



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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December 11, 2024

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

Re: Financial Report for the Four Months ended October 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 Four Months ended October 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 Four Months ended October 31, 2024

Cc: Mayor Michael E. Duggan, City of Detroit
Marcus von Kapff, 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 4 Months ended October 31, 2024

Submitted on December 11, 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 audit of the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 is on schedule and will be published before December 31, 2024 and uploaded to the State Department of Treasury.
- The City has obligated or has approved for obligation the \$826.7m received from the U.S. Dept. of Treasury pursuant to the Coronavirus State and Local Fiscal Recovery Fund program (ARPA Funds) before the December 31, 2024 deadline.
- The City and its public safety unions (DPCOA, DPLSA, DPOA, DFFA) reached an agreement to modify certain pension provisions of the PFRS Combined Plan Document. These modifications resulted in Memorandums of Understanding being ratified by all of the public safety unions, and were approved by Detroit City Council on November 26, 2024 and by the Mayor on November 27, 2024. The modifications to the PFRS Combined Plan Document still need to be approved by the U.S. Bankruptcy Court who retains jurisdiction over the City's pension plans.
- The City defeased all of its remaining outstanding Exit Financing Bonds through the issuance of Michigan Finance Authority Distributable State Aid Fifth Lien Refunding Bonds (LTGO) Series 2024A (Tax Exempt). The transaction closed on October 22, 2024 and resulted in proceeds of \$85.4 million and net present value savings of \$4.5 million.

\$ in millions

	October 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)
REVENUE:								
Municipal Income Tax	\$ 37.1	\$ 30.6	\$ (6.5)	(17.5%)	\$ 118.1	\$ 118.8	\$ 0.7	0.6%
Property Taxes	2.9	1.7	(1.2)	(41.4%)	73.6	76.2	2.6	3.5%
Wagering Taxes	24.8	26.5	1.7	6.9%	80.6	85.4	4.8	6.0%
Utility Users' Tax	3.1	2.4	(0.7)	(22.6%)	9.9	9.5	(0.4)	(4.0%)
State Revenue Sharing	40.5	40.0	(0.5)	(1.2%)	40.5	40.0	(0.5)	(1.2%)
Other Revenues ‡	103.0	109.1	6.1	5.9%	160.7	164.9	4.2	2.6%
TOTAL (I)	\$ 211.4	\$ 210.3	\$ (1.1)	(0.5%)	\$ 483.4	\$ 494.8	\$ 11.4	2.4%
EXPENDITURES:								
Salaries and Wages	\$ 47.8	\$ 48.4	\$ (0.6)	(1.3%)	\$ 179.1	\$ 177.8	\$ 1.3	0.7%
Employee Benefits	12.7	11.5	1.2	9.4%	87.4	83.6	3.8	4.3%
Professional and Contractual Services	8.7	11.8	(3.1)	(35.6%)	28.9	33.3	(4.4)	(15.2%)
Operating Supplies	2.1	3.6	(1.5)	(71.4%)	15.8	14.3	1.5	9.5%
Operating Services	5.8	6.6	(0.8)	(13.8%)	34.9	33.1	1.8	5.2%
Capital Equipment and Outlays	1.0	1.0	-	-	7.4	7.1	0.3	4.1%
Debt Service ‡	116.9	116.8	0.1	0.1%	124.6	124.5	0.1	0.1%
Other Expenses	3.8	4.1	(0.3)	(7.9%)	57.3	51.9	5.4	9.4%
TOTAL (J)	\$ 198.8	\$ 203.8	\$ (5.0)	(2.5%)	\$ 535.4	\$ 525.6	\$ 9.8	1.8%
SURPLUS/(DEFICIT) (K= I + J)	\$ 12.6	\$ 6.5	\$ (6.1)	48.4%	\$ (52.0)	\$ (30.8)	\$ 21.2	40.8%

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.

‡ Other Revenues includes proceeds of \$85.4 million and Debt Service includes \$97.1 million of principal defeased in the transaction described in the executive summary of this report.

<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 ‡	341.8	339.0	(2.8)	(0.8%)
TOTAL (I)	\$ 1,465.0	\$ 1,510.6	\$ 45.6	3.1%
EXPENDITURES:				
Salaries and Wages	\$ 620.5	\$ 620.5	\$ -	-
Employee Benefits	323.4	323.4	-	-
Professional and Contractual Services	131.8	131.8	-	-
Operating Supplies	55.6	55.6	-	-
Operating Services	91.7	91.7	-	-
Capital Equipment and Outlays	19.8	19.8	-	-
Debt Service ‡	181.4	181.4	-	-
Other Expenses	196.4	196.4	-	-
TOTAL (J)	\$ 1,620.6	\$ 1,620.6	\$ -	-
REVENUES LESS EXPENDITURES (K= I + J)	\$ (155.6)	\$ (110.0)	\$ 45.6	29.3%
Budgeted Use of Retiree Protection Fund	72.2	72.2	-	-
Budgeted Use of Prior Year Surplus	35.0	35.0	-	-
Prior Year Continuing Appropriations	48.4	48.4	-	-
SURPLUS/(DEFICIT)	\$ -	\$ 45.6	\$ 45.6	-

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

Budget column reflects budget amendments approved by City Council through September 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.

‡ Other Revenues includes proceeds of \$85.4 million and Debt Service includes \$97.1 million of principal defeased in the transaction described in the executive summary of this report.

Amended Budget Reconciliation			
		Revenue	Expense
Dept	Total Adopted Budget	\$ 1,474,146,820	\$ 1,474,146,820
DSLPL	Exclude Adopted Budget Use of Retiree Protection Fund	(72,225,000)	-
Non-Dept	Exclude Adopted Budget Use of Prior Year Surplus	(34,962,704)	-
DSLPL	Contribution Debt Service	12,590,375	12,590,375
DSLPL	Proceeds from Issuance of Debt	85,424,349	85,424,349
Various	Continuing Appropriations (see list)	-	48,461,806
	Total Amended Budget per report	\$ 1,464,973,840	\$ 1,620,623,350

Dept	Continuing Appropriations (Fund 1000)	Amount
BSEED	Public Health Fund	\$ 873,070
Health	Resident Health Services	1,200,000
CRIO	Homegrown Detroit	3,807,805
Non-Dept	Covid-19 Response	3,540,851
Non-Dept	Over-Assessment Program	5,748,193
Non-Dept	Resident Health Services	631,959
Non-Dept	Utility Conversion Fund / PLD Decommissioning	4,600,000
HRD	Affordable Housing Development and Preservation Fund	6,091,395
HRD	Senior Home Repair	1,545,491
HRD	Neighborhood Improvement Fund	1,616,062
HRD	Economic Development Programs	339,321
GSD	Solar	18,400,000
GSD	Wayne County Park Millage	391
GSD	Pistons Basketball Court Improvements	67,267
	Total	\$ 48,461,806

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.

		Police	Fire	Office of the Chief Financial Officer	Public Works - Full Time	Health	Human Resources	Housing and Revitalization	Innovation and Technology	Law	Mayor's Office	Municipal Parking	Planning and Development	General Services - Full Time	Legislative ⁽³⁾	36th District Court	Other ⁽⁴⁾	Airport	BSEED	Transportation	Water and Sewerage	ARPA / COVID Response	Public Works - PT Headcount	General Services - PT Headcount	Elections - PT Headcount	Interns
MONTH-OVER-MONTH ACTUAL ⁽¹⁾	Current Month	3,359	1,245	397	370	217	96	165	135	110	65	73	36	561	275	320	293	10	300	928	656	465	52	121	8	9
	Previous Month	3,332	1,255	398	354	214	95	157	134	110	64	76	34	558	276	322	295	10	303	936	656	515	51	217	8	13
	Change*	27	(10)	(1)	16	3	1	8	1	0	1	(3)	2	3	(1)	(2)	(2)	0	(3)	(8)	0	(50)	1	(96)	0	(4)
BUDGET VS. ACTUAL	Adjusted Budget ⁽²⁾	3,391	1,303	417	458	283	102	206	139	113	65	93	37	746	329	325	388	12	354	994	678	465	56	409	8	26
	Position Variance Over/(Under) Budget	(32)	(58)	(20)	(88)	(66)	(6)	(41)	(4)	(3)	0	(20)	(1)	(185)	(54)	(5)	(95)	(2)	(54)	(66)	(22)	0	(4)	(288)	0	(17)
	% Variance [‡]	(2%)		(16%)													(7%)				0%	(62%)				
Categories		Public Safety		Non-Public Safety													Enterprise				ARPA	Seasonal/Part Time ⁽⁵⁾				

Monthly Totals	Current	Previous	Change
Public Safety	4,604	4,587	17
+ Non-Public Safety	3,113	3,087	26
Total General City (FT)	7,717	7,674	43
+ Enterprise	1,894	1,905	(11)
Total (Full Time)	9,611	9,579	32
ARPA/COVID	465	515	(50)
+ Seasonal/Part Time	190	289	(99)
Grand Total	10,266	10,383	(117)

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.

* Current Month minus Previous Month

‡ Sum of Positions Variance Over/Under Budget divided by sum of Adjusted Budget



Fiscal Years 2024 - 2025

FY25 YTD

FY24 YTD

Income Tax Collections

October 2024

October 2023

Withholding

\$ 116,953,554

\$ 117,452,313

Individual

9,233,258

10,767,652

Corporate

9,403,350

7,120,860

Partnerships

1,494,008

895,028

Total Collections

\$ 137,084,170

\$ 136,235,854

**Refunds claimed, disbursed
and accrued**

(18,296,207)

(17,704,840)

**Collections Net of
Refunds/Disbursements**

\$ 118,787,963

\$ 118,531,014

Income Tax - Collections

(in millions)	Unrestricted	Restricted	October 2024 Total	Prior Year October 2023 Total
General Fund				
General Accounts	\$ 376.7	\$ 159.8	\$ 536.5	\$ 624.9
Self Insurance	94.3	10.7	104.9	80.9
Quality of Life Fund	-	13.9	13.9	3.6
Retiree Protection Trust Fund	-	395.6	395.6	460.7
A/P and Payroll Clearing	0.1	-	0.1	0.5
Other Governmental Funds				
Capital Projects	0.2	154.7	155.0	220.1
Streets	77.8	-	77.8	91.8
Grants	68.8	2.3	71.1	109.2
Covid 19	-	-	-	-
ARPA	395.0	-	395.0	686.7
Solid Waste Management	7.4	-	7.4	12.4
Debt Service	-	84.8	84.8	79.2
Gordie Howe Bridge	7.4	-	7.4	7.7
Other	45.3	-	45.3	33.2
Enterprise Funds				
Enterprise Funds	19.9	-	19.9	27.0
Fiduciary Funds				
Undistributed Property Taxes	79.7	-	79.7	83.7
Fire Insurance Escrow	5.5	-	5.5	12.3
Other	64.7	-	64.7	56.8
Component Units				
Component Units	45.2	-	45.2	32.3
Total General Ledger Cash Balance	\$ 1,287.9	\$ 821.8	\$ 2,109.7	\$ 2,623.0

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	FY24 YTD	FY25 YTD			Actual	Forecast						
	Actual	Actual	Forecast	Variance	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 25 - OCT 25
	Beginning Common Cash Pool	1,413.8	1,171.4	-	-	1,129.5	1,086.7	968.9	987.2	1,059.6	1,026.3	948.2
Sources of Cash												
Income Taxes	131.1	137.9	131.9	6.0	33.0	26.1	34.3	45.6	34.9	39.3	41.5	221.2
Property Taxes	368.7	388.3	392.5	(4.3)	19.3	7.9	99.3	181.1	13.4	4.0	3.3	467.8
Revenue Sharing	64.6	69.3	72.2	(2.9)	36.3	-	34.5	-	33.3	-	29.6	96.4
Wagering Taxes	107.1	92.9	89.4	3.4	26.5	23.1	23.3	27.9	23.3	24.1	25.7	154.9
Utility Users Taxes	9.8	9.6	9.7	(0.1)	2.4	2.6	3.0	4.0	4.9	5.3	3.8	16.7
Other Receipts	195.7	210.4	215.4	(5.1)	55.0	37.7	54.4	57.3	39.0	40.5	49.6	285.0
Net Interpool transfers	117.2	203.3	188.7	14.6	45.6	25.6	37.8	46.7	44.6	38.2	52.8	238.9
Bond Proceeds	48.5	34.8	52.9	(18.1)	8.2	26.2	11.3	9.6	13.7	8.3	9.9	70.1
Total Sources of Cash	1,042.8	1,146.4	1,152.9	(6.5)	226.2	149.2	297.9	372.2	207.1	159.6	216.2	1,550.9
Uses of Cash												
Wages and Benefits	(291.9)	(294.1)	(305.3)	11.2	(80.6)	(92.1)	(80.9)	(70.7)	(58.9)	(74.7)	(73.6)	(534.4)
Pension Contribution	(31.9)	(52.5)	(50.6)	(1.9)	(9.6)	(6.8)	(30.5)	(6.8)	(6.8)	(30.5)	(6.8)	(78.4)
Debt Service	(13.1)	(13.3)	(13.3)	0.0	-	-	-	-	-	(8.7)	(10.1)	(15.7)
Property Tax Distribution	(214.4)	(264.9)	(252.8)	(12.1)	(13.2)	(12.0)	(11.3)	(107.5)	(44.4)	(5.0)	(0.6)	(268.1)
TIF Distribution	-	(13.1)	(13.1)	-	-	-	(34.5)	-	-	-	-	(27.6)
Other Disbursements	(447.5)	(593.3)	(576.0)	(17.3)	(165.7)	(156.0)	(122.5)	(114.7)	(130.2)	(118.8)	(111.9)	(817.5)
Budget Reserve	(7.0)	-	-	-	-	-	-	-	-	-	-	-
Transfers to Retiree Protection Fund	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Cash	(1,005.8)	(1,231.2)	(1,211.1)	(20.1)	(269.1)	(266.9)	(279.7)	(299.8)	(240.3)	(237.8)	(203.2)	(1,741.7)
Net Cash Flow	37.0	(84.8)	(58.2)	(26.6)	(42.9)	(117.8)	18.3	72.4	(33.2)	(78.2)	13.0	(190.8)
Ending Common Cash Pool	1,450.8	1,086.7	-	-	1,086.7	968.9	987.2	1,059.6	1,026.3	948.2	961.2	770.4
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 Oct-24 [Millions]	
Total AP (Sep-24)	\$ 61.8
Plus: Oct-24 invoices processed	\$ 158.1
Less: Oct-24 Payments made	\$ (168.3)
Total AP month end (Oct-24)	\$ 51.6
Less: Invoices on hold ⁽¹⁾	\$ (26.4)
Total AP not on Validation hold (Oct-24)	\$ 25.2
Less: Installments/Retainage Invoices ⁽²⁾	\$ (3.3)
Net AP not on hold	\$ 21.9

Net AP not on hold includes \$21.1m of invoices that are due after Oct-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		
			0-30	31-60	61+
Invoice \$ Value	Current Month	\$22.0	22.0	0.0	0.0
	% of Total	100%	100%	0%	0%
	Previous Month	\$28.1	28.1	0.0	0.0
	% of Total	100%	100%	0%	0%
Vs Previous Month		(\$6.1)	(6.1)	0.0	0.0
Invoice Count	Current Month	1,220	1,210	1	9
	% of Total	100%	99%	0%	1%
	Previous Month	1,877	1,819	8	50
	% of Total	100%	97%	0%	3%
Vs Previous Month		(657)	(609)	(7)	(41)

