



Financial Review Commission ' Public Meeting '

August 27, 2018



Agenda

DPS Financial Update

DPSCD Financial Update

Contract Requests

Out-of-State Travel Requests

Debt Certification

DPS Summary

- **Revenues and Expenditures**

- Local revenues through June ended \$3.9M ahead of budget, due to better than forecasted tax collections.

- **Cash Flow**

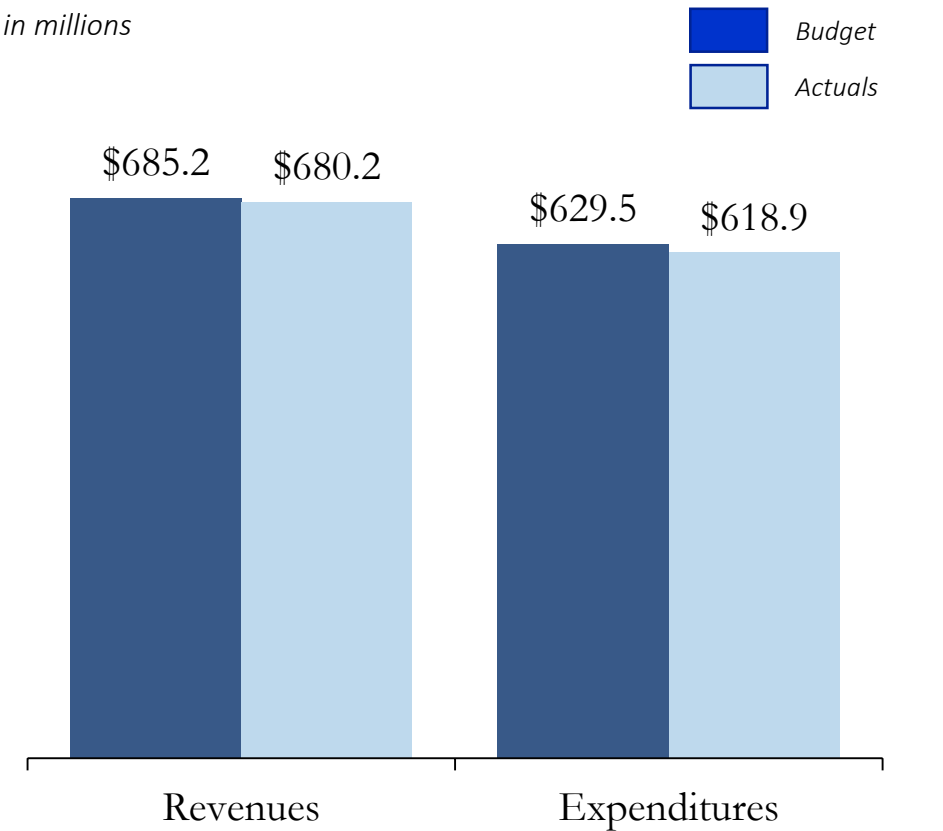
- A draw from BONY shifted to July and August.
- The ending cash balance for June was \$7.9M

DPSCD Revenues and Expenditures Through June 2018

- Financials reflect Budget Amendment No. 3 adopted in June.
- Year-to-Date revenues through June were slightly below budget (\$5.0M).
- Overall, Year-to-Date expenditures through June were below budget (\$10.6M).
- The pre-audited surplus for FY 18 is \$61.2M. We will present final audited numbers for FY 18 in November after the conclusion of the audit.

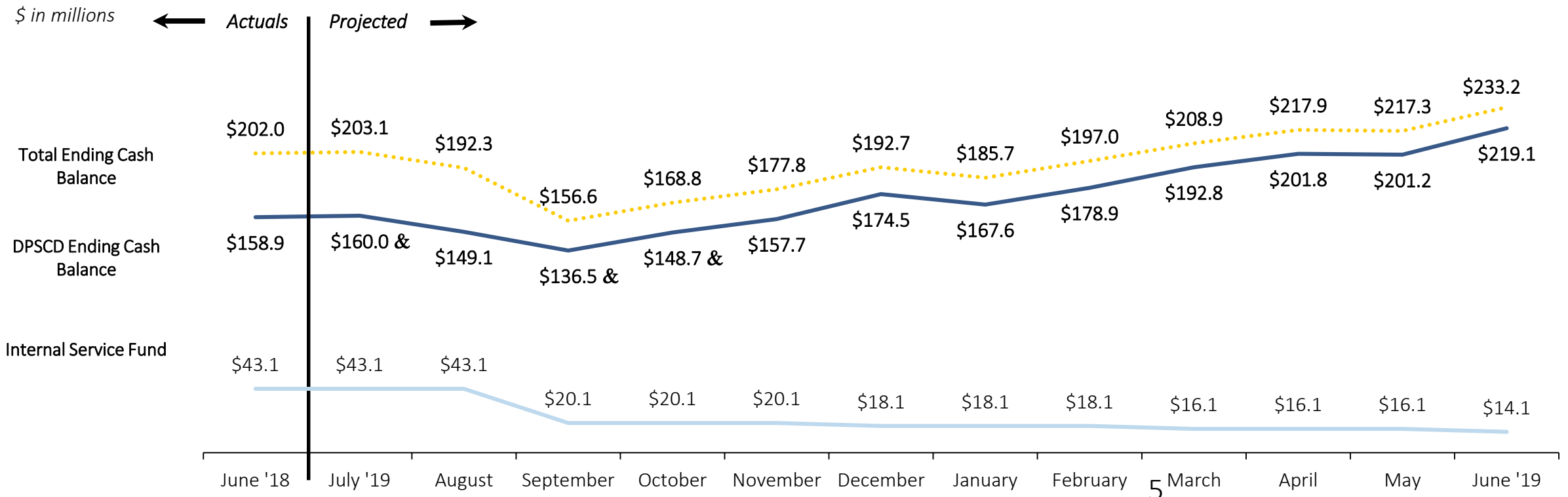
Budget vs. Actuals

\$ in millions



- DPSCD's ending cash balance for June was \$158.9M and the Internal Service Fund ending balance was \$43.1M, for a total ending balance of \$202.0M.
- The FY 2018 ending cash balance for DPSCD of \$158.90M was higher from the previous projected ending cash balance of \$148.0M (drivers summarized below).
 - Grants: \$8.8M increase due to higher than initially projected grant reimbursements.
 - Food Service: Expenses were \$3.2M lower than initially projected.
- The current cash balance is estimated to be equivalent to 12.6 weeks of average expenditures¹.

Actual FY Ending Cash Balance



(1) Calculated by taking current cash balance as of July 01, 2018 and dividing it by the average actual YTD expenditures per week, excluding any one-time items such as the \$16M loan to DPS to fund a SODEXO payment.

DPS Monthly Report '

Summary statement of revenues and expenditures – budget to actual comparison

- Based on actual results through June 2018, DPS recorded a YTD surplus of revenues over expenditures of \$17.4M.
 - Primarily driven by pushing a transfer of \$13.1M to DPSCD into FY 2019.
- Year-to-date Local Source revenues were ahead of budget, due to the timing of property tax distributions from the City and County.
- In the month of June, DPS incurred an additional \$875K in debt service, and received additional local revenues of \$6.7M over budgeted forecasts.

	Budget Month of Jun-18	Actual / Month of Jun-18	Variance		Budget YTD Jun-18	Actual YTD Jun-18	Variance	
			\$	%			\$	%
Revenues								
Local sources	9,713,972	16,407,210	6,693,238	69%	58,600,000	62,498,368	3,898,368	7%
State sources	361,657	360,894	(763)	0%	4,339,880	4,330,730	(9,150)	0%
Federal sources	-	-	-	-	-	-	-	-
Interdistrict sources	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-
Total revenue	10,075,629	16,768,104	6,692,475	66%	62,939,880	66,829,098	3,889,218	6%
Expenditures								
Operating expenditures	-	-	-	-	400,000	36,000	(364,000)	-91%
Debt Service	875,178	875,178	-	0%	49,423,342	49,423,342	-	0%
Transfers out	13,100,000	-	(13,100,000)	-	13,100,000	-	(13,100,000)	-
Total expenditures	13,975,178	875,178	(13,100,000)	-94%	62,923,342	49,459,342	(13,464,000)	-21%
Surplus (Deficit)	(3,899,549)	15,892,926	19,792,475	-508%	16,538	17,369,756	17,353,218	104,929%

DPS Cash Forecast to Actuals Variance – June 2018 '

<i>\$ in thousands</i>	June Forecast	June Actuals	June Variance	Comment
Cash Receipts				
State Aid -		\$ -	\$ -	
Property Tax (13 Mills) -	22,900	23,492	592	
Transfer from DPSCD -	570	508	(62)	
Draw from BONY -	5,695	-	(5,695)	Draw delayed to a future period -
Miscellaneous -	-	15	15	
Total Cash Receipts	29,165	24,015	(5,150)	
Cash Disbursements				
Payroll Direct Deposit -	-	-	-	
FICA -	-	-	-	
Accounts Payable -	(50)	(73)	(23)	
Pension (employer portion) -		-	-	
Fringe Benefits -	-	-	-	
Property Tax Transfer (1) -	(26,136)	(22,577)	3,559	Additional transfers to be made in future periods
Food Service	-	-	-	
Transfer to DPSCD	-	(429)	(429)	Transfer of scholarship bank accounts to DPSCD
Other	(100)	(118)		
Total Cash Disbursements	(26,286)	(23,197)	3,089	
Net Cash Flow	2,879	818	(2,061)	
Beginning Cash Balance	7,111	7,111	-	
Net Cash Flow	2,879	818	(2,061)	
Ending Cash Balance	\$ 9,990	\$ 7,929	\$ (2,061)	

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

DPS FY 2018 monthly cash flows '

\$ in thousands "

	2017						2018						
	July	August	September	October	November	December	January	February	March	April	May	June	FY 18 Total /
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual -	
Cash Receipts													
State Aid (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,876
Property Tax (13 Mills)	290	2,427	27,530	4,209	1,704	1,363	7,855	7,028	877	707	287	23,492	77,769
Transfer from DPSCD (2)	-	16,000	-	-	-	-	-	-	5,327	178	-	508	22,013
Draw from BONY	-	16,740	-	-	-	-	-	-	-	-	-	-	16,740
Miscellaneous (3)	124	112	1,014	137	102	1,137	36	99	259	37	4,768	15	7,841
Total Cash Receipts /	415	35,280	28,543	4,347	1,806	2,500	36,767	7,126	6,464	922	5,055	24,015	153,239
Cash Disbursements													
Payroll Direct Deposit (1)	-	-	-	-	-	-	-	-	(28,876)	-	-	-	(28,876)
FICA (1)	-	-	-	-	-	-	-	-	(4,597)	-	-	-	(4,597)
Accounts Payable (4)	-	(16,209)	(304)	(58)	(49)	(58)	(72)	(2,026)	(56)	(2,037)	(20)	(73)	(20,964)
Pension (employer portion)	(4)	-	-	-	-	-	-	-	-	-	-	-	(4)
Fringe Benefits (5)	-	(0)	-	-	-	-	-	-	(23)	(11)	-	-	(34)
Property Tax Transfer	-	(1,472)	(27,530)	-	-	-	-	(16,408)	(7,411)	-	-	(22,577)	(75,398)
Food Service	-	-	-	-	-	-	-	-	(97)	-	-	-	(97)
Transfer to DPSCD (6)	-	-	(19,779)	-	-	-	-	-	-	(0)	(4,566)	(429)	(24,774)
Other (7)	(24)	(72)	-	(7)	(504)	(2,357)	(1,161)	(23)	(75)	(33)	(30)	(118)	(4,404)
Total Cash Disbursements /	(28)	(17,754)	(47,612)	(65)	(553)	(2,415)	(1,233)	(18,457)	(41,135)	(2,082)	(4,617)	(23,197)	(159,148)
Net Cash Flow /	386	17,526	(19,069)	4,281	1,253	85	35,534	(11,330)	(34,671)	(1,160)	438	818	(5,909)
Beginning Cash Balance	13,838	14,225	31,750	12,681	16,963	18,215	18,301	53,835	42,504	7,833	6,673	7,111	13,838
Net Cash Flow	386	17,526	(19,069)	4,281	1,253	85	35,534	(11,330)	(34,671)	(1,160)	438	818	(5,909)
Ending Cash Balance	\$ 14,225	\$ 31,750	\$ 12,681	\$ 16,963	\$ 18,215	\$ 18,301	\$ 53,835	\$ 42,504	\$ 7,833	\$ 6,673	\$ 7,111	\$ 7,929	\$ 7,929

(1) Includes a \$28.9M reimbursement of salaries to District employees, that were previously withheld by the State. The amount withheld plus applicable employer related taxes is to be passed through to the payroll line and FICA line.

(2) There is a \$178K draw-down from DPSCD in April that is related to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD. The \$508K transfer in June is a reimbursement of p-card payments made by DPS on behalf of DPSCD throughout FY 2018.

(3) Miscellaneous receipts in September includes a \$1.1M in property tax abatements (Ren. Zone), which should have been sent to the BONY account. Monies were transferred to BONY in January. March receipts include a transfer in from a DPS payroll account to fund the incremental withholding taxes owed by the District related to the 3% payroll withholding. May miscellaneous receipts includes a transfer from the DPS payroll account to reimburse DPSCD for the loan to fund the 3% payroll withholding employer related taxes.

(4) Includes \$20M in settlement payments to Sodexo (the remaining \$8M will be paid in FY 2019). January includes \$36K in audit and legal fees.

(5) Fringe benefits includes checks paid to the deceased relating to the 3% payroll reimbursement.

(6) Transfer to DPSCD in May includes the surplus of the amount transferred to DPS to cover taxes related to the 3% payroll reimbursement compared to the amount actually paid by DPS. About \$45K of the transfer amount is related to grant funds previously received from DPS but meant for DPSCD. The June transfers relates to legacy operating fund balances, which belonged to DPSCD.

(7) December activity includes a reimbursement to Wayne County for 2014/2015 overpayment of Act 18 Funds. January activity includes the pass-through to the BONY account mentioned in footnote 3. The forecast for June includes the savings from the budgeted legal and audit fees, which are being spread here as contingency.

DPS FY 2019 monthly cash flows '

\$ in thousands

	----- 2018 -----						----- 2019 -----						
	July	August	September	October	November	December	January	February	March	April	May	June	FY 19 Total
	Forecast*	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
State Aid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax (13 Mills)	951	2,682	19,965	4,076	1,748	1,137	2,468	4,366	17,553	828	2,243	16,985	75,000
Transfer from DPSCD	54	-	-	-	-	-	-	-	-	-	-	-	54
Draw from BONY (1)	18,809	6,937	-	-	-	-	-	-	3,810	199	-	2,170	31,926
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	19,814	9,619	19,965	4,076	1,748	1,137	2,468	4,366	21,364	1,027	2,243	19,155	106,980
Cash Disbursements													
Accounts Payable (2)	(54)	(8,000)	-	-	-	-	(100)	-	-	-	-	-	(8,154)
Property Tax Transfer	(3,320)	(2,682)	(19,965)	(4,076)	(1,748)	(1,137)	(2,468)	(4,366)	(17,553)	(828)	(2,243)	(16,985)	(77,369)
Transfer to DPSCD	-	-	(13,100)	-	-	-	-	-	-	-	-	(6,900)	(20,000)
Other (3)	(43)	-	(4,506)	-	-	-	-	-	-	-	-	-	(4,549)
Total Cash Disbursements	(3,418)	(10,682)	(37,571)	(4,076)	(1,748)	(1,137)	(2,568)	(4,366)	(17,553)	(828)	(2,243)	(23,885)	(110,073)
Net Cash Flow	16,397	(1,063)	(17,606)	-	(0)	0	(100)	-	3,810	199	(0)	(4,730)	(3,093)
Beginning Cash Balance	7,929	24,326	23,263	5,657	5,657	5,657	5,657	5,557	5,557	9,367	9,567	9,567	7,929
Net Cash Flow	16,397	(1,063)	(17,606)	-	(0)	0	(100)	-	3,810	199	(0)	(4,730)	(3,093)
Ending Cash Balance	\$ 24,326	\$ 23,263	\$ 5,657	\$ 5,657	\$ 5,657	\$ 5,657	\$ 5,557	\$ 5,557	\$ 9,367	\$ 9,567	\$ 9,567	\$ 4,836	\$ 4,836

*Forecast includes actuals through July 13, 2018

(1) Draws from BONY has been revised after further guidance was provided by the City of Detroit regarding property tax collections.

(2) The \$8M payment in August is the last settlement payment to Sodexo.

(3) The \$4.5M payment in September is a reimbursement to Wayne County for 2014/2015 overpayment of Act 18 Funds

DPSCD Monthly Report '

Summary statement of revenues and expenditures (Object) – budget to actual comparison

- Based on actual results through June 2018, DPSCDs overall surplus is \$5.6M ahead of budget.

	Budget Month of Jun-18	Actual Month of Jun-18	Variance \$	%	Budget YTD Jun-18	Actual YTD Jun-18	Variance \$	%
Revenues								
Local sources	\$ 9,866,831	\$ 5,778,981	\$ (4,087,850)	(41%)	\$ 70,914,670	\$ 68,797,548	\$ (2,117,122)	(3%)
State sources	42,544,438	42,997,591	453,153	1%	489,277,904	485,465,575	(3,812,329)	(1%)
Federal sources	13,084,075	27,529,906	14,445,831	110%	109,750,256	125,901,123	16,150,867	15%
Other sources (1)	15,240,000	-	(15,240,000)	(100%)	15,240,000	-	(15,240,000)	(100%)
Total revenues	80,735,344	76,306,478	(4,428,866)	(5%)	685,182,830	680,164,246	(5,018,584)	(1%)
Expenditures (Object)								
Salaries	\$ 19,849,457	\$ 25,665,697	\$ 5,816,239	29%	\$ 276,165,310	\$ 281,981,549	\$ 5,816,239	2%
Benefits	10,658,183	14,096,876	3,438,693	32%	157,373,150	160,811,843	3,438,693	2%
Purchased Services	31,639,272	18,763,135	(12,876,137)	(41%)	144,785,846	131,909,709	(12,876,137)	(9%)
Supplies & Textbooks	19,318,158	14,486,684	(4,831,473)	(25%)	29,226,273	24,394,800	(4,831,473)	(17%)
Equipment & Capital	1,643,184	926,466	(716,718)	(44%)	3,525,345	2,808,627	(716,718)	(20%)
Utilities	346,599	575,067	228,468	66%	15,596,268	15,824,736	228,468	1%
Contingency / Other	2,038,263	352,461	(1,685,803)	(83%)	2,855,428	1,169,625	(1,685,803)	(59%)
Total Expenditures	85,493,116	74,866,386	(10,626,731)	(12%)	629,527,620	618,900,889	(10,626,731)	(2%)
Surplus (Deficit)	\$ (4,757,772)	\$ 1,440,093	\$ 6,197,865	N/A	\$ 55,655,210	\$ 61,263,357	\$ 5,608,147	10%

(1) A transfer of \$13.1M from DPS has been pushed to FY 2019

Summary statement of revenues and expenditures (Function) – budget to actual comparison

	Budget Month of Jun-18	Actual Month of Jun-18	Variance \$	%	Budget YTD Jun-18	Actual YTD Jun-18	Variance \$	%
Expenditures (Function)								
Elementary Programs	\$ 14,806,259	\$ 12,233,857	\$ (2,572,402)	(17%)	\$ 128,779,346	\$ 126,206,944	\$ (2,572,402)	(2%)
Middle School Programs	389,275	1,175,180	785,905	202%	11,934,045	12,719,950	785,905	7%
High School & Summer Programs	9,037,718	8,890,651	(147,067)	(2%)	61,204,308	61,057,241	(147,067)	(0%)
Special Education	8,532,692	8,430,756	(101,935)	(1%)	70,868,427	70,766,491	(101,935)	(0%)
Compensatory Education	5,284,597	4,338,049	(946,547)	(18%)	44,053,749	43,107,202	(946,547)	(2%)
Career and Technical Education	234,310	203,774	(30,535)	(13%)	2,310,959	2,280,424	(30,535)	(1%)
Adult/Continuing Education - Basic	155,900	120,679	(35,222)	(23%)	1,292,604	1,257,382	(35,222)	(3%)
Total Instruction	38,440,751	35,392,947	(3,047,804)	(8%)	320,443,437	317,395,633	(3,047,804)	(1%)
Pupil	\$ 10,145,921	\$ 9,356,274	\$ (789,647)	(8%)	\$ 54,146,889	\$ 53,357,242	\$ (789,647)	(1%)
Instructional Support	4,798,901	4,482,737	(316,165)	(7%)	32,835,031	32,518,866	(316,165)	(1%)
General Administration	649,513	441,652	(207,862)	(32%)	4,638,245	4,430,383	(207,862)	(4%)
School Administration	3,843,345	3,403,738	(439,606)	(11%)	38,862,766	38,423,160	(439,606)	(1%)
Business	824,359	939,546	115,187	14%	9,204,922	9,320,109	115,187	1%
Maintenance & Operations	11,725,053	9,848,250	(1,876,803)	(16%)	86,691,268	84,814,465	(1,876,803)	(2%)
Transportation	6,520,267	6,350,091	(170,176)	(3%)	37,672,278	37,502,102	(170,176)	(0%)
Central Support Services	4,761,029	3,395,997	(1,365,031)	(29%)	37,149,061	35,784,029	(1,365,032)	(4%)
School Activities	245,174	295,105	49,930	20%	2,086,354	2,136,285	49,931	2%
Total Supporting Services	43,513,563	38,513,389	(5,000,173)	(11%)	303,286,814	298,286,641	(5,000,173)	(2%)
Community Service	\$ 3,538,803	\$ 960,049	(2,578,754)	(73%)	\$ 5,797,369	\$ 3,218,615	(2,578,754)	(44%)
Total Expenditures	\$ 85,493,117	\$ 74,866,386	\$ (10,626,731)	(12%)	\$ 629,527,620	\$ 618,900,889	\$ (10,626,731)	(2%)

DPSCD Cash Forecast to Actuals Variance – June 2018

\$ in thousands

Cash Receipts

	June Forecast	June Actuals	June Variance	Comment
State Aid -	\$ 39,097	\$ 39,725	\$ 628	
MPSERS (State Funded) -	2,983	2,983	(0)	
Enhancement Millage -	-	-	-	
Grants -	7,226	16,090	8,864	Higher than expected receipts -
Transfer from DPS -	-	442	442	Scholarship & Pcard transfers from DPS to DPSCD
WCRESA	-	-	-	
Food Service Reimbursement	3,425	1,579	(1,846)	Timing - catch up expected in future periods -
Miscellaneous -	3,269	1,061	(2,208)	Actual revenue was lower than forecast
Total Cash Receipts	56,000	61,880	5,880	

Cash Disbursements

MPSERS (Pass through) -	\$ -	\$ -	\$ -	
Payroll Direct Deposit -	(14,891)	(14,973)	(82)	
Taxes -	(5,718)	(5,542)	176	
FICA -	(1,787)	(1,690)	97	
Accounts Payable -	(16,741)	(15,136)	1,605	Payables were lower than expected -
Pension (employee portion) -	(2,007)	(2,051)	(44)	
Pension (employer portion) -	(6,219)	(6,170)	49	
Health -	(7,741)	(8,126)	(385)	
Fringe Benefits -	(577)	(183)	394	
Food Service -	(4,000)	(842)	3,158	Timing - payments to be made in future periods
Transfer to DPS	(570)	(508)	62	
Other	-	-	-	
Total Cash Disbursements	(60,252)	(55,221)	5,031	
Net Cash Flow	(4,252)	6,660	10,911	
Beginning Cash Balance	152,280	152,280	-	
Net Cash Flow	(4,252)	6,660	10,911	
Ending Cash Balance	\$ 148,029	\$ 158,940	\$ 10,911	

DPSCD FY 2018 monthly cash flows

\$ in thousands

	2017						2018						FY 18 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Cash Receipts													
State Aid	\$ 35,012	\$ 35,071	\$ -	\$ 39,508	\$ 40,457	\$ 39,236	\$ 39,920	\$ 36,331	\$ 40,439	\$ 39,821	\$ 39,684	\$ 39,725	\$ 425,204
MPERS (State Funded)	3,182	3,186	-	6,634	5,966	2,983	2,983	2,983	2,983	2,983	2,983	2,983	39,849
Enhancement Millage	1,078	1,017	2,128	3,342	3,037	1,631	310	2,164	2,651	-	11	-	17,368
Grants	18,108	12,295	11,226	229	5,854	13,756	7,349	23,452	27,995	11,493	28,629	16,090	176,476
Transfer from DPS (1)	-	-	19,779	-	-	-	-	-	-	0	4,566	442	24,788
WCRESA	-	-	3,848	4,052	6,613	4,052	4,052	4,052	8,104	-	-	-	34,774
Food Service Reimbursement (2)	4,897	2,828	-	2,295	4,260	9,000	109	318	3,096	-	3,314	1,579	31,696
Miscellaneous (3)	2,593	578	588	602	2,985	1,232	1,057	2,674	1,479	1,069	6,259	1,061	22,177
Total Cash Receipts	64,870	54,974	37,569	56,662	69,172	71,890	55,780	71,974	86,748	55,366	85,446	61,880	772,331
Cash Disbursements													
MPERS (Pass through)	\$ (3,182)	\$ (3,182)	\$ (3,186)	\$ -	\$ (12,600)	\$ -	\$ (2,985)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (5,966)	\$ -	\$ (40,050)
Payroll Direct Deposit	(14,688)	(15,085)	(16,264)	(14,168)	(14,479)	(15,232)	(13,230)	(21,948)	(15,222)	(14,841)	(15,512)	(14,973)	(185,642)
Taxes	(4,878)	(4,182)	(4,368)	(5,119)	(8,795)	(5,233)	(5,204)	(5,521)	(5,201)	(5,164)	(8,031)	(5,542)	(67,240)
FICA	(2,017)	(1,752)	(1,261)	(1,554)	(1,802)	(1,635)	(1,509)	(1,675)	(1,568)	(1,637)	(2,592)	(1,690)	(20,693)
Accounts Payable	(11,803)	(8,513)	(15,531)	(11,884)	(17,819)	(14,121)	(13,066)	(17,419)	(17,683)	(13,564)	(15,105)	(15,136)	(171,644)
Pension (employee portion)	(1,635)	(1,454)	(1,140)	(1,751)	(2,773)	(1,875)	(966)	(2,809)	(1,928)	(2,054)	(3,001)	(2,051)	(23,436)
Pension (employer portion)	(5,029)	(4,622)	(3,459)	(5,504)	(8,660)	(5,819)	(2,931)	(8,440)	(5,752)	(6,164)	(8,990)	(6,170)	(71,542)
Health	(1,218)	(3,042)	(3,920)	(5,639)	(6,740)	(66)	(4,639)	(3,574)	(3,197)	(3,971)	(2,632)	(8,126)	(46,764)
Fringe Benefits	(215)	(937)	(592)	(795)	(177)	(214)	(449)	(266)	(242)	(190)	(428)	(183)	(4,689)
Food Service	(684)	(379)	(338)	(1,533)	(2,229)	(2,209)	(2,311)	(2,787)	(1,634)	(3,379)	(497)	(842)	(18,823)
Transfer to DPS (4)	-	(16,000)	-	-	-	-	-	-	(5,327)	(178)	-	(508)	(22,013)
Other	(23)	-	-	-	(2,356)	-	-	-	-	-	-	-	(2,379)
Total Cash Disbursements	(45,374)	(59,148)	(50,059)	(47,948)	(78,429)	(46,403)	(47,291)	(67,424)	(60,738)	(54,126)	(62,755)	(55,221)	(674,915)
Net Cash Flow	19,496	(4,174)	(12,489)	8,714	(9,257)	25,487	8,489	4,550	26,010	1,240	22,691	6,660	97,416
Beginning Cash Balance	61,523	81,020	76,846	64,357	73,071	63,814	89,301	97,790	102,340	128,349	129,589	152,280	61,523
Net Cash Flow	19,496	(4,174)	(12,489)	8,714	(9,257)	25,487	8,489	4,550	26,010	1,240	22,691	6,660	97,416
Ending Cash Balance	\$ 81,020	\$ 76,846	\$ 64,357	\$ 73,071	\$ 63,814	\$ 89,301	\$ 97,790	\$ 102,340	\$ 128,349	\$ 129,589	\$ 152,280	\$ 158,940	\$ 158,940
Memo:													
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 43,108	\$ 48,439
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	-	-	-	-	-	-	-	-	-	-	(5,331)	-	(5,331)
Ending Balance	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	43,108	43,108	43,108
Grand Total	\$ 129,459	\$ 125,285	\$ 112,795	\$ 121,510	\$ 112,253	\$ 137,740	\$ 146,229	\$ 150,779	\$ 176,788	\$ 178,028	\$ 195,388	\$ 202,048	\$ 202,048

(1) \$442K transfer from DPS in June pertains to legacy operating fund balances held at DPS, which needed to be remitted to DPSCD.

(2) Food service reimbursement in June includes about \$1.6M from a legacy food service account held at DPS, which needed to be remitted to DPSCD.

(3) Miscellaneous receipts in June were primarily attributable to ISF drawdown for the TIP, Legal and Workers Comp payments.

(4) Transfers to DPS in June includes a forecast for reimbursement of p-card payments made by DPS on behalf of DPSCD throughout FY 2018.

DPSCD FY 2019 monthly cash flows

\$ in thousands

	2018						2019						FY 19 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
State Aid	\$ 39,097	\$ 39,097	\$ -	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 434,094
MPSERS (State Funded)	2,983	2,983	-	-	5,967	2,983	2,983	2,983	2,983	2,983	2,983	2,983	32,816
Enhancement Millage	1,152	1,086	2,272	3,569	3,243	1,742	320	2,229	2,831	-	11	-	18,455
Grants	11,676	15,767	15,200	15,200	15,927	20,944	14,185	14,185	14,185	14,185	15,673	14,185	181,313
Transfer from DPS	-	13,100	-	-	-	-	-	-	-	-	-	6,900	20,000
WCRESA	-	-	4,209	4,209	4,209	4,209	4,209	4,209	4,209	4,209	4,209	4,209	42,089
Food Service Reimbursement	167	3,342	3,241	3,241	4,051	3,241	4,051	3,241	3,241	3,241	4,051	3,241	38,351
Miscellaneous	1,205	1,092	23,941	941	1,092	2,941	1,092	941	2,941	941	1,092	2,941	41,159
Total Cash Receipts	56,279	76,467	48,863	66,705	74,033	75,604	66,385	67,333	69,935	65,104	67,565	74,004	808,277
Cash Disbursements													
MPSERS (Pass through)	\$ (2,995)	\$ (2,983)	\$ (2,983)	\$ -	\$ -	\$ (5,967)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (32,827)
Payroll Direct Deposit	(14,300)	(21,127)	(27,711)	(14,714)	(14,714)	(14,714)	(25,214)	(14,809)	(14,809)	(14,809)	(14,809)	(14,809)	(206,541)
Taxes	(5,622)	(5,402)	(10,364)	(5,642)	(8,463)	(5,642)	(5,678)	(5,678)	(5,678)	(5,678)	(8,517)	(5,678)	(78,042)
FICA	(1,580)	(1,579)	(3,071)	(1,649)	(2,474)	(1,649)	(1,660)	(1,660)	(1,660)	(1,660)	(2,490)	(1,660)	(22,789)
Accounts Payable	(14,496)	(23,750)	(14,167)	(14,167)	(17,709)	(14,167)	(17,709)	(14,167)	(14,167)	(14,167)	(17,709)	(14,167)	(190,543)
Pension (employee portion)	(1,928)	(1,833)	(1,839)	(3,629)	(2,888)	(1,926)	(1,932)	(1,938)	(1,938)	(1,938)	(2,907)	(1,938)	(26,633)
Pension (employer portion)	(5,961)	(5,822)	(5,835)	(6,101)	(9,152)	(6,101)	(6,120)	(6,139)	(6,139)	(6,139)	(9,209)	(6,139)	(78,859)
Health	(3,500)	(6,357)	(4,427)	(4,427)	(4,427)	(4,427)	(6,684)	(4,456)	(4,456)	(4,456)	(4,456)	(4,456)	(56,530)
Fringe Benefits	(416)	(671)	(468)	(468)	(468)	(468)	(706)	(471)	(471)	(471)	(471)	(471)	(6,017)
Food Service	(3,696)	(2,923)	(2,339)	(2,339)	(2,923)	(2,339)	(2,923)	(2,339)	(2,339)	(2,339)	(2,923)	(2,339)	(31,760)
Transfer to DPS	(54)	-	-	-	-	-	-	-	-	-	-	-	(54)
Other	(700)	(1,750)	(1,400)	(1,400)	(1,750)	(1,400)	(1,750)	(1,400)	(1,400)	(1,400)	(1,750)	(1,400)	(17,499)
Total Cash Disbursements	(55,245)	(74,197)	(74,604)	(54,536)	(64,968)	(58,799)	(73,359)	(56,040)	(56,040)	(56,040)	(68,225)	(56,040)	(748,096)
Net Cash Flow	1,034	2,270	(25,741)	12,169	9,065	16,805	(6,974)	11,293	13,894	9,063	(660)	17,963	60,182
Beginning Cash Balance	158,940	159,974	162,244	136,503	148,672	157,737	174,542	167,568	178,861	192,755	201,818	201,158	158,940
Net Cash Flow	1,034	2,270	(25,741)	12,169	9,065	16,805	(6,974)	11,293	13,894	9,063	(660)	17,963	60,182
Ending Cash Balance	\$ 159,974	\$ 162,244	\$ 136,503	\$ 148,672	\$ 157,737	\$ 174,542	\$ 167,568	\$ 178,861	\$ 192,755	\$ 201,818	\$ 201,158	\$ 219,122	\$ 219,122
Memo:													
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ 43,108	\$ 43,108	\$ 43,108	\$ 20,108	\$ 20,108	\$ 20,108	\$ 18,108	\$ 18,108	\$ 18,108	\$ 16,108	\$ 16,108	\$ 16,108	\$ 43,108
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	-	-	(23,000)	-	-	(2,000)	-	-	(2,000)	-	-	(2,000)	(29,000)
Ending Balance	43,108	43,108	20,108	20,108	20,108	18,108	18,108	18,108	16,108	16,108	16,108	14,108	14,108
Grand Total	\$ 203,081	\$ 205,352	\$ 156,611	\$ 168,780	\$ 177,845	\$ 192,650	\$ 185,676	\$ 196,968	\$ 208,863	\$ 217,926	\$ 217,266	\$ 233,229	\$ 233,229

*Forecast includes actuals through July 13, 2018

Contract Requests '



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-21

**APPROVING THE COMMUNITY DISTRICT'S AUGUST 2018
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 August 27, 2018, 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 August 2018 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 Financial Review Commission (“FRC”) 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
1	Transportation	N/A	Contract Amount: \$1,975,000.00 Contract Period: August 27, 2018 – August 30, 2019 Source: General Funds & Grant Funds Purpose: To purchase bus passes to serve up to 6,860 students. Contractor: City of Detroit Department of Transportation (DDOT) Location: 1301 East Warren Ave. Detroit, MI 48207	Renewal	N/A	N/A	Anticipated Approval Board 08.14.2018 FRC 08.27.2018	<p>The district leverages the City of Detroit public transportation to provide statutorily required daily transportation for students living greater than 1.5 miles from their high school.</p> <p>The City of Detroit, Department of Transportation is the lowest cost available public transportation. Utilizing District transportation vendors would far exceed the cost of purchasing bus passes. Further, DDOT is the only local source available from which to purchase bus passes.</p> <p>As this item is for goods only, a PO will be provided to the vendor for the goods once FRC approval is obtained.</p>
2	District Wide	N/A	Contract Amount: \$3,450,000.00 Contract Period: August 27, 2018 – June 30, 2019 Source: General Funds & Grant Funds Purpose: To purchase office supplies district-wide through NPPGov and The Cooperative Purchasing Network agreements. Contractor: Staples Business Advantage and Office Depot Location: 500 Staples Drive Framingham, MA 01702 17335 Haggerty Rd. Northville, MI 48168	Cooperative	N/A	N/A	Anticipated Approval Board 08.14.2018 FRC 08.27.2018	<p>The District will utilize the competitively bid NPPGov and The Cooperative Purchasing Network cooperative purchasing agreements to purchase office supplies district wide from Staples Business Advantage and Office Depot.</p> <p>Both vendors will be placed on the District’s punch out system with a streamlined and pre-approved list of items. Throughout the year, District staff will enter requisitions as required that will go against the FRC approved amount.</p> <p>The punch-out system provides flexibility to the District’s schools and departments while maintaining price control and enhanced cost containment.</p>

Out-of-State Travel Requests '

There are no out-of-state travel requests at this time '

Debt Certification '

DPS FY2019 Q2 Debt Summary

Debt Obligation	FY19 Required Debt Service*	YTD Payment (Q1)	Current Quarter Payment (Q2)	Remaining Payments (Q3-Q4)
Series 1998 C	\$ 6,338,113	\$ -	\$ 954,056	\$ 5,384,057
Series 2001 A	11,021,700	-	5,510,850	5,510,850
Series 2002 A	13,387,100	-	1,073,550	12,313,550
Series 2005 A	11,907,000	-	5,953,500	5,953,500
Series 2009 A	9,701,574	-	1,435,500	8,266,074
Series 2009 B	11,317,822	-	7,070,140	4,247,682
Series 2010 A	9,844,978	-	5,346,235	4,498,743
Series 2010 B	2,286,637	-	1,698,587	588,050
Series 2012 A	23,050,500	-	6,975,250	16,075,250
Series 2015 A	25,138,000	-	2,751,500	22,386,500
Series 2017	58,135,071	-	4,245,035	53,890,036
Sub-total (13 mils)	\$ 182,128,495	\$ -	\$ 43,014,203	\$ 139,114,292
Series 2016 D1 & D2	\$ 37,383,077	\$ 15,002,937	\$ -	\$ 22,380,140
EL Note	1,965,000	982,500	-	982,500
MPSERS Liability	2,000,000	-	-	2,000,000
Sub-total (18 mils)	\$ 41,348,077	\$ 15,985,437	\$ -	\$ 25,362,640
Total	\$ 223,476,572	\$ 15,985,437	\$ 43,014,203	\$ 164,476,932

*Note: Total debt service differs from the first quarter (Q1) report due to updated schedules – current total required debt service is ~\$1.8 M lower than Q1 "

**Agenda Item Details**

Meeting	Aug 14, 2018 - Regular Board Meeting
Category	15. Administrative Action Items
Subject	15.04 Approval of Purchase of Detroit Department of Transportation Bus Passes for the Fall 2018, and Spring, Summer 2019
Access	Public
Type	Action
Recommended Action	Motion to approve purchase of bus passes to serve up to 6,860 students during the 2018-2019 school year and for summer 2019 programming from the City of Detroit Department of Transportation for public transportation in the amount of \$1,975,000.

Public Content**Recommendation:**

That the School Board approve the purchase of bus passes to serve up to 6,860 students during the 2018-2019 school year and for summer 2019 programming from the City of Detroit Department of Transportation for public transportation in the amount of \$1,975,000.

Description and Background:

This action item was approved at the July 27, 2018 Finance Committee Meeting.

The district leverages the City of Detroit public transportation to provide statutorily required daily transportation for students living greater than 1.5 miles from their high school.

During the 2017-18 school year, the district purchased 13,100 semester bus passes which equated to 6550 per semester. The district also purchased 1000 student ID cards which allows students to ride at a reduced fare rate. In addition to high school students who qualified for a bus pass, semester bus passes were distributed to students served by (i) the Impact Program, which provides credit recovery opportunities, and (ii) the McKinney-Vento Homeless Education Assistance Act.

Gap Analysis:

Provision of bus passes ensure that students have reliable transportation options without significantly increasing the District' use of transportation contractors. Without provision of bus passes, absenteeism would likely increase, impacting instructional hours.

Previous Outcomes:

In the 2017-2018 school year, 6700 students received bus passes first semester and 6400 student received bus passes second semester to travel back and forth to school and also to attend after school activities.

The 2017-18 total spend was \$1,790,150.

The 2016-17 total spend was \$1,938,950.

Expected Outcomes:

The District will provide student bus passes through summer 2019.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

Annual cost per student for DDOT bus pass: **\$273.00**

Annual cost per DDOT student ID card: **\$2.00**

Cost per 5-Day bus pass for summer school: **\$14.50**


	Number of Students	Cost	Funding
2018-19 Qualifying HS Students	6310	\$1,722,630.00	General Funds
2018-19 Impact Program Students	350	\$95,550.00	General Funds
2018-19 McKinney-Vento	200	\$54,600.00	General

Projection			Funds
2018-19 Student ID Cards	1000	\$2,000.00	General Funds
Summer 5-Day Bus Passes*	1379	\$100,000.00	Title 1
Total		\$1,974,780.00	

* Summer Bus Passes – \$100,000.00 has been set aside to purchase 5-day bus passes for 2019 summer school credit recovery. Details of the program are not yet available.

General and Grant funds will be used for the purchase of bus passes. The City of Detroit, Department of Transportation is the only source from which these passes can be purchased.

Contact for Item:

Name: Felicia Venable
Phone: 313-873-6532 
Email: felicia.venable@detroitk12.org

Supporting Documents/Attachments:

None.

Administrative Content

Executive Content



Agenda Item Details

Meeting	Aug 14, 2018 - Regular Board Meeting
Category	15. Administrative Action Items
Subject	15.05 Approval of Cooperative Purchasing Agreements with Staples and Office Depot
Access	Public
Type	Action
Recommended Action	Motion to approve use of the NPPGov and The Cooperative Purchasing Network cooperative purchasing agreements to purchase office supplies district wide from Staples Business Advantage and Office Depot in an amount not-to-exceed (NTE) \$3,450,000 from the date of approval through June 30, 2019.

Public Content

Recommendation:

That the School Board approve use of the NPPGov and The Cooperative Purchasing Network cooperative purchasing agreements to purchase office supplies district wide from Staples Business Advantage and Office Depot in an amount not-to-exceed (NTE) \$3,450,000 from the date of approval through June 30, 2019.

Description and Background:

This action item was approved at the July 27, 2018 Finance Committee Meeting.

The District will employ a punch-out system to allow district employees to purchase approved supplies through the District Procurement system directly from Staples or Office Depot. The punch-out system will be limited to approximately 800 items that are used as part of the normal course of business for the District. The District will utilize cooperative purchasing agreements through NPPGov, the governmental division of National Purchasing Powers, for Staples Business Advantage and The Cooperative Purchasing Network (TCPN) for Office Depot.

Gap Analysis:

The punch-out system allows for the end users to purchase only predetermined, select items at competitively bid prices. Utilizing the customized punch-out system for Staples and Office Depot will result in better cost control and will reduce the risk of purchasing items that should go through the normal procurement process.

Previous Outcomes:

For the 2016-17 school year the District implemented a punch-out system with only Office Depot, which included over 8,000 available items. During the 2017-18 school year, the District implemented new procurement standards which limited the amount and number of items which could be purchased through the punch-out system. During fiscal year 2017-18 Office Depot could not comply with the required changes so the punch-out system was temporarily turned off. The District added Staples Business Advantage as an alternate supplier.

The total expenditures for fiscal year 2016-17 were \$4,000,000 for Office Depot and in fiscal year 2017-18, with a reduction in purchasable items and the change in vendors, the total expenditures were reduced to \$2,900,000 for both Staples and Office Depot.

Expected Outcomes:

The District requires an abbreviated list be added to a customized website for employees to utilize the punch-out system for the purchase of office supplies from any vendor. This provides flexibility to the District's schools and departments while maintaining price control and enhanced cost containment. The limited number of items available on the punch-out system are limited to allow for simplified review and editing by the Procurement Department on an as needed basis. For items not included in the punch-out system, District employees may use the traditional procurement process, and enter requisitions for items outside of the controlled list. These requisitions will be reviewed and approved by the appropriate departments.

The District is recommending the use of both Staples and Office Depot for the 2018-19 school year. Office Depot is now prepared to configure their system in alignment with District needs by providing the reduced punch-out system that was unavailable during the 2017-18 school year. Contracting with both vendors will allow District staff to choose the vendor with the lowest priced goods.

Although the projected amounts represent an increase over the 2017-2018 school year, the Procurement department believes that the disruption caused by the change of vendors to Office Depot decreased supply expenditures during the 2017-18 school year. The District expects a slight increase from the \$2.9 million in 2017-18 to \$3.15 million for 2018-19 school year. and is also adding an approximate 10% contingency of \$300,000 to account for fluctuation in need.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

\$3,150,000 - Anticipated Expenses

\$300,000 - Contingency.

\$3,450,000 Total Request (General & Grant Funds_

Bid Process: The district will utilize the NPPGov Cooperative Agreement for Staples and TCPN for Office Depot.

Contact for Item:

Name: Jeremy Vidito, Chief Financial Officer

Phone: (313) 873 - 6194

Email: jeremy.vidito@detroitk12.org

Supporting Documents/Attachments:

Cooperative Purchasing Agreements

Staples Cooperative.pdf (2,033 KB)

Office Depot Cooperative.pdf (1,281 KB)

Administrative Content**Executive Content**