



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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March 15, 2024

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Financial Report for the Seven Months ended January 31, 2024

Dear Honorable City Council Members:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Seven Months ended January 31, 2024. The OCFO also publishes this report on the City's website.

The OCFO is pleased to brief the City Council on the City's finances and respectfully requests to do so at one of the upcoming regularly scheduled Budget, Finance and Audit (BFA) Standing Committee meetings. The OCFO will also meet with the Legislative Policy Division prior to the BFA Committee meeting to further invite discussion on the report.

Best regards,

Jay B. Rising
CFO

Att: City of Detroit Financial Report for the Seven Months ended January 31, 2024

Cc: Mayor Michael E. Duggan, City of Detroit
Brad Dick, Chief Operating Officer
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
John Naglick, Jr., Chief Deputy CFO/Finance Director /Controller
Nikhil Patel, Deputy CFO/Treasurer
Steve Watson, Deputy CFO/Budget Director
Malik Washington, City Council Liaison



FY2023-24 Financial Report

Office of the Chief Financial Officer

For the 7 Months ended January 31, 2024

Submitted on March 15, 2024

Topic	Page(s)
Executive Summary	3
Budget vs. Actual	4
Annualized Budget vs. Projections	5
Amended Budget Reconciliation	6
Employee Count Monitoring	7
Income Tax	8-9
Cash	10-11
Accounts Payable	12

The financial information in this report is unaudited and represents the General Fund only (unless otherwise stated). For audited financial statements, visit the [OCFO Financial Reports page](#).

- On March 7, 2024, the Mayor presented his [Proposed Fiscal Year 2024-2025 Budget and Fiscal Years 2025-2028 Four-Year Financial Plan](#) to the Detroit City Council. It is Detroit's 11th consecutive balanced budget since exiting bankruptcy in 2014. The proposed budget totals \$1.46 billion for General Fund activities and \$2.76 billion across all City funds for the coming fiscal year beginning July 1, 2024. It builds on the Mayor and the City Council's continued collaboration to set a fiscally sustainable course for Detroit.
- City Council began its budget hearings began on March 11 and will vote on a final budget by April 8. The City will transmit the approved Four-Year Financial Plan to the Financial Review Commission by April 30.

	JANUARY 2024				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>								
REVENUE:								
Municipal Income Tax	\$ 36.2	\$ 49.1	\$ 12.9	35.6%	\$ 198.6	\$ 224.0	\$ 25.4	12.8%
Property Taxes	29.2	30.7	1.5	5.1%	102.1	106.5	4.4	4.3%
Wagering Taxes	20.8	20.9	0.1	0.5%	143.8	139.4	(4.4)	(3.1%)
Utility Users' Tax	5.3	2.8	(2.5)	(47.2%)	19.1	16.7	(2.4)	(12.6%)
State Revenue Sharing	-	-	-	-	74.8	80.0	5.2	7.0%
Other Revenues	25.7	38.4	12.7	49.4%	100.5	152.9	52.4	52.1%
TOTAL (I)	\$ 117.2	\$ 141.9	\$ 24.7	21.1%	\$ 638.9	\$ 719.5	\$ 80.6	12.6%
EXPENDITURES:								
Salaries and Wages	\$ 42.9	\$ 47.2	\$ (4.3)	(10.0%)	\$ 316.2	\$ 332.3	\$ (16.1)	(5.1%)
Employee Benefits	11.5	10.8	0.7	6.1%	92.1	83.6	8.5	9.2%
Professional and Contractual Services	10.6	5.9	4.7	44.3%	68.0	46.3	21.7	31.9%
Operating Supplies	3.5	4.0	(0.5)	(14.3%)	30.7	24.0	6.7	21.8%
Operating Services	6.5	8.9	(2.4)	(36.9%)	58.4	54.1	4.3	7.4%
Capital Equipment and Outlays	0.1	0.2	(0.1)	(100.0%)	0.9	1.2	(0.3)	(33.3%)
Debt Service	-	-	-	-	55.0	55.0	-	-
Other Expenses	10.4	11.0	(0.6)	(5.8%)	86.6	83.1	3.5	4.0%
TOTAL (J)	\$ 85.5	\$ 88.0	\$ (2.5)	(2.9%)	\$ 707.9	\$ 679.6	\$ 28.3	4.0%
SURPLUS/(DEFICIT) (K= I + J)	\$ 31.7	\$ 53.9	\$ 22.2	70.0%	\$ (69.0)	\$ 39.9	\$ 108.9	157.8%

Note: Represents General Fund operating (Fund 1000) only.

Revenues: Budget excludes Prior Year Surplus resources shown as revenue in adopted budget. Wagering Tax negative variance reflects casino worker strike impact, net of gains from internet gaming. Other revenues positive variance driven by investment earnings.

Expenditures: YTD Salaries and Wages negative variance due to Police and Fire payrolls greater than budget. Contractual Services positive variance due lag in accruals and difference in timing for housing and Covid response balance forward spending.

<i>\$ in millions</i>	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$) C = B - A	% D = (C/A)
REVENUE:				
Municipal Income Tax	\$ 392.7	\$ 420.1	\$ 27.4	7.0%
Property Taxes	137.4	147.1	9.7	7.1%
Wagering Taxes	258.1	248.7	(9.4)	(3.6%)
Utility Users' Tax	46.3	42.3	(4.0)	(8.6%)
State Revenue Sharing	224.4	235.8	11.4	5.1%
Other Revenues	194.6	232.3	37.7	19.4%
TOTAL (I)	\$ 1,253.5	\$ 1,326.3	\$ 72.8	5.8%
EXPENDITURES:				
Salaries and Wages	\$ 565.2	\$ 600.2	\$ (35.0)	(6.2%)
Employee Benefits	283.7	292.1	(8.4)	(3.0%)
Professional and Contractual Services	114.1	117.4	(3.3)	(2.9%)
Operating Supplies	48.2	49.7	(1.5)	(3.1%)
Operating Services	90.1	93.1	(3.0)	(3.3%)
Capital Equipment and Outlays	0.4	0.4	-	-
Debt Service	81.5	73.3	8.2	10.1%
Other Expenses	164.0	238.3	(74.3)	(45.3%)
TOTAL (J)	\$ 1,347.2	\$ 1,464.5	\$ (117.3)	(8.7%)
REVENUES LESS EXPENDITURES (K= I + J)	\$ (93.7)	\$ (138.2)	\$ (44.5)	47.5%
Budgeted Use of Retiree Protection Fund	57.2	79.1	21.9	38.3%
Budgeted Use of Prior Year Surplus	10.1	33.1	23.0	227.7%
Prior Year Continuing Appropriations	26.4	26.4	-	-
SURPLUS/(DEFICIT)	\$ -	\$ 0.4	\$ 0.4	-

Note: Represents General Fund operating (Fund 1000) only.

Revenues: Revenue Projection is updated based on February 2024 Revenue Estimating Conference results. Excludes Prior Year Surplus resource shown as revenue in adopted budget.

Expenditures: Amended expenditure budget includes additional \$1.2 million for DHD Prenatal Care Transportation Services program and \$0.1 million for Legislative Administration, both approved by City Council in June 2023.

Expenditures currently projected to exceed budget, driven by: Police and Fire overtime; EMS service expansion; facilities maintenance; Detroit Detention Center contract, and legal services (\$35.8 million). Projection also includes increases for proposed level principal amortization (\$21.9 million), risk management contribution (\$60 million), and solid waste management (\$7.8 million), as well as lower projected debt service from vehicle installment purchase agreement delay (\$8.2 million). Proposed FY24 Supplemental pending.

Budgeted Use of Prior Year Surplus: Unspent budget resource from prior year used to support one-time expenditures included in the FY24 Amended Budget.

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			
		Revenue	Expense
Dept	Total Adopted Budget	1,319,487,321	1,319,487,321
DSLP	Exclude Budgeted Use of Retiree Protection Fund	\$ (57,225,000)	
Non-Dept	Exclude Budgeted Use of Prior Year Surplus	(8,736,804)	-
Various	Continuing Appropriations (see list)	-	26,380,916
Health	Prenatal Care Transportation Services	-	1,200,000
City Council	Legislative Administration	-	125,000
	Total Amended Budget per report	\$ 1,253,525,517	\$ 1,347,193,237

Dept	Continuing Appropriations (Fund 1000)	Amount
BSEED	Public Health Fund	\$ 88,967
CRIO	Homegrown Detroit	3,256,682
Non-Dept	Covid-19 Response	5,000,000
Non-Dept	Over-Assessment Program	6,000,000
HRD	Affordable Housing Development and Preservation Fund	7,525,262
HRD	Senior Home Repair	2,500,000
HRD	Neighborhood Improvement Fund	1,465,786
HRD	Workforce Development Programs	28,861
GSD	Wayne County Park Millage	190,391
GSD	Pistons Basketball Court Improvements	324,967
	Total	\$ 26,380,916

Note: Represents General Fund operating (Fund 1000) only. Continuing appropriations (i.e., “balance forwards”) represent unexpended balances from certain appropriations authorized to be re-appropriated in the FY24 Adopted Budget resolution. Amounts are subject to change as year-end FY23 accruals, adjustments, and lapses are completed during the close-out period.



Employee Count Monitoring

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, and summer interns.

Includes corrections to December counts for DDOT, HR, and DWSD vs. December 2023 report.

	MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual	Actual	Change	Adjusted Budget FY 2024 ⁽²⁾	Variance (Under)/Over Budget vs. January 2024	
	December 2023	January 2024	Jan. 2024 Dec. 2023			
Public Safety						
Police	3,230	3,230	0	3,469	(239)	(7%)
Fire	1,189	1,245	56	1,235	10	1%
Total Public Safety	4,419	4,475	56	4,704	(229)	(5%)
Non-Public Safety						
Office of the Chief Financial Officer	379	379	0	425	(46)	
Public Works - Full Time	405	387	(18)	507	(120)	
Health	194	195	1	276	(81)	
Human Resources	90	88	(2)	106	(18)	
Housing and Revitalization	131	129	(2)	191	(62)	
Innovation and Technology	134	134	0	144	(10)	
Law	116	113	(3)	112	1	
Mayor's Office	81	76	(5)	92	(16)	
Municipal Parking	74	72	(2)	97	(25)	
Planning and Development	35	35	0	39	(4)	
General Services - Full Time	534	529	(5)	738	(209)	
Legislative ⁽³⁾	271	270	(1)	314	(44)	
36th District Court	319	319	0	325	(6)	
Other ⁽⁴⁾	273	282	9	369	(87)	
Total Non-Public Safety	3,036	3,008	(28)	3,735	(727)	(19%)
Total General City (Full -Time)	7,455	7,483	28	8,439	(956)	(11%)
Enterprise (Full-Time)						
Airport	10	11	1	12	(1)	
BSEED	293	291	(2)	356	(65)	
Transportation	810	829	19	975	(146)	
Water and Sewerage	608	600	(8)	678	(78)	
Library	235	238	3	341	(103)	
Total Enterprise (Full-Time)	1,956	1,969	13	2,362	(393)	(17%)
Total (Full-time)	9,411	9,452	41	10,801	(1,349)	(12%)
ARPA / COVID Response	587	586	(1)	586	0	0%
Seasonal / Part Time⁽⁵⁾	119	117	(2)	520	(403)	(78%)
Grand Total	10,117	10,155	38	11,907	(1,752)	(15%)



Fiscal Years 2023 - 2024

FY24 YTD

FY23 YTD

Income Tax Collections

January 2024

January 2023

Withholding

\$ 206,092,708

\$ 188,940,298

Individual

17,713,155

17,782,837

Corporate

28,893,834

29,285,134

Partnerships

2,669,776

2,120,127

Total Collections

\$ 255,369,473

\$ 238,128,396

**Refunds claimed, disbursed
and accrued**

(31,414,460)

(37,881,517)

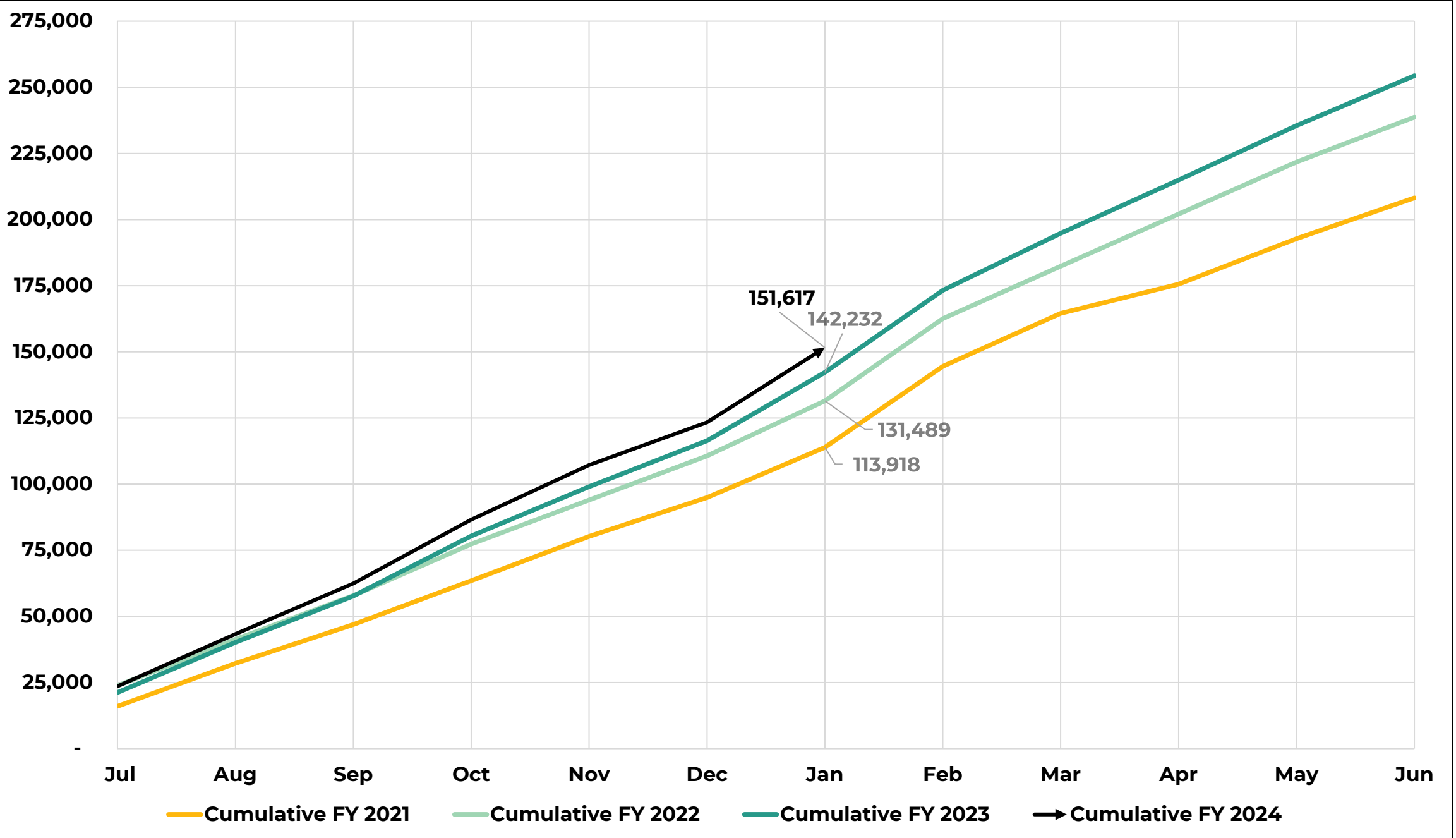
**Collections Net of
Refunds/Disbursements**

\$ 223,955,013

\$ 200,246,879



Income Tax - Withholding Returns



(in millions)	Unrestricted	Restricted	January 2024 Total	Prior Year January 2023 Total
General Fund				
General Accounts	\$ 396.5	\$ 202.2	\$ 598.7	\$ 525.3
Self Insurance	62.5	10.3	72.8	19.8
Quality of Life Fund	0.6	1.9	2.5	3.5
Retiree Protection Trust Fund	-	479.8	479.8	452.0
A/P and Payroll Clearing	0.5	-	0.5	0.6
Other Governmental Funds				
Capital Projects	3.4	173.4	176.8	184.1
Streets	86.8	-	86.8	77.8
Grants	81.4	8.0	89.4	62.6
Covid 19	-	-	-	-
ARPA	633.0	-	633.0	764.9
Solid Waste Management	10.5	-	10.5	18.4
Debt Service	-	90.4	90.4	69.3
Gordie Howe Bridge	8.0	-	8.0	10.3
Other	32.5	-	32.5	38.7
Enterprise Funds				
Enterprise Funds	58.6	-	58.6	31.5
			-	-
Fiduciary Funds				
Undistributed Property Taxes	138.6	-	138.6	159.7
Fire Insurance Escrow	12.8	-	12.8	11.4
Other	60.8	-	60.8	53.1
Component Units				
Component Units	33.5	-	33.5	27.7
Total General Ledger Cash Balance	\$ 1,620.2	\$ 966.0	\$ 2,586.2	\$ 2,510.7

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.



Accounts Payable (AP) as of Jan-24 [Millions]	
Total AP (Dec-23)	\$ 41.3
Plus: Jan-24 invoices processed	\$ 183.4
Less: Jan-24 Payments made	\$ (165.5)
Total AP month end (Jan-24)	\$ 59.2
Less: Invoices on hold ⁽¹⁾	\$ (27.2)
Total AP not on Validation hold (Jan-24)	\$ 32.0
Less: Installments/Retainage Invoices ⁽²⁾	\$ (4.7)
Net AP not on hold	\$ 27.3

Net AP not on hold includes \$11.6m of invoices that are due after Jan-24

(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 creation date

AP Aging [Millions]						
(excludes invoices on hold & retainage)						
		Net AP	Current	Days Past Due		
				1-30	31-60	61+
Invoice \$ Value	Current Month	\$27.3	1.3	24.4	0.3	1.3
	% of Total	100%	5%	89%	1%	5%
	Previous Month	\$10.0	0.3	9.6	0.0	0.1
	% of Total	100%	3%	96%	0%	1%
Vs Previous Month		\$17.3	1.0	14.8	0.3	1.2
Invoice Count	Current Month	2,466	237	2,008	132	89
	% of Total	100%	10%	81%	5%	4%
	Previous Month	852	54	737	37	24
	% of Total	100%	6%	87%	4%	3%
Vs Previous Month		1,614	183	1,271	95	65

