



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1100
Detroit, Michigan 48226

Phone 313•628•2535
Fax 313•224•2135
OCFO@detroitmi.gov
www.detroitmi.gov

January 12, 2024

Detroit Financial Review Commission
Cadillac Place
3062 West Grand Boulevard
Detroit, MI 48202

Re: Financial Report for the Five Months ended November 30, 2023

Dear Commissioners:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Five Months ended November 30, 2023.

This report is provided in accordance with the requirements included in Detroit Financial Review Commission (FRC) Resolution 2023-02, which granted the City its waiver of active FRC oversight through June 30, 2024. The OCFO has separately submitted this report to the Mayor, Detroit City Council and posted it on the City's website.

Best regards,

Jay B. Rising
CFO

Att: City of Detroit Financial Report for the Five Months ended November 30, 2023

Cc: Patrick Dostine, Executive Director, Detroit Financial Review Commission



FY2023-24 Financial Report

Office of the Chief Financial

For the 5 Months ended November 30, 2023

Submitted on January 12, 2024

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	8-9
Cash	10-11
Accounts Payable	12

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 City's February Revenue Estimating Conference will be held Monday, February 12, 2024 at 1pm. The conference is held to review the economic outlook and approve revised revenue estimates.
- The City completed its audit and filing requirements for the Fiscal Year 2023 Annual Comprehensive Financial Report (ACFR) and associated information with the State Department of Treasury and the Municipal Securities Rulemaking Board (MSRB) before December 31, 2023, meeting all required deadlines. The report can be found on the [OCFO Financial Report page](#).
- Due to the City's stronger and faster than originally expected economic and revenue recovery, and its conservative budget and fiscal management, the City's FY23 results show a \$1.197 billion fund balance in the General Fund, of which \$146 million is unassigned. With these results, FY23 marks the ninth consecutive year the City ended with a surplus and unassigned fund balance since the exit from bankruptcy in December 2014.

\$ in millions

	NOVEMBER 2023			
	BUDGET	ACTUAL	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
REVENUE:				
Municipal Income Tax	\$ 23.9	\$ 24.9	\$ 1.0	4.2%
Property Taxes	0.5	1.2	0.7	140.0%
Wagering Taxes	21.6	17.8	(3.8)	(17.6%)
Utility Users' Tax	1.9	2.4	0.5	26.3%
State Revenue Sharing	-	-	-	-
Other Revenues	15.6	29.4	13.8	88.5%
TOTAL (I)	\$ 63.5	\$ 75.7	\$ 12.2	19.2%
EXPENDITURES:				
Salaries and Wages	\$ 43.3	\$ 46.7	\$ (3.4)	(7.9%)
Employee Benefits	11.5	10.6	0.9	7.8%
Professional and Contractual Services	8.0	7.9	0.1	1.3%
Operating Supplies	3.3	4.6	(1.3)	(39.4%)
Operating Services	6.5	7.3	(0.8)	(12.3%)
Capital Equipment and Outlays	0.1	0.3	(0.2)	(200.0%)
Debt Service	29.2	29.2	-	-
Other Expenses	20.3	20.0	0.3	1.5%
TOTAL (J)	\$ 122.2	\$ 126.6	\$ (4.4)	(3.6%)
SURPLUS/(DEFICIT) (K= I + J)	\$ (58.7)	\$ (50.9)	\$ 7.8	13.3%

	YEAR TO DATE			
	BUDGET	ACTUAL	VARIANCE	
	E	F	(\$ G = F-E	% H = (G/E)
	\$ 133.3	\$ 143.4	\$ 10.1	7.6%
	67.8	71.4	3.6	5.3%
	100.6	95.8	(4.8)	(4.8%)
	11.0	11.8	0.8	7.3%
	37.4	40.1	2.7	7.2%
	64.1	91.2	27.1	42.3%
	\$ 414.2	\$ 453.7	\$ 39.5	9.5%
	\$ 207.0	\$ 218.4	\$ (11.4)	(5.5%)
	58.2	53.4	4.8	8.2%
	61.3	32.4	28.9	47.1%
	23.5	17.5	6.0	25.5%
	45.5	40.5	5.0	11.0%
	0.6	1.0	(0.4)	(66.7%)
	55.0	55.0	-	-
	63.3	57.8	5.5	8.7%
	\$ 514.4	\$ 476.0	\$ 38.4	7.5%
	\$ (100.2)	\$ (22.3)	\$ 77.9	77.7%

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. Wagering tax monthly budget spread corrected vs. prior reports for correct timing of internet gaming receipts. 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 1-month lag in accruals dating back to July and difference in timing for housing and Covid response balance forward spending.

Budget amount excludes assigned fund balance reserves not expected to be spent.

\$ in millions

	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
REVENUE:				
Municipal Income Tax	\$ 392.7	\$ 414.7	\$ 22.0	5.6%
Property Taxes	137.4	145.1	7.7	5.6%
Wagering Taxes	258.1	248.3	(9.8)	(3.8%)
Utility Users' Tax	46.3	42.3	(4.0)	(8.6%)
State Revenue Sharing	224.4	235.3	10.9	4.9%
Other Revenues	194.6	224.4	29.8	15.3%
TOTAL (I)	\$ 1,253.5	\$ 1,310.1	\$ 56.6	4.5%
EXPENDITURES:				
Salaries and Wages	\$ 564.7	\$ 591.7	\$ (27.0)	(4.8%)
Employee Benefits	283.6	276.6	7.0	2.5%
Professional and Contractual Services	113.5	116.5	(3.0)	(2.6%)
Operating Supplies	48.2	48.2	-	-
Operating Services	90.1	93.1	(3.0)	(3.3%)
Capital Equipment and Outlays	0.4	0.4	-	-
Debt Service	81.5	81.5	-	-
Other Expenses	165.1	165.1	-	-
TOTAL (J)	\$ 1,347.1	\$ 1,373.1	\$ (26.0)	(1.9%)
REVENUES LESS EXPENDITURES (K= I + J)	\$ (93.6)	\$ (63.0)	\$ 30.6	(32.7%)
Budgeted Use of Retiree Protection Fund	57.2	57.2	-	-
Budgeted Use of Prior Year Surplus	10.1	10.1	-	-
Prior Year Continuing Appropriations	26.3	26.3	-	-
SURPLUS/(DEFICIT)	\$ -	\$ 30.6	\$ 30.6	-

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

Revenues: Revenue Projection is updated based on the September 2023 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. Budget amount excludes assigned fund balance reserves not expected to be spent. Expenditures currently projected to exceed budget: Personnel driven by Police and Fire overtime; Contractual services due to new EMS contract service expansion; and Operating Services due to higher Detroit Detention Center contractual cost.

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
DSLPP	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)	-	26,309,002
Health	Prenatal Care Transportation Services	-	1,200,000
City Council	Legislative Administration	-	125,000
	Total Amended Budget per report	\$ 1,253,525,517	\$ 1,347,121,323

Dept	Continuing Appropriations (Fund 1000)	Amount
BSEED	Public Health Fund	\$ 88,967
CRIO	Homegrown Detroit	3,253,061
Non-Dept	Covid-19 Response	5,000,000
Non-Dept	Over-Assessment Program	6,000,000
Non-Dept	Community Programs Support	33,816
HRD	Affordable Housing Development and Preservation Fund	7,175,262
HRD	Senior Home Repair	2,500,000
HRD	Neighborhood Improvement Fund	1,463,677
HRD	Economic Development Programs	250,000
HRD	Workforce Development Programs	28,861
GSD	Wayne County Park Millage	190,391
GSD	Pistons Basketball Court Improvements	324,967
	Total	\$ 26,309,002

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. Budget amount excludes assigned fund balance reserves not expected to be spent.

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.

Public Safety

Police
 Fire

Total Public Safety

Non-Public Safety

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⁾

Total Non-Public Safety

Total General City (Full -Time)

Enterprise (Full-Time)

Airport
 BSEED
 Transportation
 Water and Sewerage
 Library

Total Enterprise (Full-Time)

Total (Full-time)

ARPA / COVID Response

Seasonal / Part Time⁽⁵⁾

Grand Total

MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
Actual October 2023	Actual November 2023	Change Nov. 2023 vs. Oct. 2023	Adjusted Budget FY 2024 ⁽²⁾	Variance (Under)/Over Budget vs. November 2023	
3,149	3,178	29	3,469	(291)	(8%)
1,210	1,203	(7)	1,235	(32)	(3%)
4,359	4,381	22	4,704	(323)	(7%)
379	380	1	420	(40)	
396	416	20	507	(91)	
188	193	5	248	(55)	
100	100	0	106	(6)	
128	130	2	187	(57)	
135	135	0	144	(9)	
118	116	(2)	112	4	
88	83	(5)	87	(4)	
79	74	(5)	97	(23)	
35	35	0	39	(4)	
523	526	3	737	(211)	
268	270	2	314	(44)	
321	322	1	325	(3)	
274	274	0	363	(89)	
3,032	3,054	22	3,686	(632)	(17%)
7,391	7,435	44	8,390	(955)	(11%)
10	10	0	12	(2)	
289	287	(2)	356	(69)	
778	815	37	973	(158)	
599	612	13	678	(66)	
238	240	2	341	(101)	
1,914	1,964	50	2,360	(396)	(17%)
9,305	9,399	94	10,750	(1,351)	(13%)
629	591	(38)	591	0	0%
125	119	(6)	520	(401)	(77%)
10,059	10,109	50	11,861	(1,752)	(15%)



Fiscal Years 2023 - 2024

FY24 YTD

FY23 YTD

Income Tax Collections

November 2023

November 2022

Withholding

\$ 142,695,075

\$ 131,961,104

Individual

12,640,281

12,369,867

Corporate

8,449,361

9,993,223

Partnerships

1,076,260

1,024,257

Total Collections

\$ 164,860,977

\$ 155,348,451

**Refunds claimed, disbursed
and accrued**

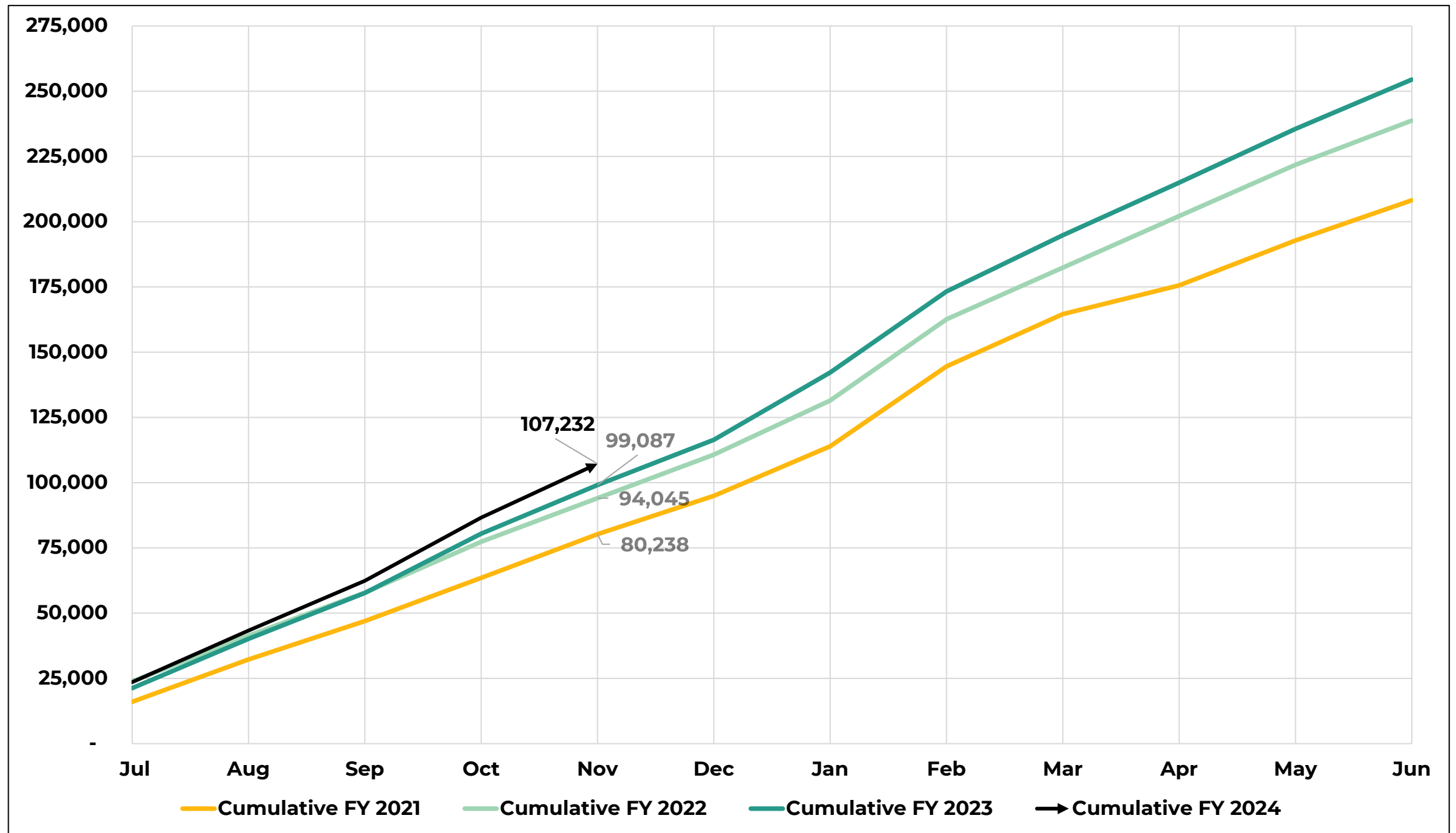
(21,435,716)

(25,078,241)

**Collections Net of
Refunds/Disbursements**

\$ 143,425,261

\$ 130,270,210



(in millions)	Unrestricted	Restricted	November 2023 Total	Prior Year November 2022 Total
General Fund				
General Accounts	\$ 351.3	\$ 191.8	\$ 543.1	\$ 483.0
Self Insurance	68.8	10.2	78.9	19.7
Quality of Life Fund	1.7	0.8	2.5	3.8
Retiree Protection Trust Fund	-	469.5	469.5	445.1
A/P and Payroll Clearing	0.5	-	0.5	1.4
Other Governmental Funds				
Capital Projects	3.4	190.9	194.4	198.2
Streets	87.0	-	87.0	82.2
Grants	76.1	8.1	84.2	64.5
Covid 19	-	-	-	-
ARPA	660.3	-	660.3	777.6
Solid Waste Management	13.5	-	13.5	23.4
Debt Service	-	78.0	78.0	60.2
Gordie Howe Bridge	7.6	-	7.6	9.8
Other	32.8	-	32.8	38.3
Enterprise Funds				
Enterprise Funds	40.7	-	40.7	20.1
Fiduciary Funds				
Undistributed Property Taxes	76.1	-	76.1	71.4
Fire Insurance Escrow	12.3	-	12.3	11.7
Other	50.0	-	50.0	58.5
Component Units				
Component Units	31.1	-	31.1	28.1
Total General Ledger Cash Balance	\$ 1,513.2	\$ 949.3	\$ 2,462.5	\$ 2,397.0

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.



11

Accounts Payable (AP) as of Nov-23 [Millions]

Total AP (Oct-23)	\$	38.6
Plus: Nov-23 invoices processed	\$	148.7
Less: Nov-23 Payments made	\$	(137.1)
Total AP month end (Nov-23)	\$	50.2
Less: Invoices on hold ⁽¹⁾	\$	(28.2)
Total AP not on Validation hold (Nov-23)	\$	22.0
Less: Installments/Retainage Invoices ⁽²⁾	\$	(4.1)
Net AP not on hold	\$	17.9

Net AP not on hold includes \$13.5m of invoices that are due after Nov-23

(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	\$17.9	4.0	13.5	0.2	0.2
	% of Total	100%	23%	75%	1%	1%
	Previous Month	\$14.4	1.6	12.4	0.2	0.2
	% of Total	100%	12%	86%	1%	1%
	Vs Previous Month	\$3.5	2.4	1.1	0.0	0.0
Invoice Count	Current Month	1,828	305	1,479	18	26
	% of Total	100%	17%	81%	1%	1%
	Previous Month	1,566	182	1,313	43	28
	% of Total	100%	11%	84%	3%	2%
	Vs Previous Month	262	123	166	(25)	(2)

