

## **Workman, Wayne (TREASURY)**

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**From:** Jody Lundquist <jlundquist@cityofflint.com>  
**Sent:** Monday, January 25, 2016 4:43 PM  
**To:** Schafer, Suzanne K. (Treasury)  
**Cc:** Vaughn, Cary J. (Treasury); Steckelberg, Larry (TREASURY); Natasha Henderson; Karen Weaver; Cline, Richard (Treasury); Byrne, Randall (Treasury)  
**Subject:** City of Flint Water Fund Cash Flow Attached  
**Attachments:** City of Flint Water Fund 18 Month Cash Flow.xlsx; City of Flint Water Fund 18 Month Cash Flow.pdf

Good afternoon, Suzanne.

As Cary is out of the office this afternoon, I was instructed to provide you with the updated 18 month cash flow for the City's Water Fund for review.

There are three tabs. Assumptions for each scenario are listed. The tab "Water CF-With Variables" is set to allow users to manipulate and modify the assumptions by entering data into the grey highlighted cells.

Because reviewing the financial position of the City's Water Fund only illustrates half of the financial picture for the City's utility services, I encourage all users to be mindful of the impact that the Shears Lawsuit and Water Crisis has also had on the Sewer Fund. I will begin working on creating a cash flow for the Sewer Fund this week to be reviewed in conjunction with the Water Fund cash flow attached.

Please let me know if you have any questions regarding the information provided.

Best regards,

Jody N. Lundquist  
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CITY OF FLINT  
WATER UTILITY  
18 MONTH CASH FLOW  
FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015  
Actual Activity Reported through December 31, 2015

State Quo Maintained

1. Revenue assumptions were based on YTD billing activity and current collection rates projected through FYE and held constant into FY17.
2. Assuming that the City continues to deliver water to all customers, the effect of the rate of collection is not considered.
3. Expenditure activity for FY16 is based on 2015 actuals through December 31, 2015, and projected monthly over the remaining 6 months of the fiscal year.
4. Expenditure activity for the period July 1, 2015 through December 31, 2015, is based on 2015 actuals through December 31, 2015.
5. The City and likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17. An amount for charitable purposes is shown.

Unit: \$/100 2015 After 7/1/2015

| Average Monthly Collection Rate | 80% | 60% |
|---------------------------------|-----|-----|
| Rate Increase                   | 0%  | 0%  |

GLWA Water Purchase \$ 1,333,333

|                                 | ACTUAL<br>JULY<br>2015 | ACTUAL<br>AUGUST<br>2015 | ACTUAL<br>SEPTEMBER<br>2015 | ACTUAL<br>OCTOBER<br>2015 | ACTUAL<br>NOVEMBER<br>2015 | ACTUAL<br>DECEMBER<br>2015 | PROJECTED<br>JANUARY<br>2016 | PROJECTED<br>FEBRUARY<br>2016 | PROJECTED<br>MARCH<br>2016 | PROJECTED<br>APRIL<br>2016 | PROJECTED<br>MAY<br>2016 | PROJECTED<br>JUNE<br>2016 | PROJECTED<br>JULY<br>2016 | PROJECTED<br>AUGUST<br>2016 | PROJECTED<br>SEPTEMBER<br>2016 | PROJECTED<br>OCTOBER<br>2016 | PROJECTED<br>NOVEMBER<br>2016 | PROJECTED<br>DECEMBER<br>2016 |
|---------------------------------|------------------------|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|------------------------------|-------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|--------------------------------|------------------------------|-------------------------------|-------------------------------|
| <b>REVENUE CASH BALANCE</b>     | 19,987,365             | 18,971,878               | 20,765,809                  | 19,286,648                | 16,289,461                 | 16,002,098                 | 16,289,461                   | 16,718,098                    | 16,718,098                 | 16,718,098                 | 16,718,098               | 16,718,098                | 16,718,098                | 16,718,098                  | 16,718,098                     | 16,718,098                   | 16,718,098                    | 16,718,098                    |
| <b>CASH RECEIPTS</b>            |                        |                          |                             |                           |                            |                            |                              |                               |                            |                            |                          |                           |                           |                             |                                |                              |                               |                               |
| User Charges                    | 2,921,585              | 2,596,835                | 2,214,735                   | 1,793,177                 | 1,864,184                  | 2,052,249                  | 1,785,977                    | 1,785,977                     | 1,785,977                  | 1,785,977                  | 1,785,977                | 1,785,977                 | 1,785,977                 | 1,785,977                   | 1,785,977                      | 1,785,977                    | 1,785,977                     | 1,785,977                     |
| Grants and State Appropriations |                        |                          |                             | 8,000,000                 |                            |                            | 1,000,000                    |                               |                            |                            |                          |                           |                           |                             |                                |                              |                               |                               |
| Other Revenue                   | 1,326                  |                          |                             | 677                       | 55                         |                            | 8,333                        | 8,333                         | 8,333                      | 8,333                      | 8,333                    | 8,333                     | 8,333                     | 8,333                       | 8,333                          | 8,333                        | 8,333                         | 8,333                         |
| Certificate of Deposit Activity |                        |                          |                             |                           |                            |                            |                              |                               |                            |                            |                          |                           |                           |                             |                                |                              |                               |                               |
| <b>TOTAL CASH RECEIPTS</b>      | 2,923,912              | 2,597,435                | 2,215,735                   | 1,793,854                 | 1,864,239                  | 2,052,249                  | 1,794,311                    | 1,794,311                     | 1,794,311                  | 1,794,311                  | 1,794,311                | 1,794,311                 | 1,794,311                 | 1,794,311                   | 1,794,311                      | 1,794,311                    | 1,794,311                     | 1,794,311                     |
| <b>CASH DISBURSEMENTS</b>       |                        |                          |                             |                           |                            |                            |                              |                               |                            |                            |                          |                           |                           |                             |                                |                              |                               |                               |
| Salaries and Benefits           | 822,650                | 914,827                  | 914,028                     | 1,101,360                 | 900,592                    | 897,993                    | 775,089                      | 775,089                       | 775,089                    | 775,089                    | 775,089                  | 775,089                   | 775,089                   | 775,089                     | 775,089                        | 775,089                      | 775,089                       | 775,089                       |
| Contractual Services            | 263,873                | 147,094                  | 137,527                     | 186,152                   | 48,298                     | 48,535                     | 487,306                      | 487,306                       | 487,306                    | 487,306                    | 487,306                  | 487,306                   | 487,306                   | 487,306                     | 487,306                        | 487,306                      | 487,306                       | 487,306                       |
| Purchase of Treated Water       | 752,313                | 26,584                   | 1,426,690                   | 900,188                   | 506,945                    | 292,890                    | 772,506                      | 772,506                       | 772,506                    | 772,506                    | 772,506                  | 772,506                   | 772,506                   | 772,506                     | 772,506                        | 772,506                      | 772,506                       | 772,506                       |
| Utilities                       | 41,588                 | 247,607                  | 81,183                      | 63,630                    | 50,729                     | 37,166                     | 176,660                      | 176,660                       | 176,660                    | 176,660                    | 176,660                  | 176,660                   | 176,660                   | 176,660                     | 176,660                        | 176,660                      | 176,660                       | 176,660                       |
| Equipment Operation             | 163,162                | 122,065                  | 282,911                     | 151,469                   | 254,416                    | 145,231                    | 304,310                      | 304,310                       | 304,310                    | 304,310                    | 304,310                  | 304,310                   | 304,310                   | 304,310                     | 304,310                        | 304,310                      | 304,310                       | 304,310                       |
| Repairs and Maintenance         | 482,400                | 10,015                   | 295,380                     | 89,501                    | 11,138                     | 13,041                     | 310,613                      | 310,613                       | 310,613                    | 310,613                    | 310,613                  | 310,613                   | 310,613                   | 310,613                     | 310,613                        | 310,613                      | 310,613                       | 310,613                       |
| Insurance                       |                        |                          |                             |                           |                            |                            |                              |                               |                            |                            |                          |                           |                           |                             |                                |                              |                               |                               |
| Transfers to Debt Service Fund  | 174,527                | 174,527                  | 174,527                     | 174,527                   | 174,527                    | 174,527                    | 174,527                      | 174,527                       | 174,527                    | 174,527                    | 174,527                  | 174,527                   | 174,527                   | 174,527                     | 174,527                        | 174,527                      | 174,527                       | 174,527                       |
| Other Expenses                  | 116,876                | 10,181                   | 116,876                     | 116,876                   | 116,876                    | 116,876                    | 116,876                      | 116,876                       | 116,876                    | 116,876                    | 116,876                  | 116,876                   | 116,876                   | 116,876                     | 116,876                        | 116,876                      | 116,876                       | 116,876                       |
| Transfer Out                    | 40,000                 | 40,000                   | 40,000                      | 40,000                    | 40,000                     | 40,000                     | 40,000                       | 40,000                        | 40,000                     | 40,000                     | 40,000                   | 40,000                    | 40,000                    | 40,000                      | 40,000                         | 40,000                       | 40,000                        | 40,000                        |
| <b>TOTAL CASH DISBURSEMENTS</b> | 2,906,288              | 1,797,895                | 3,462,185                   | 32,294,325                | 2,172,011                  | 1,771,435                  | 3,310,647                    | 3,310,647                     | 3,310,647                  | 3,310,647                  | 3,310,647                | 3,310,647                 | 3,310,647                 | 3,310,647                   | 3,310,647                      | 3,310,647                    | 3,310,647                     | 3,310,647                     |
| <b>NET CASH FLOW</b>            | (75,357)               | 867,521                  | (1,696,376)                 | (2,995,185)               | (187,545)                  | 280,814                    | (546,186)                    | (546,186)                     | (546,186)                  | (546,186)                  | (546,186)                | (546,186)                 | (546,186)                 | (546,186)                   | (546,186)                      | (546,186)                    | (546,186)                     | (546,186)                     |
| <b>ENDING CASH BALANCE</b>      | 19,912,008             | 20,765,809               | 19,286,648                  | 16,289,461                | 16,002,098                 | 16,289,461                 | 16,289,461                   | 16,289,461                    | 16,289,461                 | 16,289,461                 | 16,289,461               | 16,289,461                | 16,289,461                | 16,289,461                  | 16,289,461                     | 16,289,461                   | 16,289,461                    | 16,289,461                    |