



DPSCD FINANCE PRESENTATION

AUGUST 30, 2021

STUDENTS RISE. WE ALL RISE.



DPS Update – June 2021



Overall Summary – DPS

Revenues and Expenditures – June

- DPS received \$16.3M in 13 mills receipts.
 - Total 13 mill receipts for FY21 were \$88.3M which is \$3.5M above forecast
 - Current 13 mill tax receipt reserves are \$17.2M.

- DPS received \$11.0M in 18 mills receipts.
 - Total 18 mill receipts for FY21 were \$74.7M which is \$2.3M above forecast
 - Total 18 mills account balances total \$30.2M.

Cash Flow

- The ending general fund cash balance for June 2021 is projected to be \$4.7M.

DPS Cash Forecast to Actuals Variance – June 2021

	<u>JUNE</u>			COMMENTS :
	FORECAST	ACTUALS	VARIANCE	
CASH RECEIPTS				
PROPERTY TAX	\$ 750	\$ 16,308	\$ 15,558	Delinquent tax payments received in June rather than July, as originally forecast
TRANSFERS FROM DPSCD	-	-	-	
MISCELLANEOUS	0	0	0	
TOTAL CASH RECEIPTS	\$ 750	\$ 16,308	\$ 15,558	
CASH DISBURSEMENTS				
ACCOUNTS PAYABLE GENERAL FUND	-	-	-	Transfer adjusted to match receipts
PROPERTY TAX TRANSFERS	(750)	(16,332)	(15,582)	
TRANSFERS TO DPSCD	-	(0)	(0)	
OTHER DISBURSEMENTS	-	-	-	
TOTAL CASH DISBURSEMENTS	(750)	(16,333)	(15,583)	
BEGINNING CASH BALANCE	\$ 4,783	\$ 4,783	-	
NET CASH FLOW	\$ 0	(25)	(25)	
ENDING CASH BALANCE	\$ 4,783	\$ 4,758	(25)	

Property tax transfer relates to 13 Mills property tax receipts collected to cover capital debt service.

DPSCD Update – June 2021



Overall Summary – DPSCD Revenues and Expenditures

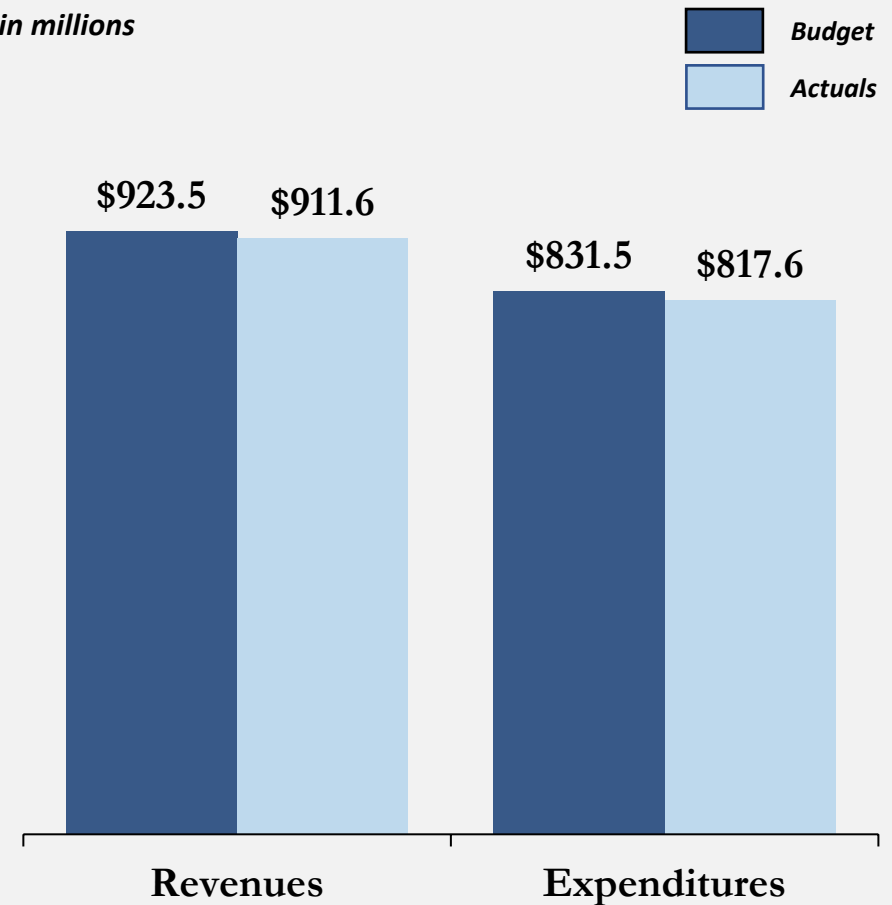
Year to date revenue through June is behind budget projections.

- State revenue exceeded budget projections due to increases in categorical and restricted State grants but was offset by lower Federal COVID revenue. We expect to receive COVID revenue in future months as expenses are processed and paid.

Overall, year-to-date expenses are slightly behind budget projections, but are expected to align with forecasts as District processes final FY21 invoices.

Budget vs. Actuals* – Through June 2021

\$ in millions



Summary of Revenues and Expenditures

Budget to Actual Comparison Current Month

	Budget	Actual	Variance	
	Month of June FY 21	Month of June FY 21	\$	%

Budget to Actual Comparison YTD

	Budget	Actual*	Variance	
	YTD June FY 21	YTD June FY 21	\$	%

SUMMARY

Revenues

Local sources	\$ 2,574,627	\$ 2,780,983	\$ 206,356	8%	\$ 72,205,289	\$ 72,411,645	\$ 206,355	0%
State sources	37,462,040	45,528,533	8,066,493	22%	541,796,697	549,863,191	8,066,493	1%
Federal sources	100,044,901	79,862,260	(20,182,642)	(20%)	309,473,000	289,290,358	(20,182,642)	(7%)
Total revenues	140,081,569	128,171,776	(11,909,793)	(9%)	923,474,987	911,565,194	(11,909,793)	(1%)

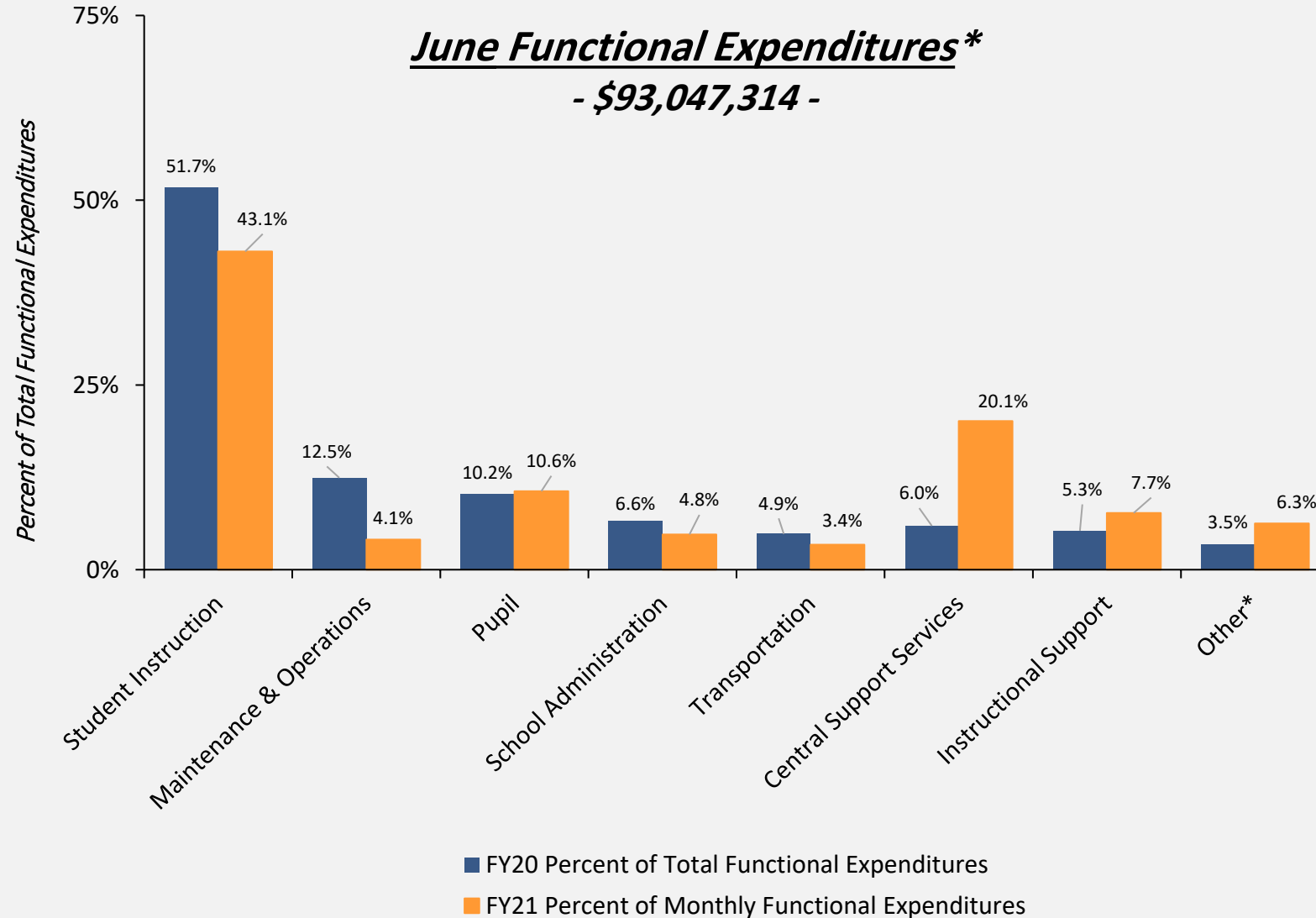
Expenditures

Salaries	38,635,045	38,615,104	(19,941)	(0%)	402,717,336	399,788,454	(2,928,882)	(1%)
Benefits	15,568,395	20,762,595	5,194,199	33%	222,033,687	225,452,941	3,419,253	2%
Purchased Services	29,959,039	18,096,246	(11,862,793)	(40%)	143,476,094	131,606,332	(11,869,762)	(8%)
Supplies & Textbooks	14,725,484	13,292,371	(1,433,113)	(10%)	41,946,208	40,520,064	(1,426,144)	(3%)
Equipment & Capital	1,139,058	362,069	(776,990)	(68%)	2,181,368	1,404,379	(776,990)	(36%)
Utilities	2,184,175	1,918,929	(265,245)	(12%)	19,103,425	18,838,179	(265,246)	(1%)
Total expenditures	102,211,197	93,047,314	(9,163,883)	(9%)	831,458,119	817,610,348	(13,847,770)	(2%)

Surplus (Deficit)	\$ 37,870,373	\$ 35,124,462	\$ (2,745,911)	(17%)	\$ 92,016,870	\$ 93,954,845	\$ 1,937,976	(3%)
--------------------------	----------------------	----------------------	-----------------------	--------------	----------------------	----------------------	---------------------	-------------

*Note: Figures subject to change pending final Audit which will be completed in November 2021

Expenditures by Function – June 2021



Notes:

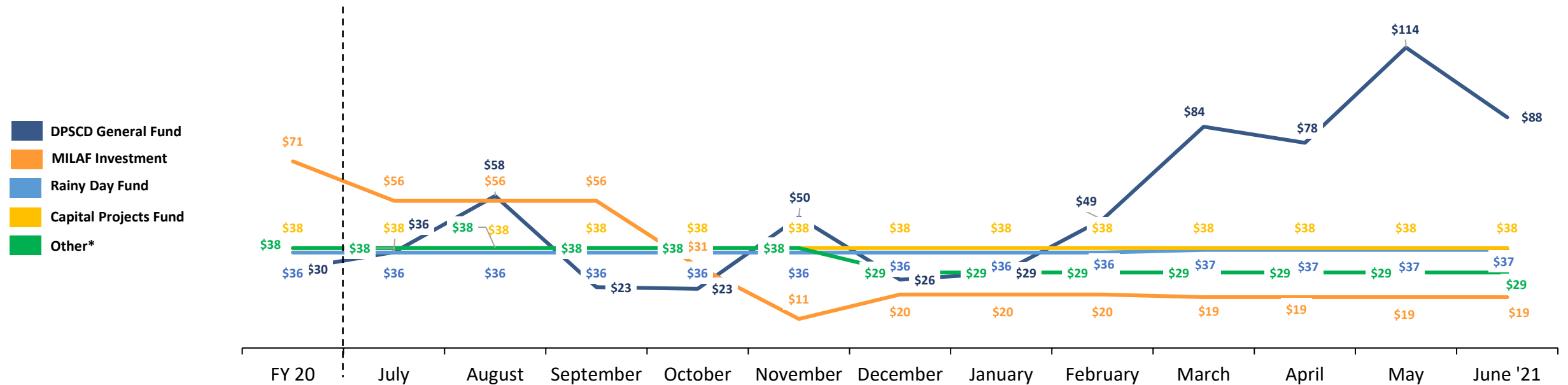
- Central support services was higher than average due to COVID related expenditures for testing services and hazard/vaccine payments.
 - ✓ COVID Testing ~\$10M
 - ✓ Hazard/Vaccine Payments ~\$4M
- When these cost are removed, expenditures align with expected averages.

DPSCD June 2021 Cash Flow Analysis

- At the end of June, DPSCD’s ending balances were as follows: General Fund - \$87.8M, Rainy-Day Fund - \$37.4M, Capital Projects Fund - \$38.1M, MILAF Investment Account - \$19.4M and Other* remaining funds - \$28.7M.
- The current General Fund balance is estimated to be equivalent to 8.4 weeks of average expenditures¹.

Actual & Projected Ending Cash Balance

\$ in millions



1) Calculated by taking the General Fund + MILAF balance as of June 30, 2021 and dividing it by the rolling average actual YTD expenditures per week (excludes all other funds and extraordinary, one-time items)

*Other Funds include: Internal Service Fund, Legal Reserve Fund and the Food Service Fund

DPSCD Cash Forecast to Actuals – June 2021

	<u>JUNE</u>			COMMENTS :
	FORECAST	ACTUALS	VARIANCE	
CASH RECEIPTS				
STATE AID	\$ 42,879	\$ 42,510	(368)	
MPSERS (STATE FUNDED)	\$ 4,798	\$ 4,798	-	
ENHANCEMENT MILLAGE	\$ 61	\$ 12	(49)	
GRANTS	\$ 40,176	\$ 23,792	(16,384)	Timing, receipts expected in July/August
TRANSFER FROM RELATED ACCOUNTS	\$ 2,500	\$ 0	(2,500)	Transfer rescheduled to July
WCRESA	\$ 3,006	\$ 371	(2,636)	Payment adjusted to account for actual expenses
FOOD SERVICE-REIMBURSEMENT	\$ 209	\$ 479	\$ 270	
DEPOSITS - DPS	-	-	-	
MISCELLANEOUS	\$ 750	\$ 333	(417)	
TOTAL CASH RECEIPTS	\$ 94,379	\$ 72,295	(22,083)	
CASH DISBURSEMENTS				
MPSERS (PASS THROUGH)	(4,798)	(9,596)	(4,798)	Payments covered 2 months
PAYROLL - DIRECT DEPOSIT, ADDITIONAL, OR IMPREST	(23,193)	(21,727)	\$ 1,466	
EMPLOYER TAXES	(2,535)	(3,550)	(1,015)	Timing for payroll related accounts - 3 payments in June rather than 2
EMPLOYEE WITHOLDINGS	(6,295)	(9,407)	(3,112)	
FRINGE BENEFITS (GARNIS/WORKERS COMP)	(1,490)	(1,882)	(392)	
HEALTH	(5,563)	(4,922)	\$ 641	
PENSION (EMPLOYEE PORTION)	(2,319)	(4,000)	(1,680)	
PENSION (EMPLOYER PORTION)	(8,946)	(12,752)	(3,806)	
ACCOUNT PAYABLE GENERAL FUNDS	(17,000)	(27,318)	(10,318)	Higher than forecast due to year end processing of invoices
CP ACCOUNTS PAYABLE	(3,000)	(2,985)	\$ 15	
FOOD SERVICE	(546)	(691)	(145)	
TRANSFER TO INVESTMENT ACCOUNT	-	-	-	
TRANSFER TO RELATED ACCOUNTS	-	-	-	
OTHER	(300)	(3)	\$ 297	
TOTAL CASH DISBURSEMENTS	\$ (75,986)	\$ (98,833)	\$ (22,846)	
BEGINNING CASH BALANCE	\$ 114,362	\$ 114,362	\$ 0	
NET CASH FLOW	18,392	(26,537)	(44,930)	
ENDING CASH BALANCE	\$ 132,755	\$ 87,825	\$ (44,930)	

Food Service Revenues and Expenditures

Food Service Budget to Actual Comparison Current Month

Food Service Budget to Actual Comparison YTD

SUMMARY

Revenues

	Budget Month of June FY 21		Actual Month of June FY 21		Variance		Budget YTD June FY 21		Actual** YTD June FY 21		Variance			
			\$	%	\$	%	\$	%	\$	%	\$	%		
Local sources	\$	14,583	\$	1,969	\$	(12,614)	(86%)	\$	175,000	\$	40,065	\$	(134,935)	(77%)
State sources		111,639		406,100		294,460	264%		1,339,673		1,488,635		148,962	11%
Federal sources		445,911		994,020		548,109	123%		5,350,928		11,012,834		5,661,906	106%
Other sources		216,667		914,119		697,452			2,600,000		1,885,026		(714,974)	(27%)
Total revenues	\$	788,800	\$	2,316,207	\$	1,527,407	194%	\$	9,465,601	\$	14,426,559	\$	4,960,958	52%

Expenditures

Personnel	\$	999,163	\$	1,111,267	\$	112,104	11%	\$	11,989,957	\$	15,067,895	\$	3,077,938	26%
Purchased Services		143,561		81,097		(62,464)	(44%)		1,722,729		2,291,047		568,318	33%
Supplies & Equipment		644,297		496,765		(147,532)	(23%)		7,731,561		6,895,499		(836,062)	(11%)
Capital Outlay		207,116		-		(207,116)	(100%)		2,485,387		2,485,387		0	0%
Misc		216,667		914,119		697,452	322%		2,600,000		915,219		(1,684,781)	0%

Total expenditures	\$	2,210,803	\$	2,603,248	\$	392,446	18%	\$	26,529,634	\$	27,655,047	\$	1,125,413	4%
Surplus (Deficit)	\$	(1,422,003)	\$	(287,041)	\$	1,134,962	(80%)	\$	(17,064,033)	\$	(13,228,488)	\$	3,835,545	(22%)

Projected June 30 Surplus/(Deficit) before transfers	\$	(13,228,488)
Transfer from Food Service Fund Balance	\$	11,264,033
Federal Covid Deficit Funding*	\$	4,000,000
Ending Surplus/(Deficit) after transfers	\$	2,035,545

*MDE has recently signaled that \$4M in Federal relief funding can be used to cover Food Service deficits. The District expects to receive the formal award letter shortly allowing for the application of the funds in FY21. This is forecast to eliminate the need for a GF transfer to maintain a balanced budget.

**Note: Figures subject to change pending final Audit which will be completed in November 2021

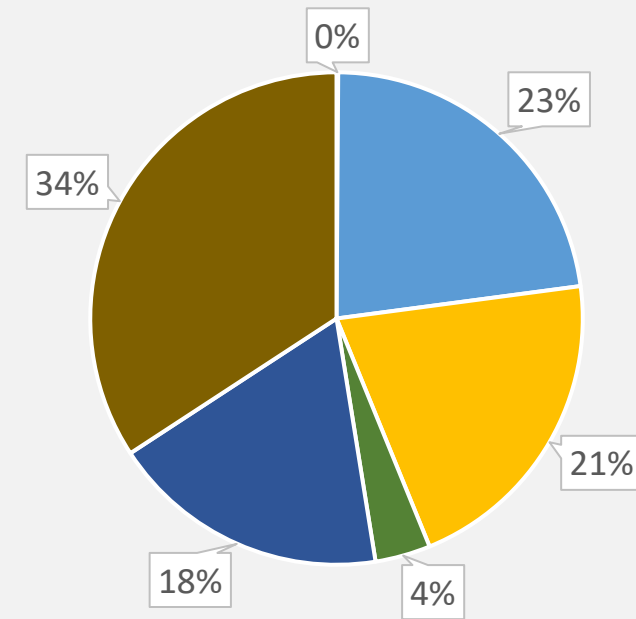
COVID Expenditure Summary

Through June 30, 2021, the District spent \$87.5M on COVID eligible expenditures. This is an increase of \$18.8M from the previous month. Costs were primarily from COVID testing as well as hazard and vaccine payments.

COVID Expenditures	YTD Actuals
Bring Students and Families Back to Our Schools	\$95,810
Maximize Safe Face to Face Learning	\$19,929,720
Meet Academic Needs of Students in Person and Virtually	\$18,313,313
Meet Social-Emotional Needs of Students	\$3,176,401
Invest in Our Employees	\$16,028,273
Budget Transfer to Fund Our Facilities	\$29,923,655
Total	\$87,647,172

**Only COVID funded expenditures are listed, District state and federal grants have also supported student engagement, academics, and social emotional work.*

COVID Expenditures to Date



- Bring Students and Families Back to Our Schools
- Maximize Safe Face to Face Learning
- Meet Academic Needs of Students in Person and Virtually
- Meet Social-Emotional Needs of Students
- Invest in Our Employees
- Budget Transfer to Fund Our Facilities

DPS Refunding Opportunities



State School Loan Revolving Fund (“SLRF”) Program

- School Loan Revolving Fund (SLRF) is a constitutionally created program that obligates the State of Michigan to provide loans to pay debt service on Michigan school districts “qualified” unlimited tax general obligation debt.
- The interest rate charged by the State SLRF is 0.125% higher than the State’s cost of borrowing or a minimum of 3%. The current rate charged by the SLRF is 3.00% (July 12, 2021) The highest SLRF interest rate since 2001 was 6.125% (in March 2009)
- Due to the decline in property tax values from ~\$10 billion to ~\$5.5 billion and the corresponding drop in tax collections, DPS has borrowed from SLRF annually to meet bond obligation payments.
- In May 2020, the School Board approved the refunding of the outstanding SLRF balance reducing the interest rate from 3.0% variable rate to 2.4% secured rate.
- In May 2021, DPS borrowed \$95.8M from the SLRF, which can now be refunded to secure additional savings for the taxpayers of Detroit.

Estimated SLRF Refunding Savings

- The actual amount of savings achieved will vary based on 1) the actual future taxable values and 2) the actual interest rates charged by the State SLRF over the term of the loans with the State.
- Based on a 2.00% taxable value growth rate and the 3% minimum SLRF interest rate, as well as July 13, 2021 estimated taxable interest rates, the refunding is projected to produce the following savings:

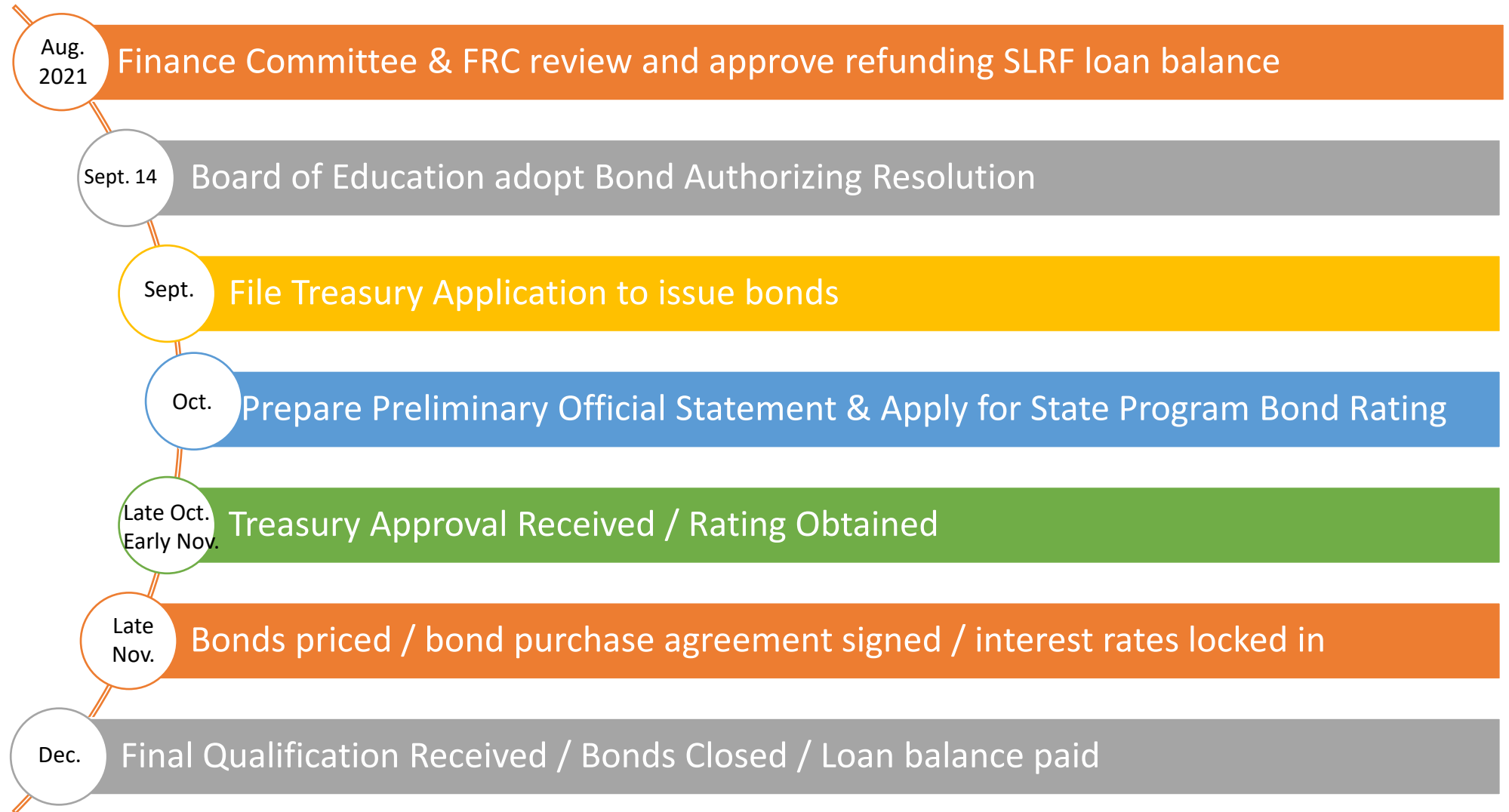
Estimated 2021 SLRF Refunding Summary	
Assumed Delivery Date:	Nov 2021
Total Savings (net of issuance cost):	\$9,586,593
Net Present Value (NPV) Savings:	\$7,900,190
NPV Savings as % of Refunded Loan:	8.15%
Estimated All-In True Interest Cost (TIC):	2.41%
Assumed Interest Rate on Refunded Loan:	3.00%
Assumed Taxable Value Growth Rate:	2.00%

- The table below provides the estimated savings which would be generated given various future taxable value growth rates and SLRF loan interest rates assuming the refunding bond structure summarized in the above numbers.

Growth Rate	School Loan Revolving Fund Interest Rate Assumption					
	3.00%			3.50%		
	Savings	NPV \$	NPV %	Savings	NPV \$	NPV %
Statutory				\$24,107,938	\$18,669,413	19.21%
1.00%	\$10,261,454	\$8,296,582	8.56%	\$23,239,266	\$17,841,101	18.36%
2.00%	\$9,586,593	\$7,900,190	8.15%	\$19,034,698	\$15,486,560	15.94%
3.00%	\$9,110,897	\$7,603,265	7.84%	\$17,912,412	\$14,792,019	15.22%
4.00%	\$8,632,244	\$7,292,647	7.52%	\$16,864,033	\$14,116,538	14.53%

- Estimated interest rates assume market conditions as July 13, 2021
- All in TIC rate of 2.41% on the 2021 Refunding Bonds.
- Statutory growth rate assumptions are 1.48% for 5 years (5 year historical average), and 0.22% thereafter (20 year historical average).

Sample Bond Refinancing Timeline



Finance Appendix



DPS FY 2021 Monthly Cash Flows

IN THOUSANDS \$ 0,00

	2020						2021						FY 21 TOTAL
	July	August	September	October	November	December	January	February	March	April	May	June	
CASH RECEIPTS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	
PROPERTY TAX	\$ 1,099	\$ 21,635	\$ 12,903	\$ 3,987	\$ 7,837	\$ 563	\$ 12,941	\$ 8,359	\$ 2,035	\$ 602	\$ 344	\$ 16,308	\$ 88,269
TRANSFERS FROM DPSCD	-	-	-	-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	\$ 1	\$ 9	\$ 0	\$ 0	\$ 918	\$ 2	\$ 0	\$ 0	\$ 931
TOTAL CASH RECEIPTS	\$ 1,099	\$ 21,635	\$ 12,903	\$ 3,987	\$ 7,838	\$ 572	\$ 12,941	\$ 8,359	\$ 2,953	\$ 604	\$ 344	\$ 16,308	\$ 89,200
CASH DISBURSEMENTS													
ACCOUNTS PAYABLE GENERAL FUND	-	-	-	(196)	-	-	(26)	-	-	-	-	-	(223)
PROPERTY TAX TRANSFERS	-	(5,921)	(17,905)	(15,560)	(7,803)	(603)	(5,439)	-	(16,963)	(254)	(602)	(16,332)	(87,382)
TRANSFERS TO DPSCD	-	-	-	-	-	-	(160)	-	(2)	-	(2)	(0)	(163)
OTHER DISBURSEMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH DISBURSEMENTS	-	(5,921)	(17,905)	(15,756)	(7,803)	(603)	(5,625)	-	(16,965)	(254)	(604)	(16,333)	(87,768)
BEGINNING CASH BALANCE	\$ 2,982	\$ 4,081	\$ 19,795	\$ 14,793	\$ 3,023	\$ 3,059	\$ 3,028	\$ 10,344	\$ 18,704	\$ 4,692	\$ 5,043	\$ 4,783	\$ 2,982
NET CASH FLOW	\$ 1,099	\$ 15,714	(5,002)	(11,770)	\$ 35	(31)	\$ 7,316	\$ 8,359	(14,011)	\$ 350	(260)	(24)	\$ 1,776
ENDING CASH BALANCE	\$ 4,081	\$ 19,795	\$ 14,793	\$ 3,023	\$ 3,059	\$ 3,028	\$ 10,344	\$ 18,704	\$ 4,692	\$ 5,043	\$ 4,783	\$ 4,758	\$ 4,758

IN THOUSANDS \$ 0,00

	2020						2021						FY 21 TOTAL
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
PROPERTY TAX RESERVE ACCOUNT (13 MILLS)	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	
BEGINNING BALANCE	\$ 20,612	\$ 20,612	\$ 26,533	\$ 44,438	\$ 19,931	\$ 27,729	\$ 28,337	\$ 33,776	\$ 33,777	\$ 49,974	\$ 262	\$ 863	\$ 20,612
Property Tax Transfers In	-	\$ 5,921	\$ 17,905	\$ 15,560	\$ 7,803	\$ 603	\$ 5,439	-	\$ 16,963	\$ 254	\$ 602	\$ 16,332	\$ 87,382
EARNINGS ON INVESTMENTS	-	-	-	-	-	\$ 5	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 9
Draw from SLRF to meet Obligations	-	-	-	-	-	-	-	-	-	\$ 95,237	-	-	\$ 95,237
Scheduled Bond Payments	-	-	-	(40,067)	(5)	-	-	-	(767)	(145,205)	-	(2)	(186,046)
ENDING PROPERTY TAX RESERVE	\$ 20,612	\$ 26,533	\$ 44,438	\$ 19,931	\$ 27,729	\$ 28,337	\$ 33,776	\$ 33,777	\$ 49,974	\$ 262	\$ 863	\$ 17,194	\$ 17,194
DPS DEBT FUND (18 MILLS - BONY)													
BEGINNING BALANCE	\$ 17,978	\$ 2,044	\$ 21,832	\$ 7,412	\$ 23,590	\$ 24,201	\$ 26,001	\$ 38,248	\$ 40,996	\$ 18,733	\$ 18,990	\$ 19,245	\$ 17,978
Cash Receipts	\$ 1	\$ 19,788	\$ 1,484	\$ 16,178	\$ 611	\$ 1,800	\$ 12,247	\$ 8,961	\$ 1,993	\$ 368	\$ 255	\$ 11,033	\$ 74,718
Scheduled EL/Bond Payments	-	-	(15,904)	-	-	-	-	-	(23,277)	-	-	-	(39,181)
Scheduled ORS Payments	-	-	-	-	-	-	-	(6,000)	-	-	-	-	(6,000)
Supplemental ORS Payments	(15,934)	-	-	-	-	-	-	(212)	(979)	(110)	-	(76)	(17,313)
ENDING BONY BALANCE	\$ 2,044	\$ 21,832	\$ 7,412	\$ 23,590	\$ 24,201	\$ 26,001	\$ 38,248	\$ 40,996	\$ 18,733	\$ 18,990	\$ 19,245	\$ 30,202	\$ 30,202
TOTAL CASH INCLUDING DPS GENERAL FUND, PROPERTY TAX RESERVE. AND BONY	\$ 26,738	\$ 68,161	\$ 66,643	\$ 46,544	\$ 54,988	\$ 57,366	\$ 82,368	\$ 93,477	\$ 73,399	\$ 24,295	\$ 24,892	\$ 52,154	\$ 52,154



DPSCD FY 2021 Monthly Cash Flows

IN THOUSANDS \$ 0,00

	2020						2021						FY 21 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	\$ 43,926	\$ 52,779	-	\$ 42,251	\$ 43,806	\$ 42,973	\$ 42,351	\$ 45,392	\$ 43,936	\$ 43,902	\$ 45,744	\$ 42,510	\$ 489,569
MPERS (STATE FUNDED)	\$ 3,745	\$ 3,749	-	-	\$ 9,596	\$ 4,798	\$ 4,798	\$ 4,798	\$ 4,798	\$ 4,798	\$ 4,798	\$ 4,798	\$ 50,676
ENHANCEMENT MILLAGE	-	-	\$ 1,083	\$ 3,329	\$ 5,991	\$ 1,010	\$ 432	\$ 2,033	\$ 1,691	\$ 1,444	\$ 864	\$ 12	\$ 17,888
GRANTS	\$ 15,875	\$ 29,157	\$ 15,030	\$ 7,991	\$ 3,228	\$ 39,848	\$ 1,933	\$ 24,216	\$ 55,850	\$ 6,571	\$ 43,542	\$ 23,792	\$ 267,033
TRANSFER FROM MILAF INVESTMENT ACCOUNT	\$ 15,000	-	-	\$ 25,000	\$ 20,000	-	-	-	\$ 15	-	-	-	\$ 60,015
TRANSFER FROM RELATED ACCOUNTS	-	-	-	-	-	-	\$ 160	-	\$ 2	-	\$ 2	-	\$ 163
WCRESA	-	\$ 300	\$ 3,344	\$ 3,344	\$ 7,937	\$ 4,540	\$ 3,006	\$ 3,006	\$ 3,006	\$ 3,006	\$ 3,430	\$ 371	\$ 35,291
FOOD SERVICE-REIMBURSEMENT	\$ 1,185	-	\$ 400	\$ 284	\$ 11	\$ 990	\$ 1,840	\$ 1,564	\$ 138	\$ 716	\$ 1,564	\$ 479	\$ 9,171
MISCELLANEOUS	\$ 1,334	\$ 355	\$ 606	\$ 3,145	\$ 616	\$ 501	\$ 278	\$ 290	\$ 503	\$ 218	\$ 297	\$ 333	\$ 8,476
TOTAL CASH RECEIPTS	\$ 81,064	\$ 86,340	\$ 20,463	\$ 85,344	\$ 91,186	\$ 94,659	\$ 54,798	\$ 81,299	\$ 109,938	\$ 60,655	\$ 100,242	\$ 72,295	\$ 938,284

CASH DISBURSEMENTS

MPERS (PASS THROUGH)	(3,745)	(3,745)	(3,749)	-	-	(14,394)	-	(4,798)	(4,798)	(4,798)	(4,798)	(9,596)	(54,421)
PAYROLL - DIRECT DEPOSIT, ADDITIONAL, OR IMPREST	(19,795)	(18,162)	(16,196)	(28,563)	(25,095)	(28,140)	(18,157)	(19,699)	(24,890)	(20,581)	(20,631)	(21,727)	(261,637)
EMPLOYEE WITHOLDINGS	(5,864)	(4,481)	(5,080)	(7,895)	(2,416)	(11,590)	(5,168)	(4,700)	(5,735)	(4,599)	(6,359)	(9,407)	(73,294)
EMPLOYER TAXES	(1,987)	(1,590)	(1,847)	(3,349)	(5,988)	(4,367)	(3,223)	(3,365)	(2,102)	(3,305)	(2,430)	(3,550)	(37,103)
FRINGE BENEFITS (GARNIS/WORKERS COMP)	(1,186)	(1,034)	(1,140)	(1,331)	(1,310)	(1,947)	(1,569)	(1,395)	(1,501)	(1,386)	(1,320)	(1,882)	(17,000)
HEALTH	(4,841)	(4,407)	(65)	(10,008)	(4,739)	(4,704)	(4,962)	(5,257)	(5,312)	(5,258)	(4,964)	(4,922)	(59,439)
PENSION (EMPLOYEE PORTION)	(2,324)	(942)	(1,773)	(2,398)	(2,504)	(4,568)	(2,416)	(2,620)	(2,291)	(2,675)	(2,717)	(4,000)	(31,227)
PENSION (EMPLOYER PORTION)	(7,997)	(6,984)	(6,108)	(8,251)	(8,433)	(15,193)	(8,105)	(8,641)	(7,573)	(8,551)	(8,682)	(12,752)	(107,269)
ACCOUNT PAYABLE GENERAL FUNDS	(16,570)	(22,916)	(15,157)	(20,248)	(12,444)	(24,899)	(7,988)	(9,304)	(17,921)	(14,674)	(11,460)	(27,318)	(200,899)
CAPITAL PROJECTS ACCOUNTS PAYABLE	(1,685)	(105)	(740)	(1,547)	(10)	(7,885)	(198)	(735)	(1,825)	(133)	(188)	(2,985)	(18,036)
FOOD SERVICE	(2,744)	(548)	(3,279)	(2,348)	(1,044)	(695)	(503)	(417)	(602)	(848)	(426)	(691)	(14,145)
TRANSFER TO INVESTMENT ACCOUNT	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSFER TO RELATED ACCOUNTS	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	(173)	(52)	(42)	-	-	(2)	(23)	(0)	(0)	(18)	-	(3)	(314)
TOTAL CASH DISBURSEMENTS	(68,910)	(64,966)	(55,176)	(85,937)	(63,982)	(118,384)	(52,310)	(60,931)	(74,551)	(66,827)	(63,975)	(98,833)	(874,782)

BEGINNING CASH BALANCE	\$ 24,322	\$ 36,476	\$ 57,850	\$ 23,137	\$ 22,544	\$ 49,748	\$ 26,023	\$ 28,510	\$ 48,879	\$ 84,266	\$ 78,094	\$ 114,362	\$ 24,322
NET CASH FLOW	\$ 12,154	\$ 21,374	(34,713)	(593)	\$ 27,204	(23,725)	\$ 2,488	\$ 20,369	\$ 35,387	(6,171)	\$ 36,267	(26,538)	\$ 63,502
ENDING CASH BALANCE	\$ 36,476	\$ 57,850	\$ 23,137	\$ 22,544	\$ 49,748	\$ 26,023	\$ 28,510	\$ 48,879	\$ 84,266	\$ 78,094	\$ 114,362	\$ 87,825	\$ 87,824



DPSCD FY 2021 Other Cash Accounts

INTERNAL SERVICE FUND	2020						2021						FY 21 TOTAL
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
Beginning Balance	\$ 14,761	\$ 14,764	\$ 14,767	\$ 14,768	\$ 14,769	\$ 14,770	\$ 14,770	\$ 14,771	\$ 14,771	\$ 14,772	\$ 14,772	\$ 14,773	\$ 14,761
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(+) Dividends/Interest	\$ 4	\$ 2	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 1	\$ 0	\$ 0	-	\$ 12
(-) Workers' Compensation Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 14,764	\$ 14,767	\$ 14,768	\$ 14,769	\$ 14,770	\$ 14,770	\$ 14,771	\$ 14,771	\$ 14,772	\$ 14,772	\$ 14,773	\$ 14,773	\$ 14,774
LEGAL FUND													
Beginning Balance	\$ 1,171	\$ 1,171	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,171
(+) Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
(+) Dividends/Interest	\$ 0.3	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1
(-) Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 1,171	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172
RAINY DAY FUND													
Beginning Balance	\$ 36,328	\$ 36,339	\$ 36,347	\$ 36,352	\$ 36,355	\$ 36,357	\$ 36,358	\$ 36,359	\$ 36,361	\$ 37,379	\$ 37,380	\$ 37,382	\$ 36,328
(+) Transfers in	-	-	-	-	-	-	-	-	\$ 1,017	-	-	-	\$ 1,017
(+) Dividends/Interest	\$ 11	\$ 7	\$ 5	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 1	-	\$ 37
(-) Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 36,339	\$ 36,347	\$ 36,352	\$ 36,355	\$ 36,357	\$ 36,358	\$ 36,359	\$ 36,361	\$ 37,379	\$ 37,380	\$ 37,382	\$ 37,382	\$ 37,382
MILAF INVESTMENT													
Beginning Balance	\$ 71,051	\$ 56,057	\$ 56,058	\$ 56,059	\$ 31,060	\$ 11,060	\$ 20,414	\$ 20,415	\$ 20,415	\$ 19,383	\$ 19,383	\$ 19,384	\$ 71,051
(+) Transfers in	-	-	-	-	-	\$ 9,354	-	-	-	-	-	-	\$ 9,354
(+) Dividends/Interest	\$ 6	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	-	\$ 11
(-) Transfers out	(15,000)	-	-	(25,000)	(20,000)	-	-	-	(1,032)	-	-	-	(61,032)
Ending Balance	\$ 56,057	\$ 56,058	\$ 56,059	\$ 31,060	\$ 11,060	\$ 20,414	\$ 20,415	\$ 20,415	\$ 19,383	\$ 19,383	\$ 19,384	\$ 19,384	\$ 19,384
TOTAL GENERAL FUND BALANCE	\$ 144,808	\$ 166,193	\$ 131,488	\$ 105,900	\$ 113,106	\$ 98,737	\$ 101,227	\$ 121,598	\$ 156,972	\$ 150,803	\$ 187,073	\$ 160,536	\$ 160,535
CAPITAL PROJECTS													
Beginning Balance	\$ 38,067	\$ 38,072	\$ 38,073	\$ 38,074	\$ 38,075	\$ 38,076	\$ 38,076	\$ 38,077	\$ 38,078	\$ 38,079	\$ 38,079	\$ 38,080	\$ 38,067
(+) Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
(+) Dividends/Interest	\$ 5	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	-	\$ 13
(-) Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 38,072	\$ 38,073	\$ 38,074	\$ 38,075	\$ 38,076	\$ 38,076	\$ 38,077	\$ 38,078	\$ 38,079	\$ 38,079	\$ 38,080	\$ 38,080	\$ 38,080
FOOD SERVICE													
Beginning Balance	\$ 22,107	\$ 22,112	\$ 22,116	\$ 22,118	\$ 22,120	\$ 22,120	\$ 12,767	\$ 12,767	\$ 12,768	\$ 12,768	\$ 12,768	\$ 12,769	\$ 22,107
(+) Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
(+) Dividends/Interest	\$ 5	\$ 4	\$ 3	\$ 2	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	-	\$ 17
(-) Transfers out	-	-	-	-	-	(9,354)	-	-	-	-	-	-	(9,354)
Ending Balance	\$ 22,112	\$ 22,116	\$ 22,118	\$ 22,120	\$ 22,120	\$ 12,767	\$ 12,767	\$ 12,768	\$ 12,768	\$ 12,768	\$ 12,769	\$ 12,769	\$ 12,769
Total General Fund, ISF, Legal, Rainy Day Fund, MILAF Investment, Capital Projects and Food Service	\$ 204,992	\$ 226,382	\$ 191,680	\$ 166,095	\$ 173,303	\$ 149,580	\$ 152,072	\$ 172,443	\$ 207,818	\$ 201,651	\$ 237,922	\$ 211,385	\$ 211,384



Expenditures by Function – June 2021

	Budget to Actual Comparison Current Month				Budget to Actual Comparison YTD			
	Budget Month of June FY 21	Actual Month of June FY 21	Variance \$	%	Budget YTD June FY 21	Actual* YTD June FY 21	Variance \$	%
FUNCTION LEVEL EXPENDITURES								
INSTRUCTION								
Elementary Programs	\$ 13,544,218	\$ 17,097,050	\$ 3,552,832	26%	181,288,636	\$ 183,760,530	\$ 2,471,894	1%
Middle School Programs	849,653	1,510,861	661,208	78%	10,745,242	15,556,811	4,811,569	45%
High School & Summer Programs	5,353,733	6,942,509	1,588,776	30%	67,706,653	70,650,485	2,943,833	4%
Special Education	6,548,792	7,623,849	1,075,056	16%	82,820,116	77,154,648	(5,665,467)	(7%)
Compensatory Education	5,159,915	6,316,615	1,156,699	22%	55,255,511	54,478,343	(777,168)	(1%)
Career and Technical Education	176,145	357,317	181,172	103%	2,227,640	3,076,562	848,922	38%
Adult/Continuing Education	125,356	222,258	96,902	77%	1,585,336	1,530,858	(54,478)	(3%)
Total Instruction	31,757,813	40,070,458	8,312,645	26%	401,629,134	406,208,238	4,579,104	1%
SUPPORTING SERVICES								
Pupil	6,202,044	9,881,255	3,679,211	59%	87,257,262	90,288,768	3,031,506	3%
Instructional Support	8,601,472	7,140,944	(1,460,528)	(17%)	63,941,218	62,206,134	(1,735,084)	(3%)
General Administration	1,248,903	712,071	(536,832)	(43%)	7,275,261	6,738,429	(536,832)	(7%)
School Administration	5,172,877	4,437,249	(735,628)	(14%)	51,677,127	50,941,481	(735,647)	(1%)
Business	338,245	4,014,176	3,675,930	1087%	12,611,642	16,286,977	3,675,334	29%
Maintenance & Operations	8,598,870	3,813,053	(4,785,817)	(56%)	87,367,799	82,581,981	(4,785,817)	(5%)
Transportation	(128,531)	3,156,203	3,284,734	(2556%)	26,323,780	29,608,513	3,284,734	12%
Central Support Services	38,463,542	18,716,557	(19,746,985)	(51%)	84,844,552	65,078,462	(19,766,090)	(23%)
School Activities	(55,964)	169,270	225,234	(402%)	1,527,082	1,752,201	225,119	15%
Total Supporting Services	68,441,458	52,040,777	(16,400,681)	(24%)	422,825,723	405,482,946	(17,342,777)	(4%)
Community Service	2,011,926	936,079	(1,075,847)	(53%)	7,003,261	5,919,164	(1,084,097)	(15%)
TOTAL EXPENDITURES	\$ 102,211,197	\$ 93,047,314	\$ (9,163,883)	(9%)	\$ 831,458,118	\$ 817,610,348	\$ (13,847,769)	(2%)



*Note: Figures subject to change pending final Audit which will be completed in November 2021

DPSCD FY 2021 Student Activity Fund

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT
STUDENT ACTIVITIES FUND
MONTH ENDING June 30, 2021 (Preliminary)

	<u>FY 2021 Budget</u>	<u>Actuals*</u>
Revenue:		
Local Sources	\$ 2,250,000	\$ 1,217,144
Total Revenue	<u>2,250,000</u>	<u>1,217,144</u>
Expenditures:		
Community Service	<u>2,250,000</u>	<u>1,109,182</u>
Total Support Services	<u>2,250,000</u>	<u>1,109,182</u>
Excess of Revenue over Expenditures	-	107,962
Beginning Fund Balance	1,666,433	1,666,433
Ending Fund Balance	<u>\$ 1,666,433</u>	<u>\$ 1,774,395</u>



*Note: Figures subject to change pending final Audit which will be completed in November 2021

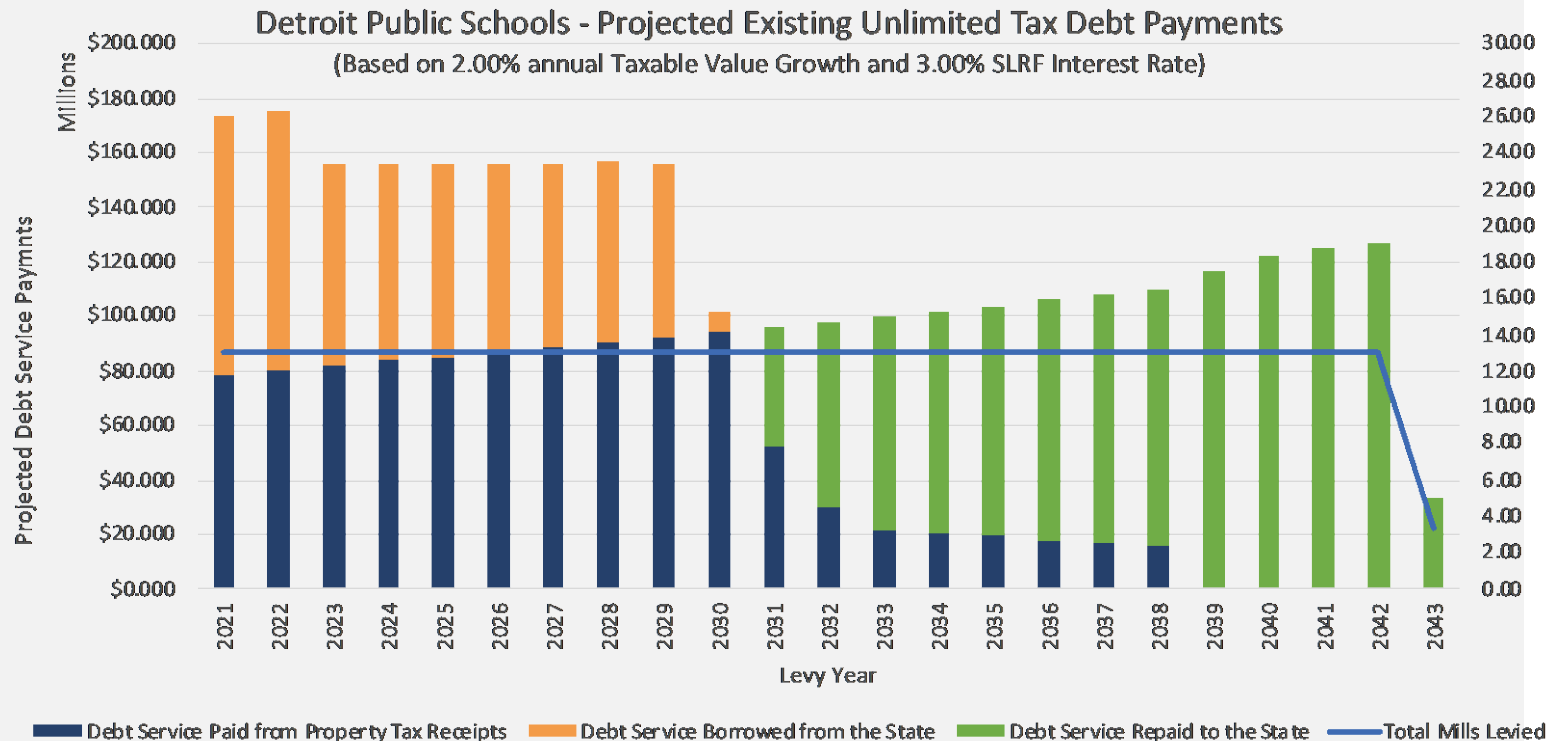
Detroit Public Schools Facilities Debt

- DPS has \$1,475,570,000 in outstanding Unlimited Tax General Obligation Bonds (UTGO) and an additional \$95,795,290 in School Loan Revolving Fund (SLRF Debt).
- The issuance of the debt was approved by the Citizens of Detroit through voter approved capital bond referendums in 1994 and 2009. In 2009, the City of Detroit had a property tax valuation of \$10 billion, this dropped to \$5.8 billion by 2016. This reduced 13 Mill tax levy revenue necessary to meet bond obligation payments, requiring DPS to borrow annually from the State of Michigan School Loan Revolving Fund (SLRF) to make debt obligations.
 - DPS is anticipated to borrow from the SLRF Program until 2030.
 - DPS Bond debt is scheduled to be fully repaid in 2039 and SLRF debt is anticipated to be repaid in 2043.
- The District selected PFM Financial Advisors through an RFP process to serve as our financial advisor on debt issuance and refunding options. Miller Canfield was selected as Bond Counsel through an RFP process in FY 20.

Annual Payments of Voted Unlimited Tax General Obligation Debt

The District meets its annual voted debt service payments from two main sources:

1. Revenue generated from the 13.00 mill debt levy
2. Loans from the State School Loan Revolving Fund (“SLRF”).
 - The orange portion of the bars below represent the projected portion of the District’s annual bond payments to be borrowed from the SLRF
 - The green portion of the bars below represent the portion of the revenue generated from the 13.00 mills projected to be used to repay the SLRF.
 - Annual projected loans are anticipated to be over \$95 million* in 2021/22 and approximately \$70 million* a year for the following 7 years.



*Actual amounts to be borrowed and repaid to the SLRF will vary based on the actual annual taxable values and actual SLRF interest rate



Proposed Refunding of SLRF Balance

- A large number of Michigan schools with SLRF loan balances have refunded their loan balance (as the District did in 2017 and 2020).
- The refunding of the loan balance is largely accomplished by replacing the loan balance outstanding carrying variable rates (with a 3% minimum) with a lower fixed rate bond issuance.
 - The bonds issued to repay the loan balance are typically set at the longest bond term possible which produces an effective “all-in” cost to the District at a rate below 3%, which is the lowest interest rate which the State is allowed to charge on the loans.
- Even after refunding of the current loan balance, the District is projected to continue to participate in (borrow from) the State SLRF through 2030. The District proposes to implement a similar refunding strategy annually in order to reduce costs for the taxpayers of Detroit.
- The timing of the annual loan should be taken into consideration when planning a SLRF refunding.
 - Refunding the loan balance after the May loan has been made will allow the District to refund a larger balance, reducing the interest paid on the loan balance assuming the SLRF loan interest rate remains at or above 3%.
 - The District’s June 30, 2021 SLRF balance after the May 2021 loan was **\$95,795,290.48**.
 - The District is not projected to need to borrow from the SLRF again until May 2022.

SLRF Loan at variable
interest rate (minimum of
3.00%)



Taxable Bond Rate at <
3.00% (currently est. at
2.41%)