



# **FY 2022-2023 Financial Report**

For the 10 Months ended April 30, 2023

Office of the Chief Financial Officer

Submitted on June 14, 2023

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# Executive Summary

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- The City will be submitting an application for the “Protecting MI Pension” grant for the General Retirement System (GRS) – Component II in the amount of \$22,968,047 by the June 15, 2023 deadline.

# Budget vs. Actual – General Fund (unaudited)

	APRIL 2023				YEAR TO DATE			
	BUDGET	ACTUAL	VARIANCE		BUDGET	ACTUAL	VARIANCE	
	A	B	(\$) C = B - A	% D = (C/A)	E	F	(\$) G = F - E	% H = (G/E)
<i>\$ in millions</i>								
<b>REVENUE:</b>								
Municipal Income Tax	\$ 39.8	\$ 66.6	\$ 26.8	67.3%	\$ 302.0	\$ 333.5	\$ 31.5	10.4%
Property Taxes	1.0	1.1	0.1	10.0%	96.7	102.7	6.0	6.2%
Wagering Taxes	21.1	21.9	0.8	3.8%	226.3	208.7	(17.6)	(7.8%)
Utility Users' Tax	3.6	4.7	1.1	30.6%	26.4	33.9	7.5	28.4%
State Revenue Sharing	34.7	36.2	1.5	-	138.9	150.8	11.9	-
Other Revenues	15.7	15.6	(0.1)	(0.6%)	154.3	168.3	14.0	9.1%
<b>TOTAL (I)</b>	<b>\$ 115.9</b>	<b>\$ 146.1</b>	<b>\$ 30.2</b>	<b>26.1%</b>	<b>\$ 944.6</b>	<b>\$ 997.9</b>	<b>\$ 53.3</b>	<b>5.6%</b>
<b>EXPENDITURES:</b>								
Salaries and Wages	\$ 39.7	\$ 42.1	\$ (2.4)	(6.0%)	\$ 440.1	\$ 416.7	\$ 23.4	5.3%
Employee Benefits	10.6	10.4	0.2	1.9%	113.0	115.4	(2.4)	(2.1%)
Professional and Contractual Services	8.8	4.2	4.6	52.3%	99.1	58.5	40.6	41.0%
Operating Supplies	4.0	2.2	1.8	45.0%	33.8	28.6	5.2	15.4%
Operating Services	7.8	65.8	(58.0)	(743.6%)	132.8	124.1	8.7	6.6%
Capital Outlays	-	0.2	(0.2)	-	2.2	2.4	(0.2)	(9.1%)
Debt Service	9.8	9.8	-	-	76.9	76.9	-	-
Other Expenses	22.4	5.0	17.4	77.7%	216.9	190.6	26.3	12.1%
<b>TOTAL (J)</b>	<b>\$ 103.1</b>	<b>\$ 139.7</b>	<b>\$ (36.6)</b>	<b>(35.5%)</b>	<b>\$ 1,114.8</b>	<b>\$ 1,013.2</b>	<b>\$ 101.6</b>	<b>9.1%</b>
<b>SURPLUS/(DEFICIT) (K= I + J)</b>	<b>\$ 12.8</b>	<b>\$ 6.4</b>	<b>\$ (6.4)</b>	<b>(50.0%)</b>	<b>\$ (170.2)</b>	<b>\$ (15.3)</b>	<b>\$ 154.9</b>	<b>91.0%</b>

**Note:** Represents General Fund/General Purpose (Fund 1000) only.

**Revenues:** Budget excludes Prior Year Surplus resource shown as revenue in adopted budget. Wagering tax collections are weaker than original budget, which is incorporated in updated projections. Other revenue variance includes differences in timing of actuals vs. monthly budget spread.

**Expenditures:** Budget excludes \$30.7 million Budget Reserve deposit, which are funds reserved not expensed, and \$23 million in PLD decommissioning reserve not yet expected to be spent. Actuals do not include outstanding encumbrances for goods and services yet to be received. April variance for Operating Services includes \$60 million supplemental Risk Management Fund contribution that was added to budget in February. Variance for Other Expenses includes difference in monthly timing for contributions to DDOT vs. budget.

# Annualized Budget vs. Projection – General Fund

\$ in millions	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$) C = B - A	% D = (C/A)
<b>REVENUE:</b>				
Municipal Income Tax	\$ 358.7	\$ 374.7	\$ 16.0	4.5%
Property Taxes	121.0	135.9	14.9	12.3%
Wagering Taxes	265.5	253.5	(12.0)	(4.5%)
Utility Users' Tax	32.3	46.1	13.8	42.7%
State Revenue Sharing	208.3	225.7	17.4	-
Other Revenues	203.1	194.0	(9.1)	(4.5%)
<b>TOTAL (I)</b>	<b>\$ 1,188.9</b>	<b>\$ 1,229.9</b>	<b>\$ 41.0</b>	<b>3.4%</b>
<b>EXPENDITURES:</b>				
Salaries and Wages	\$ 553.8	\$ 538.8	\$ 15.0	2.7%
Employee Benefits	164.7	164.7	-	-
Professional and Contractual Services	114.3	109.3	5.0	4.4%
Operating Supplies	39.8	39.8	-	-
Operating Services	143.7	143.7	-	-
Capital Outlays	2.3	2.3	-	-
Debt Service	85.9	85.9	-	-
Other Expenses	220.6	220.6	-	-
<b>TOTAL (J)</b>	<b>\$ 1,325.1</b>	<b>\$ 1,305.1</b>	<b>\$ 20.0</b>	<b>1.5%</b>
<b>REVENUES LESS EXPENDITURES (K= I + J)</b>	<b>\$ (136.2)</b>	<b>\$ (75.2)</b>	<b>\$ 61.0</b>	<b>(44.8%)</b>
Budgeted Use of Prior Year Surplus	123.0	123.0	-	-
Prior Year Continuing Appropriations	13.2	13.2	-	-
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ 61.0</b>	<b>\$ 61.0</b>	<b>-</b>

**Note:** Represents General Fund/General Purpose (Fund 1000) only.

**Revenues:** Revenue Projection is based on the February 2023 Revenue Estimating Conference results. Excludes Prior Year Surplus resource shown as revenue in adopted budget. YTD variances for Income Tax and Other Revenues are trending more favorable than projection but remain subject to material change from final activity recorded through year-end close.

**Expenditures:** Amended expenditure budget includes an additional \$119.4 million in approved supplemental appropriations (see next page for list), plus \$13.2 million in carryforward balances. Budget excludes \$30.7 million Budget Reserve deposit, which are funds reserved not expensed, and \$23 million in PLD decommissioning reserve not yet expected to be spent. Expenditure projections include surplus from vacant positions and contractual expenditures not expected to be incurred as of June 30. YTD variances are trending more favorable than projection but remain subject to material change from final activity recorded through year-end close.

**Budgeted Use of Prior Year Surplus:** Unspent budget resource from prior year used to support one-time expenditures included in the FY23 Amended Budget, excluding \$30.7 million for Budget Reserve deposit.

**Prior Year Continuing Appropriations:** Unspent budget resource from prior year used to support one-time expenditure budgets that carried over from prior fiscal year to current fiscal year. Itemized on the following page.



# Amended Budget Reconciliation

Amended Budget Reconciliation			
Dept	Total Adopted Budget	Revenue	Expense
		1,223,197,061	1,223,197,061
Non-Dept	Exclude Budget Reserve deposit	\$ -	\$ (30,719,808)
Non-Dept	Exclude Budgeted Use of Prior Year Surplus	(76,658,308)	-
Various	Continuing appropriations (see list)	-	13,205,041
Non-Dept	Municipal Income Tax	22,600,000	-
Police	Police Officer Collective Bargaining Agreements	-	22,600,000
Non-Dept	Municipal Income Tax	19,400,000	-
Fire	Merged Role Transition		18,100,000
Elections	2022 Midterm Election		1,000,000
PLD	Utilities		300,000
Non-Dept	Risk Management Fund		60,000,000
Non-Dept	Retiree Protection Fund		10,000,000
Non-Dept	Covid-19 Response		5,000,000
Non-Dept	Detroit Land Bank Authority		2,000,000
GSD	Pistons Basketball Court Improvements	416,667	416,667
	<b>Total Amended Budget per report</b>	<b>\$ 1,188,955,420</b>	<b>\$ 1,325,098,961</b>

Dept	Continuing Appropriations (Fund 1000)	Amount
CRIO	Homegrown Detroit	\$ 2,519,309
HRD	Affordable Housing Development and Preservation Fund	3,135,262
HRD	Senior Home Repair	2,500,000
HRD	Neighborhood Improvement Fund	1,916,126
HRD	Motor City Match	1,780,020
GSD	Wayne County Park Millage	738,504
GSD	Pistons Basketball Court Improvements	465,820
City Council	Legislative Administration	150,000
	<b>Total</b>	<b>\$ 13,205,041</b>

# Employee Count Monitoring

## Public Safety

Police	3,045	3,054	9
Fire	1,135	1,143	8
<b>Total Public Safety</b>	<b>4,180</b>	<b>4,197</b>	<b>17</b>

## Non-Public Safety

Office of the Chief Financial Officer	374	372	(2)
Public Works - Full Time	365	413	48
Health	137	146	9
Human Resources	97	97	0
Housing and Revitalization	129	127	(2)
Innovation and Technology	125	127	2
Law	118	120	2
Mayor's Office	83	82	(1)
Municipal Parking	73	78	5
Planning and Development	38	38	0
General Services - Full Time	525	524	(1)
Legislative <sup>(3)</sup>	254	262	8
36th District Court	321	323	2
Other <sup>(4)</sup>	230	230	0
<b>Total Non-Public Safety</b>	<b>2,869</b>	<b>2,939</b>	<b>70</b>

## Total General City-Full Time

## Seasonal / Part Time<sup>(5)</sup>

## ARPA / COVID Response

## Enterprise

Airport	10	10	0
BSEED	288	288	0
Transportation	717	709	(8)
Water and Sewerage	553	558	5
Library	228	273	45
<b>Total Enterprise</b>	<b>1,796</b>	<b>1,838</b>	<b>42</b>

## Total City

## MONTH-OVER-MONTH ACTUAL<sup>(1)</sup>

Actual March 2023	Actual April 2023	Change April 2023 vs. March 2023
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## BUDGET VS. ACTUAL

Adjusted Budget FY 2023 <sup>(2)</sup>	Variance (Under)/Over Budget vs. April 2023	
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	3,448	(394)	(11%)
	1,237	(94)	(8%)
	4,685	(488)	(10%)
	418	(46)	
	492	(79)	
	186	(40)	
	104	(7)	
	186	(59)	
	144	(17)	
	125	(5)	
	83	(1)	
	95	(17)	
	39	(1)	
	676	(152)	
	302	(40)	
	325	(2)	
	321	(91)	
	3,495	(556)	(16%)
	<b>8,180</b>	<b>(1,044)</b>	<b>(13%)</b>
	<b>490</b>	<b>(319)</b>	<b>(65%)</b>
	<b>529</b>	<b>0</b>	<b>0%</b>
	11	(1)	
	347	(59)	
	991	(282)	
	620	(62)	
	341	(68)	
	<b>2,310</b>	<b>(472)</b>	<b>(20%)</b>
	<b>11,509</b>	<b>(1,835)</b>	<b>(16%)</b>

### Notes:

(1), (2) Actuals are the headcount of all active employees at month-end. The Budgeted positions have been adjusted to convert full-time equivalents to headcount and to reflect position amendments approved mid-year.

(3) Includes Auditor General, Inspector General, Zoning, City Council, Ombudsperson, City Clerk, and Elections.

(4) Includes Civil Rights Inclusion & Opportunity, Appeals and Hearings, Public Lighting, Demolition, and Non-Departmental

(5) Includes Public Works, General Services, and Elections.



# Income Tax – Collections (unaudited)

## Fiscal Years 2022 - 2023

### Income Tax Collections

## FY23 YTD

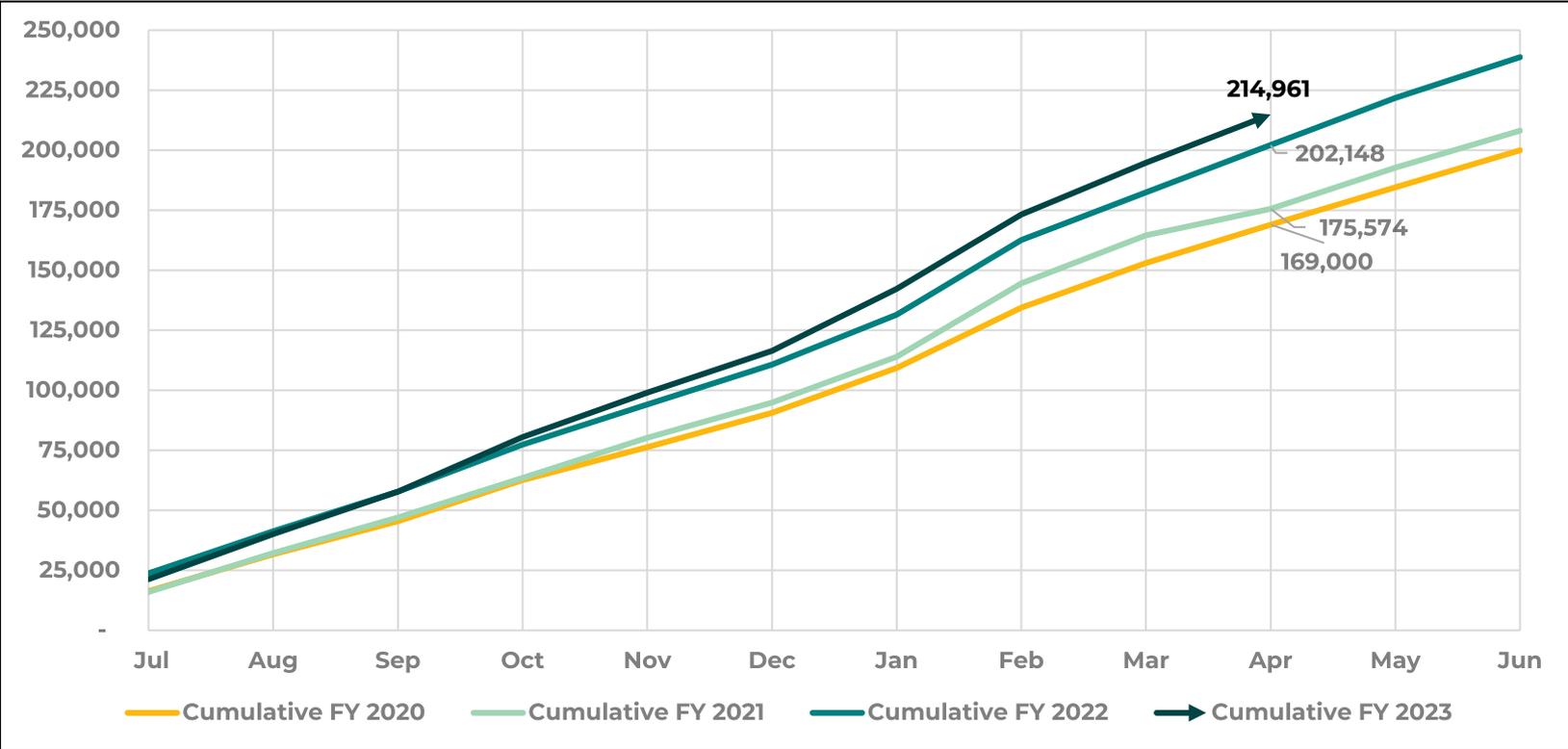
### April 2023

## FY22 YTD

### April 2022

Withholding	\$274,551,255	\$255,323,973
Individual	54,040,214	47,271,568
Corporate	50,747,468	50,830,180
Partnerships	7,960,802	6,328,676
<b>Total Collections</b>	<b>\$387,299,739</b>	<b>\$359,754,397</b>
<b>Refunds claimed, disbursed and accrued</b>	<b>(53,760,998)</b>	<b>(72,592,946)</b>
<b>Collections Net of Refunds/Disbursements</b>	<b>\$ 333,538,741</b>	<b>\$ 287,161,451</b>

# Income Tax – Number of Withholding Returns



# Cash Position (unaudited)

(in millions)

	Unrestricted	Restricted	April 2023 Total	Prior Year April 2022 Total
<b>General Fund</b>				
General Accounts	\$ 300.7	\$ 202.4	\$ 503.1	\$ 503.7
Self Insurance	68.1	9.9	78.0	20.8
Quality of Life Fund	1.7	1.9	3.5	4.6
Retiree Protection Trust Fund	-	465.7	465.7	356.9
A/P and Payroll Clearing	0.5	-	0.5	1.6
<b>Other Governmental Funds</b>				
Capital Projects	5.6	161.6	167.1	261.4
Streets	79.5	-	79.5	85.7
Grants	104.9	6.6	111.6	68.7
Covid 19	-	-	-	-
ARPA	752.8	-	752.8	400.2
Solid Waste Management	6.8	-	6.8	17.3
Debt Service	-	36.7	36.7	20.7
Gordie Howe Bridge	8.7	-	8.7	11.3
Other	41.6	-	41.6	33.8
<b>Enterprise Funds</b>				
Enterprise Funds	37.0	-	37.0	12.7
<b>Fiduciary Funds</b>				
Undistributed Property Taxes	90.6	-	90.6	82.7
Fire Insurance Escrow	11.7	-	11.7	11.7
Other	57.2	-	57.2	58.6
<b>Component Units</b>				
Component Units	23.6	-	23.6	21.1
<b>Total General Ledger Cash Balance</b>	<b>\$ 1,591.0</b>	<b>\$ 884.8</b>	<b>\$ 2,475.8</b>	<b>\$ 1,973.4</b>

Note: This schedule reports total City of Detroit (excludes DSWD) cash as recorded in the General Ledger. This report does not represent cash available for spending, liabilities and fund balance must be considered when determining excess cash.



# Operating Cash Activity: YTD Actual vs. Forecast and 12 Month Forecast (unaudited)

(in millions)

	FY22 YTD	FY23 YTD			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov 2023 -
	Apr YTD	Apr YTD	Apr YTD	Apr YTD	2023	2023	2023	2023	2023	2023	2023	April 2024
	Actual	Actual	Forecast	Variance	Actual	Forecast						
<b>Beginning Common Cash Pool</b>	\$ 1,000.0	\$ 1,365.9	\$ -	\$ -	\$ 1,388.9	\$ 1,461.5	\$ 1,422.4	\$ 1,405.3	\$ 1,402.5	\$ 1,653.7	\$ 1,463.4	\$ 1,469.6
<b>Sources of Cash</b>												
Income Taxes	276.6	435.4	304.2	131.2	89.9	46.9	30.2	28.0	30.8	27.3	25.5	192.9
Property Taxes	570.4	649.7	644.6	5.1	3.1	15.7	57.7	52.4	274.4	22.6	15.1	280.1
Revenue Sharing	123.6	156.1	161.5	(5.4)	30.0	-	23.4	-	31.7	-	38.7	93.0
Wagering Taxes	266.7	262.6	238.3	24.3	21.1	17.6	15.3	23.3	27.5	18.1	50.6	113.9
Utility Users Taxes	28.8	35.1	40.7	(5.6)	4.7	7.4	2.7	2.8	2.9	3.0	2.9	28.0
Other Receipts	293.9	336.0	299.0	37.0	34.3	37.8	58.0	30.8	26.1	34.5	15.2	193.4
Net Interpool transfers	385.1	326.5	383.2	(56.7)	35.3	47.4	19.3	33.3	36.1	29.7	54.6	235.3
Bond Proceeds	93.9	113.1	101.1	11.9	6.5	13.7	12.9	7.0	5.3	4.9	9.2	70.0
<b>Total Sources of Cash</b>	\$ 2,039.1	\$ 2,314.4	\$ 2,172.7	\$ 141.7	\$ 224.8	\$ 186.6	\$ 219.6	\$ 177.7	\$ 434.8	\$ 140.0	\$ 211.8	\$ 1,206.5
<b>Uses of Cash</b>												
Wages and Benefits	(618.7)	(717.4)	(667.1)	(50.2)	(69.8)	(75.0)	(71.8)	(83.3)	(61.4)	(67.8)	(92.9)	(465.3)
Pension Contribution	(74.9)	(46.4)	(85.4)	38.9	(7.7)	(2.5)	(8.1)	(27.6)	(9.1)	(4.0)	(28.0)	(57.3)
Debt Service	(24.1)	(22.1)	(24.4)	2.3	-	(1.4)	-	(10.3)	-	(13.2)	(0.0)	(13.2)
Property Tax Distribution	(257.0)	(357.0)	(295.6)	(61.5)	(0.5)	(21.8)	(30.3)	(3.5)	(22.2)	(99.5)	(9.4)	(155.8)
TIF Distribution	(26.6)	(32.3)	(37.0)	4.7	-	(39.3)	-	-	-	-	-	(38.6)
Other Disbursements	(897.1)	(907.9)	(957.5)	49.6	(69.1)	(85.8)	(126.5)	(48.8)	(90.8)	(145.8)	(75.3)	(515.8)
Budget Reserve	-	(35.7)	(35.7)	-	(5.0)	-	-	(7.0)	-	-	-	-
Transfers to Retiree Protection Fund	(135.0)	(100.0)	(100.0)	-	-	-	-	-	-	-	-	-
<b>Total Uses of Cash</b>	\$ (2,033.4)	\$ (2,218.8)	\$ (2,202.6)	\$ (16.2)	\$ (152.2)	\$ (225.7)	\$ (236.7)	\$ (180.5)	\$ (183.5)	\$ (330.3)	\$ (205.6)	\$ (1,246.0)
<b>Net Cash Flow</b>	\$ 5.6	\$ 95.6	\$ (29.9)	\$ 125.5	\$ 72.6	\$ (39.1)	\$ (17.1)	\$ (2.8)	\$ 251.2	\$ (190.3)	\$ 6.2	\$ (39.5)
<b>Ending Common Cash Pool</b>	\$ 1,005.6	\$ 1,461.5	\$ -	\$ -	\$ 1,461.5	\$ 1,422.4	\$ 1,405.3	\$ 1,402.5	\$ 1,653.7	\$ 1,463.4	\$ 1,469.6	\$ 1,430.1
<b>Budget Reserve Fund</b>	\$ 107.3	\$ 143.0	\$ 143.0	\$ -	\$ 143.0	\$ 143.0	\$ 143.0	\$ 150.0	\$ 150.0	\$ 150.0	\$ 150.0	\$ 150.0



# Accounts Payable and Supplier Payments (unaudited)

Accounts Payable (AP) as of Apr-23	
Total AP (Mar-23)	\$ 35.5
Plus: Apr-23 invoices processed	\$ 66.8
Less: Apr-23 Payments made	\$ (66.7)
Total AP month end (Apr-23)	\$ 35.6
Less: Invoices on hold <sup>(1)</sup>	\$ (22.7)
Total AP not on Validation hold (Apr-23)	\$ 12.9
Less: Installments/Retainage Invoices <sup>(2)</sup>	\$ (2.8)
Net AP not on hold	\$ 10.1

Note: Net AP Not on Hold includes \$8.8m of invoices that are due after Apr-23

## AP Aging

(excluding invoices on hold & Retainage)

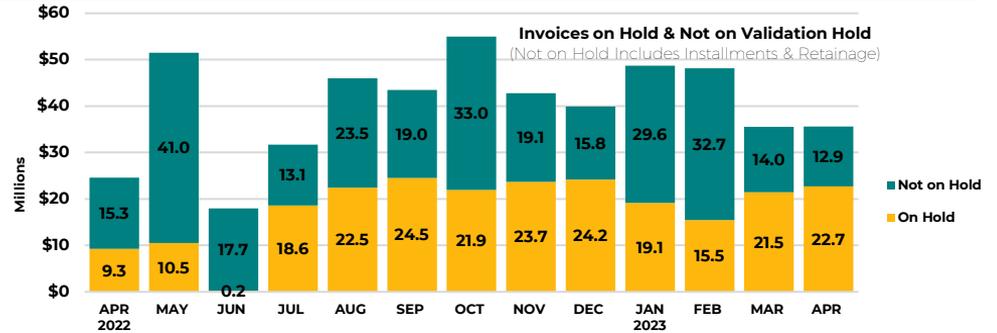
	Net AP	Current	Days Past Due		
			1-30	31-60	61+
<b>Apr-23. Total</b>	\$ 10.1	\$ 9.2	\$ 0.7	\$ 0.1	\$ 0.1
% of total	100%	90%	7%	2%	1%
Change vs. Mar-23	\$ (1.0)	\$ 1.6	\$ (2.6)	\$ (0.1)	\$ 0.1
Total Count of Invoices	1,006	836	115	7	48
% of total	100%	83%	11%	1%	5%
Change vs. Mar-23	(169)	(81)	(70)	(12)	(6)
<b>Mar-23. Total</b>	\$ 11.1	\$ 7.6	\$ 3.3	\$ 0.2	\$ -
% of total	100%	68%	30%	2%	0%
Total Count of Invoices	1,175	917	185	19	54
% of total	100%	77%	16%	2%	5%

Notes:

(1) Invoices with system holds are pending validation. Some reasons include: pending receipt, does not match purchase order quantity/price and legal holds

(2) Invoices on retainage are on hold until the supplier satisfies all contract obligations

All invoices are processed and aged based on the invoice date



## Supplier Payment Metric

