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## Executive Summary – Financial Update

- DPSCD has recorded a deficit of revenues over expenditures of \$6M in the month of December 2016 (see p. 4). This was due to the payment of one-time bonuses totaling ~\$7M to DPSCD employees in December 2016.
- DPSCD has recorded a surplus of revenues over expenditures of \$95M through December 2016 (see p. 4). The surplus is primarily due to higher revenue resulting from one-time transfers in related to the new District legislation along with one-time asset sales, and lower expenditures due to unfilled vacancies.
- December revenues totaling \$55M were lower than budgeted revenues of \$61M (see p. 4). This difference primarily relates to the \$6M sale of the WRCJ-FM radio station that was settled in December 2016 (and the funds were budgeted to be recorded as revenue) but is being held in escrow until the transfer of the license is cleared by the FCC. These funds cannot be recognized as revenue until the funds are released. YTD revenues totaling \$352M were in line with budgeted revenues of \$351M (see p. 4).
- December expenses totaling \$61M were lower than budget by \$4M (see p. 4 and p. 5) primarily due to unfilled vacancies and the contingency built into the budget. YTD expenses totaling \$256M were lower than budget (by \$31M – see p. 4 and p. 5) for similar reasons.
- YTD net cash flow through December was \$44M (see p. 7), again primarily due to one-time transfers in, asset sales and unfilled vacancies.
- Net cash flow (\$44M – see p. 9) was lower than the revenue surplus (\$95M – see p. 4) due to timing differences between cash and accruals. These timing differences are expected to reverse.

# DPSCD summary statement of revenues and expenditures – budget to actual comparison

	Budget to Actual Comparison Current Month				Budget to Actual Comparison YTD				
	Budget	Actual	Variance		Budget	Actual	Variance		
	Month of	Month of	\$	%	YTD	YTD	\$	%	
	Dec-16	Dec-16			Dec-16	Dec-16			
<b>Revenues</b>									
Local sources	\$ 2,934,910	\$ 4,482,261 *	\$ 1,547,351	53%	\$ 3,527,925	\$ 5,476,698	\$ 1,948,773	55%	
State sources	34,748,044	33,966,948	(781,096)	(2%)	213,874,097	216,547,830	2,673,732	1%	
Federal sources	9,972,784	10,728,957	756,173	8%	57,208,474	61,186,433	3,977,959	7%	
Interdistrict sources <sup>1</sup>	2,900,425	2,544,798	(355,627)	(12%)	25,702,489	24,550,794	(1,151,695)	(4%)	
Other sources <sup>2</sup>	10,128,029	3,453,597 **	(6,674,432)	(66%)	50,397,337	43,722,905	(6,674,432)	(13%)	
<b>Total revenues</b>	<b>60,684,192</b>	<b>55,176,561</b>	<b>(5,507,631)</b>	<b>(9%)</b>	<b>350,710,323</b>	<b>351,484,660</b>	<b>774,337</b>	<b>0%</b>	
<b>Expenditures</b>									
Instruction	33,669,438	29,466,105	(4,203,333)	(12%)	137,456,516	121,286,968	(16,169,548)	(12%)	
Support services	31,052,031	31,716,523	664,492	2%	148,590,329	133,847,581	(14,742,748)	(10%)	
Community service	686,555	119,655	(566,900)	(83%)	1,287,053	1,072,661	(214,391)	(17%)	
Facilities acquisitions and improvement	75,830	9,260	(66,570)	(88%)	151,589	9,260	(142,329)	(94%)	
Debt service <sup>3</sup>	-	-	-	-	-	-	-	-	
Other uses	-	-	-	-	-	-	-	-	
<b>Total expenditures</b>	<b>65,483,854</b>	<b>61,311,544</b>	<b>(4,172,310)</b>	<b>(6%)</b>	<b>287,485,488</b>	<b>256,216,470</b>	<b>(31,269,016)</b>	<b>(11%)</b>	
<b>Surplus (Deficit)</b>	<b>\$ (4,799,662)</b>	<b>\$ (6,134,983)</b>	<b>\$ (1,335,321)</b>	<b>28%</b>	<b>\$ 63,224,834</b>	<b>\$ 95,268,190</b>	<b>\$ 32,043,356</b>	<b>51%</b>	

## Notes regarding December 2016 actuals

\* The Wayne County Education Millage was passed in November 2016. An amount of ~\$16.5M is expected to be received during FY17.

\*\* In December 2016 the sale of ~\$9.5M in assets was settled. An amount totaling ~\$3.5M was recorded as revenue in December 2016. The remaining amount of \$6M relating to the sale of the WRCJ-FM radio station is being held in escrow until the transfer of the license is cleared by the FCC and cannot be recognized as revenue until the funds are released. Refer to p. 25 for further details.

## Notes regarding the impact of the legislation that created DPSCD

- Reflects \$15m advance of Act 18 funds from WRESA to provide start-up liquidity. Includes revenue for Charter School services and EAA agreement.
- Includes estimated ending cash balance of DPS as well as \$25m of dedicated transition funds
- DPSCD no longer has debt service.

# DPSCD detail statement of expenditures by object level – budget to actual comparison

	Budget to Actual Comparison Current Month					Budget to Actual Comparison YTD				
	Budget	Actual		Variance		Budget	Actual		Variance	
	Month of	Month of			YTD	YTD				
	Dec-16	Dec-16	\$	%	Dec-16	Dec-16	\$	%	\$	%
Salaries	\$ 32,290,700	\$ 28,912,526 *	\$ (3,378,174)	(10%)	\$ 126,615,912	\$ 114,617,933	\$ (11,997,978)	(9%)		
Benefits	15,282,980	12,620,509	(2,662,471)	(17%)	72,785,899	62,359,251	(10,426,648)	(14%)		
Purchased Services	13,392,690	16,885,257	3,492,567	26%	66,038,296	59,535,379	(6,502,917)	(10%)		
Supplies & Textbooks	1,965,909	1,405,520	(560,389)	(29%)	6,889,409	5,923,850	(965,559)	(14%)		
Equipment & Capital	1,497,437	50,000	(1,447,437)	(97%)	5,922,300	4,277,149	(1,645,151)	(28%)		
Utilities	1,054,138	1,437,733	383,595	36%	9,233,673	9,502,908	269,235	3%		
Debt Service <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Other <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 65,483,854</b>	<b>\$ 61,311,544</b>	<b>\$ (4,172,309)</b>	<b>(6%)</b>	<b>\$ 287,485,488</b>	<b>\$ 256,216,470</b>	<b>\$ (31,269,018)</b>	<b>(11%)</b>		

Note regarding the impact of the legislation that created DPSCD

1. DPSCD no longer has debt service.
2. Represents Accrued SANS interest.

Notes regarding December 2016 actuals

\* One-time bonuses totaling ~\$6.8M (Salaries) were paid to DPSCD employees in December 2016. \$6.6M relates to the General Fund and the remaining \$200K was Food Service.

## DPSCD benefits expenditures - budget to actual comparison

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- DPSCD FY17 Benefits expenditures are budgeted at 57.5% of DPSCD FY17 Salaries expenditures. The 57.5% is made of the following components:
  - Pension: 24.94%
  - UAAL: 11.53%
  - FICA: 7.65%
  - HDLV: 13.38% (average)
- Actual YTD Salaries for December 2016 totaled ~\$115M (refer to p. 5). Included in this amount is ~\$7M of one-time bonuses paid in December 2016 for which there was no Pension, UAAL or HDLV incurred/taken (FICA at 7.65% was paid on the bonuses). As such, when the one-time bonuses are excluded from Actual YTD Salaries for December 2016 (i.e. ~\$108M), Benefits at 57.5% of Salaries of \$108M equates to ~\$62M, which is the Actual YTD Benefits amount for December 2016 (refer to p. 5).
- There is a variance of -\$12M from Budget to Actual YTD Salaries for December 2016 (refer to p.5) due to unfilled vacancies.
- There is a variance of -\$10.4M from Budget to Actual YTD Benefits for December 2016 (refer to p.5) due to the following:
  - -\$6.9M variance due to unfilled vacancies (i.e. Salaries variance of \$12M \* 57.5%)
  - -\$3.5M variance due to no Pension, UAAL or HDLV incurred/taken on one-time bonuses (i.e. \$7M \* 49.85%)
- In summary, the reason for Benefits expenditures appearing low relative to Salaries expenditures in the month of December 2016 is due to the payment of one-time bonuses in December 2016, on which there was no Pension, UAAL or HDLV incurred or taken. Overall, actual Benefits expenditures will be lower compared to Budget primarily due to unfilled vacancies.

## DPSCD Cash Forecast to Actuals Variance – December 2016

<i>\$ in thousands</i>	December		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ 34,805	\$ 33,765	\$ (1,040)	Prior month reversal due to updated student count
MPSERS (State Funded)	3,066	3,182	116	
Enhancement millage	-	-	-	
Grants	12,648	13,009	360	
Transfer from DPS	-	-	-	
WCRESA	2,254	2,254	-	
Food Service Reimbursement	3,158	4,685	1,528	Catch-up from previous months
Capital Asset Sales	9,000	3,091	(5,909)	Remaining asset sales expected beginning of 2017
Miscellaneous	1,490	537	(952)	
<b>Total Cash Receipts</b>	<b>66,420</b>	<b>60,523</b>	<b>(5,897)</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ (6,364)	\$ (6,364)	\$ -	
Payroll Direct Deposit	(25,090)	(25,744)	(655)	
Taxes	(9,851)	(9,216)	635	
FICA	(2,887)	(2,885)	3	
Accounts Payable	(15,657)	(22,410)	(6,753)	Timing - catch-up of payables from November
Pension (employee portion)	(2,768)	(2,597)	171	
Pension (employer portion)	(8,613)	(8,073)	540	
Health	(4,153)	(3,731)	421	
Fringe Benefits	(1,122)	(65)	1,057	
Food Service	(4,125)	(3,598)	528	
Transfer to DPS	-	-	-	
Other	(375)	(41)	334	
<b>Total Cash Disbursements</b>	<b>(81,005)</b>	<b>(84,725)</b>	<b>(3,720)</b>	
Beginning Cash Balance	68,343	68,343	-	
Net Cash Flow	(14,585)	(24,201)	(9,617)	
<b>Ending Cash Balance</b>	<b>\$ 53,758</b>	<b>\$ 44,142</b>	<b>\$ (9,617)</b>	

*Note:* The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

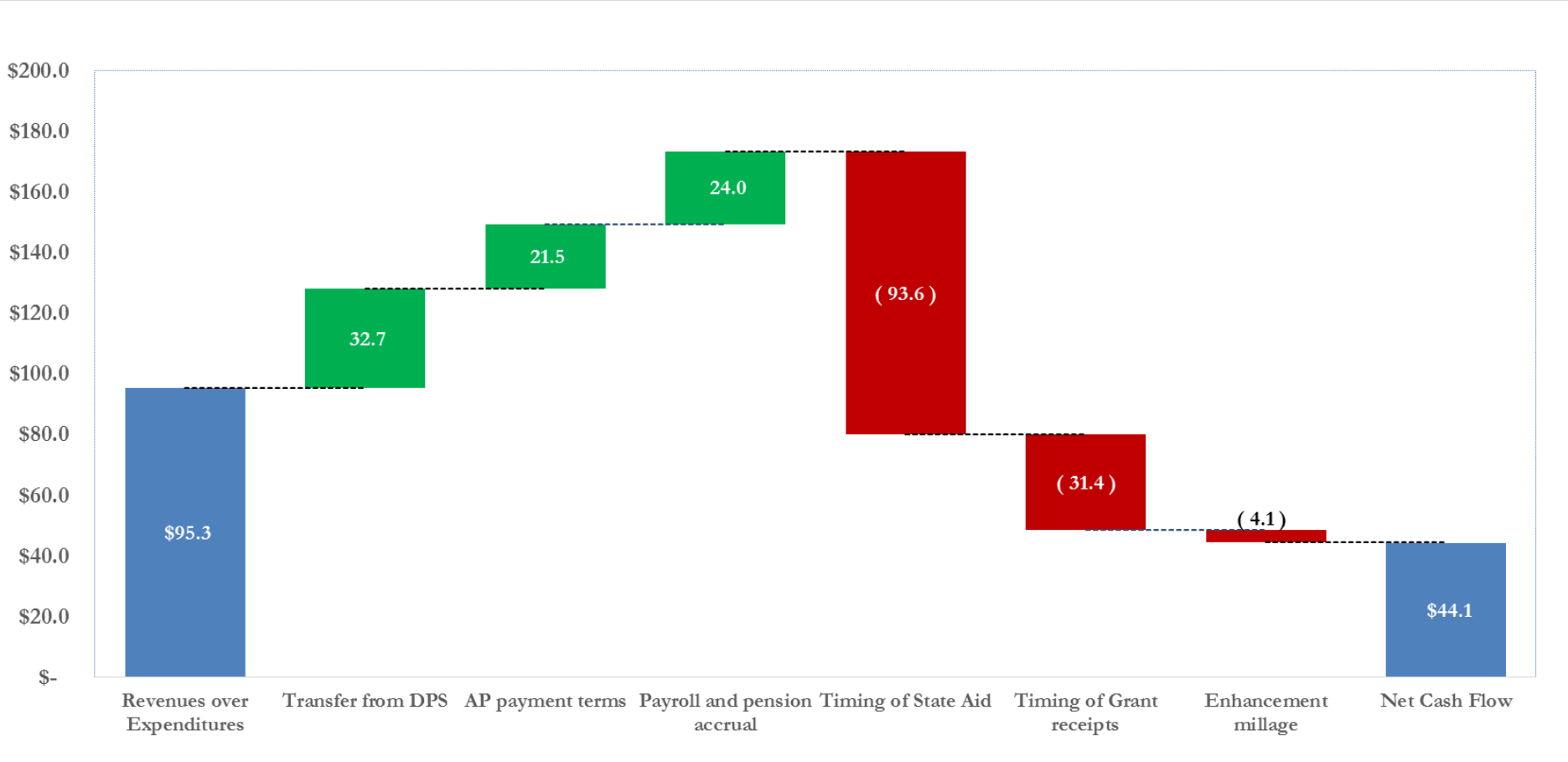
# DPSCD FY17 December YTD cash flows

*\$ in thousands*

	July	August	September	October	November	December	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
<b>Cash Receipts</b>							
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,841	\$ 33,765	\$ 104,658
MPSERS (State Funded)	-	-	-	-	6,364	3,182	9,546
Enhancement Millage	-	-	-	-	-	-	-
Grants	-	-	2,407	1,257	13,052	13,009	29,724
Transfer from DPS	25,000	15,269	-	15,739	17,000	-	73,008
WCRESA	15,000	-	2,498	2,254	1,944	2,254	23,950
Food Service Reimbursement	-	-	-	-	3,666	4,685	8,352
Capital Asset Sales	-	-	-	-	-	3,091	3,091
Miscellaneous	25	110	198	976	628	537	2,474
<b>Total Cash Receipts</b>	<b>40,025</b>	<b>15,380</b>	<b>5,103</b>	<b>55,277</b>	<b>78,496</b>	<b>60,523</b>	<b>254,804</b>
<b>Cash Disbursements</b>							
MPSERS (Pass through)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,364)	\$ (6,364)
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(13,598)	(6,767)	(25,744)	(65,968)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,296)	(9,216)	(23,987)
FICA	-	(629)	(882)	(1,543)	(1,566)	(2,885)	(7,505)
Accounts Payable	(1)	(505)	(8,223)	(6,045)	(12,668)	(22,410)	(49,853)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,716)	(2,597)	(7,059)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,468)	(8,073)	(20,856)
Health	(28)	(6,965)	(5,818)	(124)	(4,404)	(3,731)	(21,072)
Fringe Benefits	-	(6)	(13)	(22)	(40)	(65)	(147)
Food Service	-	-	(321)	(2,189)	(1,424)	(3,598)	(7,533)
Transfer to DPS	-	-	-	-	-	-	-
Other	-	(75)	-	(2)	(199)	(41)	(318)
<b>Total Cash Disbursements</b>	<b>(2,488)</b>	<b>(15,131)</b>	<b>(33,383)</b>	<b>(35,387)</b>	<b>(39,550)</b>	<b>(84,725)</b>	<b>(210,662)</b>
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	68,343	-
Net Cash Flow	37,537	249	(28,280)	19,891	38,946	(24,201)	44,142
<b>Ending Cash Balance</b>	<b>\$ 37,537</b>	<b>\$ 37,786</b>	<b>\$ 9,506</b>	<b>\$ 29,397</b>	<b>\$ 68,343</b>	<b>\$ 44,142</b>	<b>\$ 44,142</b>

# Reconciliation of FY17 December YTD general ledger surplus to actual net cash flow

\$ in million





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# DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

**Marios Demetriou**

**Deputy Superintendent of Finance & Operations**

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Detroit, MI 48202

Phone: (313) 873-4147  
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February 22, 2017

Detroit Financial Review Commission  
3062 W. Grand Blvd.  
Detroit, Michigan 48202

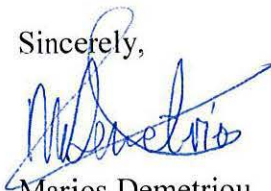
Re: Detroit Public Schools Community district Debt Service Requirements and Certification  
Fiscal Year 2017, Quarter 2

Dear Commissioners:

There are currently no debt service requirements due on all bonds, leases, and other municipal debt of the Detroit Public Schools Community District in compliance with section 6 of the Michigan Financial Review Commission Act, Act 181, Public Acts of Michigan, 2014.

I hereby certify as of the date of this letter there are no debt service requirements.

Sincerely,



Marios Demetriou  
Deputy Superintendent of Finance & Operations

# DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

**Marios Demetriou**

**Deputy Superintendent of Finance**

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February 22, 2017

Detroit Financial Review Commission  
3062 W. Grand Blvd.  
Detroit, Michigan 48202

Re: Detroit Public Schools Debt Service Requirements and Certification  
Fiscal Year 2017, Quarter 2

Dear Commissioners:

Enclosed with this letter you will find the debt service requirements due on all bonds, leases, and other debt of Detroit Public Schools in compliance with section 6 of the Michigan Financial Review Commission Act, Act 181, Public Acts of Michigan, 2014.

I hereby certify as of the date of this letter: (1) that the amounts specified herein are accurate statements of Detroit Public Schools' debt service requirements; and (2) that Detroit Public Schools is financially able to meet the debt service requirements through the end of the current fiscal year.

Sincerely,



Marios Demetriou  
Deputy Superintendent of Finance

**Detroit Public Schools  
Debt Obligation Summary**

<b>Debt Obligation</b>	<b>Dec. 31, 2016 Principal Balance</b>	<b>FY17 Debt Service</b>	<b>Amount Paid</b>	<b>Amount Remaining/ Credit Balance</b>
Series 1998 C	\$ 44,555,000	6,339,138	1,169,569	5,169,569
Series 2001 A	183,695,000	11,021,700	5,510,850	5,510,850
Series 2002 A	35,785,000	2,147,100	1,073,550	1,073,550
Series 2005 A	226,800,000	11,907,000	5,953,500	5,953,500
Series 2009 A	69,325,000	8,682,232	1,435,500	7,246,732
Series 2009 B	186,150,000	11,269,600	4,834,800	6,434,800
Series 2010 A	136,335,000	9,588,102	1,593,564	7,994,538
Series 2010 B	49,630,000	2,290,205	1,145,102	1,145,102
Series 2012 A	296,330,000	23,411,500	7,408,250	16,003,250
Series 2015 A	169,975,000	37,533,750	4,214,375	33,319,375
School Loan Revolving Fund <sup>1</sup>	249,954,672	-	-	-
Series 2016 D1&2 <sup>2</sup>	226,380,000	34,291,139	-	34,291,139
Emergency Loan Note <sup>3</sup>	150,000,000	1,211,750	229,250	982,500
MPSERS liability <sup>4</sup>	132,624,116	4,700,000	-	4,700,000
	<b>\$ 2,157,538,788</b>	<b>\$ 164,393,215</b>	<b>\$ 34,568,310</b>	<b>\$ 129,824,905</b>

Notes:

1. SLRF does not have a maturity, repayment is required when the millage rate necessary to cover the annual bonded debt service requirements falls below 7 mills.
2. Refinance of 2011/2012 Notes (LT SAN).
3. Principal as of date of borrowing on July 22, 2016.
4. Based on outstanding employer contributions plus penalties and interest as of 12/31/16, excluding DPS' proportionate share of the net pension liability in the Michigan Public Employee Retirement System. Balance is significantly reduced since 6/30/16 due to grant reimbursable payments made on 9/27/2016 in the amount of \$33M. Another payment in the amount of \$4.7M was made in January 2017.

**SCHOOL DISTRICT OF THE CITY OF DETROIT**  
**County of Wayne, State of Michigan**  
**SCHEDULE OF EXISTING UTQ DEBT**

Levy Year	Fiscal Yr. End 30-Jun	Title: 1998C Refunding Bonds Outstanding Principal: \$44,555,000 Dated: 11/1/1998 Call Prov: Non-Optional					Title: 2001A Building & Site Bonds Outstanding Principal: \$183,695,000 Dated: 10/1/2001 Call Prov: 5/1/12 @ 100 (except 2029 term (22-29 maturities))					Title: 2002A Building & Site Bonds Outstanding Principal: \$35,785,000 Dated: 10/31/2002 Call Prov: 5/1/13 @ 100 (except 2019-2021 maturities)				
		Interest Due 1-Nov	Interest Rates	Principal Due 1-May	Interest Due 1-May	Total Payment	Interest Due 1-Nov	Interest Rates	Principal Due 1-May	Interest Due 1-May	Total Payment	Interest Due 1-Nov	Interest Rates	Principal Due 1-May	Interest Due 1-May	Total Payment
2016	2017	\$1,169,569	5.250%	\$4,000,000	\$1,169,569	\$6,339,138	\$5,510,850	0.000%	\$0	\$5,510,850	\$11,021,700	\$1,073,550	0.000%	\$0	\$1,073,550	\$2,147,100
2017	2018	1,064,569	5.250%	4,210,000	1,064,569	6,339,138	5,510,850	-	-	5,510,850	11,021,700	1,073,550	-	-	1,073,550	2,147,100
2018	2019	954,056	5.250%	4,430,000	954,056	6,338,113	5,510,850	-	-	5,510,850	11,021,700	1,073,550	6.000%	11,240,000	1,073,550	13,387,100
2019	2020	837,769	5.250%	4,660,000	837,769	6,335,538	5,510,850	-	-	5,510,850	11,021,700	736,350	6.000%	11,915,000	736,350	13,387,700
2020	2021	715,444	5.250%	4,905,000	715,444	6,335,888	5,510,850	-	-	5,510,850	11,021,700	378,900	6.000%	12,630,000	378,900	13,387,800
2021	2022	586,688	5.250%	5,165,000	586,688	6,338,375	5,510,850	6.000%	14,320,000	5,510,850	25,341,700	-	-	-	-	-
2022	2023	451,106	5.250%	5,440,000	451,106	6,342,213	5,081,250	6.000%	15,180,000	5,081,250	25,342,500	-	-	-	-	-
2023	2024	308,306	5.250%	5,720,000	308,306	6,336,613	4,625,850	6.000%	16,095,000	4,625,850	25,346,700	-	-	-	-	-
2024	2025	158,156	5.250%	6,025,000	158,156	6,341,313	4,143,000	6.000%	17,055,000	4,143,000	25,341,000	-	-	-	-	-
2025	2026	-	-	-	-	-	3,631,350	6.000%	24,420,000	3,631,350	31,682,700	-	-	-	-	-
2026	2027	-	-	-	-	-	2,898,750	6.000%	25,885,000	2,898,750	31,682,500	-	-	-	-	-
2027	2028	-	-	-	-	-	2,122,200	6.000%	27,430,000	2,122,200	31,674,400	-	-	-	-	-
2028	2029	-	-	-	-	-	1,299,300	6.000%	43,310,000	1,299,300	45,908,600	-	-	-	-	-
2029	2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2030	2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<b>\$6,245,663</b>		<b>\$44,555,000</b>	<b>\$6,245,663</b>	<b>\$57,046,325</b>	<b>\$56,866,800</b>		<b>\$183,695,000</b>	<b>\$56,866,800</b>	<b>\$297,428,600</b>	<b>\$4,335,900</b>		<b>\$35,785,000</b>	<b>\$4,335,900</b>	<b>\$44,456,800</b>

**SCHOOL DISTRICT OF THE CITY OF DETROIT**  
**County of Wayne, State of Michigan**  
**SCHEDULE OF EXISTING UTQ DEBT**

Title:	2005A Refunding Bonds
Outstanding Principal:	\$226,800,000
Dated:	8/17/2005
Call Prov:	5/1/15 @ 100 (only 2016-2029 maturities)

Title:	2009 School Building and Site Bonds (QSCBs), Series A
Outstanding Principal:	\$90,000,000
Dated:	12/30/2009
Call Prov:	None

Title:	2009 School Building and Site Bonds (BABs), Series B
Outstanding Principal:	\$186,150,000
Dated:	12/30/2009
Call Prov:	None

Levy Year	Fiscal Yr. End	Interest		Principal Due 1-May	Interest Due 1-May	Total Payment	Interest		Set Aside Due 1-May	Interest Due 1-May	Set Aside Amount	Conversion Reserve Fund	Interest Credit	Total Payment	Interest		Principal Due 1-May	Interest Due 1-May	35% Federal Subsidy	6.90% Federal Sequestration	Total Payment
		Due 1-Nov	Interest Rates				Due 1-Nov	Interest Rates							Due 1-Nov	Interest Rates					
2016	2017	\$5,953,500	0.000%	\$0	\$5,953,500	\$11,907,000	\$1,435,500	0.000%	\$6,325,000	\$1,435,500	\$5,811,232	\$0	(\$513,768)	\$8,682,232	\$7,171,698	6.052%	\$1,600,000	\$7,171,698	(\$5,020,188)	\$346,393	\$11,269,600
2017	2018	5,953,500	-	-	5,953,500	11,907,000	1,435,500	-	7,055,000	1,435,500	6,541,232	-	(513,768)	9,412,232	7,123,282	6.252%	1,700,000	7,123,282	(4,986,297)	344,055	11,304,321
2018	2019	5,953,500	-	-	5,953,500	11,907,000	1,435,500	-	7,700,000	1,435,500	7,186,232	-	(513,768)	10,057,232	7,070,140	6.352%	1,800,000	7,070,140	(4,949,098)	341,488	11,332,669
2019	2020	5,953,500	-	-	5,953,500	11,907,000	1,435,500	-	7,700,000	1,435,500	7,186,232	-	(513,768)	10,057,232	7,012,972	7.747%	1,900,000	7,012,972	(4,909,080)	338,727	11,355,590
2020	2021	5,953,500	-	-	5,953,500	11,907,000	1,435,500	-	7,700,000	1,435,500	7,186,232	-	(513,768)	10,057,232	6,939,375	7.747%	2,300,000	6,939,375	(4,857,563)	335,172	11,656,360
2021	2022	5,953,500	-	-	5,953,500	11,907,000	1,435,500	-	7,700,000	1,435,500	7,186,232	-	(513,768)	10,057,232	6,850,285	7.747%	2,400,000	6,850,285	(4,795,199)	330,869	11,636,239
2022	2023	5,953,500	-	-	5,953,500	11,907,000	1,435,500	-	7,700,000	1,435,500	7,186,232	-	(513,768)	10,057,232	6,757,321	7.747%	2,500,000	6,757,321	(4,730,125)	326,379	11,610,896
2023	2024	5,953,500	-	-	5,953,500	11,907,000	1,435,500	-	7,700,000	1,435,500	7,186,232	-	(513,768)	10,057,232	6,660,483	7.747%	2,600,000	6,660,483	(4,662,338)	321,701	11,580,330
2024	2025	5,953,500	-	-	5,953,500	11,907,000	1,435,500	3.190%	9,745,000	1,435,500	9,231,232	(2,045,250)	(513,768)	10,056,982	6,559,772	7.747%	2,700,000	6,559,772	(4,591,841)	-	11,227,704
2025	2026	5,953,500	5.250%	16,145,000	5,953,500	28,052,000	-	-	-	-	-	-	-	-	6,455,188	7.747%	3,150,000	6,455,188	(4,518,631)	-	11,541,744
2026	2027	5,529,694	5.250%	16,990,000	5,529,694	28,049,388	-	-	-	-	-	-	-	-	6,333,173	7.747%	6,275,000	6,333,173	(4,433,221)	-	14,508,124
2027	2028	5,083,706	5.250%	17,890,000	5,083,706	28,057,413	-	-	-	-	-	-	-	-	6,090,110	7.747%	6,525,000	6,090,110	(4,263,077)	-	14,442,143
2028	2029	4,614,094	5.250%	18,825,000	4,614,094	28,053,188	-	-	-	-	-	-	-	-	5,837,365	7.747%	6,625,000	5,837,365	(4,086,155)	-	14,213,574
2029	2030	4,119,938	5.250%	65,715,000	4,119,938	73,954,875	-	-	-	-	-	-	-	-	5,580,745	7.747%	6,925,000	5,580,745	(3,906,522)	-	14,179,969
2030	2031	2,394,919	5.250%	69,165,000	2,394,919	73,954,838	-	-	-	-	-	-	-	-	5,312,505	7.747%	6,925,000	5,312,505	(3,718,754)	-	13,831,257
2031	2032	579,338	5.250%	22,070,000	579,338	23,228,675	-	-	-	-	-	-	-	-	5,044,265	7.747%	8,925,000	5,044,265	(3,530,986)	-	15,482,545
2032	2033	-	-	-	-	-	-	-	-	-	-	-	-	-	4,698,556	7.747%	9,550,000	4,698,556	(3,288,989)	-	15,658,122
2033	2034	-	-	-	-	-	-	-	-	-	-	-	-	-	4,328,636	7.747%	18,625,000	4,328,636	(3,030,045)	-	24,252,227
2034	2035	-	-	-	-	-	-	-	-	-	-	-	-	-	3,607,197	7.747%	18,625,000	3,607,197	(2,525,038)	-	23,314,356
2035	2036	-	-	-	-	-	-	-	-	-	-	-	-	-	2,885,758	7.747%	18,625,000	2,885,758	(2,020,030)	-	22,376,485
2036	2037	-	-	-	-	-	-	-	-	-	-	-	-	-	2,164,318	7.747%	18,625,000	2,164,318	(1,515,023)	-	21,438,614
2037	2038	-	-	-	-	-	-	-	-	-	-	-	-	-	1,442,879	7.747%	18,625,000	1,442,879	(1,010,015)	-	20,500,742
2038	2039	-	-	-	-	-	-	-	-	-	-	-	-	-	721,439	7.747%	18,625,000	721,439	(505,008)	-	19,562,871
2039	2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		\$81,856,688		\$226,800,000	\$81,856,688	\$390,513,375	\$12,919,500		\$69,325,000	\$12,919,500	\$64,701,085	(\$2,045,250)	(\$4,623,915)	\$88,494,835	\$122,647,461		\$186,150,000	\$122,647,461	(\$85,853,222)	\$2,684,782	\$348,276,481

**SCHOOL DISTRICT OF THE CITY OF DETROIT**  
**County of Wayne, State of Michigan**  
**SCHEDULE OF EXISTING UTQ DEBT**

Title:	School Building and Site Bonds, Series 2010A (QSCBs)
Outstanding Principal:	\$160,910,000
Dated:	10/28/2010
Call Prov:	None

Title:	School Building and Site Bonds, Series 2010B (BABs)
Outstanding Principal:	\$49,630,000
Dated:	10/28/2010
Call Prov:	5/1/2020 @ Par

Levy Year	Fiscal Yr. End	Interest		Set Aside Due 1-May	Interest Due 1-May	Less: 5.01% Federal Subsidy	6.90% Federal Sequestration	Interest Credit	Total Payment	Interest		Principal Due 1-May	Interest Due 1-May	35% Federal Subsidy	6.90% Federal Sequestration	Total Payment
		Due 1-Nov	Rates							Due 1-Nov	Rates					
2016	2017	\$5,346,235	6.645%	\$6,910,000	\$5,346,235	(\$8,061,591)	\$556,250	(\$509,026)	\$9,588,102	\$1,698,587	0.000%	\$0	\$1,698,587	(\$1,189,011)	\$82,042	\$2,290,205
2017	2018	5,346,235	6.645%	7,895,000	5,346,235	(8,061,591)	556,250	(509,026)	10,573,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2018	2019	5,346,235	6.645%	7,620,000	5,346,235	(8,061,591)	556,250	(509,026)	10,298,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2019	2020	5,346,235	6.645%	7,985,000	5,346,235	(8,061,591)	556,250	(509,026)	10,663,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2020	2021	5,346,235	6.645%	8,095,000	5,346,235	(8,061,591)	556,250	(509,026)	10,773,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2021	2022	5,346,235	6.645%	8,525,000	5,346,235	(8,061,591)	556,250	(509,026)	11,203,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2022	2023	5,346,235	6.645%	8,960,000	5,346,235	(8,061,591)	556,250	(509,026)	11,638,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2023	2024	5,346,235	6.645%	9,415,000	5,346,235	(8,061,591)	556,250	(509,026)	12,093,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2024	2025	5,346,235	6.645%	9,885,000	5,346,235	(8,061,591)	556,250	(509,026)	12,563,102	1,698,587	-	-	1,698,587	(1,189,011)	82,042	2,290,205
2025	2026	5,346,235	6.645%	16,850,000	5,346,235	(8,061,591)	-	(509,026)	18,971,852	1,698,587	-	-	1,698,587	(1,189,011)	-	2,208,163
2026	2027	5,346,235	6.645%	14,265,000	5,346,235	(8,061,591)	-	(509,026)	16,386,852	1,698,587	-	-	1,698,587	(1,189,011)	-	2,208,163
2027	2028	5,346,235	6.645%	14,650,000	5,346,235	(8,061,591)	-	(509,026)	16,771,852	1,698,587	-	-	1,698,587	(1,189,011)	-	2,208,163
2028	2029	5,346,235	6.645%	15,280,000	5,346,235	(8,061,591)	-	(509,026)	17,401,852	1,698,587	-	-	1,698,587	(1,189,011)	-	2,208,163
2029	2030	-	-	-	-	-	-	-	-	1,698,587	6.845%	4,510,000	1,698,587	(1,189,011)	-	6,718,163
2030	2031	-	-	-	-	-	-	-	-	1,544,232	6.845%	4,510,000	1,544,232	(1,080,962)	-	6,517,502
2031	2032	-	-	-	-	-	-	-	-	1,389,877	6.845%	4,510,000	1,389,877	(972,914)	-	6,316,840
2032	2033	-	-	-	-	-	-	-	-	1,235,523	6.845%	4,510,000	1,235,523	(864,866)	-	6,116,179
2033	2034	-	-	-	-	-	-	-	-	1,081,168	6.845%	4,510,000	1,081,168	(756,817)	-	5,915,518
2034	2035	-	-	-	-	-	-	-	-	926,813	6.845%	4,510,000	926,813	(648,769)	-	5,714,857
2035	2036	-	-	-	-	-	-	-	-	772,458	6.845%	4,510,000	772,458	(540,721)	-	5,514,196
2036	2037	-	-	-	-	-	-	-	-	618,104	6.845%	4,515,000	618,104	(432,672)	-	5,318,535
2037	2038	-	-	-	-	-	-	-	-	463,578	6.845%	4,515,000	463,578	(324,504)	-	5,117,651
2038	2039	-	-	-	-	-	-	-	-	309,052	6.845%	4,515,000	309,052	(216,336)	-	4,916,767
2039	2040	-	-	-	-	-	-	-	-	154,526	6.845%	4,515,000	154,526	(108,168)	-	4,715,884
2040	2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		\$69,501,052		\$136,335,000	\$69,501,052	(\$104,800,683)	\$5,006,248	(\$6,617,339)	\$168,925,330	\$32,275,544		\$49,630,000	\$32,275,544	(\$22,592,881)	\$738,376	\$92,326,583

**SCHOOL DISTRICT OF THE CITY OF DETROIT**  
**County of Wayne, State of Michigan**  
**SCHEDULE OF EXISTING UTQ DEBT**

Levy Year	Fiscal Yr. End 30-Jun	2012 Refunding Bonds					2015 Refunding Bonds					TOTAL UTQ DEBT	
		Interest Due 1-Nov	Interest Rates	Principal Due 1-May	Interest Due 1-May	Total Payment	Interest Due 1-Nov	Interest Rates	Principal Due 1-May	Interest Due 1-May	Total Payment	PRINCIPAL	TOTAL PAYMENT
2016	2017	\$7,408,250	5.000%	\$8,595,000	\$7,408,250	\$23,411,500	\$4,214,375	5.000%	\$29,105,000	\$4,214,375	\$37,533,750	\$43,300,000	\$124,190,326
2017	2018	7,193,375	5.000%	8,725,000	7,193,375	23,111,750	3,486,750	5.000%	29,410,000	3,486,750	36,383,500	44,045,000	124,490,047
2018	2019	6,975,250	5.000%	9,100,000	6,975,250	23,050,500	2,751,500	5.000%	19,635,000	2,751,500	25,138,000	46,205,000	124,820,620
2019	2020	6,747,750	5.000%	9,500,000	6,747,750	22,995,500	2,260,625	5.000%	20,625,000	2,260,625	25,146,250	48,600,000	125,159,816
2020	2021	6,510,250	5.000%	9,910,000	6,510,250	22,930,500	1,745,000	5.000%	21,655,000	1,745,000	25,145,000	51,400,000	125,504,786
2021	2022	6,262,500	5.000%	20,505,000	6,262,500	33,030,000	1,203,625	5.000%	11,520,000	1,203,625	13,927,250	53,910,000	125,731,102
2022	2023	5,749,875	5.000%	21,465,000	5,749,875	32,964,750	915,625	**	12,105,000	915,625	13,936,250	56,690,000	126,089,147
2023	2024	5,213,250	5.000%	22,480,000	5,213,250	32,906,500	648,000	5.000%	12,645,000	648,000	13,941,000	59,540,000	126,458,681
2024	2025	4,651,250	5.000%	23,655,000	4,651,250	32,957,500	331,875	5.000%	13,275,000	331,875	13,938,750	152,710,000	126,623,555
2025	2026	4,059,875	5.000%	24,905,000	4,059,875	33,024,750	-	-	-	-	-	68,620,000	125,481,209
2026	2027	3,437,250	5.000%	26,145,000	3,437,250	33,019,500	-	-	-	-	-	75,295,000	125,854,527
2027	2028	2,783,625	5.000%	27,450,000	2,783,625	33,017,250	-	-	-	-	-	79,295,000	126,171,221
2028	2029	2,097,375	5.000%	14,520,000	2,097,375	18,714,750	-	-	-	-	-	244,190,000	126,500,127
2029	2030	1,734,375	5.000%	16,095,000	1,734,375	19,563,750	-	-	-	-	-	93,245,000	114,416,756
2030	2031	1,332,000	5.000%	16,900,000	1,332,000	19,564,000	-	-	-	-	-	97,500,000	113,867,596
2031	2032	909,500	5.000%	17,745,000	909,500	19,564,000	-	-	-	-	-	53,250,000	64,592,060
2032	2033	465,875	5.000%	18,635,000	465,875	19,566,750	-	-	-	-	-	32,695,000	41,341,051
2033	2034	-	-	-	-	-	-	-	-	-	-	23,135,000	30,167,745
2034	2035	-	-	-	-	-	-	-	-	-	-	23,135,000	29,029,213
2035	2036	-	-	-	-	-	-	-	-	-	-	23,135,000	27,890,680
2036	2037	-	-	-	-	-	-	-	-	-	-	23,140,000	26,757,148
2037	2038	-	-	-	-	-	-	-	-	-	-	23,140,000	25,618,393
2038	2039	-	-	-	-	-	-	-	-	-	-	23,140,000	24,479,638
2039	2040	-	-	-	-	-	-	-	-	-	-	4,515,000	4,715,884
2040	2041	-	-	-	-	-	-	-	-	-	-	-	-
		\$73,531,625		\$296,330,000	\$73,531,625	\$443,393,250	\$17,557,375		\$169,975,000	\$17,557,375	\$205,089,750	\$1,443,830,000	\$2,135,951,329



SCHOOL BOND QUALIFICATION AND LOAN PROGRAM  
**Loan Account Statement**

Date: 02/22/17

Detroit City School District  
 School District Code: 82-010  
 Statement Date: 12/31/2016

Mandatory Final Repayment Date: 05/01/2046  
 Current Computed Millage Rate: 13.00

Computed Millage Rate, per Loan Agreement: 13.00  
 Computed Millage Rate, per Most Recent OQB: 0.00  
 (If different than loan agreement)

	SBLF		SLRF		Total Loans Outstanding
	Principal Outstanding	Interest Outstanding	Principal Outstanding	Interest Outstanding	
Beginning of Period	\$ 10,100,496.89	\$ 327,187.14	\$ 0.00	\$ 0.00	\$ 10,427,684.03
New Loans and Loan Repayments	-\$ 10,100,496.89	-\$ 669,197.95	\$ 224,491,942.00	\$ 0.00	\$ 213,722,247.16
Interest Accrued in Current Period	\$ 0.00	\$ 342,010.81	\$ 0.00	\$ 25,462,730.28	\$ 25,804,741.09
End of Period	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 224,491,942.00</u>	<u>\$ 25,462,730.28</u>	<u>\$ 249,954,672.28</u>

Current SLRF Interest Rate: 3.17037  
 Current SBLF Interest Rate: 3.17037

Account Activity 01/01/2010 - 12/31/2016	Date	Transaction Amount
Payment	Interest	05/14/2010 -\$ 536,249.03
Payment	Principal	05/14/2010 -\$ 3,101,923.97
Payment	Interest	09/20/2010 -\$ 132,948.92
Payment	Principal	09/20/2010 -\$ 6,998,572.92
Draw		04/22/2011 \$ 48,432,351.00
Draw		04/23/2012 \$ 26,117,459.00
Draw		04/23/2013 \$ 33,504,736.00
Draw		04/23/2014 \$ 44,862,031.00
Draw		04/23/2015 \$ 28,384,590.00
Draw		04/22/2016 \$ 43,190,775.00

SCHOOL BOND QUALIFICATION AND LOAN PROGRAM  
**Loan Account Statement**

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Date: 02/22/17

**Loan Repayment Instructions**

*In order to assure proper crediting of your account, please notify Treasury of the amount and date of your payment prior to wiring or sending check and include the following information with your payment:*

**Option 1: Payment By Wire Transfer**

Call the School Bond Qualification and Loan Program for wiring instructions: (571) 373-3962

**Option 2: Payment by Check**

Mail Check to:  
Michigan Department of Treasury  
School Bond Qualification and Loan Program  
430 W. Allegan  
Lansing, MI 48922

*Include either a copy of this statement or the following information with payment:*

Receipts Processing Division  
*Your School District Name*  
SBL Fund Repayment  
Credit Index # 08322  
COBJ # 1990  
TC #  
Agency # 271

For questions regarding this information or to notify Treasury of payment, contact:

School Bond Qualification and Loan Program

[www.michigan.gov/sblf](http://www.michigan.gov/sblf)

Phone: (571) 373-3962

Fax: (517) 241-1233

SCHOOL BOND QUALIFICATION AND LOAN PROGRAM

Date: 02/22/17

Loan Account Statement

82-010 : Detroit City School District

Start Date: 01/01/2010

End Date: 12/31/2016

Activity Detail: - SBLF

Date	Ref Number	Trans Code	Amount	Balance due		
				Principal	Interest	Total
02/14/2010	45Dy@5.75000%	Irch	\$ 72,854.90	\$ 10,100,496.89	\$ 398,423.04	\$ 10,498,919.93
04/21/2010	66Dy@5.62500%	Irch	\$ 104,530.95	\$ 10,100,496.89	\$ 502,953.99	\$ 10,603,450.88
05/13/2010	22Dy@5.37500%	Int	\$ 33,295.04	\$ 10,100,496.89	\$ 536,249.03	\$ 10,636,745.92
05/14/2010	MW270209	PayP	\$ 3,101,923.97	\$ 6,998,572.92	\$ 536,249.03	\$ 7,534,821.95
05/14/2010	MW270209	PayI	\$ 536,249.03	\$ 6,998,572.92	\$ 0.00	\$ 6,998,572.92
05/14/2010	1Dy@5.37500%	Irch	\$ 1,030.61	\$ 6,998,572.92	\$ 1,030.61	\$ 6,999,603.53
09/19/2010	128Dy@5.37500%	Int	\$ 131,918.31	\$ 6,998,572.92	\$ 132,948.92	\$ 7,131,521.84
09/20/2010	MW270348	PayP	\$ 6,998,572.92	\$ 0.00	\$ 132,948.92	\$ 132,948.92
09/20/2010	MW270348	PayI	\$ 132,948.92	\$ 0.00	\$ 0.00	\$ 0.00

Activity Detail: - SLRF

Date	Ref Number	Trans Code	Amount	Balance due		
				Principal	Interest	Total

Activity Detail: - GOSLRF

Date	Ref Number	Trans Code	Amount	Balance due		
				Principal	Interest	Total
04/22/2011	271W1302922-2926	Loan	\$ 48,432,351.00	\$ 48,432,351.00	\$ 0.00	\$ 48,432,351.00
09/30/2011	638Dy@ 3.000000%	Ye	\$ 2,539,712.87	\$ 48,432,351.00	\$ 644,880.07	\$ 49,077,231.07
12/31/2011	92Dy@3.00000%	Irch	\$ 370,090.59	\$ 48,432,351.00	\$ 1,014,970.66	\$ 49,447,321.66
03/31/2012	91Dy@3.00000%	Irch	\$ 366,067.87	\$ 48,432,351.00	\$ 1,381,038.53	\$ 49,813,389.53
04/22/2012	22Dy@3.00000%	Int	\$ 88,499.92	\$ 48,432,351.00	\$ 1,469,538.45	\$ 49,901,889.45
04/23/2012	271W2202241, 42, 4	Loan	\$ 26,117,459.00	\$ 74,549,810.00	\$ 1,469,538.45	\$ 76,019,348.45
06/30/2012	69Dy@3.00000%	Irch	\$ 425,281.44	\$ 74,549,810.00	\$ 1,894,819.89	\$ 76,444,629.89
09/30/2012	92Dy@ 3.000000%	Ye	\$ 567,041.93	\$ 74,549,810.00	\$ 2,461,861.82	\$ 77,011,671.82
12/31/2012	92Dy@3.00000%	Irch	\$ 582,334.83	\$ 74,549,810.00	\$ 3,044,196.65	\$ 77,594,006.65
03/31/2013	90Dy@3.00000%	Irch	\$ 569,675.38	\$ 74,549,810.00	\$ 3,613,872.03	\$ 78,163,682.03
04/17/2013	17Dy@3.66862%	Irch	\$ 131,587.78	\$ 74,549,810.00	\$ 3,745,459.81	\$ 78,295,269.81
04/22/2013	5Dy@3.61486%	Int	\$ 38,135.16	\$ 74,549,810.00	\$ 3,783,594.97	\$ 78,333,404.97
04/23/2013	271W3203160,61,62	Loan	\$ 33,504,736.00	\$ 108,054,546.00	\$ 3,783,594.97	\$ 111,838,140.97
05/14/2013	22Dy@3.61486%	Irch	\$ 240,795.53	\$ 108,054,546.00	\$ 4,024,390.50	\$ 112,078,936.50
06/30/2013	47Dy@3.53328%	Irch	\$ 502,817.26	\$ 108,054,546.00	\$ 4,527,207.76	\$ 112,581,753.76
08/14/2013	45Dy@3.53465%	Irch	\$ 481,606.90	\$ 108,054,546.00	\$ 5,008,814.66	\$ 113,063,360.66
09/30/2013	47Dy@ 3.533402%	Ye	\$ 502,834.20	\$ 108,054,546.00	\$ 5,511,648.86	\$ 113,566,194.86
11/14/2013	45Dy@3.53339%	Irch	\$ 494,720.39	\$ 108,054,546.00	\$ 6,006,369.25	\$ 114,060,915.25
11/30/2013	16Dy@3.52269%	Irch	\$ 175,367.96	\$ 108,054,546.00	\$ 6,181,737.21	\$ 114,236,283.21
12/31/2013	31Dy@3.52296%	Irch	\$ 339,801.66	\$ 108,054,546.00	\$ 6,521,538.87	\$ 114,576,084.87
02/14/2014	45Dy@3.52280%	Irch	\$ 493,238.35	\$ 108,054,546.00	\$ 7,014,777.22	\$ 115,069,323.22
03/31/2014	45Dy@3.52280%	Irch	\$ 493,238.35	\$ 108,054,546.00	\$ 7,508,015.57	\$ 115,562,561.57
04/14/2014	14Dy@3.52280%	Irch	\$ 153,451.93	\$ 108,054,546.00	\$ 7,661,467.50	\$ 115,716,013.50
04/22/2014	8Dy@3.52268%	Int	\$ 87,683.73	\$ 108,054,546.00	\$ 7,749,151.23	\$ 115,803,697.23
04/23/2014	271W4303215,6,7,8	Loan	\$ 44,862,031.00	\$ 152,916,577.00	\$ 7,749,151.23	\$ 160,665,728.23
05/14/2014	22Dy@3.52268%	Irch	\$ 336,383.90	\$ 152,916,577.00	\$ 8,085,535.13	\$ 161,002,112.13
06/30/2014	47Dy@3.52268%	Irch	\$ 718,638.33	\$ 152,916,577.00	\$ 8,804,173.46	\$ 161,720,750.46
08/14/2014	45Dy@3.45979%	Irch	\$ 675,774.73	\$ 152,916,577.00	\$ 9,479,948.19	\$ 162,396,525.19
09/30/2014	47Dy@ 3.459795%	Ye	\$ 705,810.18	\$ 152,916,577.00	\$ 10,185,758.37	\$ 163,102,335.37
11/30/2014	61Dy@3.45772%	Irch	\$ 942,511.36	\$ 152,916,577.00	\$ 11,128,269.73	\$ 164,044,846.73
12/31/2014	31Dy@3.45146%	Irch	\$ 478,113.74	\$ 152,916,577.00	\$ 11,606,383.47	\$ 164,522,960.47
02/14/2015	45Dy@3.45118%	Irch	\$ 693,979.77	\$ 152,916,577.00	\$ 12,300,363.24	\$ 165,216,940.24

SCHOOL BOND QUALIFICATION AND LOAN PROGRAM

Date: 02/22/17

**Loan Account Statement**

82-010 : Detroit City School District

**Start Date:** 01/01/2010

**End Date:** 12/31/2016

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03/31/2015	45Dy@3.44502%	Irch	\$ 692,742.90	\$ 152,916,577.00	\$ 12,993,106.14	\$ 165,909,683.14
04/14/2015	14Dy@3.44444%	Irch	\$ 215,483.41	\$ 152,916,577.00	\$ 13,208,589.55	\$ 166,125,166.55
04/22/2015	8Dy@3.44473%	Int	\$ 123,143.89	\$ 152,916,577.00	\$ 13,331,733.44	\$ 166,248,310.44
04/23/2015	271W5503545	Loan	\$ 28,384,590.00	\$ 181,301,167.00	\$ 13,331,733.44	\$ 194,632,900.44
05/14/2015	22Dy@3.44473%	Irch	\$ 397,579.98	\$ 181,301,167.00	\$ 13,729,313.42	\$ 195,030,480.42
06/30/2015	47Dy@3.41183%	Irch	\$ 841,262.45	\$ 181,301,167.00	\$ 14,570,575.87	\$ 195,871,742.87
08/14/2015	45Dy@3.41322%	Irch	\$ 805,792.43	\$ 181,301,167.00	\$ 15,376,368.30	\$ 196,677,535.30
09/30/2015	47Dy@ 3.435900%	Ye	\$ 847,197.44	\$ 181,301,167.00	\$ 16,223,565.74	\$ 197,524,732.74
10/31/2015	31Dy@3.43018%	Irch	\$ 573,877.74	\$ 181,301,167.00	\$ 16,797,443.48	\$ 198,098,610.48
11/14/2015	14Dy@3.42871%	Irch	\$ 259,059.15	\$ 181,301,167.00	\$ 17,056,502.63	\$ 198,357,669.63
11/30/2015	16Dy@3.40684%	Irch	\$ 294,179.56	\$ 181,301,167.00	\$ 17,350,682.19	\$ 198,651,849.19
12/31/2015	31Dy@3.40684%	Irch	\$ 569,972.91	\$ 181,301,167.00	\$ 17,920,655.10	\$ 199,221,822.10
02/15/2016	46Dy@3.43165%	Irch	\$ 851,924.46	\$ 181,301,167.00	\$ 18,772,579.56	\$ 200,073,746.56
03/31/2016	45Dy@3.41208%	Irch	\$ 828,650.66	\$ 181,301,167.00	\$ 19,601,230.22	\$ 200,902,397.22
04/14/2016	14Dy@3.36027%	Irch	\$ 253,887.95	\$ 181,301,167.00	\$ 19,855,118.17	\$ 201,156,285.17
04/21/2016	7Dy@3.37351%	Int	\$ 127,444.42	\$ 181,301,167.00	\$ 19,982,562.59	\$ 201,283,729.59
04/22/2016	271W6603525	Loan	\$ 43,190,775.00	\$ 224,491,942.00	\$ 19,982,562.59	\$ 244,474,504.59
05/15/2016	24Dy@3.37351%	Irch	\$ 532,496.32	\$ 224,491,942.00	\$ 20,515,058.91	\$ 245,007,000.91
06/30/2016	46Dy@3.34041%	Irch	\$ 1,010,603.02	\$ 224,491,942.00	\$ 21,525,661.93	\$ 246,017,603.93
08/14/2016	45Dy@3.22212%	Irch	\$ 953,623.49	\$ 224,491,942.00	\$ 22,479,285.42	\$ 246,971,227.42
09/30/2016	47Dy@ 3.222749%	Ye	\$ 996,201.81	\$ 224,491,942.00	\$ 23,475,487.23	\$ 247,967,429.23
10/31/2016	31Dy@3.19752%	Irch	\$ 673,406.25	\$ 224,491,942.00	\$ 24,148,893.48	\$ 248,640,835.48
12/31/2016	61Dy@3.17037%	Int	\$ 1,313,836.80	\$ 224,491,942.00	\$ 25,462,730.28	\$ 249,954,672.28

**DETROIT PUBLIC SCHOOLS OPERATING DEBT REPAYMENT SCENARIO**

*FOR ILLUSTRATIVE PURPOSES ONLY*

*All \$ in millions*

	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22*	FY 23*	FY 24*	FY 25*	FY 26*	FY 27*	Total
Revenue forecast												
Property Taxes	\$ 58.1	\$ 58.4	\$ 58.7	\$ 59.3	\$ 59.9	\$ 60.5	\$ 61.1	\$ 61.7	\$ 62.3	\$ 62.9	\$ 63.5	\$ 666.3
Renaissance Zone	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	49.5
<b>Total</b>	<b>\$ 62.6</b>	<b>\$ 62.9</b>	<b>\$ 63.2</b>	<b>\$ 63.8</b>	<b>\$ 64.4</b>	<b>\$ 65.0</b>	<b>\$ 65.6</b>	<b>\$ 66.2</b>	<b>\$ 66.8</b>	<b>\$ 67.4</b>	<b>\$ 68.0</b>	<b>\$ 715.8</b>

Legacy obligations	Financed amount		Timing of payments												
Series 2016 D (2011 & 2012 Bonds)	\$ 227.0		\$ 34.3	\$ 37.0	\$ 37.0	\$ 37.0	\$ 37.0	\$ 37.0	\$ 37.0	\$ 37.0	\$ -	\$ -	\$ -	\$ -	\$ 256.3
Emergency Loan	150.0		1.2	2.0	2.0	2.0	2.0	2.0	9.9	9.8	50.7	67.4	19.4	168.2	
Deferred MPSEERS contributions	134.0		2.0	2.0	12.2	24.8	25.4	26.0	18.6	56.3	16.1	-	-	183.3	
Vendor obligations	44.0		25.1	13.8	5.1	-	-	-	-	-	-	-	-	44.0	
MPSEERS curtailment reimbursement	15.0		-	8.1	6.9	-	-	-	-	-	-	-	-	15.0	
<b>Total</b>	<b>\$ 570.0</b>		<b>\$ 62.6</b>	<b>\$ 62.9</b>	<b>\$ 63.2</b>	<b>\$ 63.7</b>	<b>\$ 64.4</b>	<b>\$ 64.9</b>	<b>\$ 65.5</b>	<b>\$ 66.1</b>	<b>\$ 66.8</b>	<b>\$ 67.4</b>	<b>\$ 19.4</b>	<b>\$ 666.8</b>	

Excess of projected revenues over total payback amount 48.95

*\*Property tax millages expire in 2022 and require voter approval for continued collection*

EXHIBIT A  
TO  
MASTER DEBT RETIREMENT TRUST INDENTURE

2016 BOND ANNUAL DEBT SERVICE  
SCHOOL DISTRICT'S FINANCING STABILITY BONDS  
(LIMITED TAX GENERAL OBLIGATION), SERIES 2016

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
03/31/2017	\$30,000,000	\$4,291,139.43	\$34,291,139.43
09/30/2017	11,060,000	3,722,532.11	14,782,532.11
03/31/2018	18,680,000	3,493,673.24	22,173,673.24
09/30/2018	11,625,000	3,158,754.23	14,783,754.23
03/31/2019	19,255,000	2,922,320.39	22,177,320.39
09/30/2019	12,210,000	2,573,369.82	14,783,369.82
03/31/2020	19,840,000	2,335,506.25	22,175,506.25
09/30/2020	12,825,000	1,960,430.00	14,785,430.00
03/31/2021	20,465,000	1,713,265.72	22,178,265.72
09/30/2021	13,450,000	1,334,731.81	14,784,731.81
03/31/2022	21,100,000	1,073,866.07	22,173,866.07
09/30/2022	14,105,000	679,771.05	14,784,771.05
03/31/2023	21,765,000	410,139.49	22,175,139.49

Funds Transfer Date: Each March 31 and September 30

Account Required Balance: See Tables Above

EXHIBIT B  
TO  
MASTER DEBT RETIREMENT TRUST INDENTURE

EMERGENCY LOAN ANNUAL DEBT SERVICE

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
9/1/2016		\$229,250	\$ 229,250
3/1/2017		982,500	982,500
9/1/2017		982,500	982,500
3/1/2018		982,500	982,500
9/1/2018		982,500	982,500
3/1/2019		982,500	982,500
9/1/2019		982,500	982,500
3/1/2020		982,500	982,500
9/1/2020		982,500	982,500
3/1/2021		982,500	982,500
9/1/2021		982,500	982,500
3/1/2022		982,500	982,500
9/1/2022	\$ 8,000,000	982,500	8,982,500
3/1/2023		930,000	930,100
9/1/2023	8,000,000	930,100	8,930,100
3/1/2024		877,700	877,700
9/1/2024	14,000,000	877,700	14,877,700
3/1/2025		786,000	786,000
9/1/2025	50,000,000	786,000	50,786,000
3/1/2026		458,500	458,500
9/1/2026	70,000,000	458,500	70,458,500

Funds Transfer Date: Each March 1 and September 1

Account Required Balance: See Table Above

EXHIBIT D  
TO  
MASTER DEBT RETIREMENT TRUST INDENTURE

ANNUAL ANTICIPATED ORS PAYMENTS

<u>School District Fiscal Year</u>	<u>Annual Anticipated ORS Payment</u>
2017	\$ 2,000,000
2018	2,000,000
2019	2,000,000
2020	6,000,000
2021	6,000,000
2022	6,000,000
2023	6,000,000
2024	15,560,000

Funds Transfer Date:           When Account Required Balance attained, or such other date(s) as the School District, with written consent of the Authority or State Treasurer shall direct.

Account Required Balance:   See Above



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**1** **Financial update**

**2** **Requests for consideration and approval**

**3** **Appendix**

# Requests for consideration and approval

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- a **Contract Requests**
- b **Out of State Travel Requests**



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**

**SCHOOL DISTRICT RESOLUTION 2017-3**

**APPROVING THE COMMUNITY DISTRICT'S FEBRUARY 2017  
CONTRACT REQUESTS**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the "Community District") beginning on June 2016; and

WHEREAS, Section 6(6) of the Act provides that during the period of oversight, the Commission review and approve the Community District's applicable contracts, as defined by Section 3(a) of the Act, and that an applicable contract does not take effect unless approved by the Commission; and

WHEREAS, at the Commission meeting on February 27, 2017, the Community District presented applicable contracts, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's February 2017 contract requests, attached as **Exhibit A** to this Resolution but excluding any contracts a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

# DPSCD Contract Requests

The following contracts are being provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the February 27, 2017 FRC meeting

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a new contract, was the original contract competitively bid?	Lowest Bid? If not a New Contract, was the original contract the lowest bid?	DPSCD Approval Date	Comments
1	Operations	15-0045-C Amendment 2	<p><b>Contract Renewal Amount:</b> \$1,500,000.00 NTE  <b>Contract Renewal Period:</b> February 2, 2017-February 1, 2018 exercising the final renewal option.  <b>Source:</b> General Fund  <b>Budgeted Amount for fiscal year ending June 30, 2017:</b> \$976,988; Balance will be reflected in budget for fiscal year ending June 30, 2018  <b>Purpose:</b> Provide warehouse management services for the District's warehouse location of (SSC) Building A, 1425 E. Warren Ave. Detroit, MI  <b>Contractor:</b> Progressive Distribution Centers, Inc.  <b>Location:</b> 18765 Seaway Drive, Melvindale MI 48122</p>	Contract – Exercise of Renewal Option	Yes	Yes	Board Approval received on 1/19/17	<ul style="list-style-type: none"> <li>The total contract renewal amount is \$1.7m, of which \$200k has been approved during the FRC meeting on Jan 30, 2017. This request for approval is for the remaining amount (\$1.5m) of the entire contract.</li> <li>The actual amount to be expended for this contracts is based upon actual hours worked and services provided</li> <li>In prior years, the amount expended for this contract has ranged from \$500k to \$700k</li> <li>The NTE amount for this renewal period was increased to include estimated amounts for services which may be needed for actions anticipated to be required of the District by the SRO and the EAA.</li> </ul>

## DPSCD Executive Summary for Contracts Cont.

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The following contracts are being provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the February 27, 2017 FRC meeting

### Item 1

#### Operations

15-0045-C **General Fund** – Provide warehouse management services for the District’s Warehouse located at 1425-E Warren Ave., Detroit MI.

**Contractor:** Progressive Distribution Centers, Inc.

**Location:** 18765 Seaway Drive, Melvindale, MI 48122

**Proposed Contract Amendment No. 2 Period:** February 2, 2017 – February 1, 2018 exercising the final renewal option

**Approved Contract Amendment No. 2 Amount:** \$200,000.00 NTE - approved by FRC on 1/30/17

**Remaining Proposed Contract Amendment No. 2 Amount:** \$1,500,000.00 NTE

- **Original Contract Commencement Date:** February 2, 2015 - February 1, 2016
- **Original Contract Amount:** \$1,001,988
- **Contract Amendment No. 1:** February 2, 2016 – February 1, 2017 – exercised 1st renewal; no additional amount added to contract

- The total contract renewal amount is \$1.7m, of which \$200k has been approved during the FRC meeting on Jan 30, 2017. This request for approval is for the remaining amount (\$1.5m) of the entire contract. See following pages for further detail.
- The actual amount to be expended during this period will be based upon actual hours worked and services provided. The NTE amount for this renewal period was increased to include estimated amounts for services which may be needed for actions anticipated to be required of the District by the State’s School Reform Office (SRO) and to return the EAA schools to the District’s operations.
- Bid Process: Request for Proposal 15-0045-C was issued on Demandstar notifying 982 vendors. One (1) vendor, Progressive Distribution Centers, Inc., submitted a proposal. Premier-Mayflower Relocations expressed an interest in bidding but missed the deadline for bid responses. The evaluation committee reviewed the one proposal and concluded that Progressive Distribution Centers, Inc. provided the best value after considering the contract terms, quality and pricing.

# DPSCD Executive Summary for Contracts Cont.

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## Item 1 (cont.)

### **Operations**

- Proposed Amendment No. 2 to the contract with Progressive Distribution Centers for warehousing management services for the District's warehouse location for the period February 2, 2017 – February 1, 2018 for a NTE amount of \$1,700,000 was approved by the District's Board on January 19, 2017.
- The contract was then provided to the FRC for approval pursuant to section 6(6) of the Michigan Financial Review Commission Act at the January 30, 2017 FRC meeting. At that meeting, the FRC queried why there was an additional amount of \$1.0M - \$1.2M required., given that in prior years the amount expended for this contract has been approx. \$500k per year. Actual contract expenditures for the period July 2016 through December 2016 totaled ~\$315k (average of \$52k per month).
- It was explained that the NTE amount of \$1.7M for this renewal period was increased to include estimated amounts for services which may be needed for closing actions anticipated to be required of the District by the State's School Reform Office (SRO) and to return the EAA schools to the District's operations.
- The FRC had further queries regarding the contract and as these queries were unable to be answered immediately, the FRC only approved a contract amount of \$200,000.
- The FRC asked that the following information regarding the contract to be provided in order to explain the reasons for the increase in contract spend from ~\$500k to \$1.7M:
  - Detail regarding the hourly rates for services (see p. 29 for details).
  - What the additional estimated contract spend will be given the closure of SRO schools and the EAA transition (see p. 30 for details).

# DPSCD Executive Summary for Contracts Cont.

## Item 1 (cont.)

### Operations

- The hourly rates for the contract, which have been in existence since 2015, are as follows:

Labor Title	Hourly Rate	Quantity	Comments
Account Manager	\$46.00	1	
Clerical Administrative	\$38.50	1	
Material Processor	\$19.95	3	
Drivers	\$52.80	2	Rate is lower than courier because DPSCD owns the vehicles and it includes fuel and maintenance of delivery trucks
Driver (Courier)	\$60.00*	1	Includes fuel and maintenance of delivery van



# DPSCD Executive Summary for Contracts Cont.

## Item 1 (cont.)

### Operations

- The table below on the left details the actual moving costs for DPSCD schools in prior years. Average moving costs over the 18 schools amount to ~\$40k per school and the average moving cost per square foot amounts to ~\$0.63.
- The table below on the right details the estimated moving costs for the 16 DPSCD schools on the State SRO list as follows:
  - Total estimated moving costs based on prior year actual move costs: ~\$1.1M
  - Total estimated moving costs based on average move cost per square foot: ~\$1.2M
- Therefore, if all 16 SRO DPSCD schools are closed in the 2017, moving costs of \$1.1M to \$1.2M are estimated to be incurred.
- Prior year contract spend \$500k + SRO costs \$1.2M = \$1.7M (which is the requested NTE for this contract amendment).

**Actual Moving Costs for DPSCD Schools Closed in Prior Years**

No.	DPSCD Schools Closed in Prior Years	Square Footage	Actual Move Costs	Actual Move Cost/Square Foot
1	Barsamian	22,200	\$ 17,250	\$ 0.78
2	Hancock	16,727	15,814	0.95
3	Webster	58,822	33,500	0.57
4	Coffey	47,464	20,219	0.43
5	Holcomb	48,241	28,096	0.58
6	Langston Hughes	55,360	34,375	0.62
7	Crosman	138,056	59,352	0.43
8	Jamieson	64,390	16,960	0.26
9	McColl	33,652	22,050	0.66
10	MacFarlane	59,008	32,608	0.55
11	Burton International	114,200	35,235	0.31
12	Campbell	56,833	31,787	0.56
13	Fleming	58,690	22,549	0.38
14	Carstens	91,277	40,616	0.44
15	Van Zile	48,068	40,616	0.84
16	Davis Aerospace	66,600	128,000	1.92
17	Southwestern	198,050	130,368	0.66
18	Jernison	37,500	15,922	0.42
	<b>Average Cost</b>		<b>\$ 40,295</b>	<b>\$ 0.63</b>

**Estimated Moving Costs**

No.	SRO DPSCD schools slated for 2017 closure	Square Footage	Estimated Move Costs based on Prior Year Actual Move Costs	Estimated Move Costs based on Average Cost/Square Foot
1	Ann Arbor Trail Magnet School	44,850	\$ 19,286	\$ 28,328
2	Bow Elementary-Middle School	59,100	34,869	37,329
3	J.E. Clark Preparatory Academy	56,852	32,974	35,909
	Detroit Collegiate Preparatory High			
4	School at Northwestern	354,359	248,051	223,821
5	Detroit Institute of Technology at Cody	286,752	200,726	181,119
6	Durfee Elementary-Middle School	170,870	112,774	107,925
7	Fisher Magnet Upper Academy	147,620	63,477	93,240
8	Gompers Elementary-Middle School	111,882	34,683	70,667
9	Henderson Academy	109,000	41,420	68,847
10	Marquette Elementary-Middle School	92,618	40,752	58,500
11	Mason Elementary School	96,304	43,337	60,828
	Osborn:			
12	Osborn Academy of Mathematics			
13	Osborn College Preparatory Academy			
	Osborn Evergreen Academy of			
14	Design and Alternative Energy			
	Subtotal Osborn	201,884	141,319	127,514
15	Sampson Academy	145,118	62,401	91,660
16	Thirkell Elementary School	68,701	39,160	43,393
	<b>Total Range</b>		<b>\$ 1,115,228</b>	<b>\$ 1,229,080</b>

# Requests for consideration and approval

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- a **Contract Requests**
- b **Out of State Travel Requests**



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**

**SCHOOL DISTRICT RESOLUTION 2017-4**

**APPROVING THE COMMUNITY DISTRICT'S FEBRUARY 2017 OUT-  
OF-STATE TRAVEL REIMBURSEMENT REQUESTS**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the "Community District") beginning on June 21, 2016; and

WHEREAS, Section 7(q) of the Act provides that during the period of oversight, the Commission approve all Community District reimbursements to school board members, officials, and employees for travel outside the state; and

WHEREAS, at the Commission meeting on February 27, 2017, the Community District presented out-of-state travel reimbursement requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's February 2017 out-of-state travel reimbursement requests, attached as **Exhibit A** to this Resolution but excluding any reimbursements a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

## DPSCD Out-of-State Travel Reimbursement Requests Cont.

The following reimbursements to school board members, officials, and employees for travel outside the state are being provided to the FRC for review and approval pursuant to section 7(q) of the Michigan Financial Review Commission Act for the February 27, 2017 FRC meeting

Number of Participants	Central Office	School-Based	School/ Department	Conference Name	Location of Trip	Dates of Conference	Approved Request for Absence Dates	Funding Source	Total Est. Cost	Comments	Approved by
4 employees, 40 students & 2 chaperones		x	Osborn College	Historically Black Colleges and Universities (HBCU) College Tour	NC, GA, AL,TN,OH	3/27 /17 - 4/1/17	3/27-4/1/17	Grants	\$43,754.00	School Improvement Grant	MDE on 11/16/2016
4	x		Office of Career & Readiness	38th Annual LRP's (Labor Relations Press) National Institute	Chicago, IL	4/10/17 - 4/15/17	4/10/17-4/15/17	Grants	\$9,013.60	Perkins Grant	MDE on 8/17/2016
1	x		Department of Curriculum	Training of Trainers	Evanston, IL	4/23/17 - 4/26/17	4/23/17-4/26/17	Grants	\$3,104.00	DPS Cares	Interim Superintendent
2		x	Office of Career & Readiness	37th Annual National Association for Career & Technical Education Information (NACTEI) Conference	Little Rock, AK	5/7/17 - 5/11/17	5/7/17-5/11/17	Grants	\$3,702.44	Perkins Grant	MDE on 8/17/2016
2	x		Adult Education	Brustein & Manasevit Spring Forum	Washington, DC	5/9/17 - 5/12/17	5/9/17-5/12/17	Grants	\$5,743.80	Perkins Grant	MDE on 8/17/2016
2	x		Human Resources	Bowling Green/University of Toledo, Ohio University	Columbus, OH	4/6/17 - 4/10/17	4/6/17-4/10/17	Grants	\$1,076.14	Title IIA (Recruiting)	MDE on 2/13/2017
<b>Subtotal Grant-funded</b>									<b>\$66,393.98</b>		

# DPSCD Out-of-State Travel Reimbursement Requests Cont.

The following reimbursements to school board members, officials, and employees for travel outside the state are being provided to the FRC for review and approval pursuant to section 7(q) of the Michigan Financial Review Commission Act for the February 27, 2017 FRC meeting

Number of Participants	Central Office	School-Based	School/Department	Conference Name	Location of Trip	Dates of Conference	Approved Request for Absence Dates	Funding Source	Total Est. Cost	Comments	Approved by
1		x	Drew Transition	National School Boards Association (NSBA) Annual Conference	Denver, CO	3/24/17 - 3/26/17	3/24/17-3/26/17	Center Based Special Ed.	\$1,400.20	Wayne RESA Act 18 (Professional Development)	Interim Superintendent
2	x		Office of Specialized Student Services	2017 General/Special Education Conference	Seattle, WA	3/7/17 - 3/11/17	3/7/17-3/11/17	Center Based Special Ed.	\$4,149.44	Wayne RESA Act 18 (Professional Development)	Interim Superintendent
3	x		Office of Specialized Student Services	38th Annual LRP's (Labor Relations Press) National Institute	National Harbor, MD	4/22/17 - 4/27/17	4/22/17-4/27/17	Special Ed.	\$12,034.00	High Incidence Special Education (all types of Special Ed. spend)	Interim Superintendent
1	x		Office of Specialized Student Services	38th Annual LRP's (Labor Relations Press) National Institute	National Harbor, MD	4/22/17 - 4/27/17	4/22/17-4/27/17	Center Based Special Ed.	\$4,600.00	Wayne RESA Act 18 (Professional Development)	Interim Superintendent
2	x		Office of Specialized Student Services	14th Annual Young Child Expo & Conference	New York, NY	5/1/17 - 5/6/17	5/1/17-5/6/17	Center Based Special Ed.	\$5,849.30	Wayne RESA Act 18 (Professional Development)	Interim Superintendent
<b>Subtotal Special Education</b>									<b>\$28,032.94</b>		

## DPSCD Out-of-State Travel Reimbursement Requests Cont.

The following reimbursements to school board members, officials, and employees for travel outside the state are being provided to the FRC for review and approval pursuant to section 7(q) of the Michigan Financial Review Commission Act for the February 27, 2017 FRC meeting

Number of Participants	Central Office	School-Based	School/ Department	Conference Name	Location of Trip	Dates of Conference	Approved Request for Absence Dates	Funding Source	Total Est. Cost	Comments	Approved by
4		x	Renaissance High School	Center for College Readiness	Houston, TX	3/12/17 - 3/14/17	3/12/17-3/14/17	General Fund	\$8,062.60		Interim Superintendent
1	x		Cass Tech High School	International Society for Technology and Education (ISTE) Conference	San Antonio, Tx	6/24/17 - 6/29/17	6/24/17-6/29/17	General Fund	\$2,865.94		Interim Superintendent
4		x	Bunche Academy	Association for Supervision and Curriculum Development (ASCD) Empowerment	Anaheim, CA	3/21/17 - 3/27/17	3/21/17 - 3/27/17	General Fund	\$12,308.00		Interim Superintendent
2		x	Benjamin Carson	National Science Conference	Los Angeles, CA	3/28/17 - 4/3/17	3/28/17 - 4/3/17	General Fund	\$6,004.04		Interim Superintendent
2		x	Benjamin Carson	Math Conference 2017	San Antonio, TX	4/4/17 - 4/8/17	4/4/17-4/8/17	General Fund	\$5,205.78		Interim Superintendent
1		x	Henderson	National Council of Teachers of Mathematics (NCTM) 2017	San Antonio, TX	4/4/17 - 4/8/17	4/4/17 -4/8/17	General Fund	\$2,557.40		Interim Superintendent
2	x		Human Resources	University of Dayton	Dayton, OH	3/7/17 - 3/8/17	3/7/17-3/8/17	General Fund	\$443.63	Recruiting	Interim Superintendent
2	x		Human Resources	Central State University	Wilberforce, OH	3/14/17 - 3/15/17	3/14/17-3/15/17	General Fund	\$528.56	Recruiting	Interim Superintendent
2	x		Human Resources	Wilberforce University	Wilberforce, OH	3/15/2017	3/15/2017	General Fund	\$1,005.45	Recruiting	Interim Superintendent
2	x		Human Resources	Xavier University	Southwest, OH	3/28/17 - 3/29/17	3/28/17-3/29/17	General Fund	\$548.55	Recruiting	Interim Superintendent
2	x		Human Resources	Ohio State University	Columbus, OH	4/3/17 - 4/4/17	4/3/17-4/4/17	General Fund	\$502.62	Recruiting	Interim Superintendent
<b>Subtotal General-funded</b>									<b>\$40,032.57</b>		
<b>Overall Total</b>									<b>\$134,459.49</b>		

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**1**   **Financial update**

**2**   **Requests for consideration and approval**

**3**   **Appendix**



<b>a</b>	<b>Other financial information</b>
<b>b</b>	<b>Monthly budget to actual variance</b>
<b>c</b>	<b>Monthly cash forecast to actual variance</b>
<b>d</b>	<b>Operational information</b>

# DPSCD summary statement of revenues and expenditures – year-over-year comparison

	Year-over-Year Comparison Current Month				Year-over-Year Comparison YTD				
	Actual	Actual	Variance		Actual	Actual	Variance		
	Month of	Month of		%	YTD	YTD		%	
	Dec-15	Dec-16	\$	%	Dec-15	Dec-16	\$	%	
<b>Revenues</b>									
Local sources <sup>1</sup>	\$ 6,076,241	\$ 4,482,261 *	\$ (1,593,980)	(26%)	\$ 34,412,719	\$ 5,476,698	\$ (28,936,021)	(84%)	
State sources <sup>1</sup>	27,423,074	33,966,948	6,543,874	24%	180,076,271	216,547,830	36,471,559	20%	
Federal sources	9,565,602	10,728,957	1,163,355	12%	62,532,318	61,186,433	(1,345,885)	(2%)	
Interdistrict sources <sup>2</sup>	3,238,326	2,544,798	(693,528)	(21%)	13,199,508	24,550,794	11,351,286	86%	
Other sources <sup>3</sup>	-	3,453,597 **	3,453,597	-	-	43,722,905	43,722,905	-	
<b>Total Revenues</b>	<b>46,303,243</b>	<b>55,176,561</b>	<b>8,873,318</b>	<b>19%</b>	<b>290,220,816</b>	<b>351,484,660</b>	<b>61,263,844</b>	<b>21%</b>	
<b>Expenditures</b>									
Instruction	32,563,837	29,466,105	(3,097,732)	(10%)	132,088,895	121,286,968	(10,801,927)	(8%)	
Support services	31,568,154	31,716,523	148,369	0%	137,834,276	133,847,581	(3,986,696)	(3%)	
Community service	112,576	119,655	7,079	6%	2,524,870	1,072,661	(1,452,209)	(58%)	
Facilities acquisitions and improvement	5,256	9,260	4,004	76%	12,274	9,260	(3,014)	(25%)	
Debt service <sup>4</sup>	4,416,841	-	(4,416,841)	(100%)	26,501,046	-	(26,501,046)	(100%)	
Other uses	-	-	-	-	823,688	-	(823,688)	(100%)	
<b>Total Expenditures</b>	<b>68,666,667</b>	<b>61,311,544</b>	<b>(7,355,120)</b>	<b>(11%)</b>	<b>299,785,051</b>	<b>256,216,470</b>	<b>(43,568,579)</b>	<b>(15%)</b>	
<b>Surplus (Deficit)</b>	<b>\$ (22,363,424)</b>	<b>\$ (6,134,983)</b>	<b>\$ 16,228,438</b>	<b>(73%)</b>	<b>\$ (9,564,235)</b>	<b>\$ 95,268,190</b>	<b>\$ 104,832,425</b>	<b>(1096%)</b>	

## Notes regarding December 2016 actuals

\* The Wayne County Education Millage was passed in November 2016. An amount of ~\$16.5M is expected to be received during FY17.

\*\* In December 2016 the sale of ~\$9.5M in assets was settled. An amount totaling ~\$3.5M was recorded as revenue in December 2016. The remaining amount of \$6M relating to the sale of the WRCJ-FM radio station is being held in escrow until the transfer of the license is cleared by the FCC and cannot be recognized as revenue until the funds are released. Refer to p. 25 for further details.

## Notes regarding the impact of the legislation that created DPSCD

- Property tax receipts are diverted into DPS, in return State Aid receipts were increased to the full foundation allowance
- Reflects \$15m advance of Act 18 funds from WRESA to provide start-up liquidity. Includes revenue for Charter School services and EAA agreement.
- Includes estimated ending cash balance of DPS as well as \$25m of dedicated transition funds
- DPSCD no longer has debt service.

# DPSCD detail statement of expenditures by object level – year-over-year comparison

	Year-over-Year Comparison Current Month				Year-over-Year Comparison YTD			
	Actual	Actual	Variance		Actual	Actual	Variance	
	Month of	Month of			YTD	YTD		
	Dec-15	Dec-16	\$	%	Dec-15	Dec-16	\$	%
Salaries	\$ 27,830,035	\$ 28,912,526 *	\$ 1,082,491	4%	\$ 127,120,600	\$ 114,617,933	\$ (12,502,667)	(10%)
Benefits	21,035,012	12,620,509	(8,414,503)	(40%)	74,844,856	62,359,251	(12,485,605)	(17%)
Purchased Services	8,271,908	16,885,257	8,613,349	104%	49,804,090	59,535,379	9,731,289	20%
Supplies & Textbooks	266,456	1,405,520	1,139,064	427%	5,560,157	5,923,850	363,693	7%
Equipment & Capital	25,574	50,000	24,426	96%	294,682	4,277,149	3,982,467	1351%
Utilities	1,568,530	1,437,733	(130,797)	(8%)	8,557,716	9,502,908	945,192	11%
Debt Service <sup>1</sup>	4,416,841	-	(4,416,841)	(100%)	26,501,046	-	(26,501,046)	(100%)
Other <sup>2</sup>	5,252,307	-	(5,252,307)	(100%)	7,101,903	-	(7,101,903)	(100%)
<b>Total Expenditures</b>	<b>\$ 68,666,661</b>	<b>\$ 61,311,545</b>	<b>\$ (7,355,118)</b>	<b>(11%)</b>	<b>\$ 299,785,050</b>	<b>\$ 256,216,470</b>	<b>\$ (43,568,580)</b>	<b>(15%)</b>

Note regarding the impact of the legislation that created DPSCD

1. DPSCD no longer has debt service.
2. Represents Accrued SANS interest.

Notes regarding December 2016 actuals

\* One-time bonuses totaling ~\$6.8M (Salaries) were paid to DPSCD employees in December 2016. \$6.6M relates to the General Fund and the remaining \$200K was Food Service.

# DPSCD FY 2017 Asset Sales

DPSCD finalized the sale of the following four (4) assets in December 2016:

DPSCD asset	Sale Price	Revenue (December 2016)	Amt. held in Escrow	Notes
WRCJ-FM Radio Station	\$ 6,000,000	\$ -	\$ 6,000,000	1
Cass Technical High School Parking Lots	3,000,000	3,000,000	-	2
1014 Lynn St. & 9704 Oakland (former school)	303,597	303,597	-	3
2000 Ford St A/K/A, 2001 LaBelle (former school)	150,000	150,000	-	4
<b>Total</b>	<b>\$ 9,453,597</b>	<b>\$ 3,453,597</b>	<b>\$ 6,000,000</b>	

**Notes**

1. Proceeds from WRCJ-FM radio station sale are held in escrow until the transfer of the license is cleared by the FCC; funds are expected to be released from escrow within the next 2 to 8 months. The \$6M sale proceeds cannot be recognized as revenue until the funds are released from escrow. In addition to the one-time proceeds, DPSCD will receive \$150,000 per year for 10 years from the operator of the new radio station. As per the sale and purchase agreement, the new operator will also provide educational services for students valued at \$150,000 per year (for 10 years).
2. The full amount of the sale proceeds (\$3M) was recognized as revenue in the month of December 2016.
3. The full amount of the sale proceeds (\$303,597) was recognized as revenue in the month of December 2016.
4. The full amount of the sale proceeds (\$150,000) was recognized as revenue in the month of December 2016.

## DPSCD Key Grants Report 2017 Award Period: as of January 27, 2017

Grant Name(s)	2017 Grant Amount Available			2017 Cumulative Expenditures (as of 27 January 2017)	2017 Grant Balance	2017 Grant period start date	Grant period	Carryover period
	Carryover available in 2017	2017 Approved Awards Amount	Total 2017 Available Grant Amount					
IDEA Preschool <sup>1</sup>	\$ 51,366	\$ 622,671	\$ 674,037	\$ 174,778	\$ 499,259	July 1, 2016	24 months	12 months
IDEA Flowthrough <sup>1</sup>	1,515,665	15,237,452	16,753,117	5,028,330	11,724,787	July 1, 2016	24 months (except center program offset)	12 months (except center program offset)
Title I, Part A <sup>2</sup>	3,982,109	99,402,883	103,384,992	25,969,153	77,415,839	July 1, 2016	15 months	12 months
Title II, Part A <sup>3</sup>	7,450,402	15,835,325	23,285,727	3,781,609	19,504,118	July 1, 2016	12 months	12 months
CTE Perkins	-	3,105,696	3,105,696	572,502	2,533,194	July 1, 2016	12 months	No carryover
GSRP <sup>4</sup>	132,420	18,806,500	18,938,920	5,762,178	13,176,742	October 1, 2016	12 months	12 months
Section 31A At Risk	-	22,899,631	22,899,631	7,676,071	15,223,560	July 1, 2016	12 months	12 months
<b>Total</b>	<b>\$ 13,131,962</b>	<b>\$ 175,910,158</b>	<b>\$ 189,042,120</b>	<b>\$ 48,964,620</b>	<b>\$ 140,077,500</b>			

### Notes

1. Carryover has been approved. The District received approval signatures on 1/18/17 for the FY17 IDEA agreement forms so reimbursements can now be requested.
2. Carryover is not yet approved. MDE recomputed the FY17 Carryover Amount and the FY17 Award Amount based upon the Final Expenditure Report ("FER") submitted.
3. Carryover has been approved.
4. Carryover is not yet approved. GSRP FY16 Final Expenditure Report ("FER") for the period 10/01/15 - 06/30/16 was submitted on 1/2/17.

# FRC Approved Contracts: spend as of January 31, 2017

Contract #	Contractor	Contract Amount	Contract Expiry Date	Contract Period (Years)	YTD Spend (Amt Invoiced)	Purpose	Notes
<b>DPSCD Police Department</b>							
15-0054-C	Securitas Security Services, USA, Inc.	\$ 3,700,000	12/30/2017	1.0	\$ 1,342,873	To Provide professional Security Services	
<b>Subtotal</b>		<b>\$ 3,700,000</b>			<b>\$ 1,342,873</b>		
<b>Information Technology</b>							
16-0432	Wayne County Regional Education Service Agency (WRESA)	\$ 768,570	6/30/2017	1.0	\$ 87,729	Provide for services as well as support to transition certain services currently provided by WRESA to DPSCD	
16-0345-C	Learning Consultants	750,000	6/30/2019	3.0	355,078	Provide basic Cable Plant Maintenance, Technology Installation Services and Network Change & Repair Activities	
16-0345-1-C	Direct Internet	750,000	6/30/2019	3.0	71,232	Provide basic Cable Plant Maintenance, Technology Installation Services and Network Change & Repair Activities	
16-0432-1	Wayne County Regional Education Service Agency (WRESA)	462,830	6/30/2017	1.0	-	Provide software, support and services related to the MiStar student information system	1
<b>Subtotal</b>		<b>\$ 2,731,400</b>			<b>\$ 514,039</b>		
<b>Operations</b>							
13-0422-2	Constellation New Energy- Gas Div. LLC	\$ 2,500,000	9/30/2017	1.0	\$ 803,278	Provide natural gas supply and delivery	
17-0032	LoPiccolo Brothers Produce Inc.	1,639,130	10/31/2017	1.0	-	Fresh fruit and vegetable program	
17-0048	Payne Landscaping, Inc.	1,591,573	6/30/2017	0.5	239,863	To Provide snow plowing services	
17-0015-6	Quality Roofing	1,434,024	12/31/2016	0.3	1,306,383	Provide new roof replacement and repairs for three elementary schools	
17-0021	Lutz Roofing	1,150,639	12/31/2016	0.2	433,483	Provide new roof replacements for Emerson and Spain schools	
Req. 58832	City of Detroit Dept. of Transportation	773,000	6/30/2017	0.4	-	Provide semester student swipe passes for students to use the Detroit City Bus system to attend school.	
15-0045-2	Progressive Distribution Centers, Inc.	200,000	2/1/2018	1.0	-	Provide warehouse management services for the District's Warehouse located at 1425-E Warren Ave., Detroit MI.	
<b>Subtotal</b>		<b>\$ 9,288,366</b>			<b>\$ 2,783,007</b>		

Notes:

1. The pricing for this contract is based on a combined percentage of the October and February final student count. A P.O. will be generated after the district receives an invoice from WRESA.

# FRC Approved Contracts: spend as of January 31, 2017 cont.

Contract #	Contractor	Contract Amount	Contract Expiry Date	Contract Period (Years)	YTD Spend (Amt Invoiced)	Purpose	Notes
<b>Parent and Community Engagement</b>							
16-0447-C	Southwest Counseling Sol	\$ 2,970,240	9/30/2019	2.9	\$ 308,218	Recruit, manage, provide oversight and reporting of Community School Coordinators (CSC) for each Community School. The CSC serves as the school Principal's primary manager of all Community School activities and services in support of the school's education	
16-0448-C	Community Schools of Metro Detroit	2,533,440	9/30/2017	0.9	166,173	Recruit, manage, provide oversight and reporting of Community School Coordinators (CSC) for each Community School. The CSC serves as the school Principal's primary manager of all Community School activities and services in support of the school's educational plan.	
<b>Subtotal</b>		<b>\$ 5,503,680</b>			<b>\$ 474,391</b>		
<b>Risk Management</b>							
17-0019-C	Aon Risk Services Central, Inc.	\$ 876,506	12/31/2017	1.0	\$ -	Provide insurance brokerage services; manage DPSCD insurance coverage, obtain quotes, bind coverage, updating DPSCD on market trends, work with insures to process claims	1
<b>Subtotal</b>		<b>\$ 876,506</b>			<b>\$ -</b>		
<b>Specialized Student Services</b>							
16-0438-C	CareerStaff Unlimited LLC	\$ 2,532,230	6/30/2017	0.7	\$ 168,362	Provide skilled nursing care to students	
17-0033-C	Therapy Staff LLC	1,695,141	6/30/2017	0.7	182,298	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	
16-0439-C	Educational Based Services (EBS)	1,371,222	6/30/2017	0.7	208,782	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	
16-0446-C	Deaf Community Advocacy Network	1,010,054	12/31/2017	1.0	78,850	Provide sign language interpreters for deaf and hard of hearing students and staff	
17-0034-C	CareerStaff Unlimited LLC	990,360	6/30/2017	0.7	74,769	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	
<b>Subtotal</b>		<b>\$ 7,599,007</b>			<b>\$ 713,061</b>		
<b>GRAND TOTAL</b>		<b>\$ 29,698,959</b>			<b>\$ 5,827,371</b>		

Notes:

1. This contract commences on 1/1/17 and no insurance renewals are due immediately. P.O.s will be issued as policies come up for renewal. In addition a separate P.O. will be generated for the service brokerage fee, payable to AON.

<b>a</b>	<b>Other financial information</b>
<b>b</b>	<b>Monthly budget to actual variance</b>
<b>c</b>	<b>Monthly cash forecast to actual variance</b>
<b>d</b>	<b>Operational information</b>



# DPSCD FY17 Budget Amendment No. 3 to Actuals Variance – December YTD

<i>\$ in thousands</i>	FY17 YTD Budget	FY17 YTD Actuals	FY17 YTD Variance	Comment
<b>Revenues</b>				
Local sources	\$ 3,527,925	\$ 5,476,698	\$ 1,948,773	Enhancement Millage accrued for accounting purposes from Nov 2016
State sources	213,874,097	216,547,830	2,673,732	
Federal sources	57,208,474	61,186,434	3,977,959	
Interdistrict sources	25,702,489	24,550,794	(1,151,695)	
Other sources	50,397,337	43,722,905	(6,674,432)	\$6M in sale proceeds held in escrow from the sale of the radio station in Dec 2016 cannot be recognized as revenue until transfer of the licence
<b>Total revenues</b>	<b>350,710,323</b>	<b>351,484,660</b>	<b>774,338</b>	
<b>Expenditures</b>				
Instruction	137,456,516	121,106,119	(16,350,396)	Unfilled vacancies
Support services	148,590,329	134,030,361	(14,559,968)	Unfilled vacancies
Community service	1,287,053	1,070,728	(216,324)	
Facilities acquisitions and improvement	151,589	9,260	(142,329)	
Debt service	-	-	-	
Other uses	-	-	-	
<b>Total Expenditures</b>	<b>287,485,486</b>	<b>256,216,469</b>	<b>(31,269,017)</b>	
<b>Surplus (Deficit)</b>	<b>\$ 63,224,836</b>	<b>\$ 95,268,192</b>	<b>\$ 32,043,355</b>	

	FY17 YTD Budget	FY17 YTD Actuals	FY17 YTD Variance	
Salaries	\$ 126,615,912	\$ 114,617,933	\$ (11,997,979)	Budget includes unfilled vacancies impacting Salaries of ~\$42M
Benefits	72,785,899	62,359,251	(10,426,648)	Budget includes unfilled vacancies impacting Benefits of ~\$22M
Purchased Services	66,038,296	59,535,378	(6,502,917)	
Supplies & Textbooks	6,889,409	5,923,850	(965,559)	
Equipment & Capital	5,922,300	4,277,149	(1,645,151)	
Utilities	9,233,673	9,502,911	269,238	
Debt Service	-	-	-	
Other	-	-	-	
<b>Total Expenditures</b>	<b>\$ 287,485,488</b>	<b>\$ 256,216,472</b>	<b>\$ (31,269,016)</b>	

# DPSCD FY17 Budget Amendment No. 3 to Actuals Variance – December 2016

<i>\$ in thousands</i>	December Budget	December Actuals	December Variance	Comment
<b>Revenues</b>				
Local sources	\$ 2,934,910	\$ 4,482,261	\$ 1,547,351	Enhancement Millage accrued for accounting purposes from Nov 2016
State sources	34,748,044	33,966,948	(781,096)	
Federal sources	9,972,784	10,728,957	756,173	
Interdistrict sources	2,900,425	2,544,798	(355,627)	
Other sources	10,128,029	3,453,597	(6,674,432)	\$6M in sale proceeds held in escrow from the sale of the radio station in Dec 2016 cannot be recognized as revenue until transfer of the licence
<b>Total revenues</b>	<b>60,684,192</b>	<b>55,176,561</b>	<b>(5,507,631)</b>	
<b>Expenditures</b>				
Instruction	33,669,438	29,466,105	(4,203,333)	Unfilled vacancies
Support services	31,052,031	31,716,523	664,492	
Community service	686,555	119,655	(566,900)	
Facilities acquisitions and improvement	75,830	9,260	(66,570)	
Debt service	-	-	-	
Other uses	-	-	-	
<b>Total Expenditures</b>	<b>65,483,854</b>	<b>61,311,544</b>	<b>(4,172,310)</b>	
<b>Surplus (Deficit)</b>	<b>\$ (4,799,662)</b>	<b>\$ (6,134,983)</b>	<b>\$ (1,335,321)</b>	

	December Budget	December Actuals	December Variance	
Salaries	\$ 32,290,700	\$ 28,912,526	\$ (3,378,174)	Budget includes unfilled vacancies impacting Salaries of ~\$42M
Benefits	15,282,980	12,620,509	(2,662,471)	
Purchased Services	13,392,690	16,885,257	3,492,567	Timing difference
Supplies & Textbooks	1,965,909	1,405,520	(560,389)	
Equipment & Capital	1,497,437	50,000	(1,447,437)	
Utilities	1,054,138	1,437,733	383,595	
Debt Service	-	-	-	
Other	-	-	-	
<b>Total Expenditures</b>	<b>\$ 65,483,854</b>	<b>\$ 61,311,544</b>	<b>\$ (4,172,310)</b>	

# DPSCD FY17 Budget Amendment No. 3 to Actuals Variance – November 2016

<i>\$ in thousands</i>	November Budget	November Actuals	November Variance	Comment
<b>Revenues</b>				
Local sources	\$ 267,207	\$ 668,629	\$ 401,422	
State sources	35,852,607	39,307,435	3,454,828	Timing difference of grant receipts
Federal sources	12,714,924	15,936,710	3,221,786	Timing difference of grant receipts
Interdistrict sources	3,050,129	2,254,061	(796,068)	
Other sources	-	-	-	
<b>Total revenues</b>	<b>51,884,867</b>	<b>58,166,836</b>	<b>6,281,969</b>	
<b>Expenditures</b>				
Instruction	37,310,305	25,344,090	(11,966,215)	Unfilled vacancies
Support services	30,052,625	14,645,384	(15,407,241)	Timing difference of purchased services
Community service	454,426	806,934	352,508	
Facilities acquisitions and improvement	75,759	-	(75,759)	
Debt service	-	-	-	
Other uses	-	-	-	
<b>Total Expenditures</b>	<b>67,893,115</b>	<b>40,796,408</b>	<b>(27,096,707)</b>	
<b>Surplus (Deficit)</b>	<b>\$ (16,008,248)</b>	<b>\$ 17,370,428</b>	<b>\$ 33,378,676</b>	

	November Budget	November Actuals	November Variance	Comment
Salaries	\$ 31,467,145	\$ 22,847,341	\$ (8,619,804)	Budget includes unfilled vacancies impacting Salaries of ~\$42M
Benefits	19,871,250	12,107,073	(7,764,177)	Budget includes unfilled vacancies impacting Benefits of ~\$22M
Purchased Services	12,625,964	2,630,480	(9,995,484)	Timing difference
Supplies & Textbooks	1,457,147	1,051,977	(405,170)	
Equipment & Capital	1,355,810	1,158,096	(197,714)	
Utilities	1,115,799	1,001,442	(114,357)	
Debt Service	-	-	-	
Other	-	-	-	
<b>Total Expenditures</b>	<b>\$ 67,893,115</b>	<b>\$ 40,796,408</b>	<b>\$ (27,096,707)</b>	

# DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – October 2016

<i>\$ in thousands</i>	October Budget	October Actuals	October Variance	Comment
<b>Revenues</b>				
Local sources	\$ 1,341,884	\$ 272,166	\$ (1,069,718)	
State sources	37,643,697	39,161,171	1,517,474	Timing difference of grant receipts
Federal sources	15,374,504	26,184,110	10,809,606	Timing difference of grant receipts
Interdistrict sources	2,881,037	2,254,061	(626,976)	
Other sources	65,780	-	(65,780)	
<b>Total revenues</b>	<b>57,306,902</b>	<b>67,871,508</b>	<b>10,564,606</b>	
<b>Expenditures</b>				
Instruction	32,971,611	36,007,777	3,036,166	Three pay periods spanned October 2016
Support services	31,746,520	26,825,996	(4,920,524)	Timing difference of purchased services
Community service	360,085	67,041	(293,044)	
Facilities acquisitions and improvement	64,615	-	(64,615)	
Debt service	-	-	-	
Other uses	-	-	-	
<b>Total Expenditures</b>	<b>65,142,831</b>	<b>62,900,814</b>	<b>(2,242,017)</b>	
<b>Surplus (Deficit)</b>	<b>\$ (7,835,929)</b>	<b>\$ 4,970,694</b>	<b>\$ 12,806,623</b>	

	October Budget	October Actuals	October Variance	
Salaries	\$ 28,595,358	\$ 30,378,698	\$ 1,783,340	Three pay periods spanned October 2016
Benefits	17,730,689	16,435,887	(1,294,802)	
Purchased Services	12,609,751	7,784,155	(4,825,596)	Timing difference
Supplies & Textbooks	1,355,293	3,290,523	1,935,230	
Equipment & Capital	3,410,322	3,067,978	(342,344)	
Utilities	1,441,418	1,943,574	502,156	
Debt Service	-	-	-	
Other	-	-	-	
<b>Total Expenditures</b>	<b>\$ 65,142,831</b>	<b>\$ 62,900,814</b>	<b>\$ (2,242,017)</b>	

# DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – September 2016

<i>\$ in thousands</i>	September Budget	September Actuals	September Variance	Comment
<b>Revenues</b>				
Local sources	\$ 150,359	\$ 35,793	\$ (114,566)	
State sources	36,324,692	40,961,327	4,636,635	Timing difference of grant receipts
Federal sources	9,001,660	4,120,495	(4,881,165)	Timing difference of grant receipts
Interdistrict sources	2,540,857	2,497,874	(42,983)	
Other sources	-	15,269,308	15,269,308	Preliminary ending FY16 DPS cash balance transfer
<b>Total revenues</b>	<b>48,017,568</b>	<b>62,884,797</b>	<b>14,867,229</b>	
<b>Expenditures</b>				
Instruction	31,395,633	20,957,162	(10,438,471)	Unfilled vacancies
Support services	27,674,800	21,862,103	(5,812,697)	Unfilled vacancies
Community service	439,733	44,886	(394,847)	
Facilities acquisitions and improvement	-	-	-	
Debt service	-	-	-	
Other uses	-	-	-	
<b>Total Expenditures</b>	<b>59,510,166</b>	<b>42,864,152</b>	<b>(16,646,014)</b>	
<b>Surplus (Deficit)</b>	<b>\$ (11,492,598)</b>	<b>\$ 20,020,645</b>	<b>\$ 31,513,243</b>	

	September Budget	September Actuals	September Variance	Comment
Salaries	\$ 27,233,674	\$ 19,151,249	\$ (8,082,425)	Budget includes unfilled vacancies impacting Salaries of ~\$50M
Benefits	16,942,770	10,383,749	(6,559,021)	Budget includes unfilled vacancies impacting Benefits of ~\$27M
Purchased Services	12,609,751	12,532,443	(77,308)	
Supplies & Textbooks	1,419,831	75,444	(1,344,387)	
Equipment & Capital	-	1,075	1,075	
Utilities	1,304,140	720,192	(583,948)	
Debt Service	-	-	-	
Other	-	-	-	
<b>Total Expenditures</b>	<b>\$ 59,510,166</b>	<b>\$ 42,864,152</b>	<b>\$ (16,646,014)</b>	

# DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – August 2016

<i>\$ in thousands</i>	August Budget	August Actuals	August Variance	Comment
<b>Revenues</b>				
Local sources	\$ 181,364	\$ 17,804	\$ (163,560)	
State sources	34,094,809	31,827,346	(2,267,463)	Timing difference of grant receipts
Federal sources	3,576,237	996,134	(2,580,103)	Timing difference of grant receipts
Interdistrict sources	2,540,857	-	(2,540,857)	Timing difference of grant receipts
Other sources	-	-	-	
<b>Total revenues</b>	<b>40,393,267</b>	<b>32,841,284</b>	<b>(7,551,983)</b>	
<b>Expenditures</b>				
Instruction	8,519,787	4,102,010	(4,417,777)	Lower summer school participation
Support services	14,140,453	21,460,281	7,319,828	
Community service	333,507	8,127	(325,380)	
Facilities acquisitions and improvement	-	-	-	
Debt service	-	-	-	
Other uses	-	-	-	
<b>Total Expenditures</b>	<b>22,993,747</b>	<b>25,570,418</b>	<b>2,576,671</b>	
<b>Surplus (Deficit)</b>	<b>\$ 17,399,520</b>	<b>\$ 7,270,866</b>	<b>\$ (10,128,654)</b>	

	August Budget	August Actuals	August Variance
Salaries	\$ 6,253,479	\$ 6,333,760	\$ 80,281
Benefits	3,883,192	5,863,000	1,979,808
Purchased Services	10,610,946	11,106,402	495,456
Supplies & Textbooks	979,536	100,386	(879,150)
Equipment & Capital	-	-	-
Utilities	1,266,594	2,166,870	900,276
Debt Service	-	-	-
Other	-	-	-
<b>Total Expenditures</b>	<b>\$ 22,993,747</b>	<b>\$ 25,570,418</b>	<b>\$ 2,576,671</b>

# DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – July 2016

*\$ in thousands*

	July Budget	July Actuals	July Variance	Comment
<b>Revenues</b>				
Local sources	\$ 150,459	\$ 45	\$ (150,414)	
State sources	34,313,118	31,323,602	(2,989,516)	Timing difference of grant receipts
Federal sources	7,431,528	3,220,027	(4,211,501)	Timing difference of grant receipts
Interdistrict sources	15,374,779	15,000,000	(374,779)	
Other sources	25,000,000	25,000,000	-	
<b>Total revenues</b>	<b>82,269,884</b>	<b>74,543,674</b>	<b>(7,726,210)</b>	
<b>Expenditures</b>				
Instruction	14,397,485	5,228,976	(9,168,509)	Lower summer school participation
Support services	17,056,184	17,520,074	463,890	
Community service	306,493	24,085	(282,408)	
Facilities acquisitions and improvement	-	-	-	
Debt service	-	-	-	
Other uses	-	-	-	
<b>Total Expenditures</b>	<b>31,760,162</b>	<b>22,773,135</b>	<b>(8,987,027)</b>	
<b>Surplus (Deficit)</b>	<b>\$ 50,509,722</b>	<b>\$ 51,770,539</b>	<b>\$ 1,260,817</b>	

	July Budget	July Actuals	July Variance	Comment
Salaries	\$ 12,583,312	\$ 6,994,360	\$ (5,588,952)	Lower summer school participation
Benefits	7,634,824	4,949,033	(2,685,791)	Lower summer school participation
Purchased Services	9,384,749	8,596,642	(788,107)	
Supplies & Textbooks	96,843	-	(96,843)	
Equipment & Capital	-	-	-	
Utilities	2,060,434	2,233,100	172,666	
Debt Service	-	-	-	
Other	-	-	-	
<b>Total Expenditures</b>	<b>\$ 31,760,162</b>	<b>\$ 22,773,135</b>	<b>\$ (8,987,027)</b>	

<b>a</b>	<b>Other financial information</b>
<b>b</b>	<b>Monthly budget to actual variance</b>
<b>c</b>	<b>Monthly cash forecast to actual variance</b>
<b>d</b>	<b>Operational information</b>



# DPSCD FY17 revised monthly cash flow forecast

<i>\$ in thousands</i>	----- 2016 -----						----- 2017 -----						FY 17 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Cash Receipts</b>													
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,841	\$ 33,765	\$ 34,830	\$ 34,865	\$ 34,865	\$ 34,865	\$ 34,865	\$ 34,865	\$ 313,812
MPSERS (State Funded)	-	-	-	-	6,364	3,182	3,182	3,182	3,182	3,182	3,182	3,182	28,639
Enhancement Millage	-	-	-	-	-	-	177	8,237	2,103	2,103	1,402	2,475	16,497
Grants	-	-	2,407	1,257	13,052	13,009	18,156	14,954	13,823	17,235	14,575	15,543	124,010
Transfer from DPS	25,000	15,269	-	15,739	17,000	-	5,358	-	-	-	-	-	78,367
WCRESA	15,000	-	2,498	2,254	1,944	2,254	2,341	5,674	2,674	2,674	2,674	2,674	42,661
Food Service Reimbursement	-	-	-	-	3,666	4,685	-	2,209	5,147	3,455	3,455	3,455	26,073
Capital Asset Sales	-	-	-	-	-	3,091	-	362	-	-	-	6,000	9,453
Miscellaneous	25	110	198	976	628	537	477	1,412	1,623	1,178	978	1,623	9,765
<b>Total Cash Receipts</b>	<b>40,025</b>	<b>15,380</b>	<b>5,103</b>	<b>55,277</b>	<b>78,496</b>	<b>60,523</b>	<b>64,521</b>	<b>70,895</b>	<b>63,418</b>	<b>64,693</b>	<b>61,131</b>	<b>69,816</b>	<b>649,277</b>
<b>Cash Disbursements</b>													
MPSERS (Pass through)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,364)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (25,457)
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(13,598)	(6,767)	(25,744)	(13,087)	(14,145)	(21,218)	(14,145)	(14,145)	(14,445)	(157,153)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,296)	(9,216)	(5,118)	(5,585)	(5,585)	(5,585)	(5,585)	(8,498)	(59,944)
FICA	-	(629)	(882)	(1,543)	(1,566)	(2,885)	(1,497)	(1,673)	(1,673)	(1,673)	(1,673)	(2,546)	(18,242)
Accounts Payable	(1)	(505)	(8,223)	(6,045)	(12,668)	(22,410)	(7,372)	(24,891)	(16,500)	(15,000)	(15,000)	(16,500)	(145,115)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,716)	(2,597)	(1,784)	(1,905)	(1,913)	(1,913)	(1,913)	(2,869)	(19,356)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,468)	(8,073)	(5,263)	(5,899)	(5,922)	(5,922)	(5,922)	(8,883)	(58,667)
Health	(28)	(6,965)	(5,818)	(124)	(4,404)	(3,731)	(3,152)	(4,362)	(4,514)	(4,379)	(4,379)	(6,879)	(48,735)
Fringe Benefits	-	(6)	(13)	(22)	(40)	(65)	(82)	(586)	(795)	(586)	(586)	(682)	(3,465)
Food Service	-	-	(321)	(2,189)	(1,424)	(3,598)	(167)	(4,118)	(2,764)	(2,764)	(2,764)	(4,146)	(24,255)
Transfer to DPS	-	-	-	-	-	-	(15,739)	(17,458)	-	-	-	-	(33,197)
Other	-	(75)	-	(2)	(199)	(41)	(22)	(450)	(150)	(150)	(150)	(150)	(1,390)
<b>Total Cash Disbursements</b>	<b>(2,488)</b>	<b>(15,131)</b>	<b>(33,383)</b>	<b>(35,387)</b>	<b>(39,550)</b>	<b>(84,725)</b>	<b>(56,465)</b>	<b>(84,254)</b>	<b>(64,216)</b>	<b>(55,299)</b>	<b>(55,299)</b>	<b>(68,780)</b>	<b>(594,977)</b>
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	68,343	44,142	52,197	38,838	38,040	47,433	53,265	-
Net Cash Flow	37,537	249	(28,280)	19,891	38,946	(24,201)	8,055	(13,359)	(798)	9,393	5,832	1,036	54,301
<b>Ending Cash Balance</b>	<b>\$ 37,537</b>	<b>\$ 37,786</b>	<b>\$ 9,506</b>	<b>\$ 29,397</b>	<b>\$ 68,343</b>	<b>\$ 44,142</b>	<b>\$ 52,197</b>	<b>\$ 38,838</b>	<b>\$ 38,040</b>	<b>\$ 47,433</b>	<b>\$ 53,265</b>	<b>\$ 54,301</b>	<b>\$ 54,301</b>

Note: bank reconciliations have been prepared through December 31, 2016. Reconciling items have been posted to the General Ledger. The magnitude of the reconciling items was immaterial.

## DPSCD Cash Forecast to Actuals Variance – January 2017

<i>\$ in thousands</i>	January		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ 34,893	\$ 34,830	\$ (63)	
MPERS (State Funded)	3,182	3,182	-	
Enhancement Millage	3,506	177	(3,329)	
Grants	12,173	18,156	5,983	Catch-up from previous months
Transfer from DPS	4,885	5,358	473	
WCRESA	2,254	2,341	87	
Food Service Reimbursement	3,231	-	(3,231)	Timing - Receipts expected at later date / in line with disbursemen
Capital Asset Sales	5,909	-	(5,909)	Funds held in escrow pending FCC clearance
Miscellaneous	978	477	(501)	
<b>Total Cash Receipts</b>	<b>71,011</b>	<b>64,521</b>	<b>(6,490)</b>	
<b>Cash Disbursements</b>				
MPERS (Pass through)	\$ (3,182)	\$ (3,182)	\$ -	
Payroll Direct Deposit	(14,145)	(13,087)	1,058	
Taxes	(5,585)	(5,118)	467	
FICA	(1,673)	(1,497)	176	
Accounts Payable	(14,035)	(7,372)	6,663	Timing - disbursements expected during February
Pension (employee portion)	(1,910)	(1,784)	127	
Pension (employer portion)	(5,914)	(5,263)	651	
Health	(4,153)	(3,152)	1,001	
Fringe Benefits	(586)	(82)	504	
Food Service	(2,764)	(167)	2,597	Timing - disbursements expected during February
Transfer to DPS	(15,739)	(15,739)	-	
Other	(150)	(22)	128	
<b>Total Cash Disbursements</b>	<b>(69,837)</b>	<b>(56,465)</b>	<b>13,372</b>	
Beginning Cash Balance	44,142	44,142	-	
Net Cash Flow	1,174	8,055	6,882	
<b>Ending Cash Balance</b>	<b>\$ 45,315</b>	<b>\$ 52,197</b>	<b>\$ 6,882</b>	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

## DPSCD Cash Forecast to Actuals Variance – December 2016

<i>\$ in thousands</i>	December		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ 34,805	\$ 33,765	\$ (1,040)	Prior month reversal due to updated student count
MPSERS (State Funded)	3,066	3,182	116	
Enhancement millage	-	-	-	
Grants	12,648	13,009	360	
Transfer from DPS	-	-	-	
WCRESA	2,254	2,254	-	
Food Service Reimbursement	3,158	4,685	1,528	Catch-up from previous months
Capital Asset Sales	9,000	3,091	(5,909)	Remaining asset sales expected beginning of 2017
Miscellaneous	1,490	537	(952)	
<b>Total Cash Receipts</b>	<b>66,420</b>	<b>60,523</b>	<b>(5,897)</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ (6,364)	\$ (6,364)	\$ -	
Payroll Direct Deposit	(25,090)	(25,744)	(655)	
Taxes	(9,851)	(9,216)	635	
FICA	(2,887)	(2,885)	3	
Accounts Payable	(15,657)	(22,410)	(6,753)	Timing - catch-up of payables from November
Pension (employee portion)	(2,768)	(2,597)	171	
Pension (employer portion)	(8,613)	(8,073)	540	
Health	(4,153)	(3,731)	421	
Fringe Benefits	(1,122)	(65)	1,057	
Food Service	(4,125)	(3,598)	528	
Transfer to DPS	-	-	-	
Other	(375)	(41)	334	
<b>Total Cash Disbursements</b>	<b>(81,005)</b>	<b>(84,725)</b>	<b>(3,720)</b>	
Beginning Cash Balance	68,343	68,343	-	
Net Cash Flow	(14,585)	(24,201)	(9,617)	
<b>Ending Cash Balance</b>	<b>\$ 53,758</b>	<b>\$ 44,142</b>	<b>\$ (9,617)</b>	

*Note:* The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

## DPSCD Cash Forecast to Actuals Variance – November 2016

<i>\$ in thousands</i>	November		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ 35,323	\$ 35,841	\$ 519	Expected to reverse with updated FTE count
MPSERS (State Funded)	6,364	6,364	-	
Grants	12,147	13,052	905	Catch-up from previous months
Transfer from DPS	17,300	17,300	-	
WCRESA	2,254	1,944	(310)	
Food Service Reimbursement	3,086	3,666	580	Catch-up from previous months
Capital Asset Sales	-	-	-	
Miscellaneous	967	328	(639)	
<b>Total Cash Receipts</b>	<b>77,441</b>	<b>78,496</b>	<b>1,055</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(14,144)	(6,767)	7,377	Timing - payroll funding occurred one day prior instead of two
Taxes	(5,615)	(5,296)	319	
FICA	(1,627)	(1,566)	61	
Accounts Payable	(16,401)	(12,668)	3,733	Timing - payables to be paid in early December
Pension (employee portion)	(1,813)	(1,716)	97	
Pension (employer portion)	(5,690)	(5,468)	222	
Health	(3,927)	(4,404)	(477)	
Fringe Benefits	(707)	(40)	667	
Food Service	(2,600)	(1,424)	1,176	Timing - payables to be paid in early December
Transfer to DPS	-	-	-	
Other	(474)	(199)	275	
<b>Total Cash Disbursements</b>	<b>(52,998)</b>	<b>(39,550)</b>	<b>13,448</b>	
Beginning Cash Balance	29,397	29,397	-	
Net Cash Flow	24,443	38,946	14,503	
<b>Ending Cash Balance</b>	<b>\$ 53,840</b>	<b>\$ 68,343</b>	<b>\$ 14,503</b>	

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## DPSCD Cash Forecast to Actuals Variance – October 2016

<i>\$ in thousands</i>	October		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ 35,323	\$ 35,052	\$ (271)	
MPSERS (State Funded)	-	-	-	
Grants	9,480	1,257	(8,223)	Approval of FY17 grants delayed due to MPSERS resolution
Transfer from DPS	23,504	15,739	(7,765)	Lower draw based on cash needs
WCRESA	2,254	2,254	-	
Food Service Reimbursement	459	-	(459)	
Capital Asset Sales	-	-	-	
Miscellaneous	1,150	976	(174)	
<b>Total Cash Receipts</b>	<b>72,170</b>	<b>55,277</b>	<b>(16,892)</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(14,121)	(13,598)	523	
Taxes	(5,346)	(5,085)	260	
FICA	(1,589)	(1,543)	45	
Accounts Payable	(18,268)	(6,045)	12,224	Timing - payables to be paid in early November
Pension (employee portion)	(1,768)	(1,589)	179	
Pension (employer portion)	(5,644)	(5,187)	457	
Health	(886)	(124)	762	
Fringe Benefits	(502)	(22)	480	
Food Service	(1,200)	(2,189)	(989)	Catch-up from previous month
Transfer to DPS	-	-	-	
Other	(320)	(2)	318	
<b>Total Cash Disbursements</b>	<b>(49,644)</b>	<b>(35,387)</b>	<b>14,258</b>	
Beginning Cash Balance	9,506	9,506	-	
Net Cash Flow	22,525	19,891	(2,635)	
<b>Ending Cash Balance</b>	<b>\$ 32,032</b>	<b>\$ 29,397</b>	<b>\$ (2,635)</b>	

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## DPSCD Cash Forecast to Actuals Variance – September 2016

<i>\$ in thousands</i>	September		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ -	\$ -	\$ -	
MPSERS (State Funded)	-	-	-	
Grants	10,798	2,407	(8,391)	Approval of FY17 grants delayed due to MPSERS resolution
Transfer from DPS	-	-	-	
WCRESA	-	2,498	2,498	Received on 9/30 - previously forecasted for first week in Oct.
Food Service Reimbursement	1,000	-	(1,000)	
Capital Asset Sales	-	-	-	
Miscellaneous	863	198	(665)	
<b>Total Cash Receipts</b>	<b>12,661</b>	<b>5,103</b>	<b>(7,558)</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(14,396)	(14,038)	358	
Taxes	(3,092)	(2,966)	126	
FICA	(756)	(882)	(126)	
Accounts Payable	(16,688)	(8,223)	8,465	Timing - some payables were paid in early October
Pension (employee portion)	(884)	(692)	192	
Pension (employer portion)	(936)	(429)	507	
Health	(3,297)	(5,818)	(2,521)	Prepayment of October benefits
Fringe Benefits	(459)	(13)	445	
Food Service	(1,228)	(321)	907	
Transfer to DPS	-	-	-	
Other	(72)	-	72	
<b>Total Cash Disbursements</b>	<b>(41,807)</b>	<b>(33,383)</b>	<b>8,424</b>	
Beginning Cash Balance	37,786	37,786	0	
Net Cash Flow	(29,146)	(28,280)	866	
<b>Ending Cash Balance</b>	<b>\$ 8,640</b>	<b>\$ 9,506</b>	<b>\$ 866</b>	

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## DPSCD Cash Forecast to Actuals Variance – August 2016

<i>\$ in thousands</i>	August		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ -	\$ -	\$ -	
MPSERS (State Funded)	-	-	-	
Grants	-	-	-	
Transfer from DPS	15,269	15,269	-	
WCRESA	-	-	-	
Food Service Reimbursement	3,000	-	(3,000)	Receipt of food service related to DPS
Capital Asset Sales	-	-	-	
Miscellaneous	126	110	(16)	
<b>Total Cash Receipts</b>	<b>18,395</b>	<b>15,380</b>	<b>(3,016)</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(3,971)	(3,424)	547	
Taxes	(2,040)	(1,397)	643	
FICA	(216)	(629)	(413)	
Accounts Payable	(7,183)	(505)	6,678	Building reinvestment work commenced later than projected
Pension (employee portion)	(428)	(428)	(0)	
Pension (employer portion)	(1,700)	(1,700)	0	
Health	(7,153)	(6,965)	188	
Fringe Benefits	(67)	(6)	61	
Food Service	(380)	-	380	
Transfer to DPS	-	-	-	
Other	-	(75)	(75)	
<b>Total Cash Disbursements</b>	<b>(23,138)</b>	<b>(15,131)</b>	<b>8,007</b>	
Beginning Cash Balance	37,537	37,537	0	
Net Cash Flow	(4,743)	249	4,992	
<b>Ending Cash Balance</b>	<b>\$ 32,794</b>	<b>\$ 37,786</b>	<b>\$ 4,992</b>	

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# DPSCD Cash Forecast to Actuals Variance – July 2016

<i>\$ in thousands</i>	July		Variance	Comment
	Forecast	Actuals		
<b>Cash Receipts</b>				
State Aid	\$ -	\$ -	\$ -	
MPSERS (State Funded)	-	-	-	
Grants	2,100	-	(2,100)	Grant draw delayed in line with disbursements
State Aid Note Proceeds	-	-	-	
Transfer from DPS	25,000	25,000	-	
WCRESA	15,000	15,000	-	
Food Service Reimbursement	840	-	(840)	
Capital Asset Sales	-	-	-	
Miscellaneous	1,063	25	(1,038)	
<b>Total Cash Receipts</b>	<b>44,003</b>	<b>40,025</b>	<b>(3,978)</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(2,673)	(2,396)	278	
Taxes	(1,005)	(27)	979	Some payroll items funded out of DPS - to be reversed
FICA	(328)	-	328	Some payroll items funded out of DPS - to be reversed
Accounts Payable	(3,683)	(1)	3,682	Building reinvestment work commenced later than projected
Pension (employee portion)	(579)	(36)	543	
Pension (employer portion)	(1,782)	-	1,782	Some payroll items funded out of DPS - to be reversed
Health	(2,232)	(28)	2,204	Some payroll items funded out of DPS - to be reversed
Fringe Benefits	-	-	-	
Property Tax Transfer	(17,658)	-	17,658	Actually a DPS liability - to be netted with ending cash balance
Food Service	-	-	-	
Transfer to DPS	-	-	-	
Other	-	-	-	
<b>Total Cash Disbursements</b>	<b>(29,941)</b>	<b>(2,488)</b>	<b>27,454</b>	
Beginning Cash Balance	44,661	-	(44,661)	Adjusted beginning cash balance transferred in August
Net Cash Flow	14,061	37,537	23,476	
<b>Ending Cash Balance</b>	<b>\$ 58,723</b>	<b>\$ 37,537</b>	<b>\$ (21,185)</b>	

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<b>a</b>	<b>Other financial information</b>
<b>b</b>	<b>Monthly budget to actual variance</b>
<b>c</b>	<b>Monthly cash forecast to actual variance</b>
<b>d</b>	<b>Operational information</b>

## DPSCD Teacher Vacancies & Teacher Recruitment Efforts

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- As of February 1, 2017 there were a total of 249 teacher vacancies (including General Education vacancies of 194, Special Education of 52, and Early Childhood Education of 3). There were 8 pending candidates.
- DPSCD recognizes that the quality of the teachers at the front of the class is one of the most important factors when it comes to raising student achievement. We are continuously focused on our goal to ensure that a certified and/or qualified teacher is in every classroom. Below are some of the recruitment efforts that DPSCD Human Resources is engaging in for the current school year and in preparation for the 2017-2018 school year:
  - **Daily Screening** and contact with current teacher applicants interested in immediate employment with DPSCD
  - **Cultivate Partnerships** with Teacher prep institutions and others to open, build and expand the pipeline:
    - Student Teacher and Internship Program (various universities)
    - WSU Dreamkeepers (alternative pathway to certification for substitute teachers)
    - Teach for America
    - Embassy Partnerships (Visiting Spanish Teachers from Spain)
  - **HR Recruitment Season** for next year begins in March 2017. HR team has identified approximately 30 colleges/universities for attendance to market the district, attract and cultivate candidates early for conditional hire for the 2017 – 2018 school year. The recruiting fairs are beneficial in that they bring together several hundred candidates in one location.
    - On-site interviews and conditional offers provided to selected, qualified individuals
  - **DPSCD Day** in May 2017:
    - Recruit certified and highly-qualified, dedicated and motivated individuals at all grade levels
    - On-site interviews and conditional offers provided to selected, qualified individuals
  - **Hiring and Retention Bonuses** (Grant-funded Incentives)
    - \$1,000 signing bonus for new hires assigned to a critical shortage area
    - \$1,000 retention bonus for educators assigned to a critical shortage area that complete a full school year with DPSCD
    - \$1,000 academic achievement bonus for educators who meet achievement criteria for the fiscal year (merit-based incentive, consistent with state law, to reinforce teacher value to the organization and enhance retention efforts).

## Education Achievement Authority (EAA) transition update

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- As of 31 December 2016, EAA had honored the payment plan for outstanding financial obligations by making the payments required thereunder, totaling ~\$601k.
- Since the last update provided, the DPSCD Task Force (Cross Organizational Core Teams including Feeder Patterns/Facilities, Staffing, Communications, Community Engagement, Programs & Instruction, Operations and Finance) has:
  - Held collaborative meetings with the EAA since October 2016
  - Executed a Data Sharing Agreement with the EAA
  - Conducted a facility assessment/walk through of EAA buildings. DPSCD's access to EAA buildings was limited in time allowed (30 minutes to 2 hours), was limited in scope and was monitored by the EAA. The preliminary estimate for building repairs and required investments amounts to ~\$13.6m.
  - Issued a formal report for the transition of all EAA schools back to DPSCD, including recommended next steps and estimated costs. The report was finalized in December 2016 and delivered to Judge Rhodes and the newly elected DPSCD Board of Education.
- DPSCD continues to meet weekly with EAA staff, Treasury and MDE to discuss the following:
  - Availability of grant funds carryover from EAA to DPSCD and the application process regarding same
  - Planning and organization of summer school, including funding
  - Hiring of EAA staff to DPSCD
  - Sharing of EAA data with DPSCD, especially financial and budgetary information
- Continued exchange of information and collaboration to ensure a smooth transition is envisioned, but a few key issues remain to be negotiated and are critical factors.

## Status update of DPSCD/EAA schools on State School Reform Office (“SRO”) list

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- In 2010, the Michigan legislature passed MCL 380.1280c, which specified how the state would identify its lowest performing schools and created the School Reform Office (“SRO”) to supervise the identified Priority Schools. Specifically, the law required that the SRO publish a list identifying the lowest achieving five percent of all public schools. The SRO also has the authority to close schools.
- The SRO sent communication to DPSCD stating that 48 DPSCD schools were on the Priority List under the supervision of the SRO effective September 1, 2016. On September 27, 2016, DPSCD received an updated communication from SRO stating that 4 new schools had been added and now 52 DPSCD schools were on the Priority List under the supervision of the SRO.
- DPSCD submitted the SRO template for the 52 schools on September 30, 2016 and met in person with the SRO on December 20, 2016.
- On January 20, 2017 SRO released a list recommending 16 DPSCD schools (out of the 52 DPSCD Priority Schools) and 8 EAA schools (that are returning to DPSCD on July 1, 2017) for “next level of accountability” resulting in potential school closure. These 24 schools have ranked in the bottom five percent of public schools for 2014, 2015 and 2016 (see list of DPSCD and EAA schools on the next slide).
- Now, the SRO will begin the 30- to 45-day review process to determine whether any “unreasonable hardship” is posed by closing these 24 schools. At the end of that review, (expected by late February or early March) a “comprehensive report” will be released following conversations with teachers, parents and others showing what was keeping students’ test scores down.
  - Under state law, if “unreasonable hardship” is shown by any of the schools, the SRO will rescind its closure notice and the school will stay open.
- The District has filed for unreasonable hardship for all 16 DPSCD schools and will present a school improvement plan to the SRO within 10 days.
- During a special board meeting on February 8, 2017, the DPSCD School Board authorized the district to take legal action when timely and appropriate to prevent the state from closing the 16 DPSCD schools. The Board is hopeful that DPSCD can work with the state to avoid any action, however DPSCD reserves the right to do so..

## SRO Next Level of Accountability: DPSCD/EAA schools targeted for closure in 2017

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The following DPSCD schools have been in the bottom 5 percent for 2014, 2015 and 2016:

1. Ann Arbor Trail Magnet School
2. Bow Elementary-Middle School
3. J.E. Clark Preparatory Academy
4. Detroit Collegiate Preparatory High School at Northwestern
5. Detroit Institute of Technology at Cody
6. Durfee Elementary-Middle School
7. Fisher Magnet Upper Academy
8. Gompers Elementary-Middle School
9. Henderson Academy
10. Marquette Elementary-Middle School
11. Mason Elementary School
12. Osborn Academy of Mathematics
13. Osborn College Preparatory Academy
14. Osborn Evergreen Academy of Design and Alternative Energy
15. Sampson Academy
16. Thirkell Elementary School

The following EAA schools have been in the bottom 5 percent for 2014, 2015 and 2016:

1. Burns Elementary-Middle School
2. Denby High School
3. Ford High School
4. Law Elementary School
5. Mary McLeod Bethune Elementary-Middle School
6. Mumford High School
7. Pershing High School
8. Southeastern High School

# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Corrective Action
<ul style="list-style-type: none"> <li>The District has a general fund deficit fund balance which has been in existence for years.</li> <li>Material transactions were not reflected in the final amended budget.</li> </ul>	2016-001	Material noncompliance with laws and regulations and material weakness	<ul style="list-style-type: none"> <li>The District plans to eliminate the deficit through a multiple financing agreement which will be paid in 2027 (ten years). The operating millage from property taxes (18 mills through tax year 2022) that will be used to fund the debt. Therefore, it will take ten years to eliminate this finding.</li> <li>DPSCD started the fiscal year debt free and is budgeted to have a \$48 million surplus at the end of the fiscal year.</li> </ul>
<ul style="list-style-type: none"> <li>The District has not made all of its required pension contributions to the MPSERS plan at June 30, 2016 which included interest and penalties.</li> </ul>	2016-002	Material noncompliance with laws and regulations and material weakness	<ul style="list-style-type: none"> <li>The District has negotiated a repayment plan with ORS over a nine-year period. A substantial payment of \$33 million was paid in September 2016 and another \$4.7 million in January 2017. The elimination of this finding will occur after all the arrearage payments are made. The District has always and will always pay on time to continue to remain current.</li> </ul>
<ul style="list-style-type: none"> <li>The District overstated amounts due from the debt fund to general fund by over \$18.5 million as of June 30, 2015 and understated interest and penalties by \$10.2 million. This affected the general fund deficit as well as the government wide financial statements.</li> </ul>	2016-003	Material weakness	<ul style="list-style-type: none"> <li>The District is working with the City of Detroit, the State of Michigan, Wayne County and the Trustee (Bank of New York) in order to reconcile all records. The 18 mills from property tax collections and the renaissance zone funds are intercepted by the Trustee. The District will also reconcile records with ORS in calculating and recording the expenses and liabilities associated with delinquent retirement contributions.</li> <li>This finding was resolved at year-end.</li> </ul>

**\*Audit Finding Type Definitions:**

- Significant deficiency: a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.
- Material weakness: a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Corrective Action
<ul style="list-style-type: none"> <li>General Ledger balances were inaccurate during the fiscal year due to many unposted transactions.</li> </ul>	2016-004	Material weakness	<ul style="list-style-type: none"> <li>The District is in the process of re-evaluating current staff and hiring additional staff as required to ensure that accurate recording of transactions occur on a monthly basis. This will ensure the integrity of the monthly required financial reports. The District expects to fully implement by July 2017.</li> <li>Two principal accounting positions have been added: general ledger and financial reporting and cash management. We are still looking for additional personnel to provide added value in completing all monthly, quarterly annual reports and providing support on the many required audits.</li> </ul>
<ul style="list-style-type: none"> <li>Numerous errors were identified identified that had to be corrected prior to the end of the audit</li> <li>Various account balances were not reconciled and therefore resulted in significant adjustments being proposed and recorded to adjust the balances.</li> </ul>	2016-005	Material weakness	<ul style="list-style-type: none"> <li>A major reduction in the number of Finance staff occurred in December 2015. The District is in the process of re-evaluating current staff and hiring additional staff as required to ensure that all recording of transactions occur on a monthly basis. This will ensure the integrity of the monthly required financial reports. The District expects to fully implement by July 2017.</li> <li>Two principal accounting positions have been added: general ledger and financial reporting and cash management. We are still looking for additional personnel to provide added value in completing all monthly, quarterly annual reports and providing support on the many required audits.</li> </ul>

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# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Corrective Action
<ul style="list-style-type: none"> <li>The District needs to revise the procurement process for various departments and facilities in order for transactions to have the appropriate level of review to determine if goods or services were received in the form they were ordered. This finding is based on fraudulent activities in previous years, which were identified and prosecuted during fiscal year 2016.</li> </ul>	2016-006	Significant deficiency	<ul style="list-style-type: none"> <li>The District made changes to its procurement and invoice approval procedures in fiscal year 2016. The new procedures required the network leaders as well the principals to review invoices to be sure the vendor is invoicing the District according to the approved purchase order/or contract. If there is a deviation from the documents, the approver must document and further investigation if necessary. These new procedures started April 2016 and will be fully implemented by March 2017.</li> <li>In addition the Office of the Auditor and Inspector General was re-instituted to perform ongoing assessments and investigations in response to any identified risks with recommendations to management.</li> </ul>
<ul style="list-style-type: none"> <li>The District requested reimbursement for grant expenditures which included unpaid retirement contributions. This resulted in the district being reimbursed prior to payment of the obligation.</li> <li>Includes Title I, Part A – CFDA #84.010, Title II, Part A – CDFA#84.367, Special Education Cluster - CFDA #84.027,84.173, School Improvement Grant – CFDA# 84.377</li> </ul>	2016-007	Material weakness and material noncompliance with laws and regulations	<ul style="list-style-type: none"> <li>The District changed its policy and procedures in February 2016 to request reimbursement for expenses after the payments were processed only.               <ul style="list-style-type: none"> <li>– DPSCD made payments for all the federal portion that was not paid to MPSERS</li> <li>– DPSCD made all of its payments on time and will continue to do so.</li> <li>– DPS paid \$33 million for federal and additional \$4.7 million for state grants</li> <li>– DPS will pay all of its debt obligations by 2027</li> </ul> </li> <li>Requests submitted in fiscal year 2017 will be monitored and reviewed by an external audit firm which will provide written reports to MDE and the Community District.</li> </ul>

**\*Audit Finding Type Definitions:**

- Significant deficiency: a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.
- Material weakness: a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.



# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Corrective Action
<ul style="list-style-type: none"> <li>The District needs to review its processes as it relates to travel for conference and student events. The procedures should be designed to ensure all costs charged to grants are supported by after-the-fact receipts, or alternative adequate documentation.</li> <li>Includes: Title I, Part A – CFDA #84.010, Title II, Part A – CDEA#84.367</li> </ul>	2016-008	Material weakness and material noncompliance with laws and regulations	<ul style="list-style-type: none"> <li>The State and Federal Program Department has revised its travel procedures; however the Community District is reviewing and developing all travel procedures. Employees must provide the required documentation to support the expenditures. If there is no support, the employee will be responsible for the charges. The updated policy is in progress and should be fully implemented by March 2017.</li> </ul>
<ul style="list-style-type: none"> <li>The District’s Food Service Fund incurred capital expenditures for \$382,180 without obtaining prior approval from MDE.</li> <li>Child Nutrition Cluster – CFDA #10.553, 10.555, 10.559</li> </ul>	2016-009	Material weakness and material noncompliance with laws and regulations	<ul style="list-style-type: none"> <li>The Office of Food Service will obtain the published MDE form and request approval prior to incurring capital expenditures. The District is in the process of revising the procurement procedures and policies to ensure the required pre-approvals are obtained from the awarding agency prior to incurring equipment and capital improvement charges in the Food Service Fund.</li> </ul>
<ul style="list-style-type: none"> <li>The District does not have controls in place to ensure services being charged to grants were supported by proper documentation to substantiate services performed and by whom with the terms and conditions of the contract.</li> <li>Includes: Title I, Part A – CFDA #84.010, School Improvement Grant – CFDA #84.377</li> </ul>	2016-010	Material weakness and material noncompliance with laws and regulations	<ul style="list-style-type: none"> <li>The District made changes to its procurement and invoice approval procedures in fiscal year 2016. The new procedures required the network leaders as well the principals to review invoices to be sure the vendor is invoicing the District according to the approved purchase order/or contract. If there is a deviation from the documents, the approver must document and require further investigation if necessary. These new procedures are expected to be fully implemented by March 2017. In addition the OIG and the Auditor General Office performs ongoing assessments of the internal controls, and investigates in response to any identified risks with recommendations to management.</li> </ul>

**\*Audit Finding Type Definitions:**

- Significant deficiency: a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.
- Material weakness: a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Corrective Action
<ul style="list-style-type: none"> <li>The final expenditure reports for the grants that were submitted included misclassifications between function and object codes.</li> <li>Includes: Title I, Part A – CFDA #84.010, Title II, Part A – CDFA#84.367</li> </ul>	2016-011	Significant deficiency	<ul style="list-style-type: none"> <li>Procedures are in place between State and Federal Programs and Grant Accounting for reviewing adjustments throughout the year to prevent this from occurring on final reports. If it is necessary to adjust the function codes with the State, this process will occur prior to the final reports. This issue occurred due to the ORS issue which MDE was working collaboratively with the District to resolve. Solutions were not implemented until September and October 2016. This finding is resolved.</li> </ul>
<ul style="list-style-type: none"> <li>Costs charged to grants for goods and services received by the District should be supported by invoices and other documentation that are billed in accordance with the terms and conditions of approved contracts.</li> <li>Includes: Title I, Part A – CFDA #84.010, School Improvement Grant – CFDA #84.377</li> </ul>	2016-012	Significant deficiency	<ul style="list-style-type: none"> <li>The District made changes to its procurement and invoice approval procedures in fiscal year 2016. The new procedures required the network leaders as well the principals to review invoices to be sure the vendor is invoicing the District according to the approved purchase order/or contract. If there is a deviation from the documents, the approver must document and further investigation if necessary. These new procedures are expected to be fully implemented by March 2017.</li> <li>In addition the OIG Office at the District performs ongoing assessments of the internal controls, and investigate in response to any identified risks with recommendations to management.</li> </ul>

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# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Corrective Action
<ul style="list-style-type: none"> <li>Documents supporting that quotations were by the District, along with procurement –related documents required by the District’s procurement policy, were dated subsequent to receipt of the services, the date of the invoice, and the date of payment.</li> <li>Special Education Cluster – CFDA #84.027</li> </ul>	2016-013	Significant deficiency	<ul style="list-style-type: none"> <li>The District will communicate updated and or changes in procurement policies and procedures to all departments as they occur. This procedure is expected to be fully implemented by March 2017.</li> </ul>
<ul style="list-style-type: none"> <li>The District included expenditures for travel to a conference that was attended after the end of the period of performance within its final expenditure report for the grant period ended June 30, 2016. This resulted in reimbursement of expenditures prior to their liquidation.</li> <li>Title II, Part A – CDFA#84.367</li> </ul>	2016-014	Significant deficiency	<ul style="list-style-type: none"> <li>The Accounting and the State and Federal Program Departments will review all travel expenditures that occur close to the end of the fiscal both before and after year-end to be sure costs are recorded in the appropriate fiscal year to prevent receiving reimbursements prior to liquidation. This will be implemented in May 2017.</li> </ul>
<ul style="list-style-type: none"> <li>The District did not liquidate grant cost within the required timeframe subsequent to the end of the period of performance indicated by the grantor. Since the costs was included in the final expenditure report, the District was reimbursed prior to liquidation.</li> <li>Includes: Title I, Part A – CFDA #84.010, Title II, Part A – CDFA#84.367</li> </ul>	2016-015	Significant deficiency and material noncompliance with laws and regulations	<ul style="list-style-type: none"> <li>The finding was due to a cash flow issue. However, the processes in the Accounting Department have been changed and will be fully implemented by February 2017.</li> </ul>

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