



**OFFICE OF THE  
CHIEF FINANCIAL OFFICER**

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October 13, 2023

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

Re: Financial Report for the Two Months ended August 31, 2023

Dear Honorable City Council Members:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Two Months ended August 31, 2023. 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 Two Months ended August 31, 2023

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  
Nikhil Patel, Deputy CFO/Treasurer  
Anita Edgar, Interim Chief Accounting Officer – Controller  
Steve Watson, Deputy CFO/Budget Director  
Malik Washington, City Council Liaison



# **FY2023-24 Financial Report**

*Office of the Chief Financial Officer*

For the 2 Months ended August 31, 2023

Submitted on October 13, 2023



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**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](#).**

- The Office of Budget is holding the annual [Budget Priorities Forums](#) from October 10<sup>th</sup> to 26<sup>th</sup>. They occur in all 7 City Council districts to get resident input for the Mayor's FY2024-25 recommended budget. Additional resources can be found [here](#).
- On October 9<sup>th</sup>, City Council authorized a resolution to accept the Protecting MI Pension Grant from the Michigan Department of Treasury, in the amount of \$22,968,047.00, to assist with eligible principal payments for the City of Detroit General Retirement System (GRS) Component II Pension Plan.
- CHANGES TO SLIDE 12: Previously, invoice aging was based on the invoice date (date on invoice). This has now been changed to creation date (date the invoice was entered into the system) to more accurately reflect processing times. This change was applied to both current and previous months in this report.

	AUGUST 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	\$ 23.8	\$ 20.7	\$ (3.1)	(13.0%)	\$ 48.2	\$ 56.7	\$ 8.5	17.6%
Property Taxes	53.5	51.4	(2.1)	(3.9%)	61.1	60.9	(0.2)	(0.3%)
Wagering Taxes	23.7	19.8	(3.9)	(16.5%)	37.8	32.6	(5.2)	(13.8%)
Utility Users' Tax	1.6	2.4	0.8	50.0%	3.2	5.4	2.2	68.8%
State Revenue Sharing	-	-	-	-	-	-	-	-
Other Revenues	15.1	17.7	2.6	17.2%	27.9	27.9	-	-
<b>TOTAL (I)</b>	<b>\$ 117.7</b>	<b>\$ 112.0</b>	<b>\$ (5.7)</b>	<b>(4.8%)</b>	<b>\$ 178.2</b>	<b>\$ 183.5</b>	<b>\$ 5.3</b>	<b>3.0%</b>
<b>EXPENDITURES:</b>								
Salaries and Wages	\$ 44.3	\$ 46.9	\$ (2.6)	(5.9%)	\$ 76.5	\$ 81.3	\$ (4.8)	(6.3%)
Employee Benefits	11.7	11.7	-	-	23.6	22.1	1.5	6.4%
Professional and Contractual Services	9.2	10.8	(1.6)	(17.4%)	36.4	13.2	23.2	63.7%
Operating Supplies	3.4	2.7	0.7	20.6%	7.4	4.2	3.2	43.2%
Operating Services	18.2	18.2	-	-	27.3	26.3	1.0	3.7%
Capital Outlays	0.1	0.3	(0.2)	(200.0%)	0.4	0.3	0.1	25.0%
Debt Service	-	-	-	-	0.7	0.7	-	-
Other Expenses	16.0	14.2	1.8	11.3%	38.2	26.5	11.7	30.6%
<b>TOTAL (J)</b>	<b>\$ 102.9</b>	<b>\$ 104.8</b>	<b>\$ (1.9)</b>	<b>(1.8%)</b>	<b>\$ 210.5</b>	<b>\$ 174.6</b>	<b>\$ 35.9</b>	<b>17.1%</b>
<b>SURPLUS/(DEFICIT) (K= I + J)</b>	<b>\$ 14.8</b>	<b>\$ 7.2</b>	<b>\$ (7.6)</b>	<b>(51.4%)</b>	<b>\$ (32.3)</b>	<b>\$ 8.9</b>	<b>\$ 41.2</b>	<b>127.6%</b>

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

**Revenues:** Budget excludes Prior Year Surplus resources shown as revenue in adopted budget.

**Expenditures:** Salaries and Wages negative variance due to Police and Fire payrolls greater than budget. Contractual Services positive variance due to 1-month lag in invoicing July activity. Other expenses positive variance reflects difference in timing of actual DDOT contributions (monthly) vs. budgeted (quarterly).

Budget excludes \$23 million in PLD decommissioning reserve not yet expected to be spent.

<i>\$ in millions</i>	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$) C = B-A	% D= (C/A)
<b>REVENUE:</b>				
Municipal Income Tax	\$ 392.7	\$ 414.7	\$ 22.0	5.6%
Property Taxes	137.4	145.1	7.7	5.6%
Wagering Taxes	258.1	248.3	(9.8)	(3.8%)
Utility Users' Tax	46.3	42.3	(4.0)	(8.6%)
State Revenue Sharing	224.4	235.3	10.9	4.9%
Other Revenues	194.6	224.4	29.8	15.3%
<b>TOTAL (I)</b>	<b>\$ 1,253.5</b>	<b>\$ 1,310.1</b>	<b>\$ 56.6</b>	<b>4.5%</b>
<b>EXPENDITURES:</b>				
Salaries and Wages	\$ 564.2	\$ 564.2	\$ -	-
Employee Benefits	283.5	283.5	-	-
Professional and Contractual Services	118.5	118.5	-	-
Operating Supplies	42.5	42.5	-	-
Operating Services	91.2	91.2	-	-
Capital Outlays	0.5	0.5	-	-
Debt Service	81.5	81.5	-	-
Other Expenses	161.6	161.6	-	-
<b>TOTAL (J)</b>	<b>\$ 1,343.5</b>	<b>\$ 1,343.5</b>	<b>\$ -</b>	<b>-</b>
<b>REVENUES LESS EXPENDITURES (K= I + J)</b>	<b>\$ (90.0)</b>	<b>\$ (33.4)</b>	<b>\$ 56.6</b>	<b>(62.9%)</b>
Budgeted Use of Retiree Protection Fund	57.2	57.2	-	-
Budgeted Use of Prior Year Surplus	10.1	10.1	-	-
Prior Year Continuing Appropriations	22.7	22.7	-	-
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ 56.6</b>	<b>\$ 56.6</b>	<b>-</b>

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

**Revenues:** Revenue Projection is updated based on the September 2023 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. Budget excludes \$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 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
DSLPL	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)	-	22,699,245
Health	Prenatal Care Transportation Services	-	1,200,000
City Council	Legislative Administration	-	125,000
	<b>Total Amended Budget per report</b>	<b>\$ 1,253,525,517</b>	<b>\$ 1,343,511,566</b>

Dept	Continuing Appropriations (Fund 1000)	Amount
BSEED	Public Health Fund	\$ 88,967
CRIO	Homegrown Detroit	3,260,494
Non-Dept	Covid-19 Response	5,000,000
Non-Dept	Over-Assessment Program	2,000,000
Non-Dept	Community Programs Support	244,216
HRD	Affordable Housing Development and Preservation Fund	7,175,262
HRD	Senior Home Repair	2,500,000
HRD	Neighborhood Improvement Fund	1,445,288
HRD	Economic Development Programs	435,732
HRD	Workforce Development Programs	28,861
GSD	Wayne County Park Millage	244,611
GSD	Pistons Basketball Court Improvements	275,814
	<b>Total</b>	<b>\$ 22,699,245</b>

**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.





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.

	MONTH-OVER-MONTH ACTUAL <sup>(1)</sup>			BUDGET VS. ACTUAL		
	Actual July 2023	Actual August 2023	Change Aug 2023 vs. July 2023	Adjusted Budget FY 2024 <sup>(2)</sup>	Variance (Under)/Over Budget vs. August 2023	
<b>Public Safety</b>						
Police	3,080	3,110	30	3,442	(332)	(10%)
Fire	1,220	1,200	(20)	1,235	(35)	(3%)
Total Public Safety	4,300	4,310	10	4,677	(367)	(8%)
<b>Non-Public Safety</b>						
Office of the Chief Financial Officer	381	376	(5)	420	(44)	
Public Works - Full Time	386	408	22	507	(99)	
Health	214	181	(33)	224	(43)	
Human Resources	97	98	1	107	(9)	
Housing and Revitalization	129	127	(2)	173	(46)	
Innovation and Technology	131	133	2	145	(12)	
Law	118	118	0	112	6	
Mayor's Office	81	83	2	85	(2)	
Municipal Parking	68	81	13	97	(16)	
Planning and Development	35	34	(1)	39	(5)	
General Services - Full Time	494	519	25	733	(214)	
Legislative <sup>(3)</sup>	263	261	(2)	315	(54)	
36th District Court	324	323	(1)	325	(2)	
Other <sup>(4)</sup>	279	271	(8)	352	(81)	
Total Non-Public Safety	3,000	3,013	13	3,634	(621)	(17%)
<b>Total General City (Full -Time)</b>	<b>7,300</b>	<b>7,323</b>	<b>23</b>	<b>8,311</b>	<b>(988)</b>	<b>(12%)</b>
<b>Enterprise (Full-Time)</b>						
Airport	9	10	1	12	(2)	
BSEED	289	298	9	355	(57)	
Transportation	740	762	22	974	(212)	
Water and Sewerage	595	589	(6)	678	(89)	
Library	232	240	8	341	(101)	
Total Enterprise (Full-Time)	1,865	1,899	34	2,360	(461)	(20%)
<b>Total (Regular Full-time)</b>	<b>9,165</b>	<b>9,222</b>	<b>57</b>	<b>10,671</b>	<b>(1,449)</b>	<b>(14%)</b>
<b>ARPA / COVID Response</b>	<b>547</b>	<b>569</b>	<b>22</b>	<b>569</b>	<b>0</b>	<b>0%</b>
<b>Seasonal / Part Time<sup>(5)</sup></b>	<b>306</b>	<b>228</b>	<b>(78)</b>	<b>528</b>	<b>(300)</b>	<b>(57%)</b>
<b>Grand Total</b>	<b>10,018</b>	<b>10,019</b>	<b>1</b>	<b>11,768</b>	<b>(1,749)</b>	<b>(15%)</b>





# Fiscal Years 2023 - 2024

## FY24 YTD

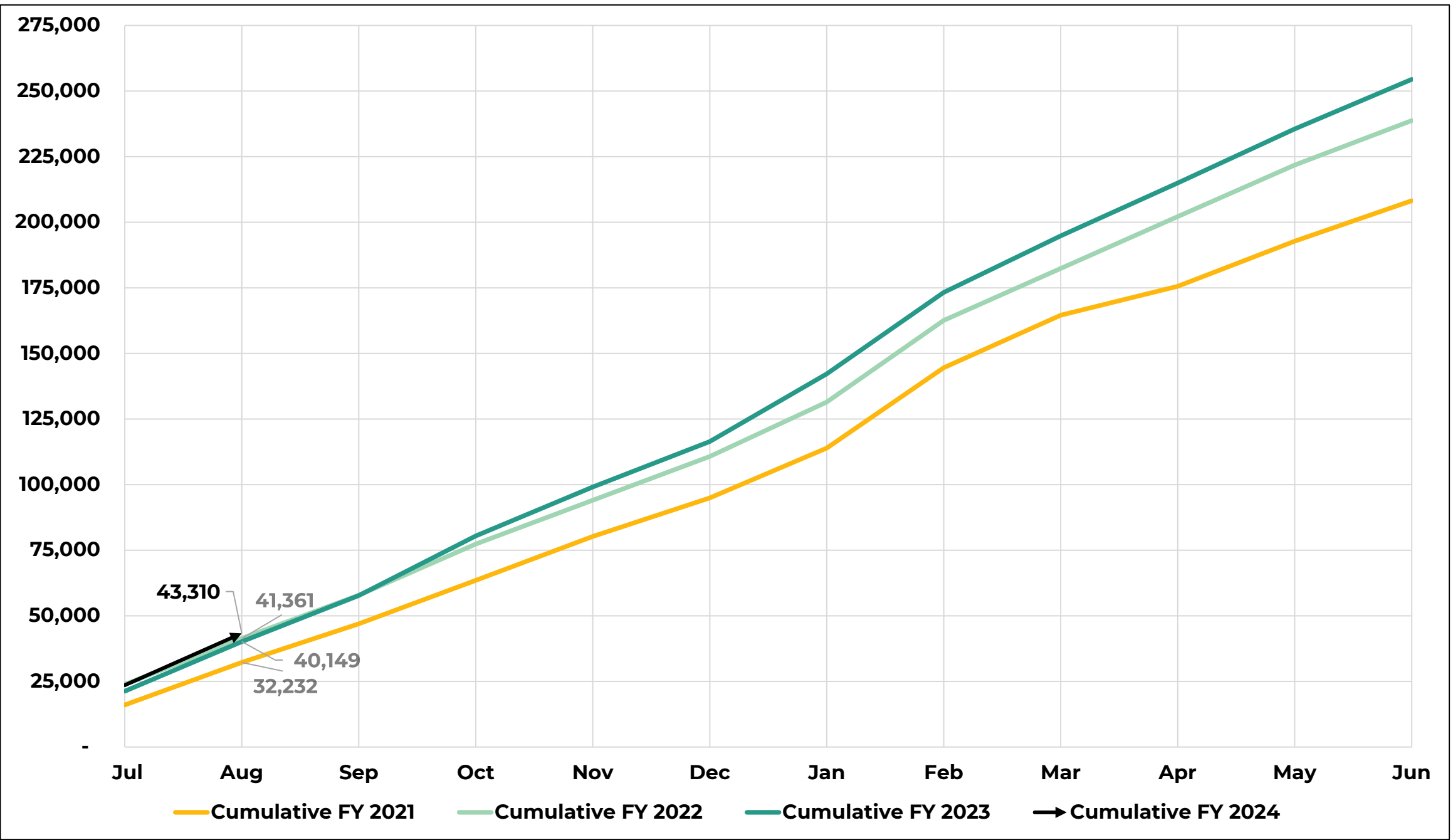
## FY23 YTD

### Income Tax Collections

### August 2023

### August 2022

Withholding	\$ 57,663,004	\$ 55,886,900
Individual	5,698,135	2,869,071
Corporate	3,468,978	525,680
Partnerships	190,132	84,420
<b>Total Collections</b>	<b>\$ 67,020,249</b>	<b>\$ 59,366,071</b>
<b>Refunds claimed, disbursed and accrued</b>	<b>(10,355,583)</b>	<b>(12,542,176)</b>
<b>Collections Net of Refunds/Disbursements</b>	<b>\$ 56,664,666</b>	<b>\$ 46,823,895</b>





(in millions)

	Unrestricted	Restricted	August 2023 Total	Prior Year August 2022 Total
<b>General Fund</b>				
General Accounts	\$ 371.8	\$ 221.7	\$ 593.5	\$ 539.5
Self Insurance	80.6	10.0	90.6	19.7
Quality of Life Fund	1.7	1.9	3.6	4.3
Retiree Protection Trust Fund	-	465.5	465.5	446.3
A/P and Payroll Clearing	0.5	-	0.5	2.9
<b>Other Governmental Funds</b>				
Capital Projects	5.4	235.0	240.4	225.9
Streets	95.8	-	95.8	98.9
Grants	81.3	8.0	89.2	75.8
Covid 19	-	-	-	-
ARPA	711.2	-	711.2	780.4
Solid Waste Management	19.3	-	19.3	29.0
Debt Service	-	78.8	78.8	59.4
Gordie Howe Bridge	8.3	-	8.3	11.3
Other	38.7	-	38.7	45.4
<b>Enterprise Funds</b>				
Enterprise Funds	26.4	-	26.4	11.6
<b>Fiduciary Funds</b>				
Undistributed Property Taxes	122.7	-	122.7	133.1
Fire Insurance Escrow	12.2	-	12.2	11.4
Other	54.7	-	54.7	53.8
<b>Component Units</b>				
Component Units	29.2	-	29.2	20.4
<b>Total General Ledger Cash Balance</b>	<b>\$ 1,659.7</b>	<b>\$ 1,020.8</b>	<b>\$ 2,680.5</b>	<b>\$ 2,568.9</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.



(Millions of Dollars)

Fiscal Year Begins July 1

Operating Cash Activity

	FY23 YTD	FY24 YTD			Actual	Forecast						
	Actual	Actual	Forecast	Variance	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 24 - AUG 24
<b>Beginning Common Cash Pool</b>	<b>1,365.9</b>	<b>1,413.8</b>	-	-	<b>1,378.8</b>	<b>1,482.9</b>	<b>1,430.6</b>	<b>1,421.7</b>	<b>1,396.1</b>	<b>1,373.0</b>	<b>1,465.9</b>	<b>1,418.4</b>
<b>Sources of Cash</b>												
Income Taxes	63.9	64.8	58.8	6.0	25.1	27.3	25.5	24.9	27.3	45.7	23.4	203.8
Property Taxes	290.6	312.8	326.8	(14.0)	264.9	22.6	15.1	15.5	63.9	174.4	14.7	385.9
Revenue Sharing	30.5	30.6	31.7	(1.0)	30.6	-	38.7	-	25.3	-	31.7	83.5
Wagering Taxes	61.3	61.3	65.7	(4.4)	41.2	18.1	35.6	23.1	22.5	18.9	14.7	121.5
Utility Users Taxes	5.5	5.5	5.8	(0.3)	2.5	3.0	2.9	3.1	1.9	4.9	5.8	29.0
Other Receipts	64.7	70.7	63.8	6.9	38.4	34.5	22.1	34.9	22.6	30.5	44.1	236.2
Net Interpool transfers	55.8	62.0	69.4	(7.4)	27.0	29.7	54.6	36.8	21.2	56.9	33.4	212.7
Bond Proceeds	19.3	24.9	12.3	12.6	12.9	4.9	9.2	11.7	10.0	8.1	14.9	61.2
<b>Total Sources of Cash</b>	<b>591.6</b>	<b>632.6</b>	<b>634.3</b>	<b>(1.7)</b>	<b>442.6</b>	<b>140.0</b>	<b>203.7</b>	<b>150.1</b>	<b>194.7</b>	<b>339.4</b>	<b>182.5</b>	<b>1,333.8</b>
<b>Uses of Cash</b>												
Wages and Benefits	(149.5)	(158.2)	(144.7)	(13.5)	(72.7)	(67.8)	(92.9)	(77.0)	(85.4)	(82.6)	(81.2)	(447.3)
Pension Contribution	(10.3)	(20.6)	(45.9)	25.3	(5.7)	(4.0)	(28.0)	(4.9)	(5.1)	(19.1)	(3.7)	(79.5)
Debt Service	(4.7)	(4.4)	(7.9)	3.5	-	(10.2)	(0.0)	-	-	-	-	(22.7)
Property Tax Distribution	(133.9)	(153.7)	(133.7)	(20.0)	(128.5)	(14.5)	(9.4)	(2.8)	(3.1)	(74.4)	(69.4)	(77.8)
TIF Distribution	-	-	-	-	-	-	-	-	(38.6)	-	-	(36.9)
Other Disbursements	(156.3)	(226.6)	(204.6)	(22.0)	(131.6)	(95.8)	(75.3)	(91.0)	(85.7)	(70.5)	(75.7)	(579.4)
Budget Reserve	-	-	-	-	-	-	(7.0)	-	-	-	-	-
Transfers to Retiree Protection Fund	(90.0)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Uses of Cash</b>	<b>(544.7)</b>	<b>(563.5)</b>	<b>(536.9)</b>	<b>(26.7)</b>	<b>(338.5)</b>	<b>(192.3)</b>	<b>(212.6)</b>	<b>(175.7)</b>	<b>(217.8)</b>	<b>(246.5)</b>	<b>(230.1)</b>	<b>(1,243.6)</b>
<b>Net Cash Flow</b>	<b>46.9</b>	<b>69.1</b>	<b>97.4</b>	<b>(28.4)</b>	<b>104.1</b>	<b>(52.3)</b>	<b>(8.9)</b>	<b>(25.6)</b>	<b>(23.1)</b>	<b>92.9</b>	<b>(47.5)</b>	<b>90.2</b>
<b>Ending Common Cash Pool</b>	<b>1,412.8</b>	<b>1,482.9</b>	-	-	<b>1,482.9</b>	<b>1,430.6</b>	<b>1,421.7</b>	<b>1,396.1</b>	<b>1,373.0</b>	<b>1,465.9</b>	<b>1,418.4</b>	<b>1,508.6</b>
<b>Budget Reserve Fund</b>	<b>107.3</b>	<b>143.0</b>	<b>143.0</b>	-	<b>143.0</b>	<b>143.0</b>	<b>150.0</b>	<b>150.0</b>	<b>150.0</b>	<b>150.0</b>	<b>150.0</b>	<b>150.0</b>



Accounts Payable (AP) as of Aug-23 [Millions]	
Total AP (Jul-23)	\$ 39.9
Plus: Aug-23 invoices processed	\$ 226.5
Less: Aug-23 Payments made	\$ (226.5)
Total AP month end (Aug-23)	\$ 39.9
Less: Invoices on hold <sup>(1)</sup>	\$ (20.4)
Total AP not on Validation hold (Jul-23)	\$ 19.5
Less: Installments/Retainage Invoices <sup>(2)</sup>	\$ (1.4)
Net AP not on hold	\$ 18.1

Net AP not on hold includes \$9.5m of invoices that are due after Aug-23

(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	\$18.0	0.4	16.2	0.2	1.2
	% of Total	100%	2%	90%	1%	7%
	Previous Month	\$16.4	0.1	13.1	0.4	2.8
	% of Total	100%	1%	80%	2%	17%
Vs Previous Month		\$1.6	0.3	3.1	(0.2)	(1.6)
Invoice Count	Current Month	857	122	660	24	51
	% of Total	100%	14%	77%	3%	6%
	Previous Month	962	75	788	20	79
	% of Total	100%	8%	82%	2%	8%
Vs Previous Month		(105)	47	(128)	4	(28)

