



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: June 27, 2022
TO: Financial Review Commission Members
FROM: Patrick Dostine, Departmental Specialist, Treasury
SUBJECT: **Year-Five Waiver of Direct FRC Oversight of City of Detroit**

Executive Summary

The Financial Review Commission is required to certify that the statutory conditions of Sec 8(2) of the Michigan Financial Review Commission Act, Act 181 of 2014 (the Act) are met to grant a waiver under the Act. Throughout the fourth waiver year, the city has been diligent in providing the Financial Review Commission with timely submissions of information and monthly, quarterly, and annual reports as required in Section 3 of Resolution 2018-13. Exhibit A in Resolution 2022-03 details the city's compliance with the statutory conditions and identifies the supporting documentation outlining the city's compliance with the Act. Based upon a review of the city's financial information, submitted reports, and presentations and discussions during the finance and contracts subcommittee meetings, staff recommends the Financial Review Commission certify that the city of Detroit has met the statutory conditions of Sec. 8(2) and grant the city of Detroit the year-five waiver.

Background

The Michigan Financial Review Commission Act provides for the active oversight of the city of Detroit for not less than 13 years. The Financial Review Commission's (FRC) duties and powers in active oversight are detailed in Sections 6 and 7 of the Act. Section 8 sets forth the conditions which, if all are met, require the FRC to annually adopt a resolution granting the waiver and the conditions which, should one occur, require the FRC to rescind the waiver.

The Act established the FRC on December 10, 2014 to monitor the city's compliance with the plan of adjustment (POA) and provide oversight of the city's financial and operational activities.

The FRC granted the city of Detroit the fourth waiver from active oversight on June 28, 2021. The year-four waiver will expire on June 30, 2022. For the FRC to certify that all the statutory conditions are met to grant the waiver, the city's (i) Adopted/Adhered to Deficit-Free Budgets, (ii) Adopted Four-Year Financial Plan FY 2022-2025, (iii) Municipal Securities/Debt Obligations, (iv) the Retirement Protection Fund (RPF) and Legacy Costs, and (v) Rainy Day Fund are discussed below to supplement the compliance documents listed in Exhibit A (Resolution 2022-3).

i. Adopted/Adhered to Deficit-Free Budgets

Sec. 8 (2)(a) of Act 181 requires the FRC to certify that the city has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act. FY 21 marks the seventh straight year (FY2015-FY2021) of audited balanced budgets and operating surpluses.

For fiscal year 2021, staff from Treasury’s Community Engagement and Finance Division reviewed the city’s FY 2021 Comprehensive Annual Financial Report (CAFR) for funds with unrestricted deficits. For funds using modified accrual, “unrestricted” fund balance equals the sum of committed, assigned and unassigned balances. The city’s FY 2021 CAFR was reviewed independently by two Treasury staff who arrived at the same conclusion: there were seven funds with unrestricted deficits; however, in accordance with Treasury’s [Numbered Letter \(NL\) 2016-1](#), no deficit elimination plans are required. See Table 1.

Table 1: Treasury Review of 2021 CAFR for Deficits

Fund Name	Fund Type	Audit Page	Comments	
Transportation	Enterprise	29	DEP not required because Current Assets > Current Liabilities. NL 2016-1, pages 2-4	
Airport		30		
Detroit Brownfield Redevelopment Authority	Component Unit	37		
Detroit Transportation Corporation				
Detroit Housing Commission				
General Grants	Special Revenue	153		DEP not required because Deferred Inflows of Resources >= Unrestricted Deficit. NL 2016-1, page 1.
COVID-19 Revenue		154		

ii. Adopted Four-Year Financial Plan FY 2023-2026

Sec. 8 (2)(c) of Act 181 requires the city’s financial plan projects a balanced budget for the current fiscal year and the succeeding three years using general accepted accounting principles and in accordance with the uniform budgeting and accounting act.

To date the city has submitted seven, four-year financial plans with balanced budgets.

- FY 2016-FY 2019, FRC approved April 20, 2015;
- FY 2017-FY 2020, FRC approved April 18, 2016;
- FY 2018-FY 2021, FRC approved April 17, 2017;
- FY 2019- FY 2022, FRC approved April 16, 2018;
- FY 2020-FY 2023, submitted April 30, 2019, (in waiver, FRC approval not required);
- FY 2021-FY 2024, submitted June 1, 2020¹, (in waiver, FRC approval not required);
- FY 2022-FY 2025, submitted April 30, 2021, (in waiver, FRC approval not required).

¹ The FRC granted the city an extension on its Four-Year Financial Plan in 2020 due to the effects of COVID-19.

Table 2 is the city's adopted Four-Year Financial Plan FY 2023-2026. It includes the adopted budget for FY 2023 plus three forecasted years (FY 2024, FY 2025, FY 2026) in accordance with the requirements of the Home Rule City Act and in compliance with Sec. 8(2)(c) of Act 181, utilizing revenue estimates from the February 2022 Revenue Estimating Conference as a base.

**Table 2: FY 2023-FY 2026 Expenditures & Revenues by Major Classification
City of Detroit Budget Development, Fund 1000 – General Fund**

Expenditures	FY2021 Actual	FY2022 Adopted	FY2023 Adopted	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Salaries & Wages	418,176,563	464,140,199	518,862,499	529,785,926	543,254,461	554,639,116
Employee Benefits	129,979,055	216,464,891	165,884,615	293,320,846	295,862,054	298,236,095
Professional & Contractual Services	60,270,674	73,983,717	81,165,587	87,829,193	89,856,708	91,586,843
Operating Supplies	30,223,331	43,312,662	39,175,186	40,058,457	41,019,875	41,840,285
Operating Services	78,125,093	87,409,243	84,874,276	85,758,135	87,525,944	89,034,464
Equipment Acquisition	1,239,170	-	120,000	122,880	125,830	128,346
Capital Outlays	300,271	190,800	290,800	297,779	304,926	311,024
Fixed Charges	84,704,404	85,056,650	85,883,752	73,465,048	75,673,571	75,712,828
Other Expenses	139,307,266	84,581,069	170,282,038	115,447,262	116,612,983	118,069,781
Total Expenditures - Recurring	942,325,827	1,055,139,231	1,146,538,753	1,226,085,526	1,250,236,352	1,269,558,782
Expenditures - Non-Recurring						
Reserves	-	80,000,000	60,719,808	15,000,000	7,000,000	-
Other One-Time Expenditures	-	3,274,123	15,938,500	-	-	-
Total Expenditures - Non-Recurring	-	83,274,123	76,658,308	15,000,000	7,000,000	-
Grand Total Expenditures	942,325,827	1,138,413,354	1,223,197,061	1,241,085,526	1,257,236,352	1,269,558,782

Revenues	FY2021 Actual	FY2022 Adopted	FY2023 Adopted	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Grants, Shared Taxes, & Revenues	224,782,579	205,265,000	215,830,000	216,927,000	218,044,000	219,180,000
Revenues from Use of Assets	24,524,357	27,154,912	27,229,016	26,497,224	25,722,633	24,753,962
Sales of Assets & Compensation for Losses	6,858,152	62,000	618,000	618,000	618,000	618,000
Sales & Charges for Services	99,902,946	106,544,319	115,851,737	116,855,302	120,201,825	119,019,388
Fines, Forfeits, & Penalties	16,371,568	20,776,000	22,743,000	23,049,000	23,055,000	23,061,128
Licenses, Permits, & Inspection Charges	11,888,509	13,692,000	13,734,000	13,860,000	13,989,894	14,122,393
Taxes, Assessments, & Interest	612,126,594	613,656,000	742,005,000	771,775,000	786,487,000	802,030,501
Contributions & Transfers	7,421,720	-	-	-	-	-
Miscellaneous	19,149,492	7,989,000	8,528,000	9,104,000	9,718,000	10,373,410
Total Revenues - Recurring	1,023,025,919	995,139,231	1,146,538,753	1,178,685,526	1,197,836,352	1,213,158,782
Revenues - Non-Recurring						
Contributions and Transfers	-	143,274,123	76,658,308	62,400,000	59,400,000	56,400,000
Total Revenues - Non-Recurring	-	143,274,123	76,658,308	62,400,000	59,400,000	56,400,000
Grand Total Revenues	1,023,025,919	1,138,413,354	1,223,197,061	1,241,085,526	1,257,236,352	1,269,558,782

iii. Municipal Securities/Debt Obligations

Sec. 8 (2)(b) of Act 181 requires the state treasurer and the city's CFO to certify that (1) all municipal securities or debt obligations sold by or for the benefit of the city in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the city and (2) there is a substantial likelihood that municipal securities or debt obligations can be sold by the qualified city ... in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of the qualified city ... during those periods in accordance with the qualified city's or qualified school district's financial plan, as applicable.

Capital Markets

The city issued UTGO bonds on the city's own credit twice in fiscal year 2021, once in October 2020, \$80 million to finance capital needs, and again in February 2021, \$175 million for Proposal N, which is

the demolition and housing rehabilitation initiative. Those were voter authorized debts, which the city levies a debt millage of 9 mills on the property taxes that covers the debt service. The city's current general purpose debt margin is \$1.281 million. The city has plans to issue the remaining \$75 million in Proposal N bond authorization and may issue a portion of the \$40 million in remaining capital improvement bond authorization, depending on the capital needs project. The city is slated to complete its biennial capital agenda planning process this summer and fall. It is worth noting, too, that since 2013-14, the city has received five upgrades from Moody's and four upgrades from S & P. Last month the city got upgrades from Moody's (Ba2) and S & P (BB), both with positive outlooks. The city is two notches below investment grade.

iv. The Pension Fund and the Retirement Protection Fund (RPF)

The actuarially determined pension cliff in the FY '23 budget is \$135.4 million. (Note. The \$135.4 million contribution is based on a PFRS 20-year amortization and GRS 30-year amortization.) Extraordinary FY '21 investment returns -- General Retirement, 27.84 % and Police and Fire Retirement, 27.11 % -- and revised mortality tables largely account for the significant drop in the city's 2024 budgeted contribution. Last year the actuarially determined contribution was \$186 million.

The pension pressures will be a long-term budget challenge for the city. It is the city's policy to reexamine the pension system and the RPF every year for future funding requirements and to adjust its funding plan as needed during the annual budget development process. The RPF was created to help smooth the effect of the actuarially determined contribution which the city will begin paying in FY 2024. It is considered a best practice in the management of retirement systems.

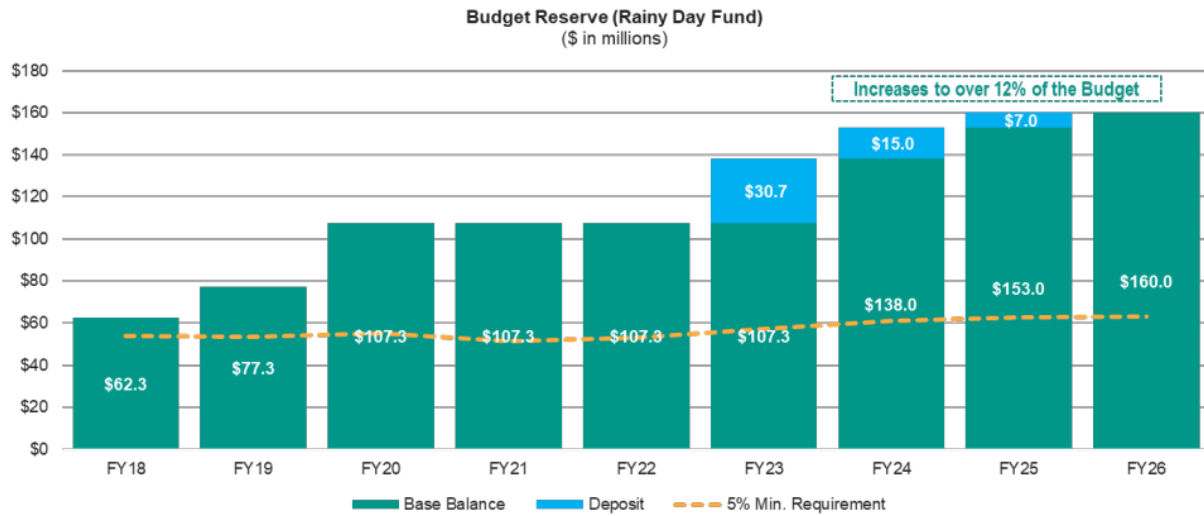
The RPF has grown more than originally planned. RPF assets will total \$460.4 million by the end of FY '23, that's significantly more than the \$335 million the city had planned originally.

Sec 4t (c)(ii) of Act 279 of 1909 (as amended) requires the city to make contributions necessary to assure that the pension systems for employees and retirees of the city are adequately funded. The city made additional contributions, above what the city had budgeted, to the RPF in FY 22 (\$80 million) and FY 23 (\$30 million). The CARES monies in FY 20 and FY 21 helped the city achieve budget surpluses which allowed the city to roll some of it, and other one-time windfalls, into the RPF.

v. Rainy Day Fund

Act 182 requires the city must maintain a budget reserve of at least 5% of projected recurring general fund expenditures. The FY23 budget increases (\$30.7 million deposit) the budget reserve to \$138 million, 12% of expenditures. The city's longer-term goal is to build it up to 15% of expenditures which is a Government Finance Officers Association's best practice. (See Table 3).

Table 3: FY 2018 – 2026 Budget Reserve



Conclusion

For the above-mentioned reasons and Exhibit A of Resolution 2022-3, staff recommends the FRC certify that the city of Detroit has met all of the statutory conditions required in Sec. 8(2) and grant the city of Detroit the year-five waiver.

The FRC, during waiver, plays a more limited role in the city’s day-to-day finances and operations. The commission’s waiver responsibilities are listed Sec. 8 (2) and (3) of Act 181. The commission’s primary role is to ensure the city remains in compliance with statute related to maintaining a waiver, and to ensure that the city meets the statutory conditions necessary to receive a waiver extension.

Going forward, the FRC, utilizing the submissions of financial reports by the city pursuant to Resolution 2018-13, will follow the city’s progress over the next fiscal year to verify, monthly, that the city remains in compliance with and does not trigger any conditions in Sec. 8(3)(a) through (h), the waiver rescission section of Act 181 of 2014.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2022-02

CERTIFYING THE CITY OF DETROIT’S (I) ADOPTION AND ADHERENCE TO DEFICIT FREE BUDGETS FOR THREE CONSECUTIVE YEARS AND (II) COMPLIANCE WITH THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, the Commission granted a waiver to the City pursuant to Section 8 of the Act on June 24, 2019 in Resolution 2018-13 and is currently in a period of decreased oversight; and

WHEREAS, both the Act and the conditions of waiver approved by the Commission in Resolution 2018-13 contemplate continued monitoring of the City’s financial status, even though the Commission is no longer providing day to day oversight of the City’s finances; and

WHEREAS, one such condition is found in Section 8(2)(a) of the Act which requires the Commission to certify annually that the City has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421.

WHEREAS, Section 8(2)(g) of the Act further requires the Commission certify annually that the City is in substantial compliance with the provisions of the Act; and

WHEREAS, at the Commission meeting June 27, 2022, documentation of the City's (i) adoption and adherence to deficit free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421, and (ii) compliance with the Act since the adoption of Resolution 2018-13, was presented for consideration.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Commission hereby certifies that the City has adopted and adhered to deficit free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421.

2. That the Commission hereby certifies that the City is in substantial compliance with the provisions of the Act since the adoption of Resolution 2018-3.

3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.

4. This Resolution shall have immediate effect.

Date: June 27, 2022
Detroit, Michigan

4847-0807-6224 v1 [56620-1]



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2022-03

**EXTENDING WAIVER GRANTED PURSUANT TO SECTION 8
OF THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT**

WHEREAS, Public Act 181 of 2014, as amended, the Michigan Financial Review Commission Act (the “Act”), created the Detroit Financial Review Commission (the “Commission”) to provide specified supervision of certain activities and actions of the City of Detroit (the “City”) beginning on December 10, 2014; and

WHEREAS, the Act charges the Commission with, among other things, (a) ensuring that the City is meeting certain statutory requirements, (b) reviewing and approving the City’s budgets and certain contracts, and (c) establishing processes to ensure effective prudent fiscal management; and

WHEREAS, the Commission granted a waiver to the City pursuant to Section 8 of the Act on June 28, 2021 in Resolution 2021-2 and is currently in a period of decreased oversight; and

WHEREAS, both the Act and the conditions of waiver approved by the Commission in Resolution 2018-13 contemplate continued monitoring of the City’s financial status, even though the Commission is no longer providing day to day oversight of the City’s finances; and

WHEREAS, Resolution 2018-13 also requires the City to provide the Commission certain information and reports during the period of decreased oversight; and

WHEREAS, the City has timely provided the Commission with the information and reports required by Resolution 2018-3; and

WHEREAS, at the Commission meeting on June 27, 2022, documentation that the City has satisfied the conditions enumerated in Section 8, attached as **Exhibit A** to this Resolution, was presented for consideration; and

WHEREAS, the Mayor and CFO have consulted with the Commission and support this resolution;

NOW THEREFORE, be it **RESOLVED** by the Detroit Financial Review Commission as follows:

1. That the conditions set forth in Section 8(2) have been satisfied and therefore, the City's duties and obligations to the Commission under Sections 6 and 7 of the Act are waived through and including June 30, 2023, subject to the terms and conditions of the Act, including Section 8.

2. All other provisions and obligations of the City under Resolution 2018-13 remain in full force and effect.

3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.

4. That this Resolution shall have immediate effect.

Date: June 27, 2022
Detroit, Michigan

DETROIT FINANCIAL REVIEW COMMISSION

Considerations for Extension of Waiver for City of Detroit (“City”)
Michigan Financial Review Commission Act (Act 181 of 2014)

For the Period July 1, 2021 through June 30, 2022

Presented on June 27, 2022

Requirement	FRC Act Sec. No.	Compliance
Commission certifies the City has adopted and adhered to deficit-free budgets for 3 consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421	8(2)(a)	See FRC resolution 2022- 2 for the FRC’s certification.
The State Treasurer and the City’s CFO certify that (a) all municipal securities or debt obligations sold by or for the benefit of the City in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the City, and (b) there is a substantial likelihood that municipal securities or debt obligations can be sold by the City in the general public market during the remainder of the current fiscal year.	8(2)(b)	See Treasurer’s attached verification and City’s attached certification. Also, section (iii) of the waiver memo.
The City’s financial plan projects a balanced budget for the current and succeeding 3 fiscal years using general accepted accounting principles and in accordance with the Uniform Budgeting and Accounting Act	8(2)(c)	The City has submitted the requisite four-year financial plans with balanced budgets. Section (ii) of the waiver memo.
The City has demonstrated to the FRC’s satisfaction the City has sufficient ability to borrow in the municipal securities market.	8(2)(d)	See City’s attached certification.
The City did not violate the Plan of Adjustment (“POA”) in the immediately preceding fiscal year and is not in violation in the current fiscal year.	8(2)(e)	See City’s attached certification.
The State Treasurer certifies that the City is in compliance with the Uniform Budgeting and Accounting Act.	8(2)(f)	See Treasurer’s attached verification.
The FRC certifies that the City is in substantial compliance with the Act.	8(2)(g)	See FRC Resolution 2022-2
The City has established a system of compensation for employees retirement plans in which the City contributes no	8(2)(h)	See City’s attached certification.

<p>more than 7% of an individuals' base pay, excluding payment for overtime services, 1-time lump sum payments and the costs of fringe benefits, to an employee's retirement account.</p>		
<p>The City has implemented a program in which all contracts awarded by the City are posted on the City's public website within 30 days of the contract award including the identity of the parties to the contract, the dollar amount of the contract and a brief description of the foods or services provided by the contract.</p>	<p>8(2)(i)</p>	<p>See City's attached certification.</p>



Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1100
Detroit, Michigan 48226

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CFO MEMORANDUM

TO: Financial Review Commission
FROM: Jay B. Rising, Chief Financial Officer, City of Detroit
SUBJECT: Certification the City has met the Waiver Conditions in PA 181, Section 8(2)
DATE: May 18, 2022

1. AUTHORITY

1.1. State of Michigan Public Act 181, Section 8(1) states the FRC shall, by resolution, waive the oversight requirements designated in Sections 6 and 7 of PA 181 if certain conditions are met as provided in Section 8(2) of PA 181.

2. OBJECTIVE

2.1. To verify that the City has met all the waiver conditions in Section 8(2) of PA 181.

3. PURPOSE

3.1. To certify that, to the best of my knowledge, the statements in Section 5 of this Memorandum are true and accurate, and to transmit the certification to the FRC.

4. SCOPE

4.1. This Memorandum is intended solely to verify that the City has met the waiver conditions of Section 8(2) of PA 181.

5. STATEMENT

5.1. In accordance with Section 8(2) of PA 181, the City has met the following conditions:

5.1.1. Adopted and adhered to deficit-free budgets for 3 consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

5.1.2. Both of the following conditions related to municipal securities:

5.1.2.1. All municipal securities or debt obligations sold by or for the benefit of the City in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the City during that period.

5.1.2.2. There is a substantial likelihood that municipal securities or debt obligations can be sold by the City in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of the City during those periods in accordance with the City's financial plan, as applicable.

5.1.3. Financial plan projects a balanced budget for the current and succeeding 3 fiscal years using generally accepted accounting principles and in accordance with the

uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, and section 4t of the home rule city act, 1909 PA 279, MCL 117.4t.

5.1.4. Sufficient ability to borrow in the municipal securities market.

5.1.5. Did not violate the Plan of Adjustment (the "POA") in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year.

5.1.6. Compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

5.1.7. Substantial compliance with PA 181.

5.1.8. Currently only offers the retirement plans as provided in the POA, which do not include contributions to individual employee retirement accounts.

5.1.9. Implemented a program in which all contracts awarded by the City are posted on the City's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract.

CERTIFIED

A handwritten signature in blue ink that reads "Jay B. Rising". The signature is written in a cursive style and is positioned above a horizontal line.

Jay B. Rising

Chief Financial Officer, City of Detroit



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: June 27, 2022
TO: Financial Review Commission
CC:
FROM: Rachael Eubanks, State Treasurer *RE*
SUBJECT: FRC Certifications on the City of Detroit

Public Act 181 of 2014, the Financial Review Commission Act (the "Act") requires certain certifications of the State Treasurer as conditions for the Financial Review Commission (FRC) to waive the requirements described in sections 6 and 7 of the Act.

I certify that to the best of my knowledge the following statements are true and accurate of the City of Detroit and transmit this certification to the FRC:

- 1) All municipal securities or debt obligations sold by or for the benefit of the City in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the City during that period.
- 2) There is substantial likelihood that municipal securities or debt obligations can be sold by the City in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of the City during those periods in accordance with the City's financial plan, as applicable.
- 3) The City is in compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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June 15, 2022

Detroit Financial Review Commission
Cadillac Place
3062 West Grand Boulevard
Detroit, MI 48202

Re: Financial Report for the Ten Months ended April 30, 2022

Dear Commissioners:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Ten Months ended April 30, 2022.

This report is provided in accordance with the requirements included in Detroit Financial Review Commission (FRC) Resolution 2021-02, which granted the City its waiver of active FRC oversight through June 30, 2022. The OCFO has separately submitted this report to the Mayor, Detroit City Council and posted it on the City's website.

Best regards,

Jay B. Rising
CFO

Att: City of Detroit Financial Report for Ten Months ended April 30, 2022

Cc: Patrick Dostine, Executive Director, Detroit Financial Review Commission



FY 2021-22 Financial Report

For the 10 Months ended April 30, 2022

Office of the Chief Financial Officer

Submitted on June 15, 2022

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Executive Summary

- On March 30, 2022, the Governor signed a supplemental appropriations bill that provides Detroit with additional one-time funding, including \$75 million for lead service line replacements, \$15 million for home repair, \$5 million for energy assistance, \$60 million for the Joe Louis Greenway, and \$13 million in hold harmless funding to prevent retroactive Census adjustments on constitutional revenue sharing payments already received dating back to October 2020.
- The City of Detroit received the second half of the \$826.7 million in federal funds from the American Rescue Plan Act of 2021 in June 2022. Details on how the City plans to use these funds can be found [here](#).

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

A	B	C	D	E = C + D	(F) F = E-B	% G = (F/B)
REVENUE:						
Municipal Income Tax	\$ 37.7	\$ 53.3	\$ -	\$ 53.3	\$ 15.6	41.4%
Property Taxes	2.7	1.7	-	1.7	(1.0)	(37.0%)
Wagering Taxes	15.6	20.8	-	20.8	5.2	33.3%
Utility Users' Tax	2.4	4.7	-	4.7	2.3	95.8%
State Revenue Sharing	33.8	41.4	-	41.4	7.6	22.5%
Other Revenues	15.4	7.8	-	7.8	(7.6)	(49.4%)
Sub-Total	\$ 107.6	\$ 129.7	\$ -	\$ 129.7	\$ 22.1	20.5%
Use of Fund Balance	17.2	-	17.2	17.2	-	-
Balance Forward Appropriations	2.3	-	2.3	2.3	-	-
Transfers from Other Funds	-	-	-	-	-	-
TOTAL (H)	\$ 127.1	\$ 129.7	\$ 19.5	\$ 149.2	\$ 22.1	17.4%
EXPENDITURES:						
Salary and Wages (Incl. Overtime)	\$ (35.7)	\$ (36.5)	\$ -	\$ (36.5)	\$ (0.8)	(2.2%)
Employee Benefits	(11.0)	(10.2)	-	(10.2)	0.8	7.3%
Legacy Pension Payments	-	-	-	-	-	-
Retiree Protection Fund	-	-	-	-	-	-
Debt Service	(3.4)	(10.4)	-	(10.4)	(7.0)	205.9%
Other Expenses	(28.6)	(21.2)	(4.2)	(25.4)	3.2	11.2%
TOTAL (I)	\$ (78.7)	\$ (78.3)	\$ (4.2)	\$ (82.5)	\$ (3.8)	(4.8%)
VARIANCE (J=H+I)	\$ 48.4	\$ 51.4	\$ 15.3	\$ 66.7	\$ 18.3	

Note: Represents Fund 1000 only. Other Expenses Adjustments include pro-rated share of budgeted \$50 million Budget Reserve Fund deposit (funds are reserved not expensed). April income tax collections included unanticipated prior year collections from enhanced enforcement.

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

A	B	C	D	E = C + D	(F) F = E-B	(G) % G = (F/B)
REVENUE:						
Municipal Income Tax	\$ 252.3	\$ 287.2	\$ -	\$ 287.2	\$ 34.9	13.8%
Property Taxes	97.4	97.4	-	97.4	-	-
Wagering Taxes	138.6	233.3	-	233.3	94.7	68.3%
Utility Users' Tax	23.7	28.7	-	28.7	5.0	21.1%
State Revenue Sharing	135.0	153.4	-	153.4	18.4	13.6%
Other Revenues	156.3	130.5	-	130.5	(25.8)	(16.5%)
Sub-Total	\$ 803.3	\$ 930.5	\$ -	\$ 930.5	\$ 127.2	15.8%
Use of Fund Balance	171.7	-	171.7	171.7	-	-
Balance Forward Appropriations	23.1	-	23.1	23.1	-	-
Transfers from Other Funds	-	-	-	-	-	-
TOTAL (H)	\$ 998.1	\$ 930.5	\$ 194.8	\$ 1,125.3	\$ 127.2	12.7%
EXPENDITURES:						
Salary and Wages (Incl. Overtime)	\$ (367.9)	\$ (380.5)	\$ -	\$ (380.5)	\$ (12.6)	(3.4%)
Employee Benefits	(112.9)	(106.2)	-	(106.2)	6.7	5.9%
Legacy Pension Payments	-	-	-	-	-	-
Retiree Protection Fund	(135.0)	(135.0)	-	(135.0)	-	-
Debt Service	(68.8)	(75.8)	-	(75.8)	(7.0)	(10.2%)
Other Expenses	(336.3)	(201.7)	(64.7)	(266.4)	69.9	20.8%
TOTAL (I)	\$ (1,020.9)	\$ (899.2)	\$ (64.7)	\$ (963.9)	\$ 57.0	5.6%
VARIANCE (J=H+I)	\$ (22.8)	\$ 31.3	\$ 130.1	\$ 161.4	\$ 184.2	

Note: Represents Fund 1000 only. For Other Expenses, the actuals do not include outstanding encumbrances for goods and services yet to be received as of April.

Other Expenses Adjustments include pro-rated share of budgeted \$50 million Budget Reserve Fund deposit (funds are reserved not expensed) and the entire \$23 million PLD Decommissioning reserve balance forward.

Annualized Projection vs. Budget – General Fund

ANNUAL ANALYSIS				
(\$ in millions)	BUDGET		VARIANCE	
	ANNUAL AMENDED	PROJECTION ANNUAL ESTIMATED	(BUDGET VS. PROJECTION) ANNUAL ESTIMATED	
MAJOR CLASSIFICATIONS				
A	B	C	(\$ D = C-B	% E = (D/B)
REVENUE:				
Municipal Income Tax	\$ 295.6	\$ 295.1	\$ (0.5)	(0.2%)
Property Taxes	113.4	119.6	6.2	5.5%
Wagering Taxes	169.8	289.4	119.6	70.4%
Utility Users' Tax	28.4	33.3	4.9	17.3%
State Revenue Sharing	202.5	200.9	(1.6)	(0.8%)
Other Revenues	186.1	199.1	13.0	7.0%
Sub-Total	\$ 995.8	\$ 1,137.4	\$ 141.6	14.2%
Use of Fund Balance	206.0	146.0	(60.0)	(29.1%)
Balance Forward Appropriations	27.7	27.7	-	-
Transfers from Other Funds	-	-	-	-
TOTAL (F)	\$ 1,229.5	\$ 1,311.1	\$ 81.6	6.6%
EXPENDITURES:				
Salary and Wages (Incl. Overtime)	\$ (462.7)	\$ (482.7)	\$ (20.0)	(4.3%)
Employee Benefits	(160.4)	(150.4)	10.0	6.2%
Legacy Pension Payments	(18.7)	(18.7)	-	-
Retiree Protection Fund	(135.0)	(135.0)	-	-
Debt Service	(85.1)	(85.1)	-	-
Other Expenses	(367.6)	(343.6)	24.0	6.5%
TOTAL (G)	\$ (1,229.5)	\$ (1,215.5)	\$ 14.0	1.1%
VARIANCE (H=F+G)	\$ -	\$ 95.6	\$ 95.6	-

Note: Represents Fund 1000 only. Use of Fund Balance in annual amended budget represents appropriations City Council has approved for the FY 2021-2022 Budget, as amended, through April 2022.

Projected annual revenues are based on the February 2022 Revenue Estimating Conference. Projected Use of Fund Balance includes previous appropriations approved by City Council, less \$60 million not anticipated to be needed for operations.

Expense projections are revised based on projected personnel overages due to overtime, benefits savings due to vacancies, and other savings from operating expenses. Projections also include the spend down of balance forward appropriations.



YTD Budget Amendments – General Fund

FY 2021-2022 GENERAL FUND BUDGET AMENDMENTS (Through April 2022)			
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
Non-Departmental	Cultural Institutions Support - Detroit Historical Museum	500,000	500,000
Non-Departmental	Retiree Protection Fund	50,000,000	50,000,000
Fire	Fire Fighting and Response - Overtime	2,000,000	2,000,000
Law	Outside Counsel and Litigation Support	2,500,000	2,500,000
Elections	2021 Municipal Elections	2,000,000	2,000,000
Housing and Revitalization	Prior Year DESC Administration Expenses	700,000	700,000
Total		62,700,000	62,700,000
Balance Forward Appropriations (FY21 to FY22)			
General Services (Recreation)	Pistons Basketball	571,733	571,733
General Services	Wayne County Parks Millage - FY18/19	294,496	294,496
General Services	Wayne County Parks Millage - FY19/20	262,756	262,756
CRIO	Homegrown Detroit	1,807,008	1,807,008
Housing and Revitalization	Neighborhood Improvement Fund	1,000,000	1,000,000
Police	Public Act 302 - Training Fund	793,879	793,879
Non-Departmental	PLD Decommissioning	23,000,000	23,000,000
Total		27,729,872	27,729,872
Budget Amendments - Additional Resources			
General Services (Recreation)	Pistons Basketball	416,666	416,666
General Services	Wayne County Parks Millage - FY20/21	300,857	300,857
Total		717,523	717,523
Transfers			
Total		-	-
FY 2021-2022 Amended Budget		\$ 1,229,560,749	\$ 1,229,560,749

Note: Represents Fund 1000 only. In April 2022, appropriated revenues for this year's Pistons Basketball and Wayne County Parks Millage funding were added to the amended budget.



Employee Count Monitoring

				MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual March 2022	Actual April 2022	Change April 2022 vs. March 2022	Adjusted Budget FY 2022 ⁽²⁾	Variance (Under)/Over Budget vs. April 2022				
Public Safety									
Police	3,028	3,044	16	3,443	(399)	(12%)			
Fire	1,153	1,176	23	1,276	(100)	(8%)			
Total Public Safety	4,181	4,220	39	4,719	(499)	(11%)			
Non-Public Safety									
Office of the Chief Financial Officer	377	375	(2)	445	(70)				
Public Works - Full Time	316	353	37	491	(138)				
Health	143	145	2	182	(37)				
Human Resources	95	95	0	107	(12)				
Housing and Revitalization	125	123	(2)	151	(28)				
Innovation and Technology	128	128	0	148	(20)				
Law	116	115	(1)	128	(13)				
Mayor's Office	79	78	(1)	83	(5)				
Municipal Parking	65	70	5	99	(29)				
Planning and Development	38	38	0	42	(4)				
General Services - Full Time Legislative ⁽³⁾	500	555	55	628	(73)				
	228	235	7	261	(26)				
36th District Court	314	314	0	325	(11)				
Other ⁽⁴⁾	216	219	3	247	(28)				
Total Non-Public Safety	2,740	2,843	103	3,337	(494)	(15%)			
Total General City-Full Time	6,921	7,063	142	8,056	(993)	(12%)			
Seasonal / Part Time⁽⁵⁾	67	84	17	591	(507)	(86%)			
ARPA / COVID Response	299	305	6	345	(40)	(12%)			
Enterprise									
Airport	4	4	0	4	0				
BSEED	273	271	(2)	311	(40)				
Transportation	619	625	6	943	(318)				
Water and Sewerage	491	506	15	659	(153)				
Library	203	190	(13)	370	(180)				
Total Enterprise	1,590	1,596	6	2,287	(691)	(30%)			
Total City	8,877	9,048	171	11,279	(2,231)	(20%)			

- 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

Income Tax Collections

FY22 YTD

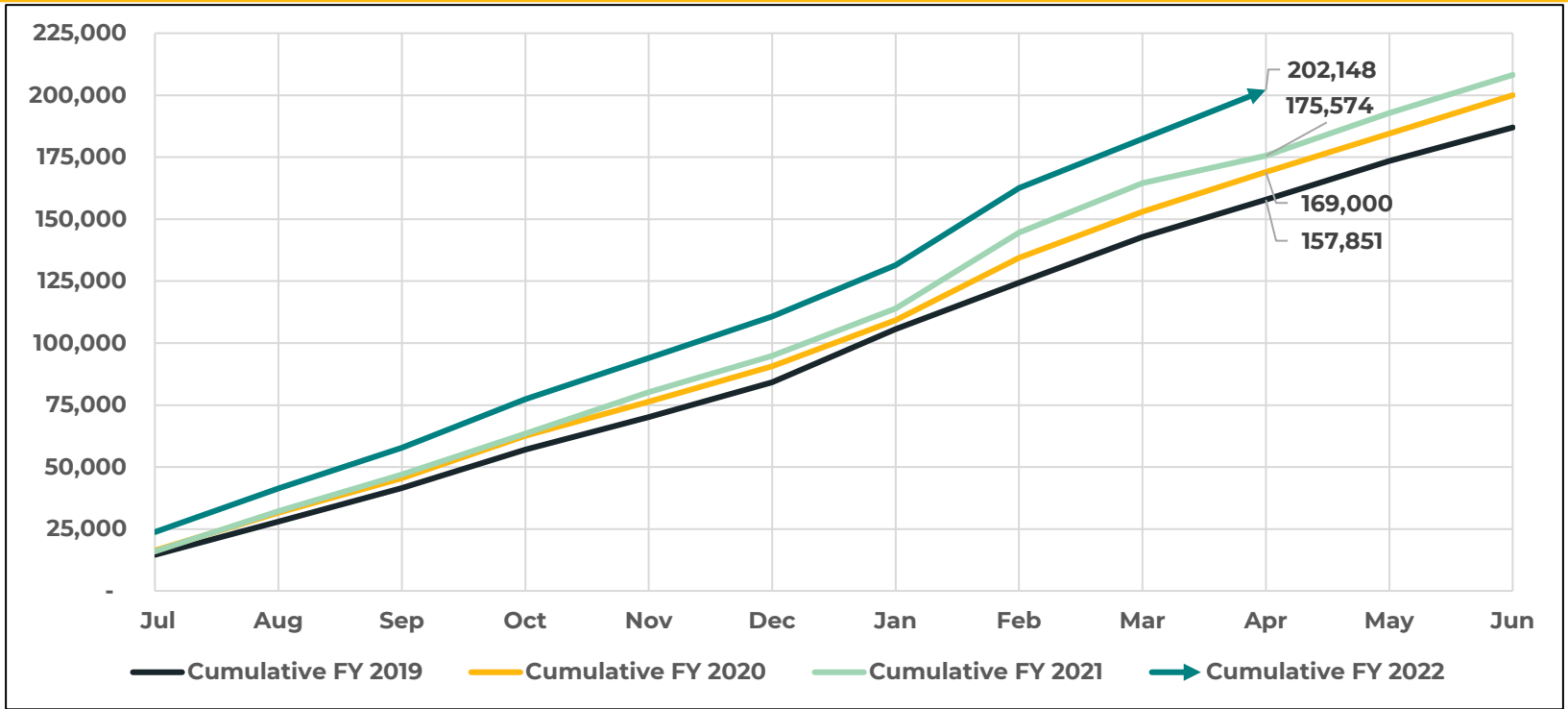
April 2022

FY21 YTD

April 2021

Withholding	\$255,323,973	\$231,392,304
Individual	47,271,568	57,745,704
Corporate	50,830,180	21,908,493
Partnerships	6,328,675	4,068,154
Total Collections	\$359,754,397	\$315,114,655
Refunds claimed, disbursed and accrued	(72,592,946)	(106,308,938)
Collections Net of Refunds/Disbursements	\$ 287,161,451	\$ 208,733,717

Income Tax – Number of Withholding Returns



Development and Grants

Active Grants and Donations as of April 30, 2022 *(\$ in millions)*

	Amount Awarded – City ⁽¹⁾	Amount Awarded – Partners ⁽²⁾
Total Active	\$2,112.7	\$306.2
Net Change from last month ⁽³⁾	\$1.1	\$2.8

New Funds – January 1 to June 2, 2022 *(\$ in millions)*

	Amount Awarded
Documented	\$22.5
Committed ⁽⁴⁾	\$211.9
Total New Funding (Overall Funds Raised)	\$234.4
ARPA / COVID-19 Documented	\$0.2
ARPA / COVID-19 Committed	\$51.5
ARPA / COVID-19 Overall Funds Raised⁽⁵⁾	\$51.7

(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 OCF0-Office of Development and Grants has provided active support.

(3) The most significant new award in April was the Kresge Foundation SNF 2.0 Grant, in the amount of \$5,000,000, awarded to Invest Detroit. The U.S. Department of Housing and Urban Development also awarded the \$2,000,000 Health Homes Production Grant to the Housing and Revitalization Department.

(4) Reflects verbal and informal commitments 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 June 2, 2022 – By Priority Category

Priority Category	Documented	Committed	Total
American Rescue Plan Act			
Administration/General Services	\$ 2,819,317	\$ 1,119,349	\$ 3,938,666
Community/Culture	\$ 75,040		\$ 75,040
Economic Development	\$ 500,000		\$ 500,000
Health	\$ 4,412,256		\$ 4,412,256
Housing	\$ 2,000,000		\$ 2,000,000
Infrastructure		\$ 57,500,000	\$ 57,500,000
Parks and Recreation	\$ 2,691,000	\$ 323,170	\$ 3,014,170
Planning	\$ 180,000		\$ 180,000
Public Safety	\$ 2,964,478		\$ 2,964,478
Technology/Education	\$ 1,000,000		\$ 1,000,000
Transportation	\$ 2,090,683	\$ 152,963,059	\$ 155,053,742
Workforce	\$ 3,750,000		\$ 3,750,000
Grand Total	\$ 22,482,774	\$ 211,905,578	\$ 234,388,353

Development and Grants

New Funds and City Leverage⁽¹⁾ – January 1 to June 2, 2022 – By Priority Category

Priority Category	Total Funds	City Leverage ⁽¹⁾
American Rescue Plan Act		
Administration/General Services	\$ 3,938,666	\$ 1,275,791
Community/Culture	\$ 75,040	
Economic Development	\$ 500,000	
Health	\$ 4,412,256	
Housing	\$ 2,000,000	
Infrastructure	\$ 57,500,000	
Parks and Recreation	\$ 3,014,170	\$ 200,000
Planning	\$ 180,000	\$ 276,050
Public Safety	\$ 2,964,478	
Technology/Education	\$ 1,000,000	
Transportation	\$ 155,053,742	\$ 1,600,783
Workforce	\$ 3,750,000	\$ 17,658,064 ⁽²⁾
Grand Total	\$ 234,388,353	\$ 21,010,688

(1) Leverage includes both match and parallel investment by the City that help make the case to external funders to co-invest.

(2) This Leverage includes \$15,040,200 for the People Plan and \$2,000,000 in leverage for GDYT.



(in millions)

Cash Position

	Unrestricted	Restricted	April 2022 Total	Prior Year April 2021
Bank Balance	\$ 1,262.1	\$ 712.4	\$ 1,974.5	\$ 1,558.5
Plus/minus: Reconciling items	(1.1)	-	(1.1)	(1.1)
Reconciled Bank Balance	\$ 1,261.0	\$ 712.4	\$ 1,973.4	\$ 1,557.4
General Ledger Cash Balances				
General Fund				
General Accounts	\$ 442.5	\$ 61.2	\$ 503.7	\$ 351.8
Risk Management/Self Insurance	11.1	9.6	20.8	21.6
Quality of Life Fund	2.8	1.8	4.6	6.8
Retiree Protection Trust Fund	-	356.9	356.9	234.7
A/P and Payroll Clearing	1.6	-	1.6	13.6
Other Governmental Funds				
Capital Projects	\$ 6.8	\$ 254.6	\$ 261.4	\$ 370.6
Street Fund	85.7	0.0	85.7	104.1
Grants	61.1	7.6	68.7	55.5
Covid 19	-	-	-	124.0
ARPA	400.2	-	-	-
Solid Waste Management Fund	17.3	-	17.3	39.1
Debt Service	-	20.7	20.7	25.9
Gordie Howe Bridge Fund	11.3	-	11.3	2.8
Other	33.8	0.0	33.8	24.9
Enterprise Funds				
Enterprise Funds	\$ 12.7	-	\$ 12.7	\$ 17.7
Fiduciary Funds				
Undistributed Property Taxes	\$ 82.7	-	\$ 82.7	\$ 95.6
Fire Insurance Escrow	11.7	-	11.7	10.8
Other	58.6	-	58.6	41.0
Component Units				
Component Units	\$ 21.1	-	\$ 21.1	\$ 16.9
Total General Ledger Cash Balance	\$ 1,261.0	\$ 712.4	\$ 1,973.4	\$ 1,557.4

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

<i>In millions</i>	FY21 YTD	FY22 YTD			Apr	May	June	July	August	September	October	Nov 2022 -
	July to Apr Actual	July to Apr Actual	Jul to Apr Forecast	Jul to Apr Variance	2022 Actual	2022 Forecast	2022 Forecast	2022 Forecast	2022 Forecast	2022 Forecast	2022 Forecast	Apr 2023 Forecast
Beginning Common Cash Pool	\$ 564.2	\$ 1,000.0	\$ -	\$ -	\$ 1,008.1	\$ 993.2	\$ 988.4	\$ 1,381.6	\$ 1,310.7	\$ 1,470.5	\$ 1,369.5	\$ 1,369.5
Sources of Cash												
Income Taxes	249.4	276.6	249.7	26.9	37.7	39.6	22.8	21.5	31.0	21.1	23.0	147.9
Property Taxes	556.1	570.4	558.6	11.8	4.2	1.9	48.0	38.2	221.7	32.4	11.7	251.7
Revenue Sharing	118.9	123.6	124.5	(0.9)	-	34.0	34.0	30.7	-	30.7	-	92.5
Wagering Taxes	108.3	266.7	257.0	9.8	20.0	20.4	13.0	8.2	22.3	18.0	19.8	124.1
Utility Users Taxes	24.6	28.8	24.9	3.9	4.7	7.8	2.3	2.4	1.6	2.1	2.3	16.8
Other Receipts	457.3	293.9	290.7	3.2	47.4	25.9	440.9	27.6	84.5	34.3	33.4	183.2
Net Interpool transfers	326.9	385.1	386.7	(1.6)	45.3	21.1	63.0	36.9	17.9	23.5	55.7	178.9
Bond Proceeds	34.3	93.9	91.9	2.0	9.1	14.5	8.7	1.7	4.6	2.5	7.7	54.3
Total Sources of Cash	\$ 1,875.9	\$ 2,039.1	\$ 1,984.1	\$ 55.0	\$ 168.5	\$ 165.3	\$ 632.7	\$ 167.1	\$ 383.5	\$ 164.6	\$ 153.6	\$ 1,049.5
Uses of Cash												
Wages and Benefits	(562.6)	(618.7)	(618.0)	(0.7)	(62.7)	(49.8)	(58.4)	(54.7)	(55.5)	(49.6)	(51.4)	(367.1)
Pension Contribution	(55.7)	(74.9)	(77.0)	2.1	(12.1)	(2.2)	(6.1)	(9.3)	(2.5)	(2.4)	(10.4)	(32.5)
Debt Service	(18.5)	(24.1)	(23.6)	(0.6)	-	-	-	(5.1)	-	-	(9.1)	(9.4)
Property Tax Distribution	(330.1)	(257.0)	(254.6)	(2.4)	(1.6)	(1.4)	(55.5)	(5.6)	(99.6)	(60.3)	(9.6)	(151.8)
TIF Distribution	(30.7)	(26.6)	(29.7)	3.1	-	(29.6)	(0.3)	-	-	-	(1.6)	(27.5)
Other Disbursements	(786.5)	(909.6)	(903.6)	(6.0)	(106.9)	(87.0)	(119.1)	(73.3)	(66.1)	(153.3)	(91.1)	(556.4)
Transfers to Retiree Protection F	(50.0)	(135.0)	(135.0)	-	-	-	-	(90.0)	-	-	-	-
Total Uses of Cash	\$ (1,834.2)	\$ (2,045.9)	\$ (2,041.4)	\$ (4.5)	\$ (183.4)	\$ (170.1)	\$ (239.4)	\$ (238.1)	\$ (223.7)	\$ (265.6)	\$ (173.2)	\$ (1,144.7)
Net Cash Flow	\$ 41.7	\$ (6.8)	\$ (57.3)	\$ 50.5	\$ (14.9)	\$ (4.8)	\$ 393.3	\$ (70.9)	\$ 159.9	\$ (101.0)	\$ (19.6)	\$ (95.2)
Ending Common Cash Pool	\$ 605.9	\$ 993.2	\$ -	\$ -	\$ 993.2	\$ 988.4	\$ 1,381.6	\$ 1,310.7	\$ 1,470.5	\$ 1,369.5	\$ 1,350.0	\$ 1,274.3
Budget Reserve Fund	\$ 107.0	\$ 107.0	\$ 107.0	\$ -	\$ 107.0	\$ 107.0	\$ 107.0	\$ 107.0	\$ 107.0	\$ 107.0	\$ 107.0	\$ 138.0

Accounts Payable and Supplier Payments

Accounts Payable (AP) as of Apr-22	
Total AP (Mar-22)	\$ 41.7
Plus: Apr-22 invoices processed	\$ 76.3
Less: Apr-22 Payments made	\$ (93.4)
Total AP month end (Apr-22)	\$ 24.6
Less: Invoices on hold ⁽¹⁾	\$ (9.3)
Total AP not on Validation hold (Apr-22)	\$ 15.3
Less: Installments/Retainage Invoices ⁽²⁾	\$ (2.1)
Net AP not on hold	\$ 13.2

AP Aging

(excluding invoices on hold & Retainage)

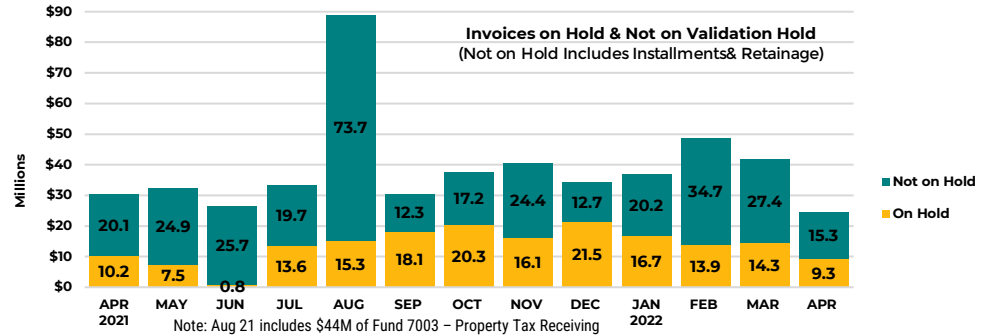
	Net AP	Current	Days Past Due		
			1-30	31-60	61+
Apr-22 Total	\$ 13.2	\$ 8.6	\$ 1.1	\$ 1.6	\$ 1.9
% of total	100%	65%	8%	13%	14%
Change vs. Mar-22	\$ (11.6)	\$ (11.2)	\$ (1.6)	\$ 1.0	\$ 0.2
Total Count of Invoices	1,686	1,108	272	155	151
% of total	100%	66%	16%	9%	9%
Change vs. Mar-22	(195)	24	(258)	38	1
Mar-22 Total	\$ 24.8	\$ 19.8	\$ 2.7	\$ 0.6	\$ 1.7
% of total	100%	80%	11%	2%	7%
Total Count of Invoices	1,881	1,084	530	117	150
% of total	100%	58%	28%	6%	8%

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

16 All invoices are processed and aged based on the invoice date



Supplier Payment Metric - Phase 1

