



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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October 14, 2024

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, 2024

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, 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 Two Months ended August 31, 2024

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



FY2024-25 Financial Report

Office of the Chief Financial Officer

For the 2 Months ended August 31, 2024

Submitted on October 14, 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](#).

- The Office of Budget is holding the annual [Budget Priorities Forums](#) from October 17th to November 20th. They occur in all 7 City Council districts to get resident input for the Mayor's FY2025-26 recommended budget.
- The City of Detroit/OCFO received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY23 ACFR. This is the sixth consecutive year that the City has received this prestigious award.
- On October 8th, the City of Detroit issued \$79.5 million in Refunding Bonds through the Michigan Finance Authority to refinance its outstanding 2014 Financial Recovery bonds which became callable on October 1, 2024. The refinancing achieved \$4.475 million, or 4.61%, in Net Present Value Savings and eliminates the only intercept that was on the City's income tax revenues, providing increased financial flexibility for the City.

	AUGUST 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	\$ 26.3	\$ 26.8	\$ 0.5	1.9%	\$ 54.9	\$ 51.0	\$ (3.9)	(7.1%)
Property Taxes	53.8	54.4	0.6	1.1%	63.7	69.8	6.1	9.6%
Wagering Taxes	20.0	24.4	4.4	22.0%	32.5	37.1	4.6	14.2%
Utility Users' Tax	1.9	2.1	0.2	10.5%	4.3	4.5	0.2	4.7%
State Revenue Sharing	-	-	-	-	-	-	-	-
Other Revenues	14.6	18.2	3.6	24.7%	26.3	25.4	(0.9)	(3.4%)
TOTAL (I)	\$ 116.6	\$ 125.9	\$ 9.3	8.0%	\$ 181.7	\$ 187.8	\$ 6.1	3.4%
EXPENDITURES:								
Salaries and Wages	\$ 48.9	\$ 47.1	\$ 1.8	3.7%	\$ 84.7	\$ 85.4	\$ (0.7)	(0.8%)
Employee Benefits	15.5	14.0	1.5	9.7%	28.6	24.6	4.0	14.0%
Professional and Contractual Services	8.1	10.7	(2.6)	(32.1%)	15.5	17.3	(1.8)	(11.6%)
Operating Supplies	5.1	2.3	2.8	54.9%	8.6	5.9	2.7	31.4%
Operating Services	17.2	16.1	1.1	6.4%	22.2	21.4	0.8	3.6%
Capital Equipment and Outlays	3.9	3.9	-	-	3.9	4.3	(0.4)	(10.3%)
Debt Service	0.3	-	0.3	100.0%	0.9	0.7	0.2	22.2%
Other Expenses	25.7	21.5	4.2	16.3%	38.0	33.7	4.3	11.3%
TOTAL (J)	\$ 124.7	\$ 115.6	\$ 9.1	7.3%	\$ 202.4	\$ 193.3	\$ 9.1	4.5%
SURPLUS/(DEFICIT) (K= I + J)	\$ (8.1)	\$ 10.3	\$ 18.4	227.2%	\$ (20.7)	\$ (5.5)	\$ 15.2	73.4%

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

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

Expenditures: Non-personnel negative variances due, in part, to difference in timing of expenses vs. budget spread and continuing appropriations spending, which can span multiple fiscal years.

<i>\$ in millions</i>	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
REVENUE:				
Municipal Income Tax	\$ 433.9	\$ 446.2	\$ 12.3	2.8%
Property Taxes	152.9	161.5	8.6	5.6%
Wagering Taxes	256.6	282.6	26.0	10.1%
Utility Users' Tax	43.1	39.8	(3.3)	(7.7%)
State Revenue Sharing	236.7	241.5	4.8	2.0%
Other Revenues	243.8	241.0	(2.8)	(1.1%)
TOTAL (I)	\$ 1,367.0	\$ 1,412.6	\$ 45.6	3.3%
EXPENDITURES:				
Salaries and Wages	\$ 620.8	\$ 620.8	\$ -	-
Employee Benefits	323.4	\$ 323.4	-	-
Professional and Contractual Services	132.1	\$ 132.1	-	-
Operating Supplies	55.9	\$ 55.9	-	-
Operating Services	92.3	\$ 92.3	-	-
Capital Equipment and Outlays	19.8	\$ 19.8	-	-
Debt Service	83.4	\$ 83.4	-	-
Other Expenses	195.7	\$ 195.7	-	-
TOTAL (J)	\$ 1,523.4	\$ 1,523.4	\$ -	-
REVENUES LESS EXPENDITURES (K= I + J)	\$ (156.4)	\$ (110.8)	\$ 45.6	29.2%
Budgeted Use of Retiree Protection Fund	72.2	72.2	-	-
Budgeted Use of Prior Year Surplus	35.0	35.0	-	-
Prior Year Continuing Appropriations	49.2	49.2	-	-
SURPLUS/(DEFICIT)	\$ -	\$ 45.6	\$ 45.6	-

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

Budget column reflects budget amendments approved by City Council through August 2024.

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

Expenditures: Amended expenditure projections reflects current Amended FY 2025 Budget.

Budgeted Use of Prior Year Surplus: Unspent budget resource from prior year used to support one-time expenditures included in the FY25 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	\$ 1,474,146,820	\$ 1,474,146,820
DSLPP	Exclude Adopted Budget Use of Retiree Protection Fund	(72,225,000)	-
Non-Dept	Exclude Adopted Budget Use of Prior Year Surplus	(34,962,704)	-
Various	Continuing Appropriations (see list)	-	49,283,104
	Total Amended Budget per report	\$ 1,366,959,116	\$ 1,523,429,924

Dept	Continuing Appropriations (Fund 1000)	Amount
BSEED	Public Health Fund	\$ 873,070
Health	Resident Health Services	2,014,049
CRIO	Homegrown Detroit	3,805,652
Non-Dept	Covid-19 Response	3,540,851
Non-Dept	Over-Assessment Program	5,747,933
Non-Dept	Resident Health Services	626,129
Non-Dept	Utility Conversion Fund / PLD Decommissioning	4,600,000
HRD	Affordable Housing Development and Preservation Fund	6,091,230
HRD	Senior Home Repair	1,545,491
HRD	Neighborhood Improvement Fund	1,616,042
HRD	Economic Development Programs	354,998
GSD	Solar	18,400,000
GSD	Wayne County Park Millage	391
GSD	Pistons Basketball Court Improvements	67,267
	Total	\$ 49,283,104

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 FY25 Adopted Budget resolution. Amounts are subject to change as year-end FY24 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, reflect position amendments approved mid-year, and turnover savings.

(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 July 2024	Actual August 2024	Change August 2024 vs. July 2024	Adjusted Budget FY 2025 ⁽²⁾	Variance (Under)/Over Budget vs. August 2024	
Public Safety						
Police	3,299	3,357	58	3,387	(30)	(1%)
Fire	1,259	1,254	(5)	1,303	(49)	(4%)
Total Public Safety	4,558	4,611	53	4,690	(79)	(2%)
Non-Public Safety						
Office of the Chief Financial Office	396	398	2	419	(21)	
Public Works - Full Time	351	345	(6)	458	(113)	
Health	210	217	7	259	(42)	
Human Resources	96	96	0	100	(4)	
Housing and Revitalization	154	158	4	203	(45)	
Innovation and Technology	133	133	0	139	(6)	
Law	112	110	(2)	113	(3)	
Mayor's Office	65	66	1	65	1	
Municipal Parking	78	77	(1)	93	(16)	
Planning and Development	37	37	0	37	(0)	
General Services - Full Time	555	547	(8)	746	(199)	
Legislative ⁽³⁾	280	279	(1)	320	(41)	
36th District Court	322	322	0	325	(3)	
Other ⁽⁴⁾	297	297	0	372	(75)	
Total Non-Public Safety	3,145	3,082	(4)	3,651	(569)	(16%)
Total General City (Full -Time)	7,703	7,693	49	8,341	(648)	(8%)
Enterprise (Full-Time)						
Airport	11	11	0	12	(1)	
BSEED	292	304	12	341	(37)	
Transportation	971	912	(59)	996	(84)	
Water and Sewerage	634	658	24	678	(20)	
Library	253	260	7	340	(80)	
Total Enterprise (Full-Time)	2,161	2,145	(16)	2,368	(223)	(9%)
Total (Full-time)	9,864	9,838	33	10,708	(870)	(8%)
ARPA / COVID Response	577	542	(35)	542	0	0%
Public Works - PT Headcount	67	63	(4)	56	(7)	
General Services - PT Headcount	319	290	(29)	409	(119)	
Elections - PT Headcount	8	8	0	17	(9)	
Interns	74	17	(57)	20	(3)	
Seasonal / Part Time⁽⁵⁾	404	378	(26)	502	(124)	(25%)
Grand Total	10,845	10,758	(28)	11,752	(994)	(8%)



Fiscal Years 2024 - 2025

FY25 YTD

FY24 YTD

Income Tax Collections

August 2024

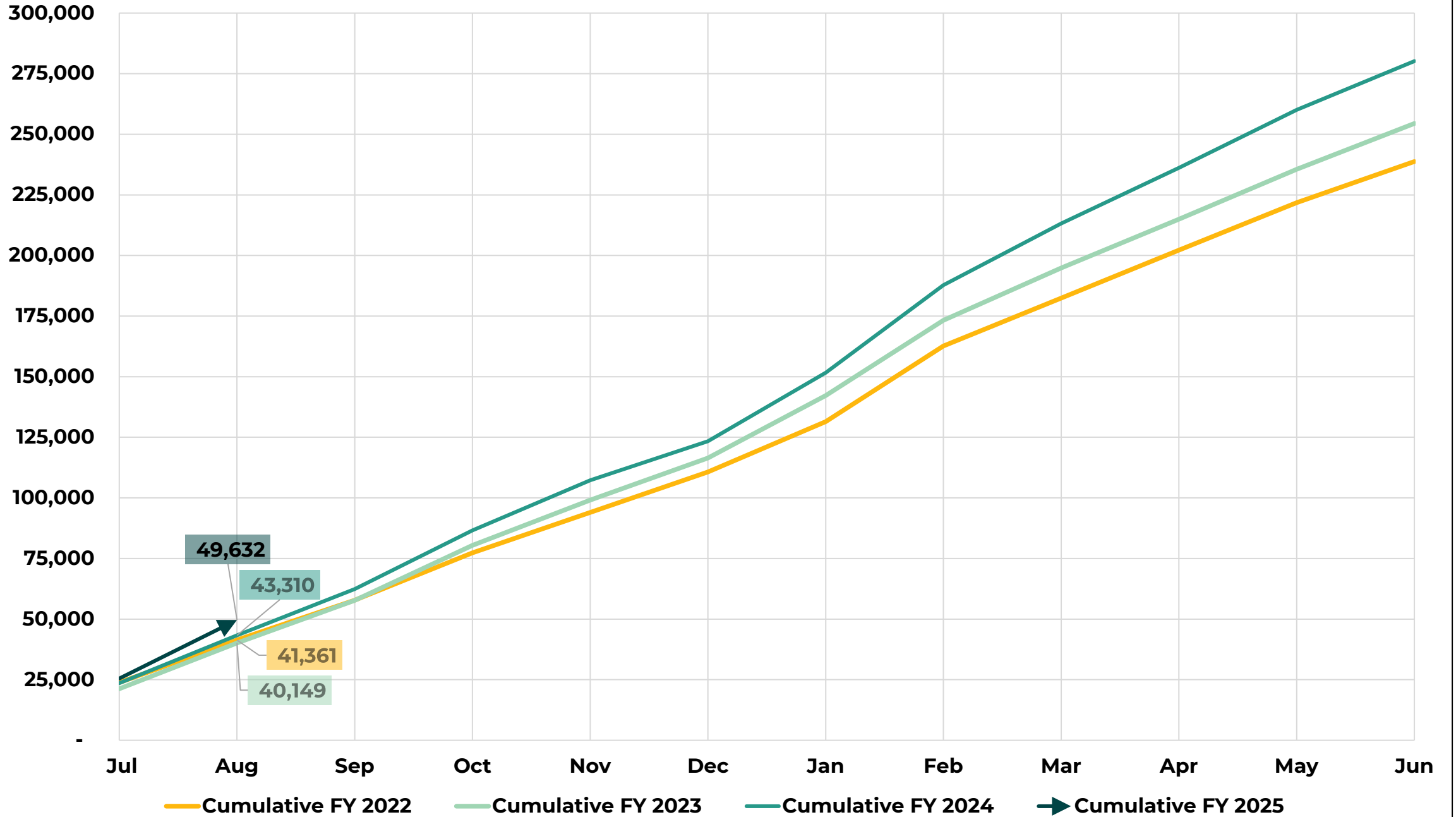
August 2023

Withholding	\$ 56,252,030	\$ 57,663,004
Individual	2,617,947	5,698,135
Corporate	941,628	3,468,978
Partnerships	57,181	190,132
Total Collections	\$ 59,867,785	\$ 67,020,249
Refunds claimed, disbursed and accrued	(8,878,415)	(10,355,583)
Collections Net of Refunds/Disbursements	\$ 50,989,370	\$ 56,664,666

Income Tax - Collections



Income Tax - Withholding Returns



(in millions)	Unrestricted	Restricted	August 2024 Total	Prior Year August 2023 Total
General Fund				
General Accounts	\$ 421.2	\$ 230.2	\$ 651.3	\$ 593.5
Self Insurance	93.9	10.6	104.5	90.6
Quality of Life Fund	(0.0)	2.6	2.6	3.6
Retiree Protection Trust Fund	-	415.3	415.3	465.5
A/P and Payroll Clearing	0.1	-	0.1	0.5
Other Governmental Funds				
Capital Projects	0.2	167.4	167.6	240.4
Streets	82.7	-	82.7	95.8
Grants	65.7	2.2	67.9	89.2
Covid 19	-	-	-	-
ARPA	455.5	-	455.5	711.2
Solid Waste Management	14.0	-	14.0	19.3
Debt Service	-	85.8	85.8	78.8
Gordie Howe Bridge	6.1	-	6.1	8.3
Other	44.2	-	44.2	38.7
Enterprise Funds				
Enterprise Funds	38.6	-	38.6	26.4
Fiduciary Funds				
Undistributed Property Taxes	118.4	-	118.4	122.7
Fire Insurance Escrow	5.4	-	5.4	12.2
Other	62.9	-	62.9	54.7
Component Units				
Component Units	41.5	-	41.5	29.2
Total General Ledger Cash Balance	\$ 1,450.4	\$ 914.1	\$ 2,364.4	\$ 2,680.5

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
 *Forecast does not reflect Sep Revenue Estimating Conference changes

	FY24 YTD	FY25 YTD			Actual	Forecast*						
	Actual	Actual	Forecast*	Variance	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR 25 -
		2024	2024			2024	2024	2024	2024	2024	2025	2025
Beginning Common Cash Pool	1,413.8	1,171.4	-	-	1,133.7	1,235.7	1,152.0	1,131.2	1,005.3	1,017.8	1,051.8	990.1
Sources of Cash												
Income Taxes	64.8	67.2	58.3	8.9	26.8	25.3	34.4	22.2	29.4	39.4	29.9	195.1
Property Taxes	312.8	339.7	340.0	(0.4)	272.3	29.0	23.4	7.9	99.3	181.1	13.4	421.3
Revenue Sharing	30.6	33.0	32.4	0.6	33.0	-	36.1	-	35.5	-	34.3	97.1
Wagering Taxes	61.3	43.8	40.4	3.4	21.2	17.8	20.5	19.1	21.2	25.5	18.5	144.7
Utility Users Taxes	5.5	4.5	4.2	0.3	2.1	3.1	2.7	2.3	3.2	4.3	5.3	21.5
Other Receipts	70.7	125.9	122.8	3.1	84.9	50.6	60.0	37.7	54.4	57.3	39.0	253.5
Net Interpool transfers	62.0	102.1	103.6	(1.6)	47.4	38.0	27.1	25.6	37.8	16.7	24.6	251.6
Bond Proceeds	24.9	19.0	27.2	(8.2)	6.7	6.9	18.8	26.2	11.3	9.6	13.7	62.1
Total Sources of Cash	632.6	735.3	729.0	6.2	494.5	170.7	223.1	141.0	292.2	333.8	178.7	1,446.8
Uses of Cash												
Wages and Benefits	(158.2)	(140.9)	(161.4)	20.5	(65.6)	(61.3)	(82.7)	(92.1)	(80.9)	(70.7)	(58.9)	(513.7)
Pension Contribution	(20.6)	(12.8)	(13.3)	0.4	(6.4)	(30.5)	(6.8)	(6.8)	(30.5)	(6.8)	(6.8)	(76.1)
Debt Service	(4.4)	(4.6)	(3.8)	(0.8)	(0.8)	(7.9)	-	-	-	-	-	(24.8)
Property Tax Distribution	(153.7)	(195.4)	(190.8)	(4.6)	(135.9)	(50.8)	(11.1)	(12.0)	(11.3)	(107.5)	(44.4)	(181.2)
TIF Distribution	-	(13.1)	(13.1)	-	-	-	-	-	(34.5)	-	-	(27.6)
Other Disbursements	(226.6)	(304.3)	(309.0)	4.7	(183.8)	(103.8)	(143.2)	(156.0)	(122.5)	(114.7)	(130.2)	(773.6)
Budget Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retiree Protection Fund	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Cash	(563.5)	(671.1)	(691.3)	20.2	(392.5)	(254.4)	(243.9)	(266.9)	(279.7)	(299.8)	(240.3)	(1,597.0)
Net Cash Flow	69.1	64.2	37.8	26.5	102.0	(83.7)	(20.8)	(125.9)	12.5	34.0	(61.6)	(150.1)
Ending Common Cash Pool	1,482.9	1,235.7	-	-	1,235.7	1,152.0	1,131.2	1,005.3	1,017.8	1,051.8	990.1	840.0
Budget Reserve Fund	143.0	150.0	150.0	-	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0



Accounts Payable (AP) as of Aug-24 [Millions]			
Total AP (Jul-24)		\$	58.4
Plus: Aug-24 invoices processed		\$	278.2
Less: Aug-24 Payments made		\$	(287.3)
Total AP month end (Aug-24)		\$	49.3
Less: Invoices on hold ⁽¹⁾		\$	(20.6)
Total AP not on Validation hold (Aug-24)		\$	28.7
Less: Installments/Retainage Invoices ⁽²⁾		\$	(3.1)
Net AP not on hold		\$	25.6
Net AP not on hold includes \$18.2m of invoices that are due after Aug-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	\$25.6	25.6 0.0 0.0
	% of Total	100%	100% 0% 0%
	Previous Month	\$35.5	35.5 0.0 0.0
	% of Total	100%	100% 0% 0%
	Vs Previous Month	(\$9.9)	(9.9) 0.0 0.0
Invoice Count	Current Month	1,482	1,431 41 10
	% of Total	100%	97% 3% 1%
	Previous Month	2,065	2,065 0 0
	% of Total	100%	100% 0% 0%
	Vs Previous Month	(583)	(634) 41 10

