



# **FY 2022-2023 Financial Report**

For the 1 Month ended July 31, 2022

Office of the Chief Financial Officer

Submitted on September 14, 2022

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# Executive Summary

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- On September 12, the City held its September Revenue Estimating Conference. Conference principals approved new revenue estimates for FY23 and FY24-27, which will serve as the basis for developing the City's FY23 budget and FY 2024-2027 Four-Year Financial Plan. The revised FY23 estimates will be included in next month's financial report. The Conference report is available on the OCFO's Revenue Estimating Conference Reports [webpage](#). The information presented at the conference can also be accessed by reviewing the City's [press release](#).
- The City has begun its annual audit by Plante Moran for the year ended June 30, 2022 and anticipates issuing its financial report in December.

# Budget vs. Actual – General Fund (unaudited)

	JULY 2022				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	\$ 22.5	\$ 23.1	\$ 0.6	2.7%	\$ 22.5	\$ 23.1	\$ 0.6	2.7%
Property Taxes	6.0	7.9	1.9	31.7%	6.0	7.9	1.9	31.7%
Wagering Taxes	13.7	12.6	(1.1)	(8.0%)	13.7	12.6	(1.1)	(8.0%)
Utility Users' Tax	1.7	2.9	1.2	70.6%	1.7	2.9	1.2	70.6%
State Revenue Sharing	-	-	-	-	-	-	-	-
Other Revenues	16.6	17.9	1.3	7.8%	16.6	17.9	1.3	7.8%
<b>TOTAL (I)</b>	<b>\$ 60.5</b>	<b>\$ 64.4</b>	<b>\$ 3.9</b>	<b>6.4%</b>	<b>\$ 60.5</b>	<b>\$ 64.4</b>	<b>\$ 3.9</b>	<b>6.4%</b>
<b>EXPENDITURES:</b>								
Salaries and Wages	\$ 34.0	\$ 31.3	\$ 2.7	7.9%	\$ 34.0	\$ 31.3	\$ 2.7	7.9%
Employee Benefits	9.5	11.4	(1.9)	(20.0%)	9.5	11.4	(1.9)	(20.0%)
Professional and Contractual Services	17.3	2.6	14.7	85.0%	17.3	2.6	14.7	85.0%
Operating Supplies	3.5	1.1	2.4	68.6%	3.5	1.1	2.4	68.6%
Operating Services	9.2	6.4	2.8	30.4%	9.2	6.4	2.8	30.4%
Capital Outlays	0.8	0.1	0.7	87.5%	0.8	0.1	0.7	87.5%
Debt Service	0.7	0.7	-	-	0.7	0.7	-	-
Other Expenses	19.6	10.1	9.5	48.5%	19.6	10.1	9.5	48.5%
<b>TOTAL (J)</b>	<b>\$ 94.6</b>	<b>\$ 63.7</b>	<b>\$ 30.9</b>	<b>32.7%</b>	<b>\$ 94.6</b>	<b>\$ 63.7</b>	<b>\$ 30.9</b>	<b>32.7%</b>

**Note:** Represents General Fund/General Purpose (Fund 1000) only. This report has been modified to show both the Monthly and YTD results on one page.

**Revenues:** Budget excludes Prior Year Surplus resource shown as revenue in adopted budget. On-site wagering taxes are lagging behind budget.

**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. Non-personnel actuals exclude approximately one month of activity due to prior fiscal year closeout actions. These will be adjusted in future reporting periods.

# Annualized Budget vs. Projection – General Fund (unaudited)

	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$ C = B-A)	% D= (C/A)
<i>\$ in millions</i>				
<b>REVENUE:</b>				
Municipal Income Tax	\$ 316.7	\$ 316.7	\$ -	-
Property Taxes	121.0	121.0	-	-
Wagering Taxes	265.5	265.5	-	-
Utility Users' Tax	32.3	32.3	-	-
State Revenue Sharing	208.3	208.3	-	-
Other Revenues	202.7	202.7	-	-
<b>TOTAL (I)</b>	<b>\$ 1,146.5</b>	<b>\$ 1,146.5</b>	<b>\$ -</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Salaries and Wages	\$ 518.9	\$ 518.9	\$ -	-
Employee Benefits	165.9	165.9	-	-
Professional and Contractual Services	91.4	91.4	-	-
Operating Supplies	39.3	39.3	-	-
Operating Services	84.9	84.9	-	-
Capital Outlays	1.2	1.2	-	-
Debt Service	85.9	85.9	-	-
Other Expenses	218.2	218.2	-	-
<b>TOTAL (J)</b>	<b>\$ 1,205.7</b>	<b>\$ 1,205.7</b>	<b>\$ -</b>	<b>-</b>
<b>REVENUES LESS EXPENDITURES (K= I + J)</b>	<b>\$ (59.2)</b>	<b>\$ (59.2)</b>	<b>\$ -</b>	<b>-</b>
Budgeted Use of Prior Year Surplus	46.0	46.0	-	-
Prior Year Continuing Appropriations	13.2	13.2	-	-
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**Note:** Represents General Fund/General Purpose (Fund 1000) only. This report has been modified to show budgeted use of prior year surplus and continuing appropriations below the line to align with Budget vs. Actual report.

**Revenues:** Revenue Projection is based on the February 2022 Revenue Estimating Conference results, the same as used for the FY23 Adopted Budget. Excludes Prior Year Surplus resource shown as revenue in adopted budget.

**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.

**Budgeted Use of Prior Year Surplus:** Unspent budget resource from prior year used to support one-time expenditures included in the FY23 Adopted 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 below.

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

MONTH-OVER-MONTH ACTUAL <sup>(1)</sup>			BUDGET VS. ACTUAL			
	Actual June 2022	Actual July 2022	Change July 2022 vs. June 2022	Adjusted Budget FY 2023 <sup>(2)</sup>	Variance (Under)/Over Budget vs. July 2022	
<b>Public Safety</b>						
Police	3,063	3,025	(38)	3,448	(423)	(12%)
Fire	1,188	1,176	(12)	1,229	(53)	(4%)
Total Public Safety	4,251	4,201	(50)	4,677	(476)	(10%)
<b>Non-Public Safety</b>						
Office of the Chief Financial Officer	361	369	8	399	(30)	
Public Works - Full Time	349	352	3	491	(139)	
Health	147	163	16	185	(22)	
Human Resources	97	101	4	105	(4)	
Housing and Revitalization	124	122	(2)	167	(45)	
Innovation and Technology	131	131	0	144	(13)	
Law	114	114	0	120	(6)	
Mayor's Office	82	81	(1)	81	0	
Municipal Parking	63	69	6	95	(26)	
Planning and Development	41	38	(3)	39	(1)	
General Services - Full Time	618	673	55	675	(2)	
Legislative <sup>(3)</sup>	238	237	(1)	301	(64)	
36th District Court	312	308	(4)	325	(17)	
Other <sup>(4)</sup>	226	225	(1)	276	(51)	
Total Non-Public Safety	2,903	2,983	80	3,403	(420)	(12%)
<b>Total General City-Full Time</b>	<b>7,154</b>	<b>7,184</b>	<b>30</b>	<b>8,080</b>	<b>(896)</b>	<b>(11%)</b>
<b>Seasonal / Part Time<sup>(5)</sup></b>	<b>89</b>	<b>110</b>	<b>21</b>	<b>490</b>	<b>(380)</b>	<b>(78%)</b>
<b>ARPA / COVID Response</b>	<b>356</b>	<b>376</b>	<b>20</b>	<b>380</b>	<b>(4)</b>	<b>(1%)</b>
<b>Enterprise</b>						
Airport	4	4	0	11	7	
BSEED	276	274	(2)	347	(73)	
Transportation	651	657	6	962	(305)	
Water and Sewerage	519	518	(1)	620	(102)	
Library	184	200	16	341	(141)	
<b>Total Enterprise</b>	<b>1,634</b>	<b>1,653</b>	<b>19</b>	<b>2,281</b>	<b>(614)</b>	<b>(27%)</b>
<b>Total City</b>	<b>9,233</b>	<b>9,323</b>	<b>90</b>	<b>11,231</b>	<b>(1,908)</b>	<b>(17%)</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.



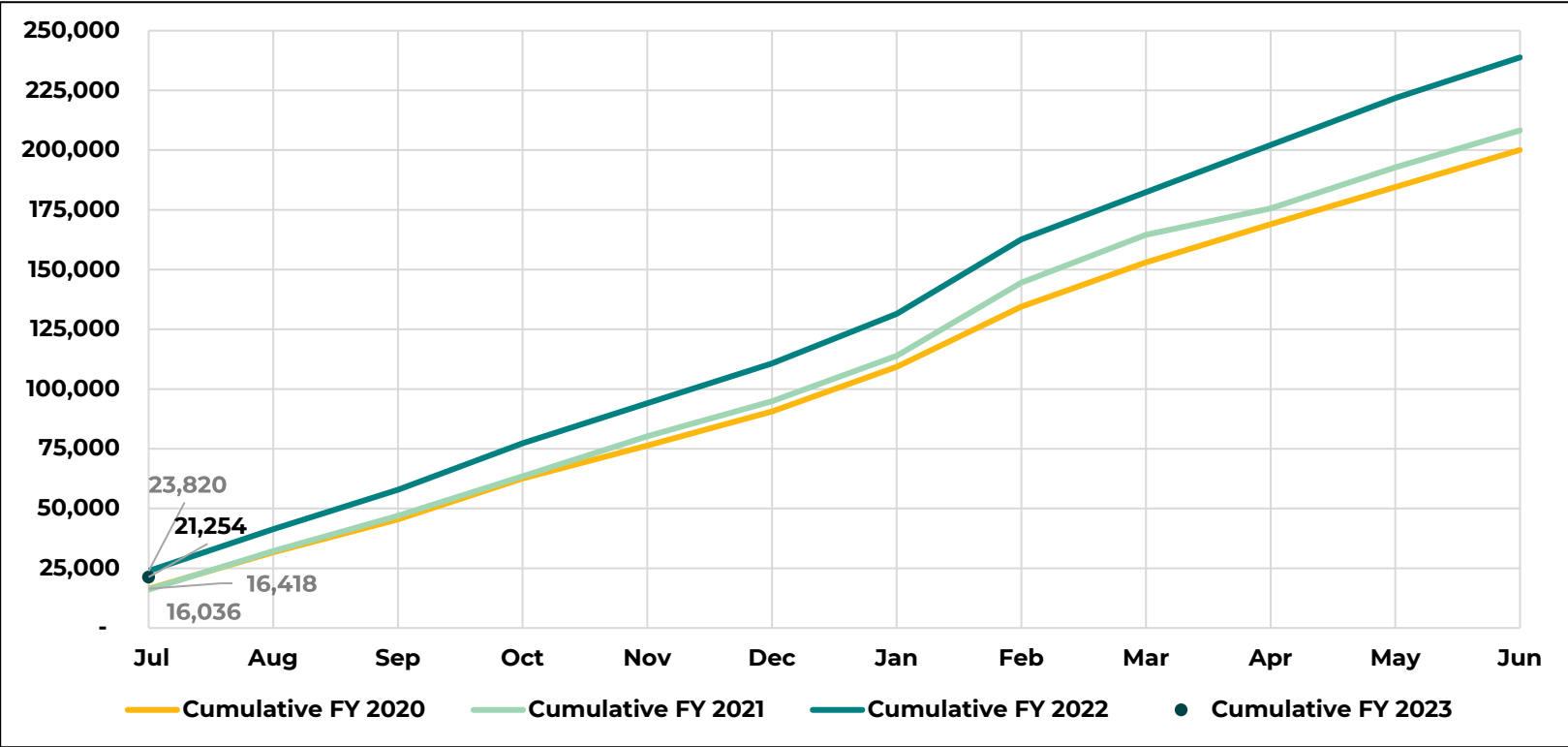
# Income Tax – Collections (unaudited)

Fiscal Years 2022 - 2023	FY23 YTD	FY22 YTD
Income Tax Collections	July 2022	July 2021
Withholding	\$25,805,669	\$23,842,690
Individual	2,214,199	
Corporate	789,020	
Partnerships	213,004	
<b>Total Collections</b>	<b>\$29,021,893</b>	<b>\$23,842,690</b>
<b>Refunds claimed, disbursed and accrued</b>	<b>(5,951,534)</b>	<b>(3,136,799)</b>
<b>Collections Net of Refunds/Disbursements</b>	<b>\$ 23,070,359</b>	<b>\$ 20,705,891</b>

Note: July corporate, individual and partnership receipts are accrued back to June and should be reversed in July which should result in zero revenue in July 2022 for these categories. In error, the 2022 accrual was reversed in August.



# Income Tax – Number of Withholding Returns





# Cash Position (unaudited)

(in millions)

	Unrestricted	Restricted	July 2022 Total	Prior Year July 2021 Total
<b>General Ledger Cash Balances</b>				
<b>General Fund</b>				
General Accounts	\$ 500.4	76.1	\$ 576.4	\$ 349.6
Self Insurance	10.0	9.6	19.6	73.3
Quality of Life Fund	2.4	1.8	4.3	6.3
Retiree Protection Trust Fund	-	360.3	360.3	320.4
A/P and Payroll Clearing	19.7	-	19.7	1.8
<b>Other Governmental Funds</b>				
Capital Projects	2.6	228.9	231.5	342.2
Streets	99.8	0.00	99.8	106.2
Grants	61.9	7.4	69.3	72.3
Covid 19	-	-	-	8.1
ARPA	786.4	-	786.4	424.6
Solid Waste Management	22.8	-	22.8	33.5
Debt Service	-	41.2	41.2	38.4
Gordie Howe Bridge	11.3	-	11.3	14.7
Other	30.2	0.0	30.2	32.0
<b>Enterprise Funds</b>				
Enterprise Funds	6.3	-	6.3	6.7
<b>Fiduciary Funds</b>				
Undistributed Property Taxes	39.1	-	39.1	53.3
Fire Insurance Escrow	11.5	-	11.5	11.2
Other	54.0	-	54.0	45.7
<b>Component Units</b>				
Component Units	19.0	-	19.0	36.5
<b>Total General Ledger Cash Balance</b>	<b>\$ 1,677.4</b>	<b>\$ 725.3</b>	<b>\$ 2,402.7</b>	<b>1,976.9</b>

Note: This schedule reports total City of Detroit (excludes DSWD) cash in the bank at July 31, 2022 and differences between the General Ledger and bank balance are shown as reconciling items. This report does not represent cash available for spending, and liabilities and fund balance must be considered when determining excess cash.



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

	FY22 YTD	FY23 YTD			July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Feb 2023 -
	Jul-21	Jul-22	Jul-22	Jul-22	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2023	June 2023
	Actual	Actual	Forecast	Variance	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Beginning Common Cash Pool</b>	\$ 1,000.0	\$ 1,365.9	\$ -	\$ -	\$ 1,365.9	\$ 1,350.9	\$ 1,451.4	\$ 1,319.7	\$ 1,330.8	\$ 1,279.1	\$ 1,244.6	\$ 1,313.0	\$ 1,272.6	\$ 1,218.9	\$ 1,235.6	\$ 1,213.2	\$ 1,244.6
<b>Sources of Cash</b>																	
Income Taxes	25.5	31.0	21.5	9.5	31.0	31.0	21.1	23.0	21.5	20.9	28.7	21.1	27.9	27.8	10.3	38.5	125.6
Property Taxes	43.1	46.3	46.2	0.1	46.3	221.7	32.4	11.7	17.0	47.8	163.2	14.3	6.2	3.2	5.8	47.0	76.5
Revenue Sharing	-	-	-	-	-	30.7	-	30.7	-	30.9	-	31.3	-	30.3	-	29.9	91.5
Wagering Taxes	17.3	17.5	17.2	0.3	17.5	22.3	18.0	19.8	16.9	10.1	19.2	19.6	29.6	28.7	32.7	28.5	139.1
Utility Users Taxes	2.2	2.9	2.4	0.5	2.9	1.6	2.1	2.3	-	3.7	2.1	3.7	4.3	3.1	3.7	2.7	17.4
Other Receipts	28.6	27.8	27.6	0.2	27.8	84.5	34.3	33.4	36.6	42.1	20.2	33.8	28.9	21.6	28.3	33.2	145.8
Net Interpool transfers	77.9	33.7	33.7	-	33.7	17.9	23.5	55.7	25.6	26.8	21.8	19.8	58.9	26.0	37.7	27.2	169.5
Bond Proceeds	6.4	8.9	8.9	-	8.9	4.6	2.5	7.7	5.2	3.5	3.4	3.8	3.3	35.1	1.6	9.0	52.8
<b>Total Sources of Cash</b>	<b>\$ 201.1</b>	<b>\$ 168.2</b>	<b>\$ 157.5</b>	<b>\$ 10.7</b>	<b>\$ 168.2</b>	<b>\$ 414.2</b>	<b>\$ 133.9</b>	<b>\$ 184.3</b>	<b>\$ 122.8</b>	<b>\$ 185.7</b>	<b>\$ 258.7</b>	<b>\$ 147.5</b>	<b>\$ 159.0</b>	<b>\$ 175.7</b>	<b>\$ 120.1</b>	<b>\$ 216.0</b>	<b>\$ 818.3</b>
<b>Uses of Cash</b>																	
Wages and Benefits	(73.2)	(85.3)	(83.7)	(1.6)	(85.3)	(55.5)	(49.6)	(51.4)	(55.0)	(61.1)	(49.6)	(61.2)	(74.0)	(66.2)	(46.8)	(63.6)	(311.8)
Pension Contribution	(17.7)	(8.0)	(9.3)	1.3	(8.0)	(2.5)	(2.4)	(10.4)	(3.6)	(2.3)	(2.2)	(10.1)	(3.6)	(10.5)	(2.3)	(5.0)	(31.6)
Debt Service	(6.7)	(4.7)	(5.1)	0.4	(4.7)	-	-	(9.1)	-	(0.1)	(0.6)	-	(8.7)	-	-	(8.7)	-
Property Tax Distribution	(3.1)	(16.4)	(16.6)	0.2	(16.4)	(99.6)	(60.3)	(9.6)	(2.2)	(4.4)	(84.0)	(48.1)	(11.2)	(1.9)	(1.0)	(52.3)	(114.4)
TIF Distribution	-	-	-	-	-	-	(1.6)	(1.6)	(3.6)	(23.9)	-	-	-	(28.7)	-	(0.6)	(29.3)
Other Disbursements	(64.8)	(68.8)	(73.3)	4.6	(68.8)	(66.1)	(153.3)	(91.1)	(110.1)	(128.4)	(53.9)	(68.5)	(123.9)	(71.7)	(63.7)	(104.7)	(432.6)
Transfers to Retiree Protection Fund	(85.0)	-	-	-	-	(90.0)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Uses of Cash</b>	<b>\$ (250.6)</b>	<b>\$ (183.2)</b>	<b>\$ (188.1)</b>	<b>\$ 4.9</b>	<b>\$ (183.2)</b>	<b>\$ (313.7)</b>	<b>\$ (265.6)</b>	<b>\$ (173.2)</b>	<b>\$ (174.6)</b>	<b>\$ (220.2)</b>	<b>\$ (190.3)</b>	<b>\$ (187.9)</b>	<b>\$ (212.7)</b>	<b>\$ (159.0)</b>	<b>\$ (142.5)</b>	<b>\$ (226.3)</b>	<b>\$ (928.4)</b>
<b>Net Cash Flow</b>	<b>\$ (49.5)</b>	<b>\$ (15.0)</b>	<b>\$ (30.6)</b>	<b>\$ 15.6</b>	<b>\$ (15.0)</b>	<b>\$ 100.6</b>	<b>\$ (131.7)</b>	<b>\$ 11.1</b>	<b>\$ (51.8)</b>	<b>\$ (34.5)</b>	<b>\$ 68.4</b>	<b>\$ (40.3)</b>	<b>\$ (53.7)</b>	<b>\$ 16.7</b>	<b>\$ (22.5)</b>	<b>\$ (10.3)</b>	<b>\$ (110.1)</b>
<b>Ending Common Cash Pool</b>	<b>\$ 950.5</b>	<b>\$ 1,350.9</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,350.9</b>	<b>\$ 1,451.4</b>	<b>\$ 1,319.7</b>	<b>\$ 1,330.8</b>	<b>\$ 1,279.1</b>	<b>\$ 1,244.6</b>	<b>\$ 1,313.0</b>	<b>\$ 1,272.6</b>	<b>\$ 1,218.9</b>	<b>\$ 1,235.6</b>	<b>\$ 1,213.2</b>	<b>\$ 1,202.9</b>	<b>\$ 1,134.5</b>
<b>Budget Reserve Fund</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ -</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 107.0</b>	<b>\$ 138.0</b>



# Accounts Payable and Supplier Payments (unaudited)

Accounts Payable (AP) as of Jul-22	
Total AP (Jun-22)	\$ 17.9
Plus: Jul-22 invoices processed	\$ 89.1
Less: Jul-22 Payments made	\$ (75.3)
Total AP month end (Jul-22)	\$ 31.7
Less: Invoices on hold <sup>(1)</sup>	\$ (18.6)
Total AP not on Validation hold (Jul-22)	\$ 13.1
Less: Installments/Retainage Invoices <sup>(2)</sup>	\$ (2.5)
Net AP not on hold	\$ 10.6

Note: Net AP Not on Hold includes \$5m of invoices that are due after Jul-22

## AP Aging

(excluding invoices on hold & Retainage)

	Net AP	Current	Days Past Due		
			1-30	31-60	61+
<b>Jul-22. Total</b>	\$ 10.6	\$ 5.5	\$ 2.9	\$ 1.2	\$ 1.0
% of total	100%	52%	27%	12%	9%
Change vs. Jun-22	\$ (4.8)	\$ (8.6)	\$ 1.7	\$ 1.1	\$ 1.0
<b>Total Count of Invoices</b>	1,178	656	333	90	99
% of total	100%	56%	28%	8%	8%
Change vs. Jun-22	(57)	(347)	188	31	71
<b>Jun-22. Total</b>	\$ 15.4	\$ 14.1	\$ 1.2	\$ 0.1	\$ -
% of total	100%	91%	8%	1%	0%
<b>Total Count of Invoices</b>	1,235	1,003	145	59	28
% of total	100%	81%	12%	5%	2%

### 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

