



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**

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October 14, 2024

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

Re: Financial Report for the Two Months ended August 31, 2024

Dear Commissioners:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Two Months ended August 31, 2024.

This report is provided in accordance with the requirements included in Detroit Financial Review Commission (FRC) Resolution 2024-03, which granted the City its waiver of active FRC oversight through June 30, 2025. 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 Two Months ended August 31, 2024

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



FY2024-25 Financial Report

Office of the Chief Financial

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.

\$ in millions

	AUGUST 2024			
	BUDGET	ACTUAL	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
REVENUE:				
Municipal Income Tax	\$ 26.3	\$ 26.8	\$ 0.5	1.9%
Property Taxes	53.8	54.4	0.6	1.1%
Wagering Taxes	20.0	24.4	4.4	22.0%
Utility Users' Tax	1.9	2.1	0.2	10.5%
State Revenue Sharing	-	-	-	-
Other Revenues	14.6	18.2	3.6	24.7%
TOTAL (I)	\$ 116.6	\$ 125.9	\$ 9.3	8.0%
EXPENDITURES:				
Salaries and Wages	\$ 48.9	\$ 47.1	\$ 1.8	3.7%
Employee Benefits	15.5	14.0	1.5	9.7%
Professional and Contractual Services	8.1	10.7	(2.6)	(32.1%)
Operating Supplies	5.1	2.3	2.8	54.9%
Operating Services	17.2	16.1	1.1	6.4%
Capital Equipment and Outlays	3.9	3.9	-	-
Debt Service	0.3	-	0.3	100.0%
Other Expenses	25.7	21.5	4.2	16.3%
TOTAL (J)	\$ 124.7	\$ 115.6	\$ 9.1	7.3%
SURPLUS/(DEFICIT) (K= I + J)	\$ (8.1)	\$ 10.3	\$ 18.4	227.2%

	YEAR TO DATE			
	BUDGET	ACTUAL	VARIANCE	
	E	F	(\$ G = F-E	% H = (G/E)
	\$ 54.9	\$ 51.0	\$ (3.9)	(7.1%)
	63.7	69.8	6.1	9.6%
	32.5	37.1	4.6	14.2%
	4.3	4.5	0.2	4.7%
	-	-	-	-
	26.3	25.4	(0.9)	(3.4%)
	\$ 181.7	\$ 187.8	\$ 6.1	3.4%
	\$ 84.7	\$ 85.4	\$ (0.7)	(0.8%)
	28.6	24.6	4.0	14.0%
	15.5	17.3	(1.8)	(11.6%)
	8.6	5.9	2.7	31.4%
	22.2	21.4	0.8	3.6%
	3.9	4.3	(0.4)	(10.3%)
	0.9	0.7	0.2	22.2%
	38.0	33.7	4.3	11.3%
	\$ 202.4	\$ 193.3	\$ 9.1	4.5%
	\$ (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.

\$ in millions

	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
DSLP	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.

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

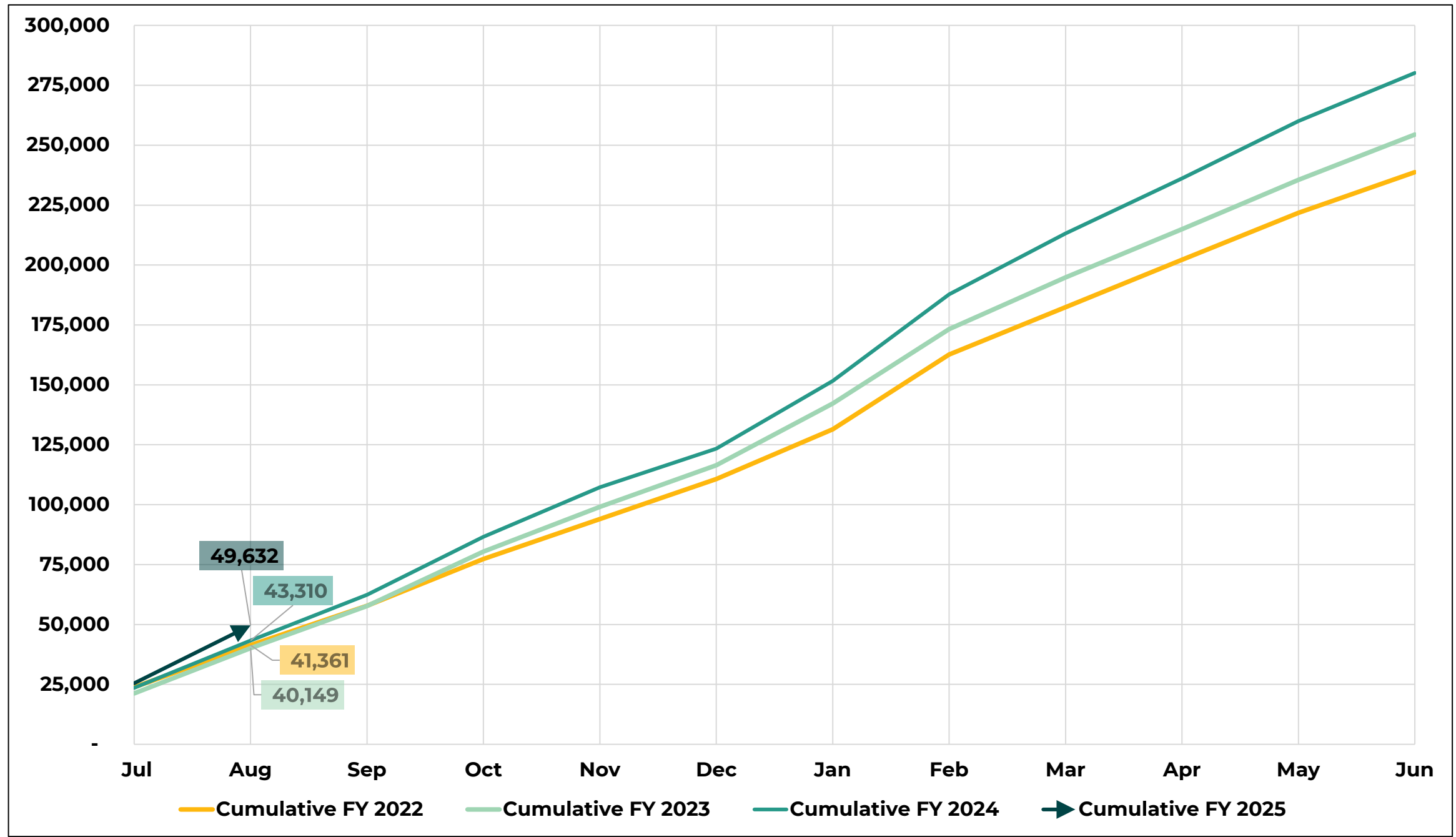
FY24 YTD

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



(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.

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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

