



FY 2021-22 Financial Report

For Two Months ended August 31, 2021

Office of the Chief Financial Officer

Submitted on October 15, 2021

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Executive Summary

- The City is holding its Annual Budget Meeting on October 21 starting at 5:30pm. The Annual Public Budget Meeting provides residents an opportunity to learn more about the programs and services funded by the City's budget and to provide public comment. It marks the first stage of public engagement on the development of the Fiscal Year 2022-23 Budget. Topics will include how the budget is funded and major service areas like public health and safety, public works, street lighting, housing, recreation, and public transit. The virtual meeting link is available at: <https://detroitmi.gov/events/24th-annual-public-budget-meeting-october-21-2021>

Monthly Budget v. Monthly Actual – General Fund (Unaudited)

MONTHLY ANALYSIS						
(\$ in millions)	BUDGET	ACTUAL + ADJUSTMENTS			VARIANCE (BUDGET VS. ACTUAL)	
MAJOR CLASSIFICATIONS	AUGUST 2021	ACTUAL	ADJUSTMENTS	TOTAL		
A	B	C	D	E = C + D	(\$ F = E-B	% G = (F/B)
REVENUE:						
Municipal Income Tax	\$ 19.1	\$ 24.6	\$ -	\$ 24.6	\$ 5.5	28.8%
Property Taxes	34.5	46.4	-	46.4	11.9	34.5%
Wagering Taxes	12.0	20.6	-	20.6	8.6	71.7%
Utility Users' Tax	2.3	2.2	-	2.2	(0.1)	(4.3%)
State Revenue Sharing	-	-	-	-	-	-
Other Revenues	14.4	15.0	-	15.0	0.6	4.2%
Sub-Total	\$ 82.3	\$ 108.8	\$ -	\$ 108.8	\$ 26.5	32.2%
Use of Fund Balance	7.8	-	7.8	7.8	-	-
Balance Forward Appropriations	0.1	-	0.1	0.1	-	-
Transfers from Other Funds	-	-	-	-	-	-
TOTAL	\$ 90.2	\$ 108.8	\$ 7.9	\$ 116.7	\$ 26.5	29.4%
EXPENDITURES:						
Salary and Wages (Incl. Overtime)	\$ (35.6)	\$ (39.0)	\$ -	\$ (39.0)	\$ (3.4)	(9.6%)
Employee Benefits	(11.1)	(9.4)	-	(9.4)	1.7	15.3%
Legacy Pension Payments	-	-	-	-	-	-
Retiree Protection Fund	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Other Expenses	(28.5)	(20.1)	-	(20.1)	8.4	29.5%
TOTAL	\$ (75.2)	\$ (68.5)	\$ -	\$ (68.5)	\$ 6.7	8.9%

Note: Represents Fund 1000 only.



YTD Budget v. YTD Actual – General Fund (Unaudited)

YTD ANALYSIS						
(\$ in millions)	BUDGET	ACTUAL + ADJUSTMENTS			VARIANCE (BUDGET VS. ACTUAL)	
MAJOR CLASSIFICATIONS	YEAR TO DATE	ACTUAL	ADJUSTMENTS	TOTAL		
A	B	C	D	E = C + D	(\$ F = E-B	% G = (F/B)
REVENUE:						
Municipal Income Tax	\$ 38.3	\$ 45.3	\$ -	\$ 45.3	\$ 7.0	18.3%
Property Taxes	42.3	54.3	-	54.3	12.0	28.4%
Wagering Taxes	24.2	38.4	-	38.4	14.2	58.7%
Utility Users' Tax	4.7	4.4	-	4.4	(0.3)	(6.4%)
State Revenue Sharing	-	-	-	-	-	-
Other Revenues	30.9	29.6	-	29.6	(1.3)	(4.2%)
Sub-Total	\$ 140.4	\$ 172.0	\$ -	\$ 172.0	\$ 31.6	22.5%
Use of Fund Balance	24.7	-	24.7	24.7	-	-
Balance Forward Appropriations	0.2	-	0.2	0.2	-	-
Transfers from Other Funds	-	-	-	-	-	-
TOTAL	\$ 165.3	\$ 172.0	\$ 24.9	\$ 196.9	\$ 31.6	19.1%
EXPENDITURES:						
Salary and Wages (Incl. Overtime)	\$ (71.6)	\$ (70.4)	\$ -	\$ (70.4)	\$ 1.2	1.7%
Employee Benefits	(22.1)	(17.8)	-	(17.8)	4.3	19.5%
Legacy Pension Payments	-	-	-	-	-	-
Retiree Protection Fund	(85.0)	(85.0)	-	(85.0)	-	-
Debt Service	(0.1)	(0.1)	-	(0.1)	-	-
Other Expenses	(62.9)	(31.2)	-	(31.2)	31.7	50.4%
TOTAL	\$ (241.7)	\$ (204.5)	\$ -	\$ (204.5)	\$ 37.2	15.4%

Note: Actual results for “other expenses” do not include an accrual for expenses incurred but not yet paid. It is estimated that approximately one full month of expenses is unrecorded.



Annualized Projection vs. Budget – General Fund

ANNUAL ANALYSIS				
(\$ in millions)	BUDGET	PROJECTION	VARIANCE (BUDGET VS. PROJECTION)	
MAJOR CLASSIFICATIONS	ANNUAL AMENDED	ANNUAL ESTIMATED	ANNUAL ESTIMATED	
A	B	C	(\$ D = C-B	% E = (D/B)
REVENUE:				
Municipal Income Tax	\$ 295.6	\$ 276.4	\$ (19.2)	(6.5%)
Property Taxes	113.4	117.2	3.8	3.4%
Wagering Taxes	169.8	283.6	113.8	67.0%
Utility Users' Tax	28.4	31.4	3.0	10.6%
State Revenue Sharing	202.5	193.7	(8.8)	(4.3%)
Other Revenues	185.4	204.1	18.7	10.1%
Sub-Total	\$ 995.1	\$ 1,106.4	\$ 111.3	11.2%
Use of Fund Balance	148.3	148.3	-	-
Balance Forward Appropriations	1.1	1.1	-	-
Transfers from Other Funds	-	-	-	-
TOTAL (F)	\$ 1,144.5	\$ 1,255.8	\$ 111.3	9.7%
EXPENDITURES:				
Salary and Wages (Incl. Overtime)	\$ (464.4)	\$ (464.4)	\$ -	-
Employee Benefits	(246.6)	(246.6)	-	-
Legacy Pension Payments	(18.7)	(18.7)	-	-
Retiree Protection Fund	(85.0)	(85.0)	-	-
Debt Service	(85.1)	(85.1)	-	-
Other Expenses	(244.7)	(244.7)	-	-
TOTAL (G)	\$ (1,144.5)	\$ (1,144.5)	\$ -	-
VARIANCE (H=F+G)	\$ -	\$ 111.3	\$ 111.3	-

Note: Represents Fund 1000 only. Projected annual revenues are based on the September 2021 Revenue Estimating Conference. Use of Fund Balance represents appropriations City Council has approved for the FY 2021-2022 Budget, as amended. With only two months of activity into the fiscal year, there is no change in the expenditure projection vs. budget.



YTD Budget Amendments – General Fund

FY 2021-2022 GENERAL FUND BUDGET AMENDMENTS (Through July 2021)			
Department	Reason for Amendment	Resources	Expenditures
FY 2021-2022 Adopted Budget		\$1,138,413,354	\$1,138,413,354
Use of Prior Year Fund Balance			
Non-Departmental	June 2021 Rain Event Disaster Response	5,000,000	5,000,000
	Total	5,000,000	5,000,000
Balance Forward Appropriations (FY21 to FY22)			
General Services (Recreation)	Pistons Basketball	571,732	571,732
General Services	Wayne County Parks Millage - FY18/19	294,496	294,496
General Services	Wayne County Parks Millage - FY19/20	262,756	262,756
	Total	1,128,984	1,128,984
Budget Amendments - Additional Resources			
	Total	-	-
Transfers			
	Total	-	-
FY 2021-2022 Amended Budget		\$1,144,542,338	\$1,144,542,338

Note: Represents Fund 1000 only.



Employee Count Monitoring

	MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual July 2021	Actual August 2021	Change July 2021 vs. August 2021	Adjusted Budget FY 2022 ⁽²⁾	Variance (Under)/Over Budget vs. August 2021	
Public Safety						
Police	3,180	3,183	3	3,440	(257)	(7%)
Fire	1,166	1,168	2	1,271	(103)	(8%)
Total Public Safety	4,346	4,351	5	4,711	(360)	(8%)
Non-Public Safety						
Office of the Chief Financial Officer	376	374	(2)	442	(68)	
Public Works - Full Time	364	354	(10)	491	(137)	
Health	154	155	1	175	(20)	
Human Resources	97	104	7	105	(1)	
Housing and Revitalization	138	138	0	142	(4)	
Innovation and Technology	122	123	1	148	(25)	
Law	109	112	3	126	(14)	
Mayor's Office	82	82	0	83	(1)	
Municipal Parking	77	71	(6)	91	(20)	
Planning and Development	37	36	(1)	42	(6)	
General Services - Full Time	465	472	7	567	(95)	
Legislative ⁽³⁾	211	212	1	251	(39)	
36th District Court	304	309	5	325	(16)	
Other ⁽⁴⁾	253	249	(4)	275	(26)	
Total Non-Public Safety	2,789	2,791	2	3,263	(472)	(14%)
Total General City-Full Time	7,135	7,142	7	7,974	(832)	(10%)
Seasonal / Part Time⁽⁵⁾	152	146	(6)	583	(437)	(75%)
Enterprise						
Airport	4	4	0	4	0	
BSEED	250	254	4	304	(50)	
Transportation	658	638	(20)	941	(303)	
Water and Sewerage	496	490	(6)	659	(169)	
Library	223	219	(4)	370	(151)	
Total Enterprise	1,631	1,605	(26)	2,278	(673)	(30%)
Total City	8,918	8,893	(25)	10,835	(1,942)	(18%)

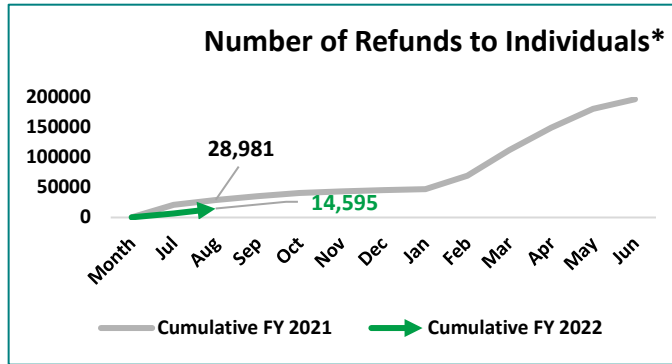
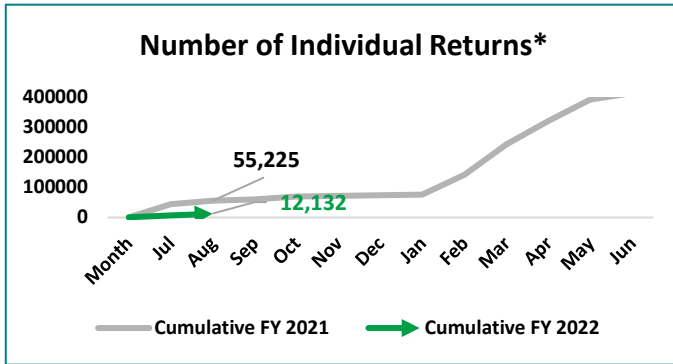
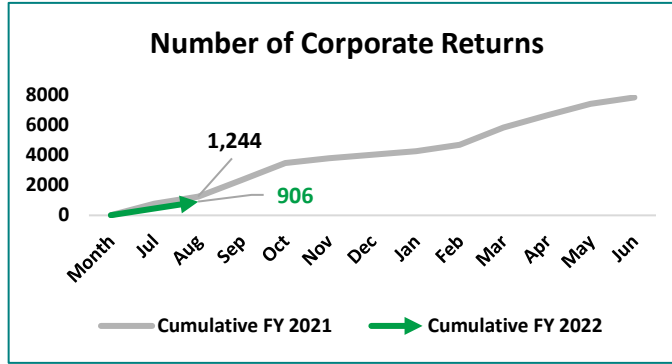
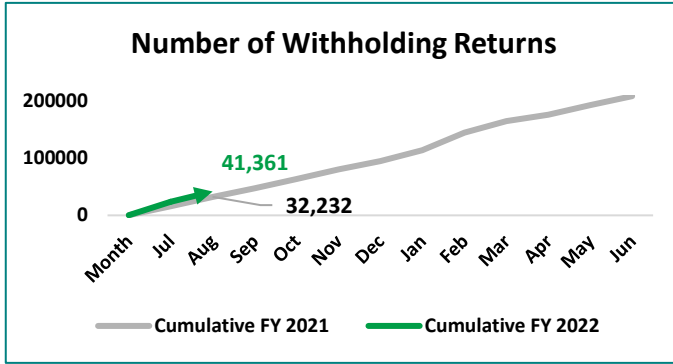
Notes:

- (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

Fiscal Years 2021 - 2022	FY22 YTD	FY21 YTD
Income Tax Collections	August 2021	August 2020
Withholding	\$49,492,666	\$44,097,384
Individual	2,414,243	2,359,658
Corporate	533,272	835,968
Partnerships	553,999	82,821
2015 and Prior Collections	18,164	109,460
Total Collections	\$53,012,344	\$47,485,291
Refunds claimed, disbursed and accrued	(\$7,704,779)	(\$14,985,44)
Collections Net of Refunds/Disbursements	\$ 45,307,565	\$ 32,499,948

Income Tax – Volumes of Returns and Refunds



*The large variance in the number of returns and refunds at the beginning of the 2020-21 fiscal year was due to the extension of tax year 2019 filing deadline from April 15, 2020 to July 15, 2020. The tax year 2020 filing date was extended to May 17, 2021 which created a delay in the receipt of tax year 2020 returns and refunds.



Development and Grants

Active Grants and Donations as of August 31, 2021 *(\$ in millions)*

	Amount Awarded – City ⁽¹⁾	Amount Awarded – Partners ⁽²⁾
Total Active	\$2,131.9	\$322.9
Net Change from last month ⁽³⁾	\$42.5	-\$12.3

New Funds – January 1 to October 6, 2021 *(\$ in millions)*

	Amount Awarded
Documented	\$1,107.0
Committed ⁽⁴⁾	\$165.8
Total New Funding (Overall Funds Raised)	\$1,272.8
COVID-19 Documented	\$942.3
COVID-19 Committed	\$145.4
COVID-19 Overall Funds Raised⁽⁵⁾	\$1,087.6

(1) Reflects public and private funds directly to City departments.

(2) Reflects public and private funds for City projects via fiduciaries, and to third-party partners and agencies for projects prioritized by the City for which the OCFO-Office of Development and Grants has provided active support.

(3) The most significant new award in August was the FEMA Vaccine Part II Grant for \$18,675,763, to support City-wide COVID-19 vaccine efforts. In addition, the Federal Transit Administration and the Michigan Department of Transportation awarded the Detroit Department of Transportation with the Coolidge Terminal Rehab Grant, for a total of \$16,420,048, to support the Coolidge Rehabilitation Project.

(4) Reflects verbal and informal commitments which are secure, but for which formal agreements have not yet been finalized.

(5) Reflects documented and committed funds raised for COVID-19 response efforts by the City and its partners.

Development and Grants

New Funds (Total) – January 1 to October 6, 2021 – By Priority Category

Priority Category	Documented	Committed	Total
Administration/General Services	\$ 869,056,845	\$ 21,676,942	\$ 890,733,787
Community/Culture	\$ 490,151	\$ 208,500	\$ 698,651
Economic Development	\$ 1,500,000		\$ 1,500,000
Health	\$ 30,095,246	\$ 13,617,836	\$ 43,713,082
Housing	\$ 125,528,258	\$ 122,583,684	\$ 248,111,942
Parks and Recreation	\$ 6,655,655	\$ 1,100,000	\$ 7,755,655
Planning	\$ 272,436	\$ 191,000	\$ 463,436
Public Safety	\$ 2,681,241	\$ 898,786	\$ 3,580,027
Technology/Education	\$ 87,500	\$ 1,290,000	\$ 1,377,500
Transportation	\$ 57,277,802	\$ 2,753,920	\$ 60,031,722
Workforce	\$ 13,328,094	\$ 1,516,400	\$ 14,844,494
Grand Total	\$ 1,106,973,227	\$ 165,837,068	\$ 1,272,810,295

Cash Position

	Unrestricted	Restricted	August 2021	Prior Year August 2020
Bank Balance	\$ 1,427.3	\$ 796.5	# \$ 2,223.8	\$ 1,388.6
Plus/minus: Reconciling items	(6.3)	0.3	(6.0)	4.4
Reconciled Bank Balance	\$ 1,421.0	\$ 796.8	\$ 2,217.8	\$ 1,393.0
General Ledger Cash Balances				
General Fund				
General Accounts	\$ 355.7	84.2	\$ 439.9	\$ 267.9
Risk Management/Self Insurance	54.2	9.6	63.8	90.6
Undistributed Delinquent Taxes	-	-	-	3.2
Quality of Life Fund	-	5.8	5.8	16.5
Retiree Protections Trust Fund	-	320.2	320.2	235.8
A/P and Payroll Clearing	1.2	-	1.2	16.8
				\$0.0
Other Governmental Funds				
Capital Projects	12.8	323.0	\$ 335.8	103.1
Street Fund	110.9	-	110.9	124.3
Grants	75.4	0.1	75.6	54.9
Covid 19	-	-	-	116.9
ARPA	421.3	-	421.3	-
Solid Waste Management Fund	41.5	-	41.5	48.3
Debt Service	-	53.9	53.9	63.4
Gordie Howe Bridge Fund	14.8	-	14.8	16.8
Other	25.9	-	25.9	10.7
Enterprise Funds				
Enterprise Funds	\$ 9.5	-	\$ 9.5	\$ 26.7
Fiduciary Funds				
Undistributed Property Taxes	204.4	-	\$ 204.4	\$ 131.5
Fire Insurance Escrow	11.3	-	11.3	10.5
Other	55.9	-	55.9	40.7
Component Units				
Component Units	\$ 26.1	-	\$ 26.1	\$ 14.4
Total General Ledger Cash Balance	<u>\$ 1,421.0</u>	<u>\$ 796.8</u>	<u>\$ 2,217.8</u>	<u>\$ 1,393.0</u>

Note: This schedule reports total City of Detroit (excludes DSWD) cash in the bank at June 30, 2021 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.

⁽¹⁾ ARPA cash includes approximately \$11M for Emergency Rental Assistance which was also funded through ARPA legislation.

Operating Cash Activity: YTD Actual vs. Forecast and 12 Month Forecast

In millions	FY21 YTD	FY22 YTD			August 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022 -
	July to Aug Actual	July to Aug Actual	July to Aug Forecast	July to Aug Variance	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Aug 2022 Forecast
Beginning Common Cash Pool	\$ 564.2	\$ 1,009.6			\$ 914.3	\$ 1,148.9	\$ 1,021.0	\$ 1,019.6	\$ 1,020.7	\$ 950.9	\$ 976.9	\$ 945.5
Sources of Cash												
Income Taxes	53.5	53.5	52.6	0.9	28.0	27.0	26.6	19.6	27.8	29.9	19.5	147.3
Property Taxes	254.8	279.1	276.5	2.6	235.9	20.8	13.9	12.0	66.3	128.6	12.2	301.6
Revenue Sharing	2.6	30.7	29.0	1.7	30.7	-	29.2	-	29.6	-	28.6	83.5
Wagering Taxes	12.4	50.6	44.7	5.9	33.3	13.0	16.6	18.1	21.2	17.5	13.8	87.9
Utility Users Taxes	3.5	4.4	3.1	1.3	2.3	1.9	2.1	1.6	1.6	1.8	3.2	15.6
Other Receipts	121.8	58.0	68.9	(11.0)	29.3	44.4	18.0	29.0	32.6	31.7	27.7	663.0
Net Interpool transfers	54.3	70.7	68.8	1.9	38.6	44.3	32.3	64.8	31.6	37.9	20.7	187.7
Bond Proceeds	4.1	12.3	11.4	0.9	5.9	0.3	0.8	2.6	3.0	1.2	4.2	52.6
Transfers from Budget Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Cash	\$507	\$ 559	\$555	\$4	\$404	\$152	\$139	\$148	\$214	\$249	\$130	\$1,539
Uses of Cash												
Wages and Benefits	\$ (128.9)	(126.5)	(122.1)	(4.3)	(53.2)	(57.7)	(51.8)	(50.0)	(74.0)	(51.4)	(53.1)	(339.8)
Pension Contribution	(12.7)	(22.9)	(18.3)	(4.7)	(5.3)	(2.2)	(9.9)	(2.2)	(3.3)	(9.8)	(3.0)	(33.4)
Debt Service	(0.6)	(6.7)	(5.1)	(1.6)	-	(8.7)	(0.4)	-	(0.1)	(0.6)	-	(13.8)
Property Tax Distribution	(106.2)	(22.7)	(29.2)	6.4	(19.6)	(126.3)	(4.6)	(2.2)	(5.2)	(82.7)	(52.4)	(163.6)
TIF Distribution	-	-	-	-	-	-	(1.6)	(3.7)	(24.4)	-	-	(29.9)
Other Disbursements	(133.8)	(156.1)	(157.9)	1.8	(91.3)	(84.7)	(72.3)	(88.5)	(176.5)	(78.1)	(52.8)	(522.8)
Transfers to Retiree Protection Fund	(50.0)	(85.0)	(85.0)	-	-	-	-	-	-	-	-	(60.0)
Total Uses of Cash	(\$432.2)	(\$420.0)	(\$417.5)	(\$2.5)	(\$169.4)	(\$279.5)	(\$140.7)	(\$146.5)	(\$283.5)	(\$222.6)	(\$161.3)	(\$1,163.3)
Net Cash Flow	\$74.9	\$139.3	\$137.6	\$1.7	\$234.6	(\$127.9)	(\$1.3)	\$1.1	(\$69.8)	\$26.0	(\$31.4)	\$376.0
Ending Common Cash Pool	\$639.1	\$1,148.9	\$0.0	\$0.0	\$1,148.9	\$1,021.0	\$1,019.6	\$1,020.7	\$950.9	\$976.9	\$945.5	\$1,321.5
Budget Reserve Fund	\$107.0	\$107.0	\$107.0	\$0.0	\$107.0	\$107.0	\$107.0	\$107.0	\$107.0	\$107.0	\$107.0	\$107.0



Accounts Payable and Supplier Payments

Accounts Payable (AP) as of Aug-21	
Total AP (Jul-21)	\$ 33.2
Plus: Aug-21 invoices processed	\$ 158.7
Less: Aug-21 Payments made	\$ (103.0)
Total AP month end (Aug-21)	\$ 88.9
Less: Invoices on hold (1)	\$ (15.3)
Less: Installments/Retainage Invoices(2)	\$ (0.1)
Net AP not on hold	\$ 73.5

AP Aging (excluding invoices on hold)

	Net AP	Current	Days Past Due		
			1-30	31-60	61+
Aug-21. Total	\$ 73.6	\$ 9.7	\$ 55.6	\$ 3.6	\$ 4.7
% of total	100%	13%	76%	5%	6%
Change vs. Jul-21	\$ 53.9	\$ (3.2)	\$ 52.0	\$ 3.5	\$ 1.6
Total Count of Invoice	\$ 2,307	\$ 935	\$ 852	\$ 229	\$ 291
% of total	100%	41%	37%	10%	12%
Change vs. Jul-21	1,188	128	670	195	195
Jul-21. Total	\$ 19.7	\$ 12.9	\$ 3.6	\$ 0.1	\$ 3.1
% of total	100%	66%	18%	0%	16%
Total Count of Invoice	\$ 1,119	\$ 807	\$ 182	\$ 34	\$ 96
% of total	100%	72%	16%	3%	9%

