



**OFFICE OF THE  
CHIEF FINANCIAL OFFICER**

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April 12, 2024

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

Re: Financial Report for the Eight Months ended February 29, 2024

Dear Honorable City Council Members:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Eight Months ended February 29, 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 Eight Months ended February 29, 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 8 Months ended February 29, 2024**

**Submitted on April 12, 2024**



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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](#).

- On April 8, the Detroit City Council approved the City's [FY 2024-2025 Budget and Four-Year Financial Plan](#). Council's changes compared to the Mayor's proposed budget totaled \$34 million in one-time expenses and \$3.3 million in recurring expenses. The City will transmit the approved Four-Year Financial Plan to the Financial Review Commission by April 30.
- Moody's [upgraded Detroit's bond rating](#) two notches to Baa2 from Ba1 with positive outlook. The City's 10<sup>th</sup> credit rating upgrade takes Detroit from bankruptcy to investment grade in less than 10 years. They cite "a decade of solid financial performance" and "strong governance practices" in assigning this historic increase.
- S&P delivered Detroit's second [double-notch increase](#) to investment grade in a month on April 10 by assigning a rating of BBB. Importantly, S&P notes that they have removed their "structural imbalance" adjustment, which depressed and limited Detroit's rating.

\$ in millions

	FEBRUARY 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)
<b>REVENUE:</b>								
Municipal Income Tax	\$ 29.4	\$ 30.5	\$ 1.1	3.7%	\$ 228.0	\$ 254.4	\$ 26.4	11.6%
Property Taxes	1.4	2.5	1.1	78.6%	103.5	109.0	5.5	5.3%
Wagering Taxes	20.5	20.7	0.2	1.0%	164.3	160.1	(4.2)	(2.6%)
Utility Users' Tax	4.9	3.6	(1.3)	(26.5%)	24.0	20.4	(3.6)	(15.0%)
State Revenue Sharing	37.4	38.7	1.3	3.5%	112.2	118.7	6.5	5.8%
Other Revenues	11.6	20.3	8.7	75.0%	111.7	173.3	61.6	55.1%
<b>TOTAL (I)</b>	<b>\$ 105.2</b>	<b>\$ 116.3</b>	<b>\$ 11.1</b>	<b>10.6%</b>	<b>\$ 743.7</b>	<b>\$ 835.9</b>	<b>\$ 92.2</b>	<b>12.4%</b>
<b>EXPENDITURES:</b>								
Salaries and Wages	\$ 43.5	\$ 43.6	\$ (0.1)	(0.2%)	\$ 358.8	\$ 375.2	\$ (16.4)	(4.6%)
Employee Benefits	11.5	11.6	(0.1)	(0.9%)	103.6	95.1	8.5	8.2%
Professional and Contractual Services	10.7	5.3	5.4	50.5%	78.2	51.5	26.7	34.1%
Operating Supplies	4.9	1.7	3.2	65.3%	35.6	25.7	9.9	27.8%
Operating Services	6.5	5.2	1.3	20.0%	63.1	59.8	3.3	5.2%
Capital Equipment and Outlays	-	-	-	-	0.2	0.5	(0.3)	(150.0%)
Debt Service	-	0.1	(0.1)	-	55.5	55.8	(0.3)	(0.5%)
Other Expenses	11.0	9.6	1.4	12.7%	97.6	92.7	4.9	5.0%
<b>TOTAL (J)</b>	<b>\$ 88.1</b>	<b>\$ 77.1</b>	<b>\$ 11.0</b>	<b>12.5%</b>	<b>\$ 792.6</b>	<b>\$ 756.3</b>	<b>\$ 36.3</b>	<b>4.6%</b>
<b>SURPLUS/(DEFICIT) (K= I + J)</b>	<b>\$ 17.1</b>	<b>\$ 39.2</b>	<b>\$ 22.1</b>	<b>129.2%</b>	<b>\$ (48.9)</b>	<b>\$ 79.6</b>	<b>\$ 128.5</b>	<b>262.8%</b>

**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.

\$ in millions

	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$) C = B-A	% D = (C/A)
<b>REVENUE:</b>				
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%
<b>TOTAL (I)</b>	<b>\$ 1,253.5</b>	<b>\$ 1,326.3</b>	<b>\$ 72.8</b>	<b>5.8%</b>
<b>EXPENDITURES:</b>				
Salaries and Wages	\$ 564.4	\$ 599.4	\$ (35.0)	(6.2%)
Employee Benefits	283.6	292.0	(8.4)	(3.0%)
Professional and Contractual Services	115.5	118.8	(3.3)	(2.9%)
Operating Supplies	49.7	51.2	(1.5)	(3.0%)
Operating Services	88.6	91.6	(3.0)	(3.4%)
Capital Equipment and Outlays	0.3	0.3	-	-
Debt Service	81.6	73.4	8.2	10.0%
Other Expenses	163.5	228.1	(64.6)	(39.5%)
<b>TOTAL (J)</b>	<b>\$ 1,347.2</b>	<b>\$ 1,454.8</b>	<b>\$ (107.6)</b>	<b>(8.0%)</b>
<b>REVENUES LESS EXPENDITURES (K= I + J)</b>	<b>\$ (93.7)</b>	<b>\$ (128.5)</b>	<b>\$ (34.8)</b>	<b>37.1%</b>
Budgeted Use of Retiree Protection Fund	57.2	79.1	21.9	38.3%
Budgeted Use of Prior Year Surplus	10.1	23.1	13.0	128.7%
Prior Year Continuing Appropriations	26.4	26.4	-	-
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>	<b>-</b>

**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 (\$50 million), and solid waste management (\$7.8 million), as well as lower projected debt service from vehicle installment purchase agreement delay (\$8.2 million). City Council approves supplemental appropriations and transfers for these amounts on April 8, 2024.

**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
	<b>Total Amended Budget per report</b>	<b>\$ 1,253,525,517</b>	<b>\$ 1,347,193,237</b>

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
	<b>Total</b>	<b>\$ 26,380,916</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.



# 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.

	MONTH-OVER-MONTH ACTUAL <sup>(1)</sup>			BUDGET VS. ACTUAL		
	Actual January 2024	Actual February 2024	Change Feb. 2024 vs. January 2024	Adjusted Budget FY 2024 <sup>(2)</sup>	Variance (Under)/Over Budget vs. February 2024	
<b>Public Safety</b>						
Police	3,230	3,242	12	3,469	(227)	(7%)
Fire	1,245	1,241	(4)	1,235	6	0%
Total Public Safety	4,475	4,483	8	4,704	(221)	(5%)
<b>Non-Public Safety</b>						
Office of the Chief Financial Officer	379	379	0	428	(49)	
Public Works - Full Time	387	387	0	507	(120)	
Health	195	193	(2)	278	(85)	
Human Resources	88	92	4	106	(14)	
Housing and Revitalization	129	134	5	191	(57)	
Innovation and Technology	134	135	1	144	(9)	
Law	113	114	1	112	2	
Mayor's Office	89	89	0	92	(3)	
Municipal Parking	72	77	5	97	(20)	
Planning and Development	35	33	(2)	39	(6)	
General Services - Full Time	529	540	11	738	(198)	
Legislative <sup>(3)</sup>	270	275	5	314	(39)	
36th District Court	319	317	(2)	325	(8)	
Other <sup>(4)</sup>	282	288	6	369	(81)	
Total Non-Public Safety	3,008	3,053	32	3,740	(687)	(18%)
<b>Total General City (Full -Time)</b>	<b>7,483</b>	<b>7,536</b>	<b>40</b>	<b>8,444</b>	<b>(908)</b>	<b>(11%)</b>
<b>Enterprise (Full-Time)</b>						
Airport	11	11	0	12	(1)	
BSEED	291	296	5	356	(60)	
Transportation	829	874	45	975	(101)	
Water and Sewerage	600	627	27	678	(51)	
Library	238	235	(3)	341	(106)	
<b>Total Enterprise (Full-Time)</b>	<b>1,969</b>	<b>2,043</b>	<b>74</b>	<b>2,362</b>	<b>(319)</b>	<b>(14%)</b>
<b>Total (Full-time)</b>	<b>9,452</b>	<b>9,579</b>	<b>114</b>	<b>10,806</b>	<b>(1,227)</b>	<b>(11%)</b>
<b>ARPA / COVID Response</b>	<b>586</b>	<b>573</b>	<b>(13)</b>	<b>573</b>	<b>0</b>	<b>0%</b>
<b>Seasonal / Part Time<sup>(5)</sup></b>	<b>117</b>	<b>112</b>	<b>(5)</b>	<b>519</b>	<b>(407)</b>	<b>(78%)</b>
<b>Grand Total</b>	<b>10,155</b>	<b>10,264</b>	<b>96</b>	<b>11,898</b>	<b>(1,634)</b>	<b>(14%)</b>



# Fiscal Years 2023 - 2024

## FY24 YTD

## FY23 YTD

### Income Tax Collections

### February 2024

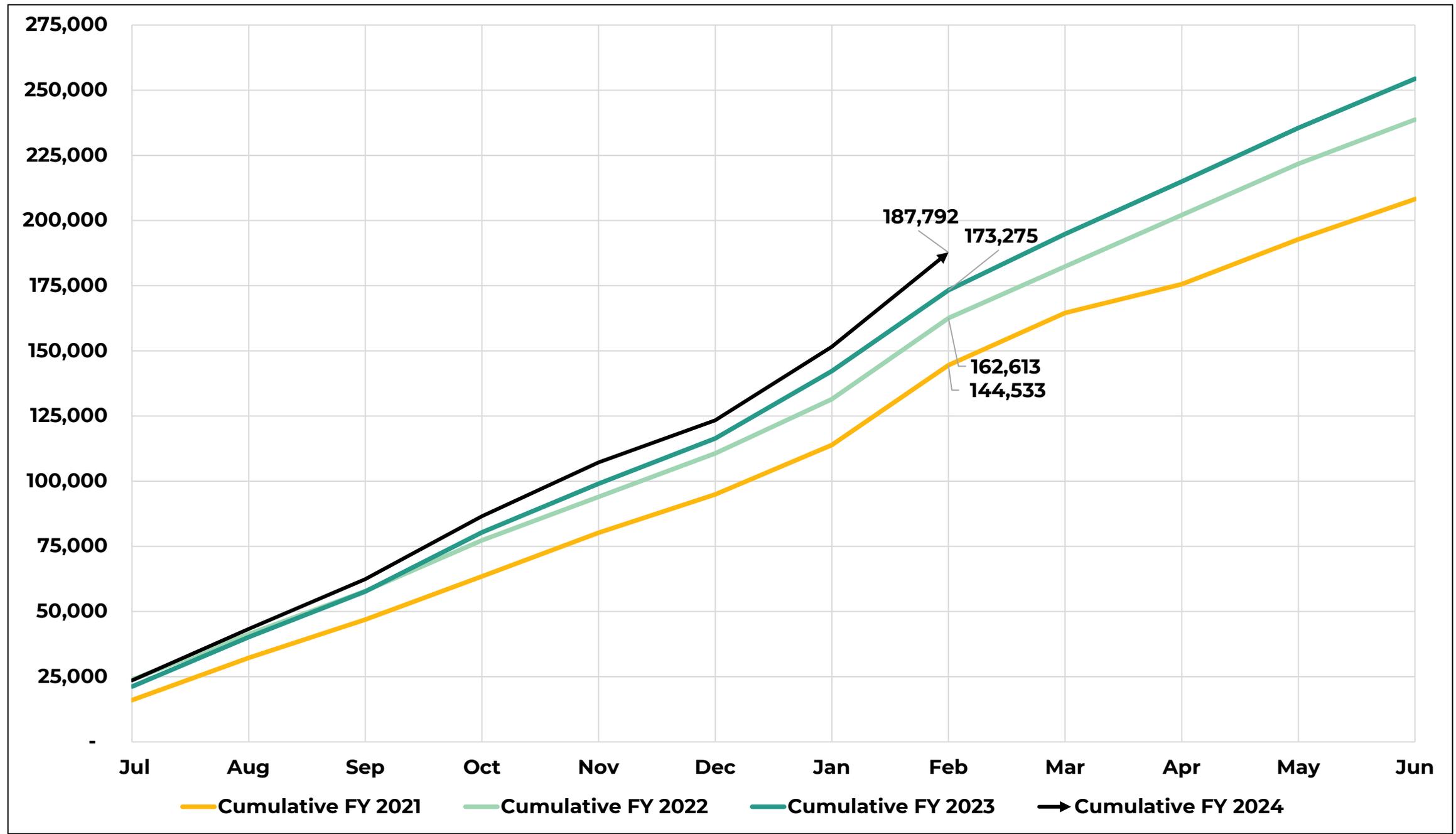
### February 2023

Withholding	\$ 233,285,849	\$ 213,594,700
Individual	24,080,408	26,367,639
Corporate	29,635,108	28,698,160
Partnerships	2,708,750	2,148,519
<b>Total Collections</b>	<b>\$ 289,710,115</b>	<b>\$ 270,809,018</b>
<b>Refunds claimed, disbursed and accrued</b>	<b>(35,276,703)</b>	<b>(42,209,895)</b>
<b>Collections Net of Refunds/Disbursements</b>	<b>\$ 254,433,412</b>	<b>\$ 228,599,123</b>

Income Tax - Collections



# Income Tax - Withholding Returns



(in millions)	Unrestricted	Restricted	February 2024 Total	Prior Year February 2023 Total
<b>General Fund</b>				
General Accounts	\$ 414.6	\$ 209.8	\$ 624.4	\$ 575.5
Self Insurance	57.7	10.3	68.0	19.8
Quality of Life Fund	0.6	2.0	2.5	3.5
Retiree Protection Trust Fund	-	477.0	477.0	447.2
A/P and Payroll Clearing	0.1	-	0.1	0.6
<b>Other Governmental Funds</b>				
Capital Projects	3.3	159.5	162.8	177.6
Streets	90.0	-	90.0	83.6
Grants	81.5	8.1	89.6	61.3
Covid 19	-	-	-	-
ARPA	614.7	-	614.7	766.2
Solid Waste Management	4.5	-	4.5	16.5
Debt Service	-	94.4	94.4	77.0
Gordie Howe Bridge	7.6	-	7.6	8.9
Other	33.2	-	33.2	40.0
<b>Enterprise Funds</b>				
Enterprise Funds	59.6	-	59.6	32.3
<b>Fiduciary Funds</b>				
Undistributed Property Taxes	97.5	-	97.5	93.4
Fire Insurance Escrow	11.3	-	11.3	11.4
Other	64.0	-	64.0	52.4
<b>Component Units</b>				
Component Units	33.0	-	33.0	28.9
<b>Total General Ledger Cash Balance</b>	<b>\$ 1,573.1</b>	<b>\$ 961.1</b>	<b>\$ 2,534.2</b>	<b>\$ 2,495.8</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.



Operating Cash Activity

(Millions of Dollars) Fiscal Year Begins July 1	FY23 YTD	FY24 YTD			Actual	Forecast						
	Actual	Actual	Forecast	Variance	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 24 - FEB 25
<b>Beginning Common Cash Pool</b>	<b>1,365.9</b>	<b>1,413.8</b>	-	-	<b>1,466.5</b>	<b>1,414.1</b>	<b>1,331.9</b>	<b>1,376.6</b>	<b>1,327.4</b>	<b>1,167.0</b>	<b>1,176.0</b>	<b>1,286.2</b>
<b>Sources of Cash</b>												
Income Taxes	255.0	265.3	249.9	15.4	33.3	28.4	43.0	36.0	41.7	33.3	31.2	193.1
Property Taxes	640.1	714.7	680.0	34.7	14.2	5.3	3.7	2.7	19.0	78.5	246.2	375.6
Revenue Sharing	126.1	130.4	135.6	(5.2)	32.3	-	32.4	-	32.8	-	32.3	101.4
Wagering Taxes	220.8	186.8	188.0	(1.2)	20.2	16.4	18.9	16.7	15.3	16.6	35.8	135.8
Utility Users Taxes	25.3	20.7	27.6	(6.9)	3.6	4.8	4.8	3.1	2.9	2.5	3.0	22.1
Other Receipts	272.0	367.3	325.7	41.6	39.9	25.1	46.5	40.9	36.1	47.4	30.9	234.1
Net Interpool transfers	259.6	231.8	255.2	(23.4)	23.1	28.6	47.2	65.0	12.3	30.5	22.6	202.3
Bond Proceeds	91.7	104.3	91.7	12.6	12.6	14.8	7.0	10.0	16.9	11.5	8.3	72.0
<b>Total Sources of Cash</b>	<b>1,890.6</b>	<b>2,021.3</b>	<b>1,953.8</b>	<b>67.6</b>	<b>179.1</b>	<b>123.3</b>	<b>203.4</b>	<b>174.5</b>	<b>176.9</b>	<b>220.4</b>	<b>410.1</b>	<b>1,336.4</b>
<b>Uses of Cash</b>												
Wages and Benefits	(573.4)	(595.9)	(660.4)	64.4	(57.8)	(88.8)	(84.2)	(108.4)	(114.6)	(90.1)	(70.0)	(508.1)
Pension Contribution	(36.3)	(80.8)	(51.6)	(29.3)	(5.8)	(4.1)	(3.2)	(3.4)	(81.0)	(12.2)	(4.0)	(45.7)
Debt Service	(13.4)	(13.1)	(13.9)	0.8	-	(10.2)	-	-	-	(7.7)	-	(14.1)
Property Tax Distribution	(349.5)	(386.1)	(370.5)	(15.6)	(43.5)	-	(0.6)	(1.4)	(21.6)	(23.0)	(125.7)	(243.1)
TIF Distribution	(32.3)	(33.9)	(38.6)	4.7	-	-	-	-	(36.9)	-	-	(33.6)
Other Disbursements	(677.8)	(904.3)	(864.4)	(39.9)	(124.5)	(102.3)	(70.7)	(110.5)	(83.2)	(78.6)	(100.2)	(553.4)
Budget Reserve	(30.7)	(7.0)	(7.0)	-	-	-	-	-	-	-	-	-
Transfers to Retiree Protection Fund	(90.0)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Uses of Cash</b>	<b>(1,803.4)</b>	<b>(2,021.1)</b>	<b>(2,006.3)</b>	<b>(14.8)</b>	<b>(231.6)</b>	<b>(205.5)</b>	<b>(158.7)</b>	<b>(223.6)</b>	<b>(337.3)</b>	<b>(211.4)</b>	<b>(299.9)</b>	<b>(1,398.1)</b>
<b>Net Cash Flow</b>	<b>87.3</b>	<b>0.2</b>	<b>(52.5)</b>	<b>52.7</b>	<b>(52.5)</b>	<b>(82.2)</b>	<b>44.7</b>	<b>(49.2)</b>	<b>(160.4)</b>	<b>9.0</b>	<b>110.3</b>	<b>(61.6)</b>
<b>Ending Common Cash Pool</b>	<b>1,453.1</b>	<b>1,414.1</b>	-	-	<b>1,414.1</b>	<b>1,331.9</b>	<b>1,376.6</b>	<b>1,327.4</b>	<b>1,167.0</b>	<b>1,176.0</b>	<b>1,286.2</b>	<b>1,224.6</b>
<b>Budget Reserve Fund</b>	<b>138.0</b>	<b>150.0</b>	<b>150.0</b>	-	<b>150.0</b>							



Accounts Payable (AP) as of Feb-24 [Millions]	
Total AP (Jan-24)	\$ 59.2
Plus: Feb-24 invoices processed	\$ 140.3
Less: Feb-24 Payments made	\$ (161.2)
Total AP month end (Feb-24)	\$ 38.3
Less: Invoices on hold <sup>(1)</sup>	\$ (16.2)
Total AP not on Validation hold (Feb-24)	\$ 22.1
Less: Installments/Retainage Invoices <sup>(2)</sup>	\$ (3.8)
Net AP not on hold	\$ 18.3

Net AP not on hold includes \$8.1m of invoices that are due after Feb-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	\$18.4	4.7	12.6	0.1	1.0
	% of Total	100%	26%	68%	1%	5%
	Previous Month	\$27.5	1.3	24.4	0.4	1.4
	% of Total	100%	5%	89%	1%	5%
Vs Previous Month		(\$9.1)	3.4	(11.8)	(0.3)	(0.4)
Invoice Count	Current Month	1,897	881	904	44	68
	% of Total	100%	46%	48%	2%	4%
	Previous Month	2,474	237	2,008	133	96
	% of Total	100%	10%	81%	5%	4%
Vs Previous Month		(577)	644	(1104)	(89)	(28)

