



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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July 15, 2024

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

Re: Financial Report for the Eleven Months ended May 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 Eleven Months ended May 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 Eleven Months ended May 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 11 Months ended May 31, 2024

Submitted on July 15, 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](#).

- In July, the City is issuing \$46.3 million in Unlimited Tax General Obligation (UTGO) bonds to finance various public safety, recreation, public lighting, and transportation projects and executing a \$55 million master installment purchase agreement for City fleet replacements.
- The Michigan Legislature passed the [FY25 State Budget bills](#) in late June, which included increases for State Revenue Sharing and a new Public Safety and Violence Prevention Trust Fund, both of which will provide recurring revenue increases for the City, pending enactment and implementation.

	MAY 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	\$ 37.7	\$ 33.1	\$ (4.6)	(12.2%)	\$ 370.9	\$ 397.6	\$ 26.7	7.2%
Property Taxes	3.3	0.9	(2.4)	(72.7%)	113.4	110.3	(3.1)	(2.7%)
Wagering Taxes	21.0	22.9	1.9	9.0%	222.1	230.0	7.9	3.6%
Utility Users' Tax	5.2	3.4	(1.8)	(34.6%)	40.2	33.3	(6.9)	(17.2%)
State Revenue Sharing	-	-	-	-	157.2	156.7	(0.5)	(0.3%)
Other Revenues	14.7	9.9	(4.8)	(32.7%)	179.3	216.2	36.9	20.6%
TOTAL (I)	\$ 81.9	\$ 70.2	\$ (11.7)	(14.3%)	\$ 1,083.1	\$ 1,144.1	\$ 61.0	5.6%
EXPENDITURES:								
Salaries and Wages	\$ 66.2	\$ 67.5	\$ (1.3)	(2.0%)	\$ 528.1	\$ 529.7	\$ (1.6)	(0.3%)
Employee Benefits	16.6	16.1	0.5	3.0%	142.3	132.3	10.0	7.0%
Professional and Contractual Services	11.6	8.7	2.9	25.0%	112.9	73.4	39.5	35.0%
Operating Supplies	5.0	4.4	0.6	12.0%	48.9	35.0	13.9	28.4%
Operating Services	6.7	4.9	1.8	26.9%	86.4	75.1	11.3	13.1%
Capital Equipment and Outlays	0.1	0.1	-	-	2.6	1.5	1.1	42.3%
Debt Service	8.7	8.7	-	-	73.3	73.3	-	-
Other Expenses	25.7	24.5	1.2	4.7%	163.5	154.4	9.1	5.6%
TOTAL (J)	\$ 140.6	\$ 134.9	\$ 5.7	4.1%	\$ 1,158.0	\$ 1,074.7	\$ 83.3	7.2%
SURPLUS/(DEFICIT) (K= I + J)	\$ (58.7)	\$ (64.7)	\$ (6.0)	(10.2%)	\$ (74.9)	\$ 69.4	\$ 144.3	192.7%

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

Budget columns reflect budget amendments approved by City Council through May 2024. No change vs. prior month's report.

Revenues: Budget excludes Prior Year Surplus resources shown as revenue in adopted budget. Other revenues positive variance driven by investment earnings, including unrealized gains non-cash accounting entries.

Expenditures: Contractual Services positive variance due, in part, to difference in timing of expenses vs. budget spread and continuing appropriations spending, which can span multiple fiscal years.

Budget excludes \$23 million in PLD decommissioning reserve.

<i>\$ in millions</i>	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$) C = B - A	% D = (C/A)
REVENUE:				
Municipal Income Tax	\$ 417.5	\$ 427.6	\$ 10.1	2.4%
Property Taxes	147.1	148.5	1.4	1.0%
Wagering Taxes	248.7	259.4	10.7	4.3%
Utility Users' Tax	46.3	38.2	(8.1)	(17.5%)
State Revenue Sharing	235.8	234.8	(1.0)	(0.4%)
Other Revenues	230.8	245.8	15.0	6.5%
TOTAL (I)	\$ 1,326.2	\$ 1,354.3	\$ 28.1	2.1%
EXPENDITURES:				
Salaries and Wages	\$ 585.6	\$ 573.1	\$ 12.5	2.1%
Employee Benefits	297.5	292.5	5.0	1.7%
Professional and Contractual Services	123.0	123.0	-	-
Operating Supplies	52.7	52.7	-	-
Operating Services	143.1	145.1	(2.0)	(1.4%)
Capital Equipment and Outlays	1.9	1.9	-	-
Debt Service	73.3	73.3	-	-
Other Expenses	193.1	186.4	6.7	3.5%
TOTAL (J)	\$ 1,470.2	\$ 1,448.0	\$ 22.2	1.5%
REVENUES LESS EXPENDITURES (K= I + J)	\$ (144.0)	\$ (93.7)	\$ 50.3	(34.9%)
Budgeted Use of Retiree Protection Fund	79.1	79.1	-	-
Budgeted Use of Prior Year Surplus	38.5	38.5	-	-
Prior Year Continuing Appropriations	26.4	26.4	-	-
SURPLUS/(DEFICIT)	\$ -	\$ 50.3	\$ 50.3	-

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

Budget column reflects budget amendments approved by City Council through May 2024. No change vs. prior month's report.

Revenues: Revenue Projection is updated based on May 2024 Revenue Review, reflecting anticipated gains vs. Feb 2024 Revenue Conference in Income Tax, Wagering Tax, and Investment Earnings. Excludes Prior Year Surplus resource shown as revenue in adopted budget. Projections will be updated in June Report based on 12 months of actuals.

Expenditures: Amended expenditure budget includes supplemental appropriations itemized on the following page, which resolved negative projected variances from prior months. Projections reflect: \$20 million in personnel surpluses across various City departments, offset by an additional \$2.5 million overage in Police and Fire; \$2 million overage for PLD utilities; and \$6.7 million surplus in Workforce Investments Fund, a portion of which will be transferred for Fire overage driven by increase in EMS wage rates approved in Jan 2024. Projections will be updated in June Report based on 12 months of actuals.

Budget excludes \$23 million in PLD decommissioning reserve.

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			
Dept	Total Adopted Budget	Revenue	Expense
		\$ 1,319,487,321	\$ 1,319,487,321
DSLPL	Exclude Adopted Budget Use of Retiree Protection Fund	(57,225,000)	-
Non-Dept	Exclude Adopted Budget Use of Prior Year Surplus	(8,736,804)	-
Various	Continuing Appropriations (see list)	-	26,352,055
Health	Prenatal Care Transportation Services	-	1,200,000
City Council	Legislative Administration	-	125,000
Various	February 2024 Revenue Estimating Conference	72,742,823	-
CDD	Facilities Repair and Maintenance	-	3,000,000
DSLPL	Legacy Pension Contribution - Level Principal Amortization	-	21,900,000
DSLPL	Vehicle Installment Purchase Agreement Delay to FY25	-	(8,250,000)
Fire	Fire/EMS Overtime and Ambulance Unit Expansion	-	11,000,000
HRD	Affordable Housing Development and Preservation Fund	-	350,000
Law	Outside Counsel Legal Services	-	1,800,000
Non-Dept	Risk Management Fund Contribution	-	50,000,000
Non-Dept	Solid Waste Fund Contribution	-	7,800,000
Non-Dept	DDOT and Airport Long-Term Advances Prepayment	-	15,393,549
Police	Police Overtime and Current Services Hiring Trend	-	17,000,000
Police	Detroit Detention Center - State of MI Cost Increase	-	3,000,000
	Total Amended Budget per report	\$ 1,326,268,340	\$ 1,470,157,925

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
GSD	Wayne County Park Millage	190,391
GSD	Pistons Basketball Court Improvements	324,967
	Total	\$ 26,352,055

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.

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 interns.

	MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual April 2024	Actual May 2024	Change May 2024 vs. April 2024	Adjusted Budget FY 2024 ⁽²⁾	Variance (Under)/Over Budget vs. May 2024	
Public Safety						
Police	3,262	3,298	36	3,469	(171)	(5%)
Fire	1,221	1,209	(12)	1,235	(26)	(2%)
Total Public Safety	4,483	4,507	24	4,704	(197)	(4%)
Non-Public Safety						
Office of the Chief Financial Officer	388	395	7	430	(35)	
Public Works - Full Time	407	412	5	507	(95)	
Health	197	209	12	281	(72)	
Human Resources	99	98	(1)	106	(8)	
Housing and Revitalization	147	150	3	208	(58)	
Innovation and Technology	135	136	1	144	(8)	
Law	114	116	2	112	4	
Mayor's Office	86	83	(3)	90	(7)	
Municipal Parking	77	74	(3)	97	(23)	
Planning and Development	34	35	1	39	(4)	
General Services - Full Time	548	547	(1)	738	(191)	
Legislative ⁽³⁾	266	270	4	311	(41)	
36th District Court	321	320	(1)	325	(5)	
Other ⁽⁴⁾	275	280	5	370	(90)	
Total Non-Public Safety	3,094	3,125	31	3,758	(633)	(17%)
Total General City (Full -Time)	7,577	7,632	55	8,462	(830)	(10%)
Enterprise (Full-Time)						
Airport	10	9	(1)	12	(3)	
BSEED	298	298	0	357	(59)	
Transportation	926	949	23	975	(26)	
Water and Sewerage	615	620	5	678	(58)	
Library	242	244	2	341	(97)	
Total Enterprise (Full-Time)	2,091	2,120	29	2,363	(243)	(10%)
Total (Full-time)	9,668	9,752	84	10,825	(1,073)	(10%)
ARPA / COVID Response	609	625	16	625	0	0%
Seasonal / Part Time⁽⁵⁾	223	267	44	532	(265)	(50%)
Grand Total	10,500	10,644	144	11,982	(1,338)	(11%)



Fiscal Years 2023 - 2024

FY24 YTD

FY23 YTD

Income Tax Collections

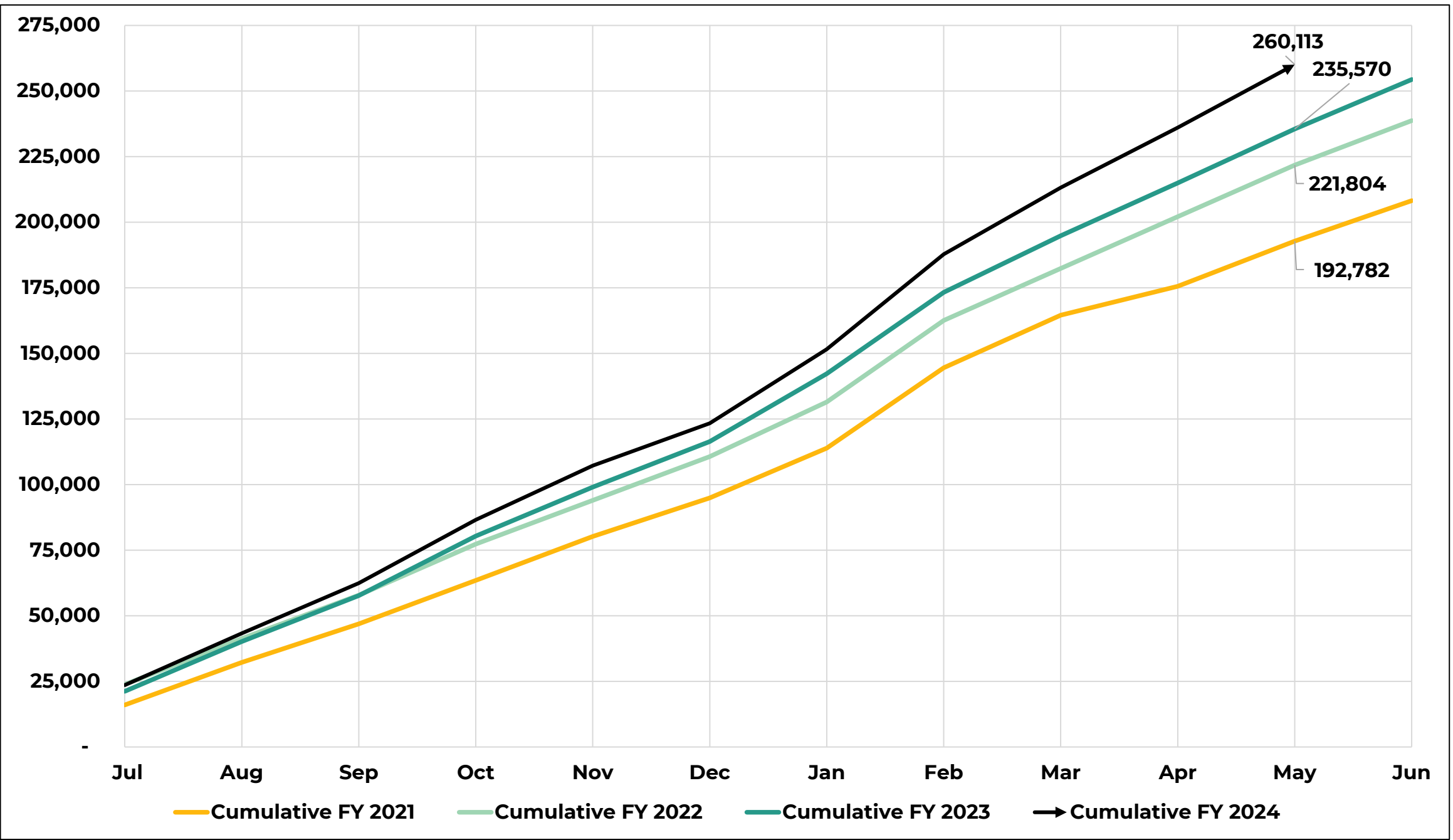
May 2024

May 2023

Withholding	\$ 329,198,758	\$ 300,166,232
Individual	61,246,865	63,087,074
Corporate	51,016,611	54,660,970
Partnerships	5,450,601	8,220,954
Total Collections	\$ 446,912,835	\$ 426,135,230
Refunds claimed, disbursed and accrued	(49,324,149)	(58,428,680)
Collections Net of Refunds/Disbursements	\$ 397,588,686	\$ 367,706,550



Income Tax - Withholding Returns



(in millions)	Unrestricted	Restricted	May 2024 Total	Prior Year May 2023 Total
General Fund				
General Accounts	\$ 395.1	\$ 211.2	\$ 606.3	\$ 532.8
Self Insurance	39.0	10.4	49.4	75.8
Quality of Life Fund	0.6	1.8	2.4	3.6
Retiree Protection Trust Fund	-	480.4	480.4	464.5
A/P and Payroll Clearing	0.1	-	0.1	0.5
Other Governmental Funds				
Capital Projects	2.4	140.8	143.2	162.3
Streets	90.3	-	90.3	91.6
Grants	81.4	2.2	83.6	89.9
Covid 19	-	-	-	-
ARPA	535.5	-	535.5	758.4
Solid Waste Management	1.7	-	1.7	1.5
Debt Service	-	50.5	50.5	37.0
Gordie Howe Bridge	6.8	-	6.8	9.0
Other	44.1	-	44.1	42.1
Enterprise Funds				
Enterprise Funds	68.1	-	68.1	28.1
Fiduciary Funds				
Undistributed Property Taxes	97.8	-	97.8	89.0
Fire Insurance Escrow	10.8	-	10.8	11.3
Other	64.1	-	64.1	57.2
Component Units				
Component Units	29.7	-	29.7	22.7
Total General Ledger Cash Balance	\$ 1,467.4	\$ 897.5	\$ 2,364.9	\$ 2,477.3

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 May-24 [Millions]					
Total AP (Apr-24)	\$	44.4			
Plus: May-24 invoices processed	\$	129.5			
Less: May-24 Payments made	\$	(133.1)			
Total AP month end (May-24)	\$	40.8			
Less: Invoices on hold ⁽¹⁾	\$	(22.2)			
Total AP not on Validation hold (May-24)	\$	18.5			
Less: Installments/Retainage Invoices ⁽²⁾	\$	(3.2)			
Net AP not on hold	\$	15.3			
Net AP not on hold includes \$9.8m of invoices that are due after May-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 <u>creation</u> date					
AP Aging [Millions]					
(excludes invoices on hold & retainage)					
		Net AP	Current 0-30	31-60	61+
Invoice \$ Value	Current Month	\$15.3	13.0	2.0	0.3
	% of Total	100%	85%	13%	2%
	Previous Month	\$19.6	17.8	1.2	0.6
	% of Total	100%	91%	6%	3%
	Vs Previous Month	(\$4.3)	(4.8)	0.8	(0.3)
Invoice Count	Current Month	1,113	1,042	29	42
	% of Total	100%	94%	3%	4%
	Previous Month	1,619	1,490	73	56
	% of Total	100%	92%	5%	3%
	Vs Previous Month	(506)	(448)	(44)	(14)

