

Detroit Public Schools Community District

Discussion Document – Financial Review Commission Public Meeting

July 31, 2017

1

Financial Update

2

Contract Requests

3

Out-of-State Travel Requests

Financial Update – May 2017

- DPSCD recorded a deficit of revenues over expenditures of \$10M in the month of May 2017.
- DPSCD has recorded a surplus of revenues over expenditures of \$89M through May 2017 YTD. The surplus is primarily due to higher revenue resulting from one-time transfers related to the new District legislation along with one-time asset sales, and lower expenditures (lower than expected salaries & benefits and purchased services spend).
- May 2017 revenues totaling \$48M were \$1M (1%) lower than budgeted revenues and YTD revenues totaling \$598M were \$1M (0%) lower than budgeted revenues, both primarily due to higher than expected revenues from local and federal sources, offset by less than expected revenues from state sources.
- May 2017 expenditures totaling \$58M were \$18M (24%) lower than budget and YTD expenditures totaling \$509M were \$18M (3%) lower than budget, both primarily due to lower than expected spend on salaries & benefits and purchased services.
- Net cash flow through June 2017 was \$62M (excluding \$48M relating to Internal Service Fund and a Fiduciary Account), which is based on preliminary results and subject to year-end adjustments.
- Preliminary FY 2018 cash forecast is expected to remain constant relative to FY 2017, with an ending cash balance of \$66M (excluding \$40M relating to Internal Service Fund and a Fiduciary Account).

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	\$	%	
	May-17	May-17			May-17	May-17			
Revenues									
Local sources	\$ 2,072,194	\$ 3,582,625	\$ 1,510,430	73%	\$ 19,420,522	\$ 20,930,952	\$ 1,510,430	8%	
State sources	34,903,681	29,981,843	(4,921,839)	(14%)	396,780,902	391,859,063	(4,921,839)	(1%)	
Federal sources	9,992,368	11,985,609	1,993,241	20%	97,547,820	99,541,061	1,993,241	2%	
Interdistrict sources ¹	1,812,431	2,631,264	818,833	45%	34,523,265	35,342,098	818,833	2%	
Other sources ²	-	-	-	-	50,149,549	50,149,549	(0)	(0%)	
Total revenues	48,780,675	48,181,340	(599,334)	(1%)	598,422,058	597,822,724	(599,335)	(0%)	
Expenditures									
Salaries	\$ 33,999,624	\$ 25,475,289	\$ (8,524,335)	(25%)	\$ 240,272,911	\$ 231,748,576	\$ (8,524,335)	(4%)	
Benefits	19,077,620	13,309,601	(5,768,019)	(30%)	132,043,637	126,275,619	(5,768,019)	(4%)	
Purchased Services	17,293,303	14,060,173	(3,233,130)	(19%)	120,533,533	117,300,403	(3,233,130)	(3%)	
Supplies & Textbooks	2,531,301	2,524,411	(6,890)	(0%)	13,263,203	13,256,313	(6,890)	(0%)	
Equipment & Capital	1,768,020	1,064,340	(703,680)	(40%)	6,118,882	5,415,202	(703,680)	(12%)	
Utilities	1,753,445	1,723,337	(30,108)	(2%)	14,991,981	14,961,872	(30,108)	(0%)	
Other	-	-	-	-	-	-	-	-	
Total Expenditures	76,423,313	58,157,152	(18,266,161)	(24%)	527,224,146	508,957,986	(18,266,161)	(3%)	
Surplus (Deficit)	\$ (27,642,639)	\$ (9,975,812)	\$ 9,741,826	(64%)	\$ 71,197,912	\$ 88,864,739	\$ 17,666,827	25%	

Notes regarding the impact of the legislation that created DPSCD

1. Reflects \$15m advance of Act 18 funds from WRESA to provide start-up liquidity. Includes revenue for Charter School services and EAA agreement.
2. Includes estimated ending cash balance of DPS as well as \$25m of dedicated transition funds

Estimated June 2017 based on Budget Amendment no. 5

	Actual YTD May-17 (11 months)	FY17 Bud Amend no. 5 (12 month)	Implied Remaining in Budget (1 month)
Revenues			
Local sources	\$ 20,930,952	\$ 26,008,602	\$ 5,077,649
State sources	391,859,063	439,541,179	47,682,116
Federal sources	99,541,061	159,145,678	59,604,617
Interdistrict sources ¹	35,342,098	48,641,729	13,299,631
Other sources ²	50,149,549	52,405,930	2,256,381
Total revenues	597,822,724	725,743,118	127,920,394
Expenditures			
Salaries	\$ 231,748,576	\$ 289,850,009	\$ 58,101,433
Benefits	126,275,619	162,895,632	36,620,014
Purchased Services	117,300,403	152,521,403	35,221,000
Supplies & Textbooks	13,256,313	19,680,908	6,424,595
Equipment & Capital	5,415,202	7,773,797	2,358,595
Utilities	14,961,872	16,302,594	1,340,722
Other	-	1,000,000	1,000,000
Total Expenditures	508,957,986	650,024,345	141,066,360
Surplus (Deficit)	\$ 88,864,738	\$ 75,718,773	\$ (13,145,965)

Note: Budget figures shown to the left are based on Budget Amendment #5, so the implied remaining in budget is FY 2018 Budget Amendment #5 less YTD May 2017

Revenues

- Local revenues mainly comprised of enhancement millage, community service activities, and rent from school property
- State revenues mainly comprised of State Aid
- Federal revenue mainly comprised of Title I (part A), Title II (part A), and IDEA grants; includes grant carry over amounts to next fiscal year

Expenditures

- A large share of remaining expenditures is comprised of salaries and benefits, which is mainly comprised of vacancies built into the budget from both general fund and grants

Notes regarding the impact of the legislation that created DPSCD

1. Reflects \$15m advance of Act 18 funds from WRESA to provide start-up liquidity. Includes revenue for Charter School services and EAA agreement.
 2. Includes estimated ending cash balance of DPS as well as \$25m of dedicated transition funds

FY 2017 monthly cash flows

\$ in thousands	2016						2017						FY 17 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
Cash Receipts													
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,841	\$ 33,765	\$ 34,830	\$ 35,552	\$ 35,002	\$ 34,868	\$ 35,236	\$ 35,011	\$ 315,157
MPERS (State Funded)	-	-	-	-	6,364	3,182	3,182	3,182	3,182	3,182	3,182	3,182	28,639
Enhancement Millage	-	-	-	-	-	-	177	5,540	5,261	1,905	1,575	4	14,462
Grants	-	-	2,407	1,257	13,052	13,009	13,311	24,988	9,546	5,756	20,360	13,277	116,963
Transfer from DPS	25,000	15,269	-	15,739	17,000	-	5,358	-	-	-	4,930	48,439	131,735
WCRESA	15,000	-	2,498	2,254	1,944	2,254	2,341	6,756	4,361	561	2,443	1,496	41,908
Food Service Reimbursement	-	-	-	-	3,666	4,685	4,846	3,644	3,689	3,667	6,304	4	30,505
Capital Asset Sales	-	-	-	-	-	3,091	-	362	6,354	-	-	-	9,807
Miscellaneous	25	110	198	976	628	537	477	1,358	380	934	839	(1,271)	5,192
Total Cash Receipts	40,025	15,380	5,103	55,277	78,496	60,523	64,521	81,383	67,776	50,873	74,870	100,142	694,368
Cash Disbursements													
MPERS (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)	(14,006)	(20,577)	(13,266)	(13,466)	(13,574)	(153,944)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,296)	(9,216)	(5,118)	(5,081)	(4,922)	(4,986)	(4,906)	(6,774)	(55,775)
FICA	-	(629)	(882)	(1,543)	(1,566)	(2,885)	(1,497)	(1,569)	(1,547)	(1,579)	(1,502)	(3,126)	(18,326)
Accounts Payable*	(1)	(505)	(8,223)	(6,045)	(12,668)	(22,410)	(7,340)	(13,049)	(19,169)	(13,679)	(14,952)	(25,836)	(143,878)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,716)	(2,597)	(1,784)	(1,787)	(1,837)	(1,836)	(1,786)	(1,845)	(17,934)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,468)	(8,073)	(5,263)	(5,265)	(5,474)	(5,509)	(5,296)	(8,195)	(55,859)
Health	(28)	(6,965)	(5,818)	(124)	(4,404)	(3,731)	(3,152)	(4,102)	(3,144)	(2,926)	(7,908)	(3,632)	(45,935)
Fringe Benefits**	-	(6)	(13)	(22)	(40)	(65)	(82)	(75)	(166)	(78)	(92)	(339)	(979)
Food Service	-	-	(321)	(2,189)	(1,424)	(3,598)	(167)	(1,034)	(2,079)	(3,793)	(1,239)	(1,026)	(16,872)
Transfer to DPS	-	-	-	-	-	-	(15,739)	(458)	(17,176)	(4,923)	(52)	(9,228)	(47,576)
Other	-	(75)	-	(2)	(199)	(41)	(22)	(19)	(589)	(0)	(9)	(48,439)	(49,397)
Total Cash Disbursements	(2,488)	(15,131)	(33,383)	(35,387)	(39,550)	(84,725)	(56,434)	(49,627)	(79,864)	(55,758)	(54,390)	(125,196)	(631,931)
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	68,343	44,142	52,229	83,985	71,897	67,012	87,492	-
Net Cash Flow	37,537	249	(28,280)	19,891	38,946	(24,201)	8,087	31,756	(12,088)	(4,885)	20,480	(25,054)	62,438
Ending Cash Balance	\$ 37,537	\$ 37,786	\$ 9,506	\$ 29,397	\$ 68,343	\$ 44,142	\$ 52,229	\$ 83,985	\$ 71,897	\$ 67,012	\$ 87,492	\$ 62,438	\$ 62,438
Memo:													
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	48,439	48,439
(-) TIP, Legal, And Workers' Compensation Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	48,439	48,439
Grand Total	\$ 37,537	\$ 37,786	\$ 9,506	\$ 29,397	\$ 68,343	\$ 44,142	\$ 52,229	\$ 83,985	\$ 71,897	\$ 67,012	\$ 87,492	\$ 110,877	\$ 110,877

Preliminary June results are subject to year-end adjustments.

*Accounts payable figures include legal liability payments of ~\$4.0 million paid on behalf of DPS which were repaid by DPS in June 2017.

**Fringe benefits figure includes termination incentive plan and workers compensation liabilities paid on behalf of DPS which were repaid by DPS in June 2017.

FY 2018 monthly cash flows

\$ in thousands

	2017						2018						FY 18 Total
	July Forecast	August Forecast	September Forecast	October Forecast	November Forecast	December Forecast	January Forecast	February Forecast	March Forecast	April Forecast	May Forecast	June Forecast	
Cash Receipts													
State Aid	\$ 35,026	\$ 35,026	\$ -	\$ 38,046	\$ 38,046	\$ 38,046	\$ 38,046	\$ 38,046	\$ 38,046	\$ 38,046	\$ 38,046	\$ 38,046	\$ 412,470
MPSERS (State Funded)	3,182	3,182	-	-	6,684	3,342	3,342	3,342	3,342	3,342	3,342	3,342	36,443
Enhancement Millage	2,698	-	-	-	-	-	151	4,738	4,499	3,077	2,018	2,556	19,737
Grants	9,844	9,033	9,619	1,165	5,827	30,770	13,328	13,328	13,328	18,533	14,057	13,328	152,160
Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	13,100	13,100
WCRESA	-	-	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	44,132
Food Service Reimbursement	4,855	2,085	820	820	2,862	2,862	4,293	2,862	2,862	2,862	2,862	2,862	32,907
Capital Asset Sales	13	13	13	13	13	13	13	13	13	13	13	13	150
Miscellaneous	817	932	501	501	627	501	501	501	627	501	627	501	7,139
Total Cash Receipts	56,434	50,271	15,366	44,959	58,472	79,947	64,088	67,243	67,130	70,788	65,378	78,161	718,238
Cash Disbursements													
MPSERS (Pass through)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ -	\$ -	\$ (6,684)	\$ (3,342)	\$ (3,342)	\$ (3,342)	\$ (3,342)	\$ (3,342)	\$ (3,342)	\$ (36,283)
Payroll Direct Deposit	(14,101)	(16,910)	(15,011)	(15,132)	(15,132)	(15,132)	(15,132)	(15,132)	(22,698)	(15,132)	(15,132)	(15,132)	(189,777)
Taxes	(5,278)	(5,342)	(4,060)	(5,718)	(8,327)	(5,718)	(5,718)	(5,718)	(5,968)	(5,718)	(8,327)	(5,718)	(71,613)
FICA	(26)	(1,711)	(1,286)	(1,816)	(2,649)	(1,816)	(1,816)	(1,816)	(1,891)	(1,816)	(2,649)	(1,816)	(21,107)
Accounts Payable	(13,942)	(15,365)	(15,198)	(15,198)	(16,750)	(15,198)	(15,198)	(15,198)	(16,750)	(15,198)	(16,750)	(15,198)	(185,946)
Pension (employee portion)	(2,040)	(1,905)	(1,435)	(1,999)	(2,914)	(1,999)	(1,999)	(1,999)	(2,084)	(1,999)	(2,914)	(1,999)	(25,289)
Pension (employer portion)	(6,304)	(5,899)	(4,486)	(6,193)	(9,034)	(6,193)	(6,193)	(6,193)	(6,449)	(6,193)	(9,034)	(6,193)	(78,365)
Health	(3,921)	(4,545)	(4,410)	(4,327)	(4,454)	(4,324)	(4,785)	(4,800)	(4,947)	(4,800)	(4,947)	(4,800)	(55,061)
Fringe Benefits	(543)	(624)	(537)	(587)	(660)	(587)	(587)	(587)	(808)	(587)	(660)	(587)	(7,357)
Food Service	(1,668)	(602)	(656)	(2,290)	(3,434)	(2,290)	(2,290)	(2,290)	(2,290)	(2,290)	(3,434)	(2,290)	(25,822)
Other	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(1,508)	(18,096)
Total Cash Disbursements	(52,513)	(57,594)	(51,771)	(54,769)	(64,863)	(61,451)	(58,570)	(58,584)	(68,735)	(58,584)	(68,698)	(58,584)	(714,716)
Beginning Cash Balance	62,438	66,359	59,036	22,631	12,821	6,430	24,927	30,445	39,104	37,499	49,703	46,383	62,438
Net Cash Flow	3,921	(7,323)	(36,405)	(9,810)	(6,391)	18,496	5,518	8,659	(1,605)	12,204	(3,320)	19,577	3,522
Ending Cash Balance	\$ 66,359	\$ 59,036	\$ 22,631	\$ 12,821	\$ 6,430	\$ 24,927	\$ 30,445	\$ 39,104	\$ 37,499	\$ 49,703	\$ 46,383	\$ 65,960	\$ 65,960
Memo:													
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ 48,439	\$ 47,772	\$ 47,106	\$ 46,439	\$ 45,772	\$ 45,106	\$ 44,439	\$ 43,772	\$ 43,106	\$ 42,439	\$ 41,772	\$ 41,106	\$ 48,439
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(667)	(8,000)
Ending Balance	47,772	47,106	46,439	45,772	45,106	44,439	43,772	43,106	42,439	41,772	41,106	40,439	40,439
Grand Total	\$ 114,131	\$ 106,142	\$ 69,070	\$ 58,593	\$ 51,536	\$ 69,366	\$ 74,217	\$ 82,210	\$ 79,938	\$ 91,475	\$ 87,489	\$ 106,399	\$ 106,399

1

Financial Update

2

Contract Requests

3

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 2017-15

**APPROVING THE COMMUNITY DISTRICT'S JULY 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 July 31, 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 July 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.

Contract Requests

The following contracts are being provided to the Board of Education for review and approval. Contracts over \$750,000 or a two (2) year period must also be provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act. Please review the individual Action Items provided for more detailed information.

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
Office of Finance	12-0005-C-1	Contract Amount: \$1,650,000 NTE Contract Period: August 1, 2017 to June 30, 2018 Source: General Fund Budgeted Amount for fiscal year ending June 30, 2018: \$1,800,000 Purpose: Financial Services Contractor: Ernst & Young LLP Location: Detroit, MI	Renewal	No; previously approved by Transition Manager and will be sourced for continuity	N/A	Approval by Board: July 11, 2017 Anticipated Approval by FRC: July 31, 2017	

Contract Requests cont.

Office of Finance

12-0005-C-1 – Ernst & Young LLP

Recommended Action: Approval of an 11-month contract renewal with Ernst & Young LLP (E&Y) to provide financial services including financial planning reporting for both DPS and DPSCD, as well as cash flow analysis, forecasting and planning for an 11-month period commencing August 1, 2017 and ending June 30, 2018, for a NTE amount of \$1,650,000. A one-month contract renewal for July 1 – July 31, 2017 was approved for \$150,000, bringing the total budgeted NTE payment to E&Y of \$1,800,000 for fiscal year 2017-2018.

Consequence of Non-Approval: The DPSCD Finance team currently has unfilled vacancies in cash management, accounting, and grants, as well as leadership positions. The E&Y team provides the additional capacity necessary to meet reporting deadlines for the School Board, FRC, State Treasury, and other entities. Failure to continue this consequence would result in reduced and delayed financial reporting by the department.

Executive Summary:

- Term and Amount: August 1, 2017 to June 30, 2018, for a NTE amount of \$1,650,000 contract amount and \$1,800,000 budget for year one. Contract may be terminated with 15 days' prior notice. Monthly pricing of \$150,000 per month is less than fiscal 2017 pricing of \$167,000.
- Bid Process:
 - E&Y has been providing services to DPS and now DPSCD since 2012 at the request of the previous emergency managers, under an extended contract scheduled to end on June 30, 2017. In addition, the Deputy Superintendent of Finance of DPSCD, who is responsible for the financial operations of DPSCD, as well as the duties and obligations of DPS required to be performed by DPSCD (hereinafter referred to as the "CFO"), submitted his resignation effective June 30, 2017. DPSCD continues to require services of the type performed by a CFO. The District's Office of Finance is also short-staffed and is the process of being assessed for an appropriate department structure and staffing.

Contract Requests cont.

Office of Finance

12-0005-C-1 – Ernst & Young LLP

Executive Summary:

- Bid Process:
 - As a result of the above, the Offices of the Superintendent and Finance, requested the continuation of E&Y's services on an emergency basis for one month and pursuant to Procurement & Logistics Policy & Procurement Manual Section C (1.2) for continuity.
 - This amendment will enable DPSCD to have E&Y's continued assistance for up to additional eleven months as the services are transitioned to DPSCD personnel. The contract may be terminated with 15 days' prior notice in the event that less transition time is needed.

- Supplier: E&Y is a national consulting firm with expertise in governmental, educational financial services. It combines private sector leading practice with an understanding of the public sector's diverse needs, focused on delivering improved public services. EY's heritage is based on providing objective, fact-based insights, and our broad portfolio of services is aimed at driving relevant, tangible results. E&Y has provided technical expertise in the areas of cash management, financial planning, budgeting and risk analysis to support the DPSCD team members.
- Services: E&Y will perform and assist management with financial planning reporting for both DPS and DPSCD, cash flow analysis, forecasting and planning.
- DPSCD Executive Managing the Contract: Tony Saunders



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: July 25, 2017
TO: Financial Review Commission (FRC) Members
FROM: Romaneir Johnson, Executive Director of Financial Review Commission
SUBJECT: Contract Summary - July 2017 Detroit Public Schools Community Detroit FRC Meeting

For the month of July 2017, the District Public Schools Community District (DPSCD) or commonly known as the Detroit Public Schools (DPS) submitted to the FRC a request to renew a financial services contract with Ernest & Young, LLP, which must be reviewed by the FRC's Advisory Contracts and Procurement subcommittee and approved by the FRC.

Contract Renewal for Ernst & Young, LLP -SUMMARY

Proposed Contractor	Proposed Contractual Services	Approved by District?	Contract Value	Type of Action	Request for Approval	Budgeted Funding Sources
Ernst & Young, LLP	Financial Services	7/11/17	\$1,650,000	Renewal	Continuity of Service	General Fund

Because the proposed contract renewal exceeds the statutory budget threshold of \$750,000, the FRC must approve the proposed action prior to its commencement. Upon approval of this action, Ernest & Young, LLP will continue to provide financial services to the District which includes budget development planning and financial reporting for both Detroit Public Schools (DPS) and Detroit Public Schools Community District (DPSCD) respectively. For the effective period of this action, financial services will include but not be limited to cash flow analysis, budgetary spending forecasts, and budget development planning from August 1, 2017 until June 30, 2018. It should be noted that the Board pre-approved a one-month contract renewal for Ernst & Young, LLP valued at \$150,000 for the month of July 2017. The 12-month value of this contract renewal and approved by the Board (July 2017 – June 2018) is valued at \$1,800,000.

Requests for consideration and approval

- 1 Financial Update
- 2 Contract Requests
- 3 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 2017-16

APPROVING THE COMMUNITY DISTRICT'S JULY 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 July 31, 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 July 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.

Out-of-State Travel Reimbursement Requests

The following reimbursements (estimated cost) are being provided to the Board of Education for review and approval. These must also be provided to the FRC for review and approval pursuant to section 7(q) of the Michigan Financial Review Commission Act.

Conference Name	Location of Trip	Dates of Conference	School/ Department	Central Office	School-Based	Participants	Student	Faculty	Funding Source	Total Est. Cost	Approved by:
General Funds											
National Association of Charter School Authorizers Conference	Phoenix, AZ	10/16/17 -10/19/17	Office of Charter Schools	x		3	0	3	General Fund	5,200.00	Dr. Vitti
Total						3	0	3		\$5,200.00	