



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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March 13, 2025

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

Re: Financial Report for the Seven Months ended January 31, 2025

Dear Honorable City Council Members:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Seven Months ended January 31, 2025. 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 Seven Months ended January 31, 2025

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 7 Months ended January 31, 2025

Submitted on March 13, 2025

Topic	Page(s)
Executive Summary	3
Budget vs. Actual	4
Annualized Budget vs. Projections	5
Amended Budget Reconciliation	6
Employee Count Monitoring	7
Income Tax	8
Cash	9-10
Accounts Payable	11

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 February 28, 2025, the Mayor presented his [Proposed Fiscal Year 2025-2026 Budget and Fiscal Years 2026-2029 Four-Year Financial Plan](#) to the Detroit City Council. It is Detroit's 12th consecutive balanced budget since exiting bankruptcy in 2014. The proposed budget totals \$1.58 billion for General Fund activities and \$3.02 billion across all City funds for the coming fiscal year beginning July 1, 2025. It builds on the Mayor and the City Council's continued collaboration to set a fiscally sustainable course for Detroit.
- City Council began its budget hearings on March 12 and will vote on a final budget by April 7. The City will transmit the approved Four-Year Financial Plan to the Financial Review Commission by April 30.
- On March 6, 2025, the US Bankruptcy Court approved the City's motion to amend the GRS and PFRS Combined Plan Document to allow for one additional payment to be made to GRS and PFRS Component II plan retirees and beneficiaries using the \$10 million appropriation in the City's FY25 approved budget.
- The US Bankruptcy Court scheduled a hearing for March 19, 2025, for the City's motion and related objection over requested modifications to the PFRS Component I and Component II plans which were the subject of Memorandums of Understanding between the City and DPCOA, DPLSA, DPOA, and DFFA. These Memorandums of Understanding were previously approved by City Council in December 2024.

\$ in millions

	January 2025			
	BUDGET	ACTUAL	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
REVENUE:				
Municipal Income Tax	\$ 47.9	\$ 34.0	\$ (13.9)	(29.0%)
Property Taxes	32.1	33.5	1.4	4.4%
Wagering Taxes	21.1	23.6	2.5	11.8%
Utility Users' Tax	5.2	2.1	(3.1)	(59.6%)
State Revenue Sharing	-	-	-	-
Other Revenues	25.8	33.6	7.8	30.2%
TOTAL (I)	\$ 132.1	\$ 126.8	\$ (5.3)	(4.0%)
EXPENDITURES:				
Salaries and Wages	\$ 47.7	\$ 48.3	\$ (0.6)	(1.3%)
Employee Benefits	12.8	11.8	1.0	7.8%
Professional and Contractual Services	11.5	4.4	7.1	61.7%
Operating Supplies	6.1	5.1	1.0	16.4%
Operating Services	6.5	7.2	(0.7)	(10.8%)
Capital Equipment and Outlays	0.4	0.6	(0.2)	(50.0%)
Debt Service	-	-	-	-
Other Expenses	8.3	7.8	0.5	6.0%
TOTAL (J)	\$ 93.3	\$ 85.2	\$ 8.1	8.7%
SURPLUS/(DEFICIT) (K= I + J)	\$ 38.8	\$ 41.6	\$ 2.8	7.2%

	YEAR TO DATE			
	BUDGET	ACTUAL	VARIANCE	
	E	F	(\$ G = F-E	% H = (G/E)
	\$ 218.5	\$ 218.0	\$ (0.5)	(0.2%)
	111.4	116.1	4.7	4.2%
	145.5	162.9	17.4	12.0%
	19.2	16.3	(2.9)	(15.1%)
	80.8	78.6	(2.2)	(2.7%)
	241.7	259.2	17.5	7.2%
	\$ 817.1	\$ 851.1	\$ 34.0	4.2%
	\$ 345.3	\$ 343.2	\$ 2.1	0.6%
	164.1	161.2	2.9	1.8%
	61.5	53.2	8.3	13.5%
	31.2	24.0	7.2	23.1%
	57.3	53.1	4.2	7.3%
	7.9	8.2	(0.3)	(3.8%)
	153.9	153.9	-	-
	98.3	91.5	6.8	6.9%
	\$ 919.5	\$ 888.3	\$ 31.2	3.4%
	\$ (102.4)	\$ (37.2)	\$ 65.2	63.7%

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 issuance of Michigan Finance Authority Distributable State Aid Fifth Lien Refunding Bonds (LTGO) Series 2024A (Tax Exempt).

	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
<i>\$ in millions</i>				
REVENUE:				
Municipal Income Tax	\$ 433.9	\$ 455.2	\$ 21.3	4.9%
Property Taxes	152.9	159.8	6.9	4.5%
Wagering Taxes	256.6	286.6	30.0	11.7%
Utility Users' Tax	43.1	36.6	(6.5)	(15.1%)
State Revenue Sharing	236.7	241.0	4.3	1.8%
Other Revenues	326.3	342.2	15.9	4.9%
TOTAL (I)	\$ 1,449.5	\$ 1,521.4	\$ 71.9	5.0%
EXPENDITURES:				
Salaries and Wages	\$ 620.8	\$ 620.8	\$ -	-
Employee Benefits	323.8	323.8	-	-
Professional and Contractual Services	126.5	126.5	-	-
Operating Supplies	56.4	56.4	-	-
Operating Services	91.4	91.4	-	-
Capital Equipment and Outlays	19.9	19.9	-	-
Debt Service	181.4	181.4	-	-
Other Expenses	193.3	193.3	-	-
TOTAL (J)	\$ 1,613.5	\$ 1,613.5	\$ -	-
REVENUES LESS EXPENDITURES (K= I + J)	\$ (164.0)	\$ (92.1)	\$ 71.9	43.8%
Budgeted Use of Retiree Protection Fund	75.2	75.2	-	-
Release of Debt Service Reserve	12.6	12.6	-	-
Budgeted Use of Prior Year Surplus	35.0	35.0	-	-
Prior Year Continuing Appropriations	41.2	41.2	-	-
SURPLUS/(DEFICIT)	\$ -	\$ 71.9	\$ 71.9	-

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

Budget column reflects budget amendments approved by City Council through January 2025.

Revenues: Revenue Projection is updated based on the February 2025 Revenue Estimating Conference results. Excludes Prior Year Surplus resource shown as revenue in adopted budget. Other Revenues include \$85.4m in proceeds from issuance of debt.

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 issuance of Michigan Finance Authority Distributable State Aid Fifth Lien Refunding Bonds (LTGO) Series 2024A (Tax Exempt).

The refunding allowed for the release of a \$10.9M debt service reserve that, together with the refunding bond proceeds and other available funds in the bond payment fund, made up the source of the funds used to defease the outstanding bonds.

Amended Budget Reconciliation			
		Revenue	Expense
Dept	Total Adopted Budget	\$ 1,474,146,820	\$ 1,474,146,820
DSLP	Exclude Adopted Budget Use of Retiree Protection Fund	(75,225,000)	-
Non-Dept	Exclude Adopted Budget Use of Prior Year Surplus	(34,962,704)	-
DSLP	Release of Debt Service Reserve	(12,490,375)	-
DSLP	Contribution Debt Service	12,590,375	12,590,375
DSLP	Proceeds from Issuance of Debt	85,424,349	85,424,349
GSD	Donation - Composting Pilot Program	-	100,000
Various	Continuing Appropriations (see list)	-	41,201,204
	Total Amended Budget per report	\$ 1,449,483,465	\$ 1,613,462,748

Dept	Continuing Appropriations (Fund 1000)	Amount
BSEED	Public Health Fund	\$ 873,070
Health	Resident Health Services	1,260,786
CRIO	Homegrown Detroit	2,807,805
Non-Dept	Covid-19 Response	3,540,851
Non-Dept	Over-Assessment Program	5,748,193
Non-Dept	Resident Health Services	629,989
Non-Dept	Utility Conversion Fund / PLD Decommissioning	2,562,127
HRD	Affordable Housing Development and Preservation Fund	1,809,850
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	\$ 41,201,204

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.

		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	3,381	1,226	395	360	232	98	176	137	112	65	77	35	582	289	321	306	10	310	973	660	368	38	114	4	3
	Previous Month	3,376	1,234	399	362	223	98	171	136	109	66	74	34	575	291	322	301	10	305	945	665	411	47	112	4	5
	Change*	5	(8)	(4)	(2)	9	0	5	1	3	(1)	3	1	7	(2)	(1)	5	0	5	28	(5)	(43)	(9)	2	0	(2)
BUDGET VS. ACTUAL	Adjusted Budget ⁽²⁾	3,393	1,303	420	458	306	103	213	139	114	66	93	37	750	325	325	393	12	355	990	678	368	56	409	8	16
	Position Variance Over/(Under) Budget	(12)	(77)	(25)	(98)	(74)	(5)	(37)	(2)	(2)	(1)	(16)	(2)	(168)	(36)	(4)	(87)	(2)	(45)	(17)	(18)	0	(18)	(295)	(4)	(13)
	% Variance [‡]	(2%)		(15%)														(4%)			0%	(67%)				
Categories		Public Safety		Non-Public Safety														Enterprise			ARPA	Seasonal/Part Time ⁽⁵⁾				

Monthly Totals	Current	Previous	Change
Public Safety	4,607	4,610	(3)
+ Non-Public Safety	3,185	3,161	24
Total General City (FT)	7,792	7,771	21
+ Enterprise	1,953	1,925	28
Total (Full Time)	9,745	9,696	49
ARPA/COVID	368	411	(43)
+ Seasonal/Part Time	159	168	(9)
Grand Total	10,272	10,275	(3)

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

January 2025

January 2024

Withholding

\$ 210,176,958

\$ 206,092,708

Individual

16,055,514

17,713,155

Corporate

21,170,677

28,893,834

Partnerships

3,002,545

2,669,776

Total Collections

\$ 250,405,694

\$ 255,369,473

**Refunds claimed, disbursed
and accrued**

(32,398,896)

(31,414,460)

**Collections Net of
Refunds/Disbursements**

\$ 218,006,798

\$ 223,955,013

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.

(in millions)	Unrestricted	Restricted	January 2025 Total	Prior Year January 2024 Total
General Fund				
General Accounts	\$ 396.3	\$ 168.8	\$ 565.1	\$ 598.7
Self Insurance	74.0	10.8	84.8	72.8
Quality of Life Fund	-	14.0	14.0	2.5
Retiree Protection Trust Fund	-	380.0	380.0	479.8
A/P and Payroll Clearing	0.0	-	0.0	0.5
Other Governmental Funds				
Capital Projects	0.2	149.3	149.5	176.8
Streets	73.1	-	73.1	86.8
Grants	68.9	2.3	71.2	89.4
Covid 19	-	-	-	-
ARPA	308.0	-	308.0	633.0
Solid Waste Management	1.0	-	1.0	10.5
Debt Service	-	97.8	97.8	90.4
Gordie Howe Bridge	7.1	-	7.1	8.0
Other	46.4	-	46.4	32.5
Enterprise Funds				
Enterprise Funds	37.2	-	37.2	58.6
Fiduciary Funds				
Undistributed Property Taxes	132.8	-	132.8	138.6
Fire Insurance Escrow	4.1	-	4.1	12.8
Other	65.5	-	65.5	60.8
Component Units				
Component Units	46.0	-	46.0	33.5
Total General Ledger Cash Balance	\$ 1,260.8	\$ 822.9	\$ 2,083.6	\$ 2,586.2



10



Accounts Payable (AP) as of Jan-25 [Millions]					
Total AP (Dec-24)			\$	41.2	
Plus: Jan-25 invoices processed			\$	230.9	
Less: Jan-25 Payments made			\$	(237.4)	
Total AP month end (Jan-25)			\$	34.7	
Less: Invoices on hold ⁽¹⁾			\$	(15.2)	
Total AP not on Validation hold (Jan-25)			\$	19.5	
Less: Installments/Retainage Invoices ⁽²⁾			\$	(3.7)	
Net AP not on hold			\$	15.8	
Net AP not on hold includes \$14.5m of invoices that are due after Jan-25					
(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	\$15.8	15.8	0.0	0.0
	% of Total	100%	100%	0%	0%
	Previous Month	\$18.9	18.9	0.0	0.0
	% of Total	100%	100%	0%	0%
Vs Previous Month		(\$3.1)	(3.1)	0.0	0.0
Invoice Count	Current Month	1,433	1,411	5	17
	% of Total	100%	99%	0%	1%
	Previous Month	1,289	1,271	3	15
	% of Total	100%	99%	0%	1%
	Vs Previous Month	144	140	2	2

