financial Statements (b)	\$ 25,884	\$ 26,136	\$ 52,020

All amounts are unaudited unless otherwise noted.

GLWA Audit Committee March 28, 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.

As of December 31, 2024, the State Revolving Fund (SRF) activity reported in Charts 1 and 2 has been revised to reflect changes in approved, GLWA SRF funding.

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

As of December 2024, the water system incurred \$81 million of construction costs to date. This spend represents 78% of the original, Board-approved CIP, and 78% 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

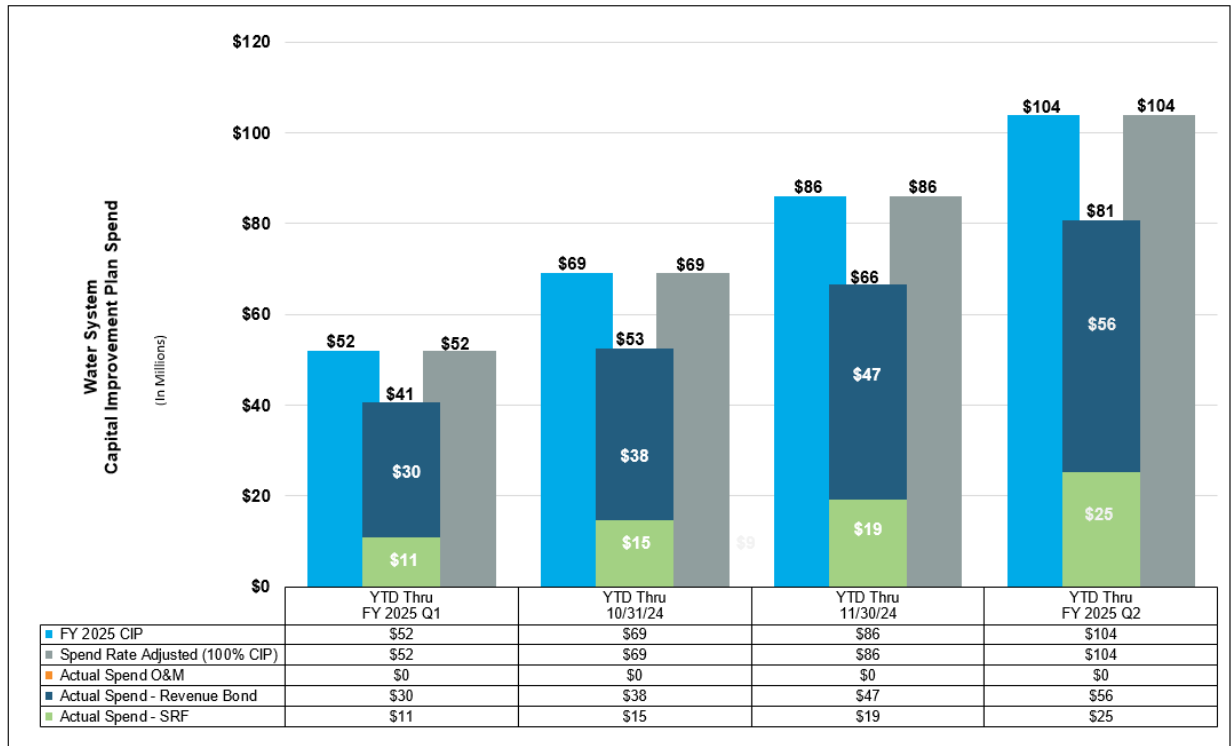
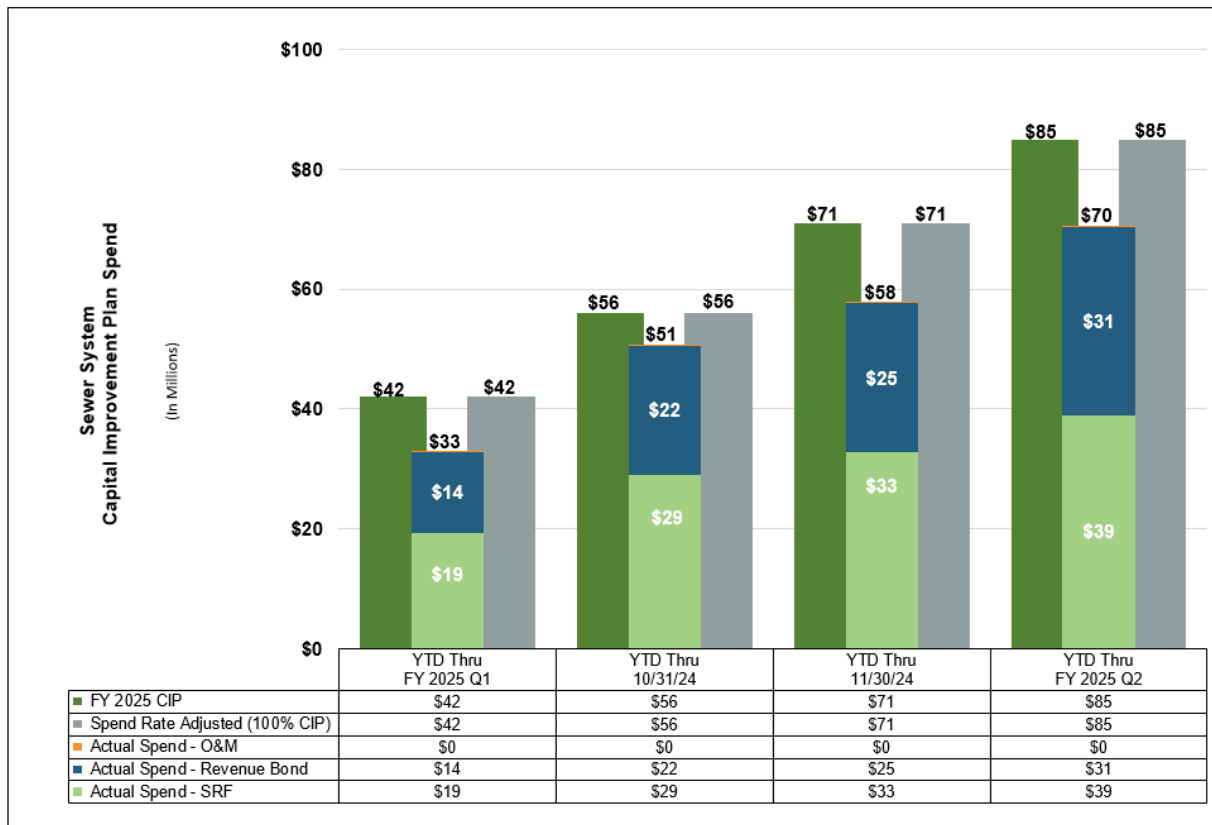


Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of December 2024, the Sewer system incurred \$70 million of construction costs to date. This spend represents 82% of the original, Board-approved CIP, and 82% 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 December 2024. MBO transfers for water totaling \$88.2 million have been transferred to GLWA accounts.

Table 2 – GLWA FY 2025 Sewer MBO Transfers reflects the required transfers for FY 2025 completed through December 2024. MBO transfers for sewer totaling \$119.5 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
FY 2025							
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							
February 2025							
March 2025							
April 2025							
May 2025							
June 2025							
Total FY 2025	\$ 84,812,502	\$ -	\$ 1,947,852	\$ 1,417,553	\$ -	\$ -	\$ 88,177,907

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
FY 2025							
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							
February 2025							
March 2025							
April 2025							
May 2025							
June 2025							
Total FY 2025	\$ 114,466,998	-	\$ 3,063,096	\$ 2,006,951	\$ -	\$ -	\$ 119,537,045

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)	84,812,502	-	1,947,852	1,417,553	-	-	88,177,907
Life to Date	\$ 1,241,391,414	\$ 48,362,300	\$ 89,285,127	\$ 21,702,057	\$ 2,686,900	\$ 5,642,000	\$ 1,409,069,798

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	-	-	232,624,402
Total FY 2025 (year to date)	114,466,998	-	3,063,096	2,006,951	-	-	119,537,045
Life to Date	\$ 1,758,476,590	\$ 86,620,800	\$ 123,155,005	\$ 30,847,049	\$ 8,246,100	\$ 779,600	\$ 2,008,125,144

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 December 2024. MBO transfers for Water totaling \$35.1 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 December 2024. MBO transfers for Sewer totaling \$43.1 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				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Water</u>
FY 2025				
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				
February 2025				
March 2025				
April 2025				
May 2025				
June 2025				
Total FY 2025	\$ 23,823,102	-	\$ 11,250,000	\$ 35,073,102

Table 5 – DWSD FY 2025 Sewer MBO Transfers

SEWER				
	<u>Operations & Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&E Fund)</u>	<u>Total Sewer</u>
FY 2025				
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				
February 2025				
March 2025				
April 2025				
May 2025				
June 2025				
Total FY 2025	\$ 29,339,700	-	\$ 13,750,002	\$ 43,089,702

Table 6 – DWSD Water MBO and Lease Payment Transfer History

	WATER			
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water
FY 2016 *				
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)
Total MBO Transfer	26,185,600	4,262,700	20,173,100	50,621,400
FY 2017				
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800
Offset to Debt Service	-	-	-	-
Total MBO Transfer	33,596,400	4,262,400	22,500,000	60,358,800
FY 2018				
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)
Total MBO Transfer	35,059,704	4,272,000	20,625,000	59,956,704
FY 2019				
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)
Total MBO Transfer	35,484,300	4,272,000	18,527,800	58,284,100
FY 2020				
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)
Total MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400
FY 2021				
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)
Total MBO Transfer	35,833,900	4,272,000	14,221,700	54,327,600
FY 2022				
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)
Total MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600
FY 2023				
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)
Total MBO Transfer	42,581,600	4,272,000	19,577,900	66,431,500
FY 2024				
MBO/Lease Requirement	44,776,800	-	22,500,000	67,276,800
Offset to Debt Service	-	-	-	-
Total MBO Transfer	44,776,800	-	22,500,000	67,276,800
FY 2025 (year to date)				
MBO/Lease Requirement	23,823,102	-	11,250,000	35,073,102
Offset to Debt Service	-	-	-	-
Total MBO Transfer	23,823,102	-	11,250,000	35,073,102
Life-to-Date				
MBO/Lease Requirement	318,169,704	34,157,100	202,500,000	554,826,804
Offsets	-	-	(31,847,900)	(31,847,900)
Total Water	\$ 341,992,806	\$ 34,157,100	\$ 181,902,100	\$ 558,052,006

Table 7 – DWSD Sewer MBO and Lease Payment Transfer History

SEWER				
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer
FY 2016 *				
MBO/Lease Requirement	\$ 19,774,300	\$ 2,861,800	\$ 27,500,000	\$ 50,136,100
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)
Total MBO Transfer	19,774,300	2,861,800	7,508,500	30,144,600
FY 2017				
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600
Offset to Debt Service	-	-	-	-
Total MBO Transfer	41,535,600	2,862,000	27,500,000	71,897,600
FY 2018				
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)
Total MBO Transfer	60,517,992	2,856,000	18,333,336	81,707,328
FY 2019				
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)
Total MBO Transfer	56,767,920	2,856,000	23,085,000	82,708,920
FY 2020				
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)
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800
FY 2021				
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)
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500
FY 2022				
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)
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703
FY 2023				
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)
Total MBO Transfer	51,396,400	2,856,000	23,111,700	77,364,100
FY 2024				
MBO/Lease Requirement	55,705,700	-	27,500,004	83,205,704
Offset to Debt Service	-	-	-	-
Total MBO Transfer	55,705,700	-	27,500,004	83,205,704
FY 2025 (year to date)				
MBO/Lease Requirement	29,339,700	-	13,750,002	43,089,702
Offset to Debt Service	-	-	-	-
Total MBO Transfer	29,339,700	-	13,750,002	43,089,702
Life-to-Date				
MBO/Lease Requirement	508,597,812	22,859,800	261,250,006	791,786,071
Offsets	(7,100,000)	-	(51,780,661)	(57,959,114)
Total Sewer	\$ 501,497,812	\$ 22,859,800	\$ 209,469,345	\$ 733,826,957

* 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

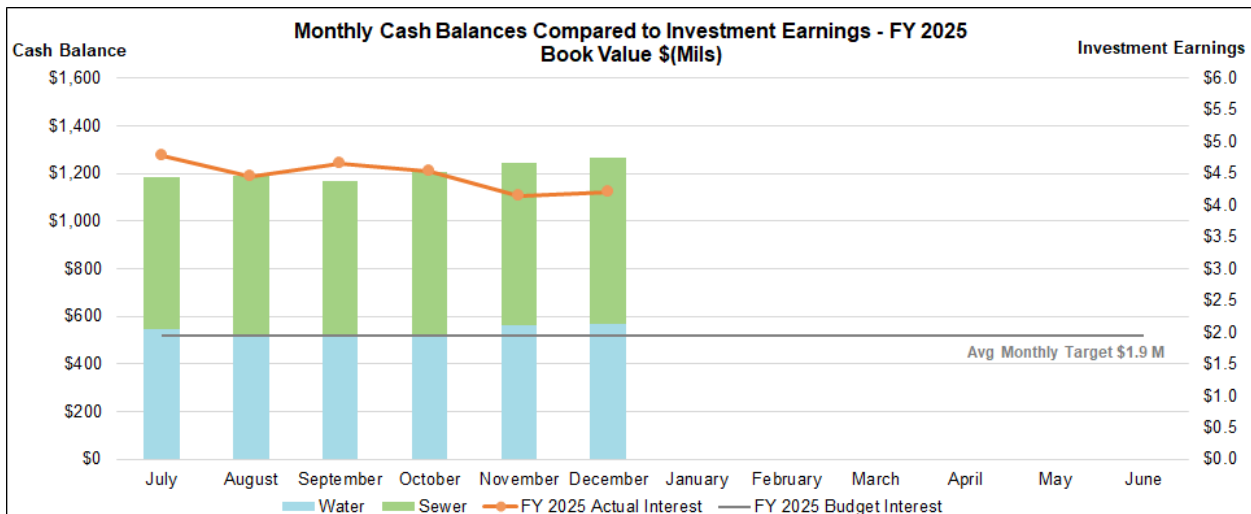
Monthly Cash Balances Compared to Investment Income

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 December 2024, GLWA earned investment income of \$4.2 million and cumulative FY 2025 earnings through December 2024 of \$26.8 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 December 2024



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

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:

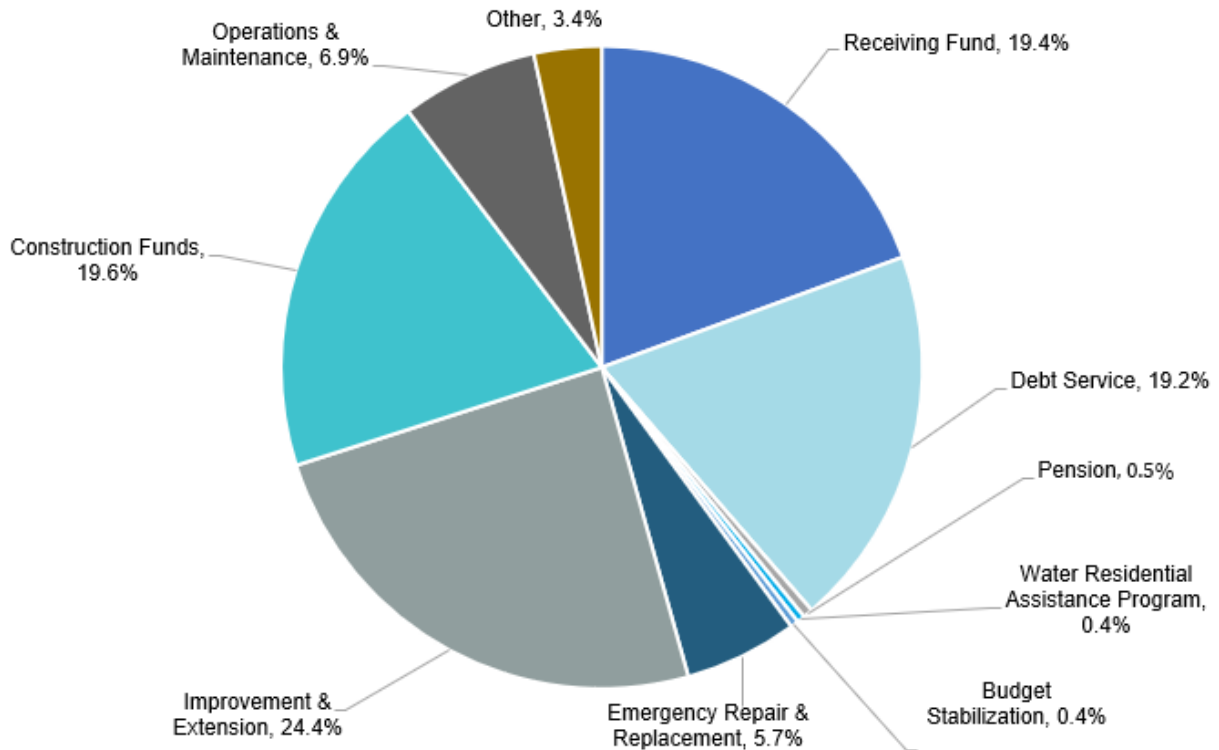
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors 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 as well as the [MBO](#) documents.

Chart 2 – Cash Balances - Water Funds as of December 2024 - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of December 31, 2024 is \$569 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 are currently supporting the capital program as GLWA evaluates future funding needs.

Chart 2 – Cash Balances - Water Funds as of December 2024

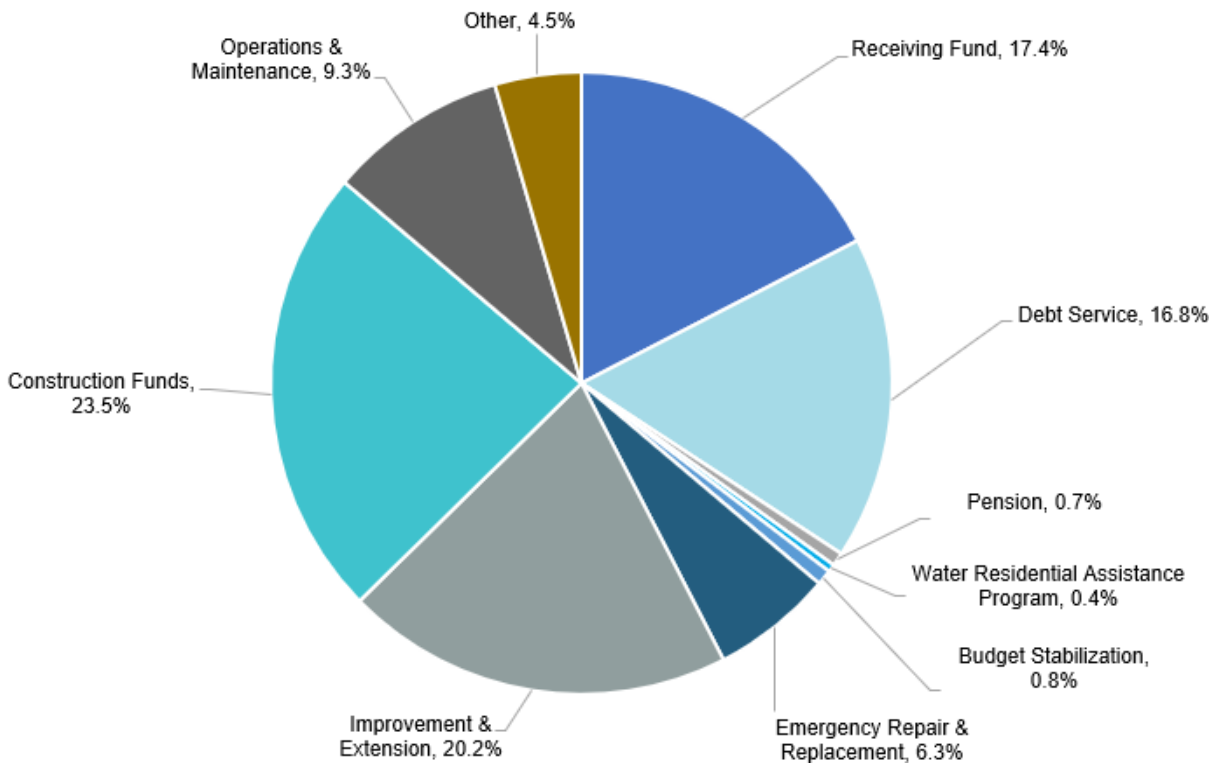


Note: Due to rounding totals may not equal 100%.

Chart 3 – Cash Balances - Sewer Funds as of December 2024 - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of December 31, 2024 is \$697 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 are currently supporting the capital program as GLWA evaluates future funding needs.

Chart 3 – Cash Balances - Sewer Funds as of December 2024



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 December 31, 2024, the DWSD usage was at 98.52% of the budget and billed revenue was at 98.47% 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					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
Total	2,578,000	132,830,100	1,347,803	69,404,035	(20,197)	(1,080,283)	2,676,703	136,186,859
<i>Subtotals ytd</i>	<i>1,368,000</i>	<i>70,484,318</i>	<i>1,347,803</i>	<i>69,404,035</i>	<i>(20,197)</i>	<i>(1,080,283)</i>		
<i>Achievement of Budget</i>			<i>98.52%</i>	<i>98.47%</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
January	8,506,008	8,857,268	(351,261)	-3.97%
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%
Rolling, 12-Month Total	126,837,795	124,143,551		
Rolling, 12-Month Average	10,569,816	10,345,296		

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 December 31, 2024, the DWSD usage was at 96.62% 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					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
Total	2,165,000	339,665,600	1,113,112	168,327,312	(38,888)	(5,570,988)	2,165,240	327,310,189
<i>Subtotals ytd</i>	<i>1,152,000</i>	<i>173,898,300</i>	<i>1,113,112</i>	<i>168,327,312</i>	<i>(38,888)</i>	<i>(5,570,988)</i>		
<i>Achievement of Budget/Goal</i>			<i>96.62%</i>	<i>96.80%</i>				

(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
January	26,248,512	23,760,629	2,487,883	10.47%
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%
Rolling 12-Month Total	297,894,605	300,129,444		
Rolling, 12-Month Average	24,824,550	25,010,787		

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 December 31, 2024 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 December 31, 2024 with comparative totals from December 31, 2023. 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 December 31, 2024 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
Dec 31, 2024 (2)	40,127,000	346,497,000	(280,600,000)	65,897,000	49
<i>Totals may be off due to rounding</i>					

(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	955.55	14,169,000 6.7%	10,420,000 4.9%	37,191,000 17.5%	150,396,000 70.9%	212,177,000 100.0%
Commercial	1,185.34	6,416,000 25.2%	2,798,000 11.0%	6,154,000 24.2%	10,055,000 39.6%	25,423,000 100.0%
Industrial	3,295.77	4,525,000 37.5%	871,000 7.2%	2,246,000 18.6%	4,440,000 36.7%	12,082,000 100.0%
Tax Exempt	658.83	535,000 21.3%	216,000 8.6%	598,000 23.8%	1,166,000 46.4%	2,515,000 100.0%
Government	555.01	7,749,000 33.3%	3,208,000 13.8%	1,790,000 7.7%	10,499,000 45.2%	23,245,000 100.0%
Drainage	591.92	2,124,000 8.0%	1,238,000 4.7%	4,151,000 15.7%	18,948,000 71.6%	26,462,000 100.0%
Subtotal - Active Accounts	894.36	35,519,000 11.8%	18,751,000 6.2%	52,130,000 17.3%	195,505,000 64.8%	301,905,000 100.0%
Inactive Accounts	118.28	60,000 0.1%	182,000 0.4%	1,472,000 3.3%	42,879,000 96.2%	44,592,000 100.0%
Total	484.89	35,578,000	18,933,000	53,603,000	238,383,000	346,497,000
<i>% of Total A/R</i>		10.3%	5.5%	15.5%	68.8%	100.0%
Water Fund	105.93	9,799,000	5,546,000	13,712,000	46,637,000	75,695,000
Sewer Fund	378.97	25,779,000	13,387,000	39,890,000	191,746,000	270,803,000
Total Dec 2024 (a)	484.89	35,578,000	18,933,000	53,603,000	238,383,000	346,497,000
Water Fund- Allowance						(54,723,000)
Sewer Fund- Allowance						(225,878,000)
Total Bad Debt Allowance						(280,600,000)
Comparative - Dec 2023 (b)	706.38	31,476,000	18,068,000	52,225,000	194,262,000	296,031,000
Difference (a) - (b)		4,102,000	865,000	1,377,000	44,122,000	50,466,000



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 December 31, 2024, the billed usage was at 97.71% of the original plan and billed revenue at 99.37% 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 December 31, 2024.

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					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
Total	13,274,190	354,409,800	6,850,557	180,331,497	(160,537)	(1,139,703)	12,890,005	340,129,187
<i>Subtotals ytd</i>	<i>7,011,094</i>	<i>181,471,200</i>	<i>6,850,557</i>	<i>180,331,497</i>	<i>(160,537)</i>	<i>(1,139,703)</i>		

Achievement of Original Plan 97.71% 99.37%

(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
January	24,448,936	19,182,054	5,266,882	27.46%
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%
Rolling 12-Month Total	334,737,555	330,616,805		
Rolling, 12-Month Average	27,894,796	27,551,400		

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	<u>4</u>
Total	<u><u>18</u></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 December 31, 2024 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 December 31, 2024.

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
Total		286,606,800		143,303,400		-		281,937,600
Subtotals ytd		143,303,400		143,303,400		-		

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
January	21,117,470	17,636,972	3,480,498	19.73%
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%
Rolling 12-Month Total	271,590,472	284,654,450		
Rolling, 12-Month Average	22,632,539	23,721,204		

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 December 31, 2024.

Table 6 - Wholesale Accounts Receivable Aging Report, Net Dearborn is the same summary *without* the past due balances for the Dearborn. Four water accounts comprise the past due balances reported. Three accounts reflect a combined past due balance of \$315,000 which was fully paid in January. The remaining past due account of \$121,000 made progress toward their past due balance in February. GLWA staff continues to work with the community to become current with their balance.

The Sewer accounts reported during this period are current. The IWC past due balances includes one account with upcoming anticipated payment and \$23,000 in past due amounts that were fully paid by February. 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	41,272,277	33,167,945	453,594	64,167	68,738	7,517,832
Sewer	14,066,261	14,066,261	-	-	-	-
IWC	558,002	528,181	9,258	1,767	7,464	11,332
Pollutant	298,450	232,497	41,401	12,050	2,004	10,498
Total	56,194,990	47,994,884	504,253	77,983	78,207	7,539,662
	100.00%	85.41%	0.90%	0.14%	0.14%	13.42%

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

	Total	Current	1-45 Days	46-74 Days	75-104 Days	>105 Days
Water	32,786,942	32,350,656	389,428	-	4,572	42,286
Sewer	14,066,261	14,066,261	-	-	-	-
IWC	558,002	528,181	9,258	1,767	7,464	11,332
Pollutant	298,450	232,497	41,401	12,050	2,004	10,498
Total	47,709,655	47,177,595	440,087	13,817	14,040	64,116
	100.00%	98.88%	0.92%	0.03%	0.03%	0.13%

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 six months of activity to date.

Water fund receipts exceeded required disbursements by 8% through December 31, 2024 compared to the four-year historical average ratio of required receipts exceeding disbursements by 7% since July 1, 2020.

Sewer fund receipts were at a breakeven status through December 31, 2024 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 Thru December 31
Water					
1 Receipts	336,642,021	338,117,694	363,335,474	374,252,221	200,313,171
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	336,642,021	338,117,694	363,335,474	374,252,221	200,313,171
4 Disbursements	(308,713,407)	(316,495,360)	(349,186,375)	(353,639,121)	(185,752,474)
5 Receipts Net of Required Transfers	27,928,614	21,622,334	14,149,099	20,613,100	14,560,697
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)	14,560,697
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	109%	107%	104%	106%	108%
Sewer					
9 Receipts	472,871,853	471,979,297	498,888,416	506,731,576	245,539,450
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	472,871,853	471,979,297	498,888,416	506,731,576	245,539,450
12 Disbursements	(436,600,883)	(450,701,751)	(473,516,238)	(477,450,794)	(245,398,595)
13 Receipts Net of Required Transfers	36,270,970	21,277,546	25,372,178	29,280,782	140,855
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	140,855
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	108%	105%	105%	106%	100%
Combined					
19 Receipts	809,513,874	810,096,991	862,223,890	880,983,797	445,852,620
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	809,513,874	810,096,991	862,223,890	880,983,797	445,852,620
22 Disbursements	(745,314,290)	(767,197,111)	(822,702,613)	(831,089,915)	(431,151,069)
23 Receipts Net of Required Transfers	64,199,584	42,899,880	39,521,277	49,893,882	14,701,551
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	14,701,551
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	109%	106%	105%	106%	103%

All amounts are unaudited unless otherwise noted.

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Chart 1 – GLWA 12-Month Net Receipts – Water

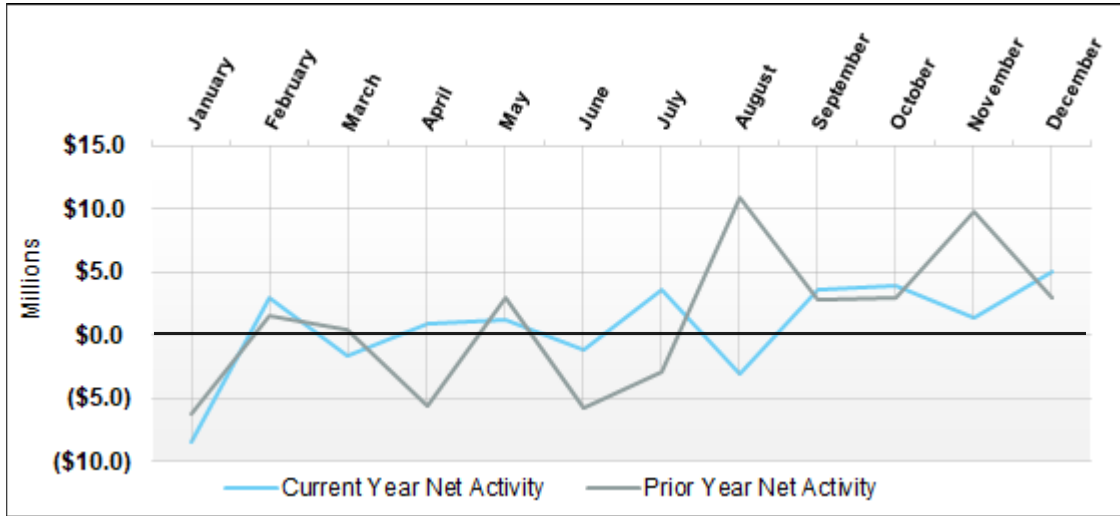
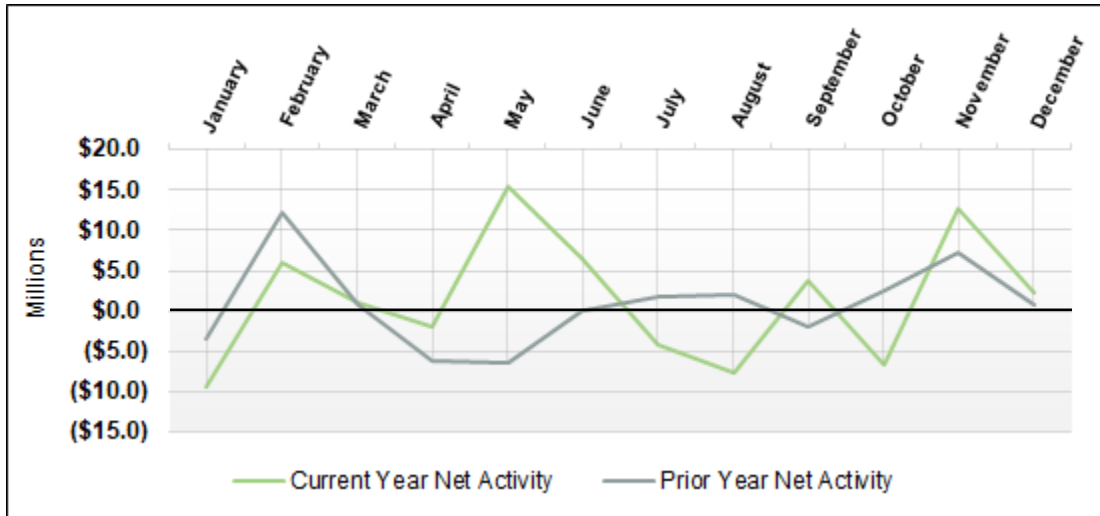


Chart 2 – GLWA 12-Month Net Receipts – Sewer



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 six months of activity to date.

Water fund receipts exceeded required disbursements by 6% through December 31, 2024 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 2% through December 31, 2024 compared to the four-year historical average of required receipts exceeding disbursements by 3% 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 December 31
Water					
1 Receipts	102,067,423	101,964,963	123,766,624	123,818,287	64,680,690
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	102,067,423	101,964,963	123,766,624	123,818,287	64,680,690
4 Disbursements	(100,707,200)	(94,495,601)	(117,666,100)	(117,290,591)	(61,297,857)
5 Receipts Net of Required Transfers	1,360,223	7,469,362	6,100,524	6,527,696	3,382,833
6 I&E Transfer	-	-	-	-	-
7 Net Receipts	1,360,223	7,469,362	6,100,524	6,527,696	3,382,833
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	101%	108%	105%	106%	106%
Sewer					
9 Receipts	308,210,767	291,280,896	298,896,942	296,088,194	154,056,234
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	308,210,767	291,280,896	298,896,942	296,088,194	154,056,234
12 Disbursements	(295,100,771)	(285,256,000)	(283,095,100)	(288,119,517)	(150,553,522)
13 Receipts Net of Required Transfers	13,109,996	6,024,896	15,801,842	7,968,677	3,502,712
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	-	-	-	-	-
16 Net Receipts	13,109,996	6,024,896	15,801,842	7,968,677	3,502,712
17 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	104%	102%	106%	103%	102%
Combined					
18 Receipts	410,278,190	393,245,859	422,663,566	419,906,481	218,736,924
19 MOU Adjustments	-	-	-	-	-
20 Adjusted Receipts	410,278,190	393,245,859	422,663,566	419,906,481	218,736,924
21 Disbursements	(395,807,971)	(379,751,601)	(400,761,200)	(405,410,108)	(211,851,379)
22 Receipts Net of Required Transfers	14,470,219	13,494,258	21,902,366	14,496,373	6,885,545
23 I&E Transfer	-	-	-	-	-
24 Shortfall Advance from GLWA	-	-	-	-	-
25 Net Receipts	14,470,219	13,494,258	21,902,366	14,496,373	6,885,545
26 <i>Ratio of Receipts to Required Disbursements (Line 20/Line 21)</i>	104%	104%	105%	104%	103%

All amounts are unaudited unless otherwise noted.

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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

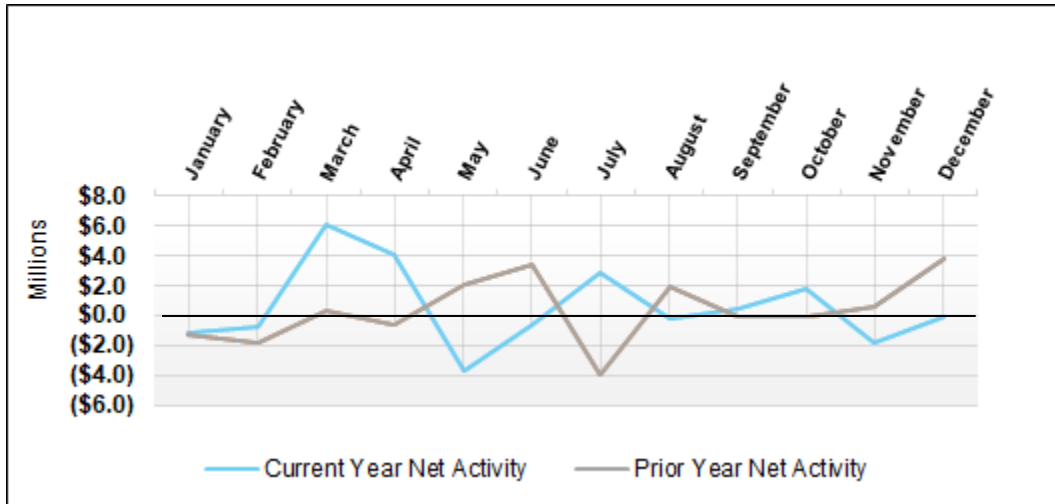
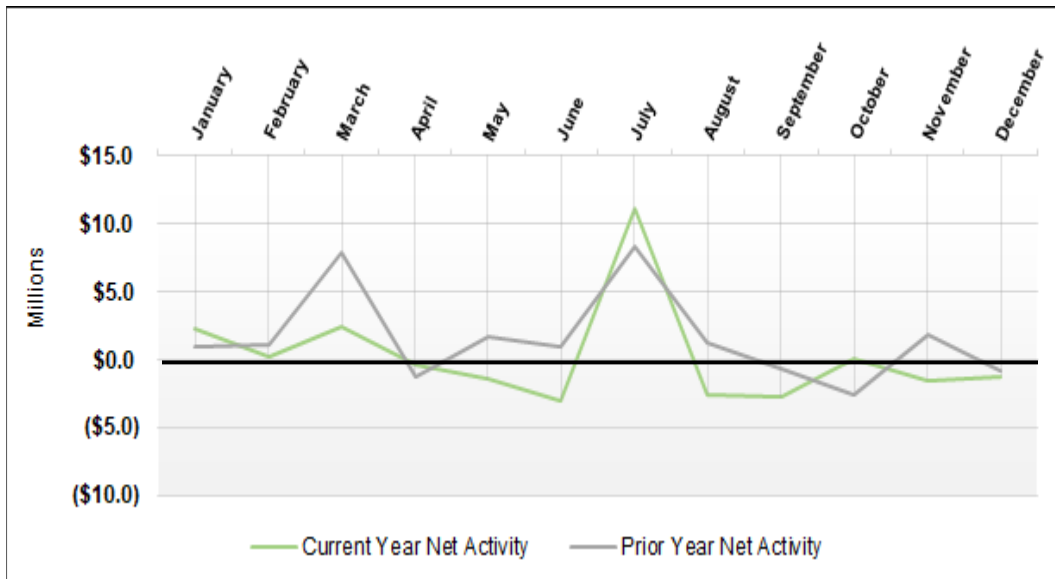


Chart 4 – DWSD 12-Month Net Receipts – Sewer



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 six months of activity to date.

Water fund net receipts exceeded required disbursements by 7% through December 31, 2024 in line with the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2020.

Sewer fund receipts exceeded required disbursements by 1% through December 31, 2024 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 December 31
Water					
1 Receipts	438,709,444	440,082,657	487,102,098	498,070,508	264,993,861
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	438,709,444	440,082,657	487,102,098	498,070,508	264,993,861
4 Disbursements	(409,420,607)	(410,990,961)	(466,852,475)	(470,929,712)	(247,050,331)
5 Receipts Net of Required Transfers	29,288,837	29,091,696	20,249,623	27,140,796	17,943,530
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)	17,943,530
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	107%	107%	104%	106%	107%
Sewer					
9 Receipts	781,082,620	763,260,193	797,785,358	802,819,770	399,595,683
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	781,082,620	763,260,193	797,785,358	802,819,770	399,595,683
12 Disbursements	(731,701,654)	(735,957,751)	(756,611,338)	(765,570,311)	(395,952,117)
13 Receipts Net of Required Transfers	49,380,966	27,302,442	41,174,020	37,249,459	3,643,566
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	3,643,566
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	107%	104%	105%	105%	101%
Combined					
19 Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	664,589,544
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	1,219,792,064	1,203,342,850	1,284,887,456	1,300,890,278	664,589,544
22 Disbursements	(1,141,122,261)	(1,146,948,712)	(1,223,463,813)	(1,236,500,023)	(643,002,448)
23 Receipts Net of Required Transfers	78,669,803	56,394,138	61,423,643	64,390,255	21,587,096
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	21,587,096
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	107%	105%	105%	105%	103%

All amounts are unaudited unless otherwise noted.

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