

DPS Update – August 2020

Overall Summary – DPS

- **Revenues and Expenditures – August**

- DPS received \$21.6M in 13 mills receipts.
 - Current 13 mill tax receipt reserves are \$44.5M.
 - The District has received enough property tax receipts to make it's fall debt service payments totaling \$39.9M.
- DPS received \$19.8M in 18 mills receipts.
 - Total 18 mills account balances total \$21.8M.
 - The District has received enough property tax receipts to make it's fall debt service payments totaling \$15.9M

- **Cash Flow**

- The ending general fund cash balance for June was \$3.0M.

DPS Cash Forecast to Actuals Variance – August 2020

<i>\$ in thousands</i>	August Forecast	August Actuals	August Variance	Comment
Cash Receipts				
State Aid	\$ -	\$ -	\$ -	
Property Tax (13 Mills)	5,421	21,635	16,214	Tax payments were received in August, a month earlier than forecast
Transfer from DPSCD	-	-	-	
Draw from BONY	-	-	-	
Miscellaneous	10	0	(10)	Interest received was less than \$500
Total Cash Receipts	5,431	21,635	16,204	
Cash Disbursements				
Payroll Direct Deposit	-	-	-	
FICA	-	-	-	
Accounts Payable	-	-	-	
Pension (employer portion)	-	-	-	
Fringe Benefits	-	-	-	
Property Tax Transfer (1)	(6,521)	(5,921)	600	Transfer reflects payments received prior to August 28. The balance will be transferred in in September
Transfer to DPSCD	-	-	-	
Other	-	-	-	
Total Cash Disbursements	(6,521)	(5,921)	600	
Net Cash Flow	(1,090)	15,714	16,804	
Beginning Cash Balance	4,081	4,081	-	
Net Cash Flow	(1,090)	15,714	16,804	
Ending Cash Balance	\$ 2,991	\$ 19,795	\$ 16,804	

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

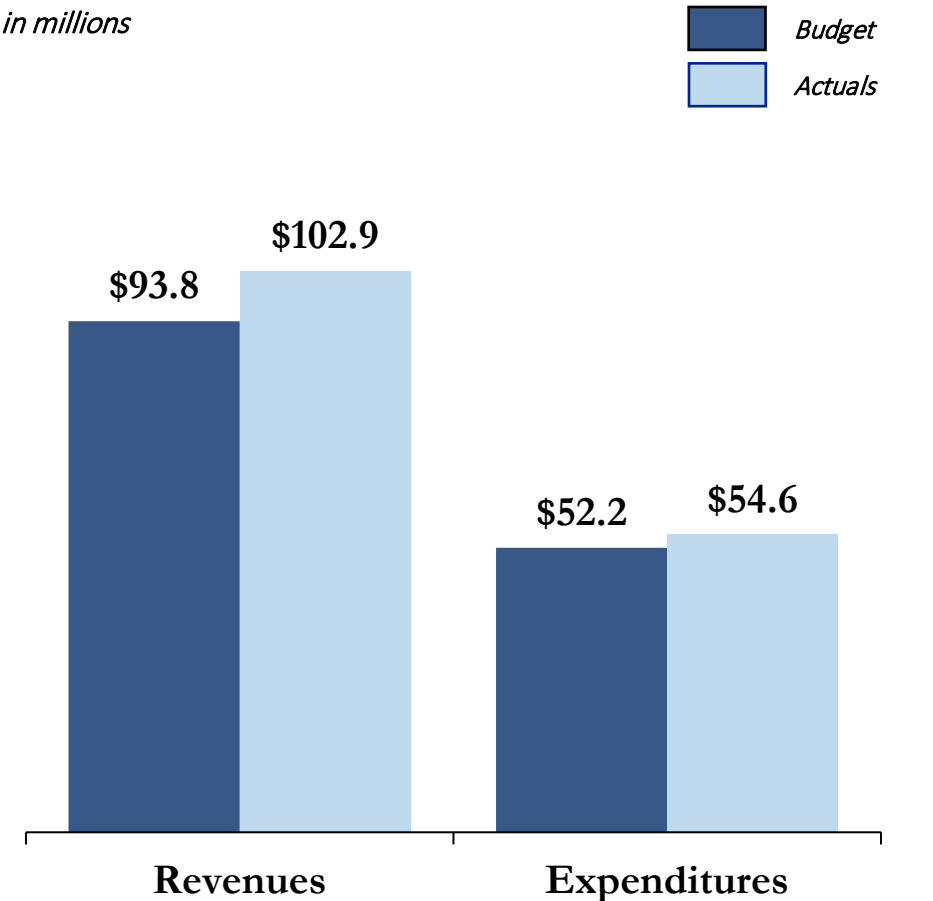
DPSCD Update – August 2020

Overall Summary – DPSCD Revenues and Expenditures

- Fiscal year 2021 revenues through August are running approximately 10% ahead of budget ~\$9.1M.
 - Local revenue continues to run ahead due to higher than expected private donations.
 - Federal revenue is higher due to increased workshop and staff reimbursements related to the start of school.
- Year-to-date expenses are running slightly ahead of budget (~\$2.4M).
 - As noted above, expenditures related to training and earlier staff start dates drove costs above forecast.

Budget vs. Actuals – Through August 2020

\$ in millions



Summary of Revenues and Expenditures

Budget to Actual Comparison Current Month

Budget Month of Aug FY21	Actual Month of Aug FY21	Variance	
		\$	%

Budget to Actual Comparison YTD

Budget YTD Aug FY21	Actual YTD Aug FY21	Variance	
		\$	%

SUMMARY

Revenues

Local sources	\$ 1,019,014	\$ 1,681,618	\$ 662,604	65%	\$ 1,073,272	\$ 3,866,952	\$ 2,793,680	260%
State sources	40,650,826	40,000,000	(650,826)	(2%)	80,805,911	80,948,786	142,875	0%
Federal sources	7,096,630	13,196,788	6,100,158	86%	11,962,891	18,103,821	6,140,930	51%

Total revenues

48,766,470	54,878,406	6,111,936	13%	93,842,074	102,919,559	9,077,485	10%
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Expenditures

Salaries	14,700,584	15,776,872	1,076,288	7%	22,302,743	23,030,663	727,920	3%
Benefits	9,045,523	9,750,113	704,590	8%	12,988,437	15,435,764	2,447,327	19%
Purchased Services	7,404,552	6,518,031	(886,521)	(12%)	11,930,338	10,881,535	(1,048,803)	(9%)
Supplies & Textbooks	1,364,822	1,002,827	(361,995)	(27%)	1,495,324	1,887,980	392,656	26%
Equipment & Capital	145,600	70,362	(75,238)	(52%)	205,600	125,350	(80,250)	(39%)
Utilities	1,784,659	1,829,681	45,022	3%	3,292,539	3,247,935	(44,604)	(1%)

Total expenditures

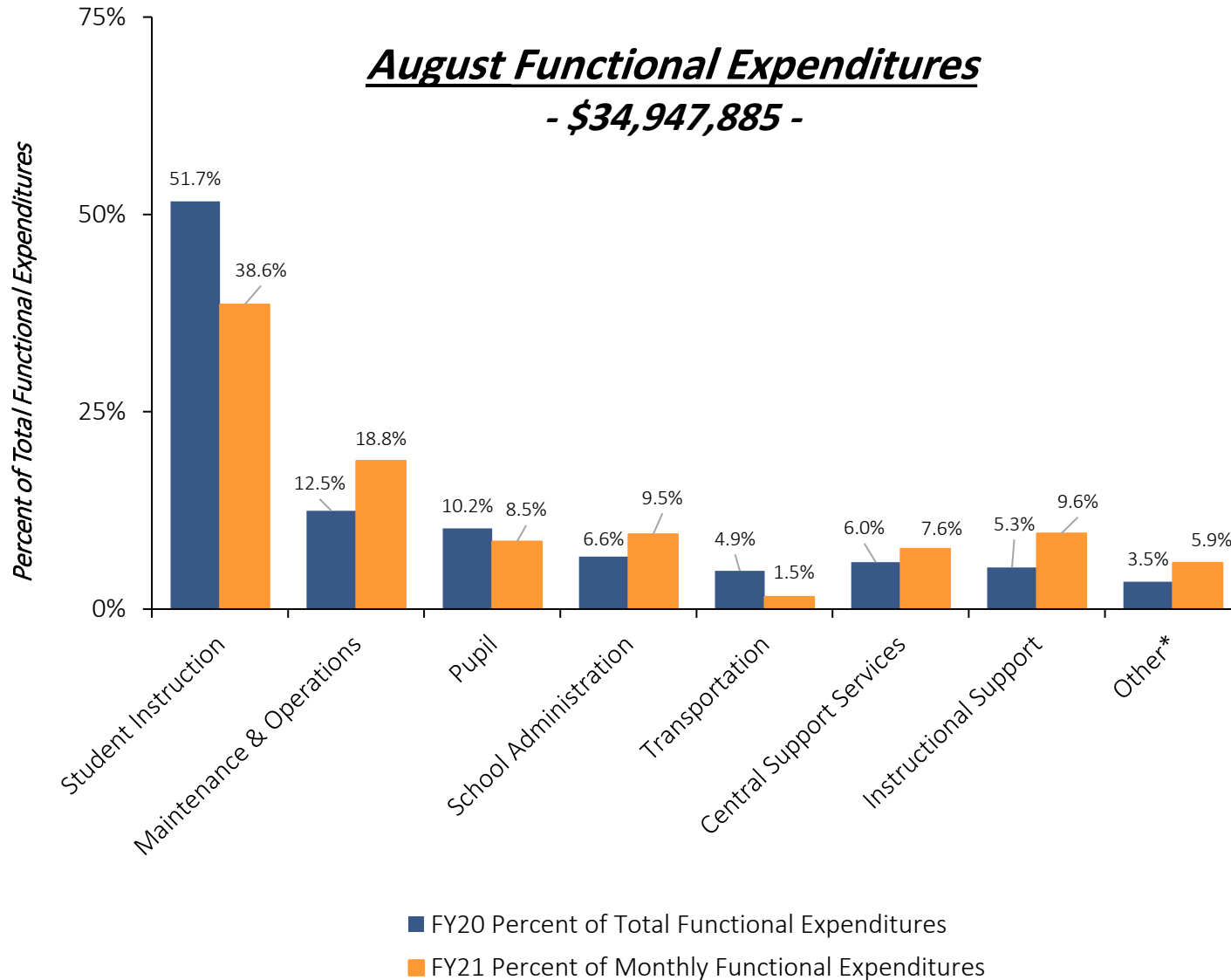
34,445,740	34,947,885	502,145	1%	52,214,981	54,609,228	2,394,247	5%
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Surplus (Deficit)

\$ 14,320,730	\$ 19,930,521	\$ 5,609,791	11%	\$ 41,627,094	\$ 48,310,331	\$ 6,683,238	5%
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Expenditures by Function – August 2020

August Functional Expenditures - \$34,947,885 -



Notes:

Planned school maintenance while students continued to be off for the summer break, drove the following functional expenses in August:

- Maintenance and Operations
- School Administration
- Central and Instructional Support Services

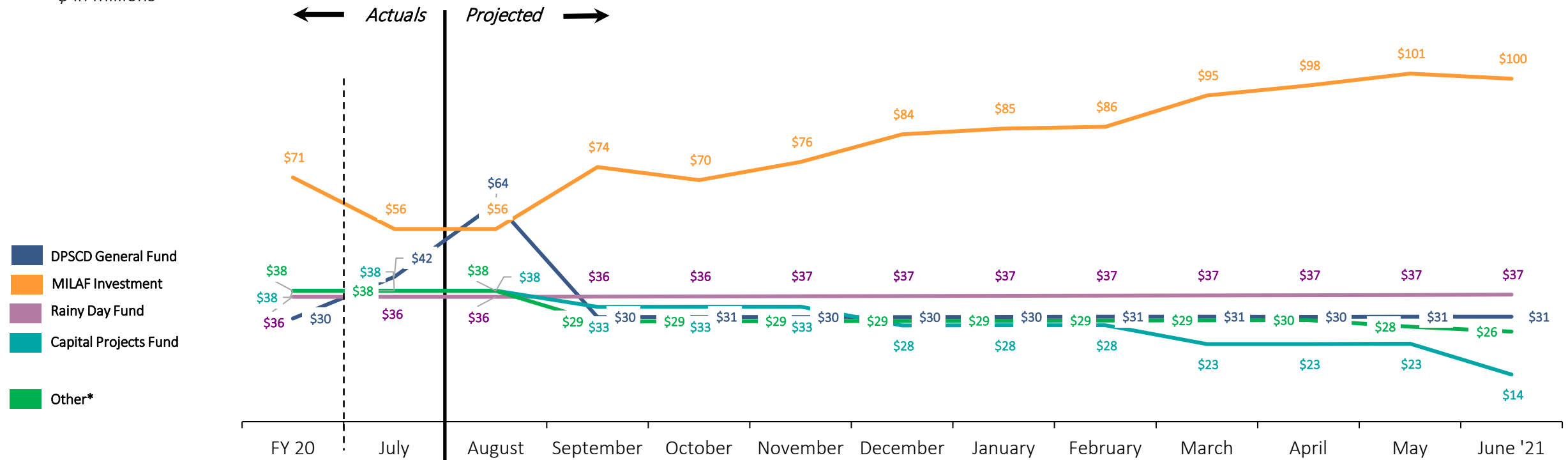
Student instruction and instructional support are largely comprised of summer school as well as training and return to work schedules for the start of school instruction.

DPSCD August 2020 Cash Flow Analysis

- At the end of August, DPSCD's ending balances were as follows: General Fund - \$63.5M, Rainy-Day Fund - \$36.3M, Capital Projects Fund - \$38.1M, MILAF Investment Account - \$56.1M and Other* remaining funds - \$38.0M.
 - August's higher than budgeted State Aid payment contributed to the increase in the General Fund account balance.
 - The District plans to maximize interest income by directing all excess funds into the MILAF Investment account.
- The current General Fund balance is estimated to be equivalent to 9.2 weeks of average expenditures¹.

Actual & Projected Ending Cash Balance

\$ in millions



¹⁾ Calculated by taking the General Fund + MILAF balance as of August 31, 2020 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

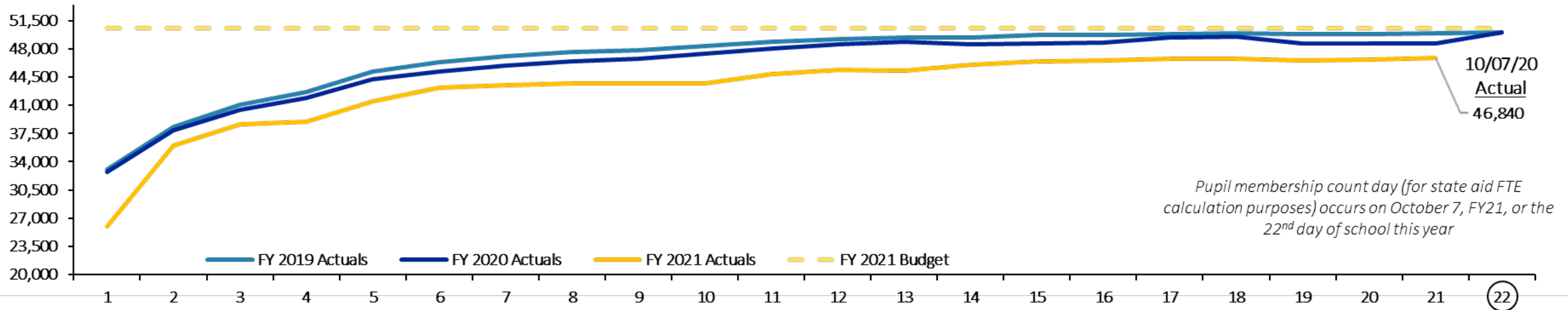
DPSCD Cash Forecast to Actuals – August 2020

<i>\$ in thousands</i>	August Forecast	August Actuals	August Variance	Comment
Cash Receipts				
State Aid	\$ 32,100	\$ 52,779	\$ 20,679	State aid was not reduced as forecast
MPSERS (State Funded)	3,745	3,749	4	
Enhancement Millage	543	-	(543)	
Grants	18,000	29,157	11,157	Receipts ahead of forecast due to year end processing of expenses
Transfer from DPS	-	-	-	
Transfers from MILAF GF Investment Account	-	-	-	
Transfers from GF Related Accounts	-	-	-	
WCRESA	2,506	300	(2,206)	WCRESA finalized prior year Durant grant reconciliations offsetting the forecasted payment
Food Service Reimbursement	1,761	-	(1,761)	Timing, food service reimbursement expected in future periods
Miscellaneous	750	355	(395)	
Total Cash Receipts	59,405	86,340	26,935	
Cash Disbursements				
MPSERS (Pass through)	(3,745)	(3,745)	0	
Payroll Direct Deposit	(18,327)	(18,162)	165	
Employee Withholdings	(7,315)	(4,481)	2,834	
Employer Taxes	(2,524)	(1,590)	934	
Fringe Benefits	(898)	(1,034)	(136)	
Health	(5,401)	(4,407)	994	
Pension (employee portion)	(1,716)	(942)	774	
Pension (employer portion)	(5,553)	(6,984)	(1,431)	
Accounts Payable	(16,000)	(23,347)	(7,347)	AP higher than forecast due to FY20 year end processing of invoices
Capital Projects Accounts Payable	(2,000)	(105)	1,895	Capital projects work has ramped up following COVID delays - invoices are expected in future periods
Food Service	(500)	(117)	383	
Transfers from MILAF GF Investment Account	(7,276)	-	7,276	Transfer rescheduled to September based on timing of cash receipts
Transfers from GF Related Accounts	-	-	-	
Transfer to DPS	-	-	-	
Other	(300)	(52)	248	
Total Cash Disbursements	(71,555)	(64,965)	6,590	
Beginning Cash Balance	(12,150)	21,375	33,525	
Net Cash Flow				
Ending Cash Balance	42,151	42,151	-	
	(12,150)	21,375	33,525	
	\$ 30,001	\$ 63,526	\$ 33,525	

DPSCD Enrollment & Budget Projections

DPSCD *Projected** Student Enrollment FY21

Daily Student FTE Enrollment Trends: FY 2021, FY 2020, and FY 2019 Actuals to Budget



Actual to Budget Variance

School Day:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
FY 2021	(24,619)	(14,599)	(11,961)	(11,614)	(9,095)	(7,462)	(7,127)	(6,882)	(6,900)	(6,900)	(5,694)	(5,193)	(5,369)	(4,583)	(4,186)	(4,076)	(3,894)	(3,868)	(4,020)	(3,961)	(3,780)
FY 2020	(18,757)	(13,581)	(10,983)	(9,537)	(7,215)	(6,265)	(5,551)	(5,043)	(4,700)	(4,061)	(3,372)	(2,865)	(2,583)	(2,887)	(2,796)	(2,641)	(2,087)	(1,988)	(2,832)	(2,831)	(2,831)
FY 2019	(16,812)	(11,518)	(8,781)	(7,211)	(4,664)	(3,444)	(2,780)	(2,258)	(1,969)	(1,461)	(996)	(582)	(472)	(380)	(143)	(66)	40	64	40	32	98

The District has 48,962 students enrolled on or before Count Day, of which the District has recorded 46,591.01 FTEs. Students who were absent on Count Day have up to 30 calendar days to attend for the District to receive funding.

Due to COVID, MI implemented a new 75/25 weighting formula, with the emphasis on FY 19 enrollment. Therefore despite the drop in enrollment, the District anticipates an overall \$30M increase in revenue based on the state fully funding schools for FY 21.

Contract Requests



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2020-21

APPROVING THE COMMUNITY DISTRICT'S OCTOBER 2020 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 October 26, 2020, 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 October 26, 2020 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	IT	N/A	Contract Amount: \$9,100,500 Contract Period: July 1, 2020 – June 30, 2021 Source: Grant and general funding Purpose: Laptops, laptop carts, and other devices Contractor: Dell Location: Round Rock, TX 78682	Increase	Cooperative	N/A	Academic Committee 09.28.2020 Finance Committee 09.25.2020 Board 10.13.2020 Anticipated Approval FRC 10.26.2020	<p>This increase of \$5,474,300 will allow the District to invest in technology for special programs that were unable to benefit from One-to-One Technology. The District will also expand the availability of technology to staff roles that require technology use as an essential function of their job. For the 2020-2021 school year, the District will continue to purchase devices for special programs, such as career pathways and elective classrooms, in addition to planning for replacement of devices as a result of theft or unavoidable damage.</p> <p>The cooperative contract (MiDEAL) was bid through an authorized lead agency in compliance with Michigan statutes.</p>

Contract Requests

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	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
2	Operations	20-0070-C	Contract Amount: \$1,467,760 Contract Period: December 1, 2020 – November 30, 2022 Source: General Fund Purpose: Snow & Ice Removal Services Contractor: Payne Landscaping, Inc. Location: 7635 E. Davison, Detroit, MI 48212	Renewal	Yes	Yes	Academic Committee 09.28.2020 Finance Committee 09.25.2020 Board 10.13.2020 Anticipated Approval FRC 10.26.2020	<p>RFP 20-0023 was issued on DemandStar and received 3 response(s). The District split the award by location between three vendors (Payne Landscaping, PGA, and RNA) based on the lowest bids for 2”-8” snow days. In addition to the assigned locations, Payne was also awarded to assist with snow/ice removal at all closed schools, if necessary.</p> <p>Payne is also presently contracted for landscaping services under contract 20-0103, not to exceed \$1,278,669.70 through June 30, 2021. The addition of this renewal of snow and ice removal services represents a total contracted obligation of \$2,746,429.70.</p>

Contract Requests

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	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
3	Operations	20-0023-C	Contract Amount: \$733,880 Contract Period: December 1, 2020 – November 30, 2022 Source: General Fund Purpose: Snow & Ice Removal Services Contractor: Premier Group Associates (PGA) Location: 535 Griswold St, St 1420, Detroit, MI 48226	Renewal	Yes	Yes	Academic Committee 09.28.2020 Finance Committee 09.25.2020 Board 10.13.2020 Anticipated Approval FRC 10.26.2020	<p>RFP 20-0023 was issued on DemandStar and received 3 response(s). The Evaluation Committee decided to split the award by location between three vendors (Payne Landscaping, PGA, and RNA) based on the lowest bids for 2”-8” snow days.</p> <p>PGA presently has a contract for Athletic Fields Maintenance (19-0143-C) in the amount of \$350,000 through June 30, 2021. The addition of this renewal of snow and ice removal services represents a total contracted obligation of \$1,083,880.</p>

Contract Requests

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	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
4	Operations	20-0071-C	Contract Amount: \$419,360 Contract Period: December 1, 2020 – November 30, 2022 Source: General Fund Purpose: Snow & Ice Removal Services Contractor: RNA Location: 717 W. Ellsworth Rd, Ann Arbor, MI 48108	Renewal	Yes	Yes	Academic Committee 09.28.2020 Finance Committee 09.25.2020 Board 10.13.2020 Anticipated Approval FRC 10.26.2020	RFP 20-0023 was issued on DemandStar and received 3 response(s). The District split the award by location between all three vendors (Payne Landscaping; PGA and RNA) based on the lowest bids for 2”-8” snow days. RNA is presently contracted for Facilities Management services under contract 19-0054-C for \$11,486,303.00 ending on June 30, 2021. The addition of this renewal of snow and ice removal services represents a total contracted obligation of \$11,905,663.

Collective Bargaining Agreements



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2020-22

APPROVING THE COMMUNITY DISTRICT'S (OSAS), LOCAL NO. 28; (AFSCME) COUNCIL 25, LOCAL NO. COUNCIL 25, LOCAL NO. 345; INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL NO. 214; (POLICE LIEN OPERATORS, SECURITY OFFICERS) AND ORGANIZATION OF SCHOOL ADMINISTRATORS AND SUPERVISORS; INTERNATIONAL UNION OF OPERATING ENGINEERS-NON-INSTRUCTIONAL SUPERVISORY PERSONNEL (NISP), LOCAL NO. 324; DETROIT FEDERATION OF TEACHERS (DFT); DETROIT FEDERATION OF PARA-PROFESSIONALS LOCAL NO. 2350; DETROIT ASSOCIATION OF EDUCATIONAL OFFICE EMPLOYEES (DAEOE), LOCAL NO. 4168; RETURN TO WORK LETTERS OF AGREEMENT

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 6(9) of the Act requires that during the period of oversight, the Community District shall submit new and amended collective bargaining agreements, to which it is a party, to the Commission for review and approval after approval by the Community District's governing body and chief executive officer; and

WHEREAS, Section 6(9) of the Act further requires the Commission to approve or reject collective bargaining agreements submitted to it within 45 days of submission: and

WHEREAS, the School Board has approved letters of agreement between the (OSAS), local no. 28; (AFSCME) Council 25, Local no. 345; International Brotherhood of Teamsters, Local no. 214; (police officers and campus security police, police lien operators, security officers) and Organization of School Administrators and Supervisors; International Union of Operating Engineers – Non-Instructional Supervisory Personnel (NISP), Local no. 324; Detroit Federation of Teachers (DFT); Detroit Federation of Para-Professionals Local no. 2350; Detroit Association of Educational Office Employees (DAEOE), Local no. 4168;

WHEREAS, at the Commission meeting on October 26, 2020, the Community District presented the aforementioned Letters of Agreement to the Commission.

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

1. That the Community District's Letters of Agreement between the Community District and the aforementioned bargaining units, as presented to the Commission on October 26, 2020, 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.

Return to Work – Letters of Agreement

As part of the reopening of schools, the District reached Letters of Agreement with all unions regarding working conditions in relation to providing Face to Face and remotely learning during COVID-19. School-based employees working Face to Face are eligible for Hazard Pay. The table below summarizes the payment amount and schedule. The total cost including salary and taxes is estimated to be \$14,993,814.

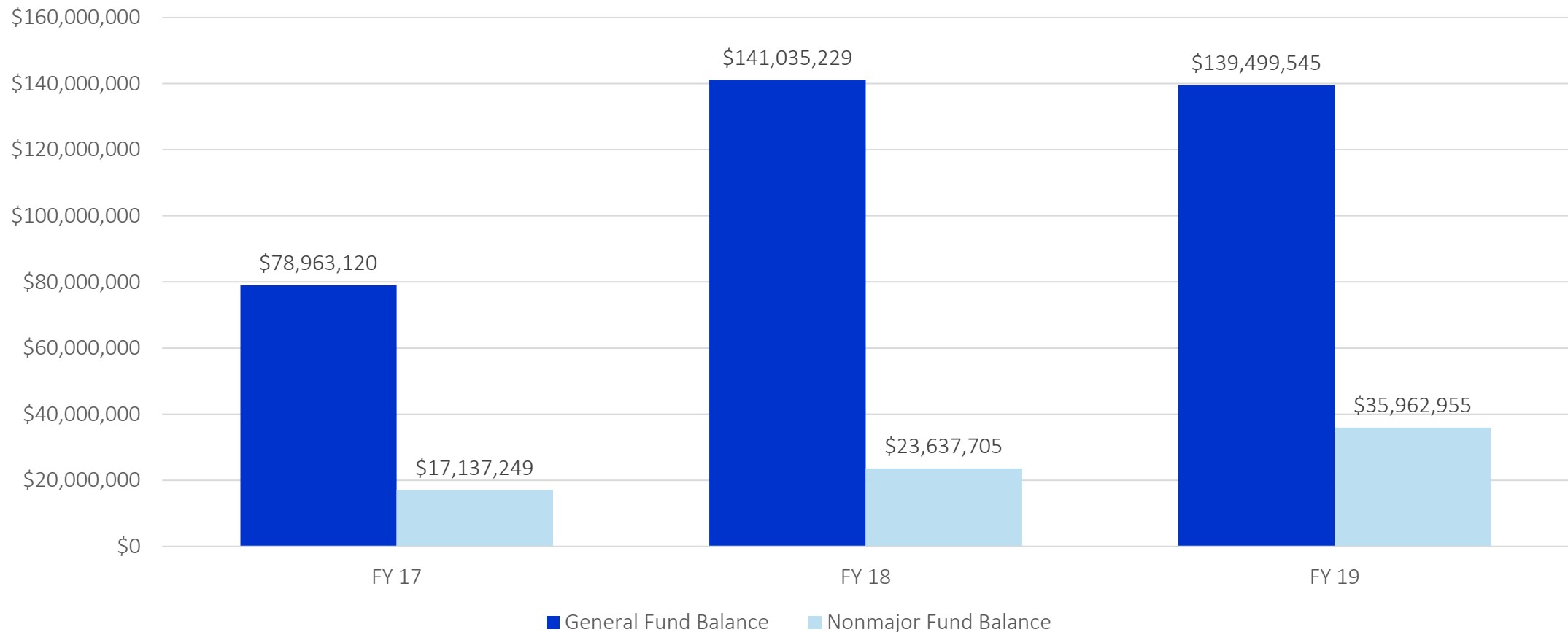
	OSAS	AFSCME	Teamsters	NISP	DFT	DFP	DAEOE
Eligibility	School Based, F2F ¹	All	All	All	F2F ²	All	All
Pay Frequency	Quarterly	Once	Quarterly	Quarterly	Quarterly	Twice	Twice
Pay Amount	\$750	\$3,000	\$750	\$750	\$750	\$1,500	\$1,500
Total Salary Cost	\$450,000	\$1,839,000	\$435,000	\$72,000	\$3,918,000*	\$2,046,000	\$897,000

- 1) OSAS members who are assigned to a school or whose work requires them to be in schools daily are eligible for Hazard Pay.
- 2) Each quarter DFT members may elect to work F2F or remote. Those who elected F2F are eligible for the bonus. The cost estimates 25% of unit members elect F2F.
- 3) The District agreed to compensate Principal and AP's who are non-union members the same quarterly bonus as union members. This cost is estimated at \$705,000.

Finance Review Commission - Waiver Request

DPSCD Financial Results (2016 – Present)

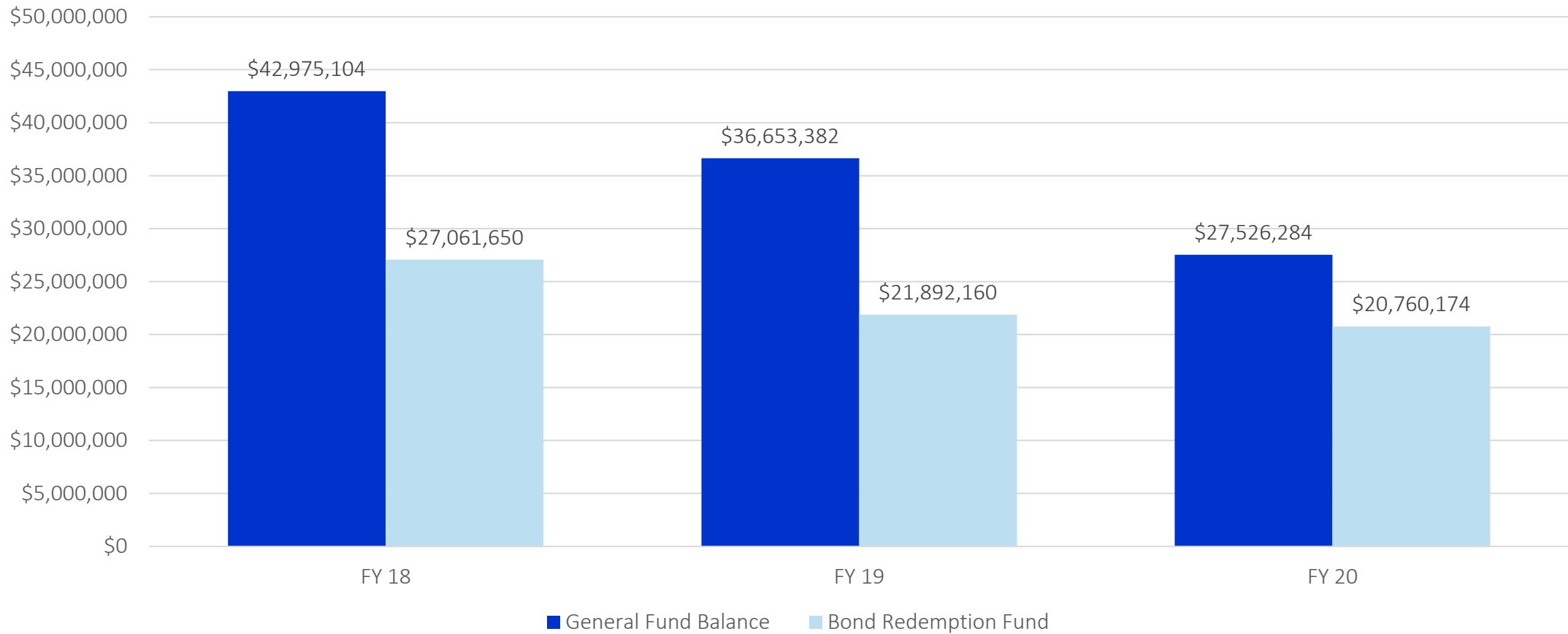
The District has grown an unrestricted general fund balance, while transferring funding to capital projects. The District projects unrestricted general fund balance will remain at or near its current levels depending on implementation of restricted state funding as part of the state's K-12 budget.



The Nonmajor Fund Balance includes restricted fund balances for School Nutrition and Capital Projects.

DPS Financial Results (2016 – Present)

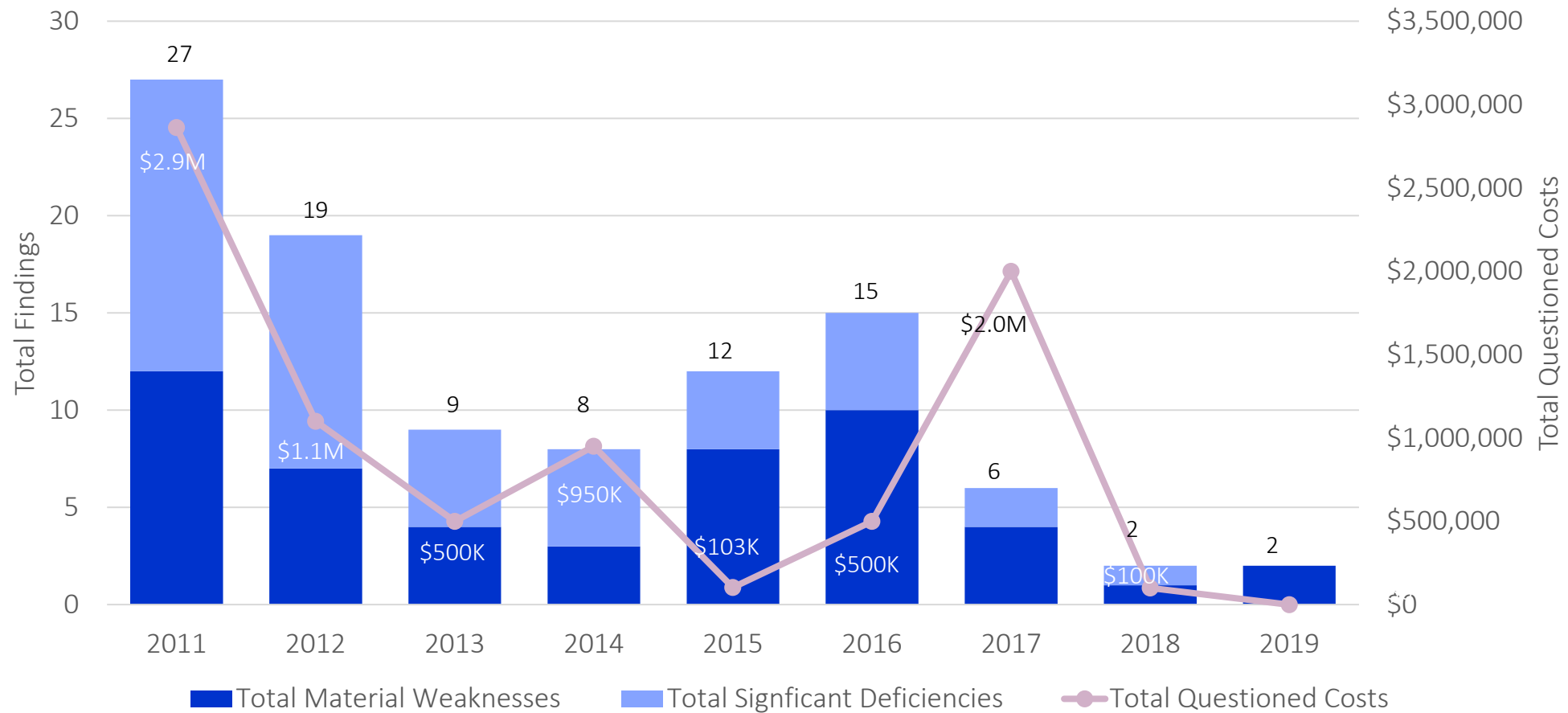
DPS exists to collect taxes and repay the legacy operating and capital debt. As part of the reorganization, DPS issued new debt in FY 2017 to refund existing operating debt, thus resulting in the deficit. Since FY 2017, audited financials have shown an annual budget surplus due to increased tax collection rates and increase in property values.



General Fund Balance has declined as the District has made supplemental debt payments to ORS related to outstanding pension liabilities.

DPS/DPSCD Financial Audit Results

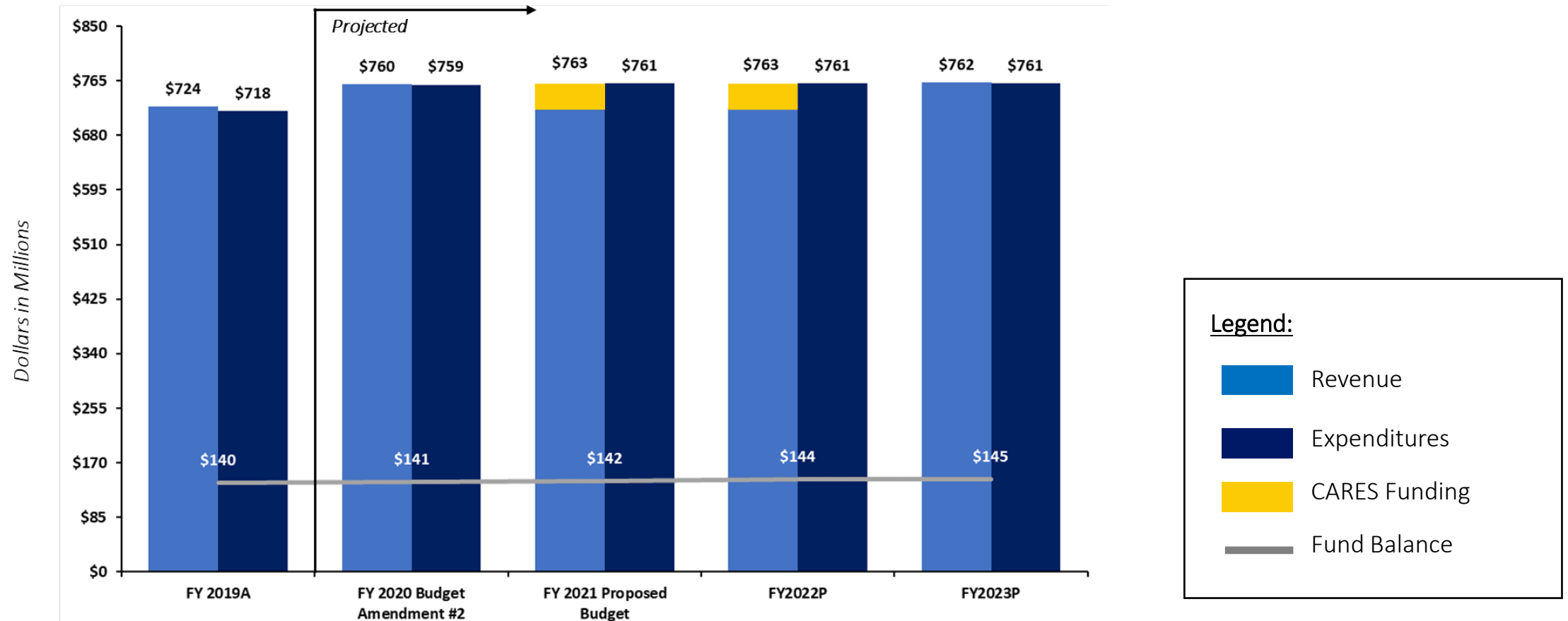
Over the past 10 years the District has seen a significant improvement in the financial operations as evidenced by the decrease in audit findings and questioned costs.



3 Year Projection

The District adopted a balanced budget assuming a 10% reduction in per pupil funding in FY21 and FY22 due to COVID-19. Given the state adopted budget for FY 21, the District projects an additional \$30M in revenue based on projected student enrollment.

The FY 2023 projections assumes the Enhancement Millage is renewed.



Considerations for Waiver for DPS/CD

FRC Act Section	Requirement/Response	Compliance
8(2)(a)	Requirement: The commission certifies that the City has adopted and adhered to deficit-free budgets for 3 consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.	
	DPS Response: The FRC adopted preliminary and deficit-free budget amendments for DPSCD since July 1, 2017. The FY 20 audit was completed demonstrating a third consecutive year with a deficit-free budget. Plante Moran served as the auditor for the past 3 consecutive years (FY 19, FY 19, FY 20).	✓
	DPSCD Response: The FRC adopted preliminary and deficit-free budget amendments for DPSCD since July 1, 2016. Plante Moran served as the auditor for the past 3 consecutive years (FY 17, FY 18, FY 19).	✓
8(2)(b)(i)	Requirement: Both State Treasurer and CFO certify that: All municipal securities or debt obligations sold by the qualified school district in the general public during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the qualified school district during that period (MCL 141.1638(b)(i)).	
	DPS Response: DPS completed refunding of 2010B (\$41M), 2012B (\$257M), and School Loan Revolving Fund (SLRF) (\$265M) loans in Spring of 2020. DPS has not needed, nor is it authorized to undertake any new borrowing to manage the retirement of its legacy obligations.	✓
	DPSCD Response: DPSCD did not sell any municipal securities or debt obligations during the immediately preceding (FY 19) and current fiscal year (FY 20). DPSCD has available unrestricted general fund resources necessary to address working capital and facility needs.	✓

Considerations for Waiver for DPS/CD

FRC Act Section	Requirement/Response	Compliance
8(2)(b)(ii)	<p>Requirement: Both the State Treasurer and the CFO certify: There is a substantial likelihood that municipal securities or debt obligations can be sold by the qualified school district during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements (MCL 141.1638(b)(ii)).</p>	
	<p>DPS Response: As referenced in 8(2)(b)(i) DPS completed refunding 2010B, 2012A, and SLRF loan balance during Spring 2020. DPS received 17 proposals from banks and underwriters to purchase or underwrite refunding bonds to refinance these outstanding unlimited tax bonds and SLRF loans. The FRC authorized DPS to proceed with these financings.</p>	✓
	<p>DPSCD Response: DPSCD has the legal authority to borrow, under Section 1351a of the Revised School Code, on a voted or non-voted basis, to finance its capital requirements. Authority is also available under Act 99 of 1933, as amended (MCL 123.721, et. seq) (installment contracts) and Revised School Code Section 1374a (Energy Conservation Improvements) to finance capital improvements. The settlement Gary B., v. Whitmer, confirmed DPSCD is not prohibited from pre-qualifying and qualifying DPSCD bonds for capital expenditures under the SBQAL program.</p> <p>DPS received 16 responses from banks and underwriters to the RFP for proposals to refinance DPS UTGO debt obligations, and the fact that the City of Detroit, in 2018, issued unenhanced UTGO bonds for capital needs.</p> <p>DPSCD reasonably expects that it could, between the use of a portion of its general fund, and other available bond options, successfully finance capital requirements for FY 2021. The FY2020 budget allocated \$25.3 million of \$139.5 million of DPSCD's FY2019 fund balance for capital improvements.</p> <p>DPSCD is undertaking a strategic Capital Improvement Planning process which should be completed in June 30, 2021 after input from the community. This plan will provide basis for any future voted or non-voted capital financing over the following 10-year period. In August, Detroit voters passed the Operating Millage renewal with 85% favorable vote, providing the District confidence that approval of a future bond millage is possible.</p>	✓

Considerations for Waiver for DPS/CD

FRC Act Section	Requirement/Response	Compliance
8(2)(d)	Requirement: The qualified school district has demonstrated to the commission's satisfaction that the qualified school district has sufficient ability to borrow in the municipal securities market (MCL 141.1638(d)).	
	DPS Response: DPS accessed the market in 2017 to complete a refunding of its outstanding SLRF loan balance. As referenced in the previous two sections, DPS received 17 proposals for senior managing underwriting services and direct placement of bonds to refund a portion of its Capital Debt and SLRF loans.	✓
	DPSCD Response: DPSCD has the legal authority, with voter approval, to issue unlimited tax general obligation bonds payable from additional debt millage and to incur non-voted debt as described above. The City of Detroit issued unenhanced UTGO bonds without an investment grade rating for capital purposes in 2018. DPSCD also has the legal authority to issue non-voted bonds, including energy conservation bonds, payable from its general fund.	✓
8(2)(e)	Requirement: The qualified school district did not violate the plan for adjustment in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year (MCL 141.1638(e)).	
	DPS Response: Not applicable because DPS has not filed a bankruptcy petition nor has a plan of adjustment.	✓
	DPSCD Response: Not applicable because DPSCD has not filed a bankruptcy petition nor has a plan of adjustment.	✓

Considerations for Waiver for DPS/CD

FRC Act Section	Requirement/Response	Compliance
8(2)(f)	Requirement: The state treasurer certifies that qualified school district is in compliance with uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.	
	DPS Response: The District received unmodified audits for DPS, which were provided as part of the documentation for 8(2)(a). Additionally, the Districts' auditors, Plante Moran, provided a letter stating the District has been in compliance with PA 2, the uniform budgeting and accounting act.	✓
	DPSCD Response: The District received unmodified audits for DPSCD, which were provided as part of the documentation for 8(2)(a). Additionally, the Districts' auditors, Plante Moran, provided a letter stating the District has been in compliance with PA 2, the uniform budgeting and accounting act.	✓
8(2)(g)	Requirement: The commission certifies that the qualified school district is in substantial compliance with Act 181 (MCL 141.1638(g)).	
	DPS Response: The District and FRC staff provide a summary of activities and statement of compliance with the Public Act 181. The FRC has adopted annual resolutions stating DPS is in compliance with PA 181.	✓
	DPSCD Response: The District and FRC staff provide a summary of activities and statement of compliance with the Public Act 181. The FRC has adopted annual resolutions stating DPSCD is in compliance with PA 181.	✓

Considerations for Waiver for DPS/CD

FRC Act Section	Requirement/Response	Compliance
8(2)(h)	Requirement: The qualified school district has fully satisfied all of its current obligations to the system created under the public-school employee's retirement act of 1979 (MCL 141.1638(2)(h)).	
	DPS Response: DPS has made all payments to the public-school employee's retirement system (ORS), per the Master Debt Schedule. Due to an increase in property value and collection rates, DPS made supplemental payments to ORS of \$3.2 million in FY 19 and \$18.6 million in FY 20.	✓
	DPSCD Response: DPSCD is current on all payments to ORS.	✓
8(2)(i)	Requirement: The qualified school district has implemented a program in which all contracts awarded by the qualified school district are posted on the qualified school district's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract (MCL 141.1638(i)).	
	DPS Response: Not applicable as all operational functions for DPS are managed by DPSCD.	✓
	DPSCD Response: All District contracts are currently available on the District website through the public budget accountability and transparency link. The District website is integrated with our financial reporting system PeopleSoft, which posts required information on the website – vendor and contract name, dollar amount, and description- within 30 days of contract award.	✓



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

**FINANCIAL REVIEW COMMISSION FOR THE SCHOOL DISTRICT OF
THE CITY OF DETROIT AND THE DETROIT PUBLIC SCHOOLS
COMMUNITY DISTRICT**

RESOLUTION 2020-6

**CERTIFYING (I) ADOPTION AND ADHERENCE TO DEFICIT-FREE
BUDGETS FOR THREE CONSECUTIVE YEARS (II) COMPLIANCE
WITH THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT PER
MCL 141.1638 (g) AND (III) GRANTING THE SCHOOL DISTRICT OF
THE CITY OF DETROIT A WAIVER PURSUANT TO SECTION 8 OF
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT**

WHEREAS, the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1631 to 141.1643, (the “Act”) created the Financial Review Commission for the School District of the City of Detroit and the Detroit Public School Community District (the “Commission”) to provide oversight of the School District of the City of Detroit (“DPS”) and the Detroit Public Schools Community District (“DPSCD”) beginning on June 21, 2016; and

WHEREAS, the Act charges the Commission with, among other things, (a) ensuring that DPS and DPSCD meeting certain statutory requirements, (b) reviewing and approving budgets and certain contracts of DPS and DPSCD, and (c) establishing processes to ensure effective and prudent fiscal management for DPS and DPSCD; and

WHEREAS, under Section 8 of the Act, the Commission must waive the requirements applicable under Section 6 and 7 of the Act to DPS if the Commission certifies that all of the requirements are met:

(a) that DPS has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the Uniform Budgeting and Accounting Act, Public Act 2 of 1968, as amended, MCL 141.421 to 141.440a (the “Budget Act”);

(b) that the State Treasurer and the chief financial officer for DPS, if applicable, certify that both of the following are met:

(i) all municipal securities or debt obligations sold by or for the benefit of DPS in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the school district; and

(ii) there is a substantial likelihood that municipal securities or debt obligations can be sold by DPS in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with the school district’s financial plan, as applicable;

(c) that DPS has demonstrated to the Commission’s satisfaction that DPS has sufficient ability to borrow in the municipal securities market or within DPS;

(d) that DPS did not violate the plan for adjustment in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year;

(e) that the State Treasurer has certified that the school district is in compliance with the Budget Act;

(f) that the school district is in substantial compliance with the Act;

(g) that the school district has fully satisfied all of its current obligations to the Michigan Public School Employees Retirement System (“MPERS”); and

(h) that the school district has implemented a program in which all contracts awarded by the school district are posted on the school district’s public website within 30 days of the contract

award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract; and

WHEREAS, on behalf of DPS, DPSCD seeks a waiver of active oversight of DPS by the Commission and has provided the Commission documentation indicating that DPS has partially satisfied the conditions for a waiver under Section 8 of the Act.

NOW THEREFORE, be it **RESOLVED** by the Financial Review Commission for the School District of the City of Detroit and the Detroit Public Schools Community District:

1. That the Commission hereby certifies that DPS has partially satisfied the requirement under Section 8(2)(a) of the Act that DPSCD, on behalf of DPS, adopt and adhere to a deficit-free budget for DPS for three consecutive fiscal years. Documentation indicating that DPSCD, on behalf of DPS, adopted and adhered to a deficit-free budget for DPS for Fiscal Year 2017-2018, which is attached as Exhibit 1-A. Documentation indicating that DPSCD, on behalf of DPS, has adopted and adhered to a deficit-free budget for DPS for Fiscal Year 2018-2019 is attached as Exhibit 1-B. Correspondence from DPSCD on behalf of DPS indicating that DPSCD has adopted and adhered to a deficit-free budget for Fiscal Year 2019-2020, is attached as Exhibit 1-C, but that compliance has not yet been verified by an audited financial statement for Fiscal Year 2019-2020.

2. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(b)(i) of the Act that the State Treasurer and that the chief financial officer of DPSCD on behalf of DPS (the “CFO”) both certify that all municipal securities or debt obligations sold by or for the benefit of DPS in the general public market during Fiscal Year 2019-2020 and Fiscal Year 2020-2021 satisfied the capital and other financial requirements of DPS. The certification by the State Treasurer is attached as Exhibit 2-A. The certification by the CFO is attached as Exhibit 2-B.

3. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(b)(ii) of the Act that the State Treasurer and that chief financial officer of DPSCD on behalf of DPS (the “CFO”) both certify that there is a substantial likelihood that municipal securities or debt obligations can be sold by DPS in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with DPS’s financial plan. The certification by the State Treasurer is attached as Exhibit 3-A. The certification by the CFO is attached as Exhibit 3-B.

4. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(d) of the Act that DPS demonstrate to the Commission’s satisfaction that DPS has sufficient ability to borrow in the municipal securities market or within DPS. A letter from the financial advisor for DPS regarding the ability of DPS to access the market to finance capital improvements is attached at TAB 4-A.

5. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(e) of the Act that DPS did not violate a plan for adjustment in the immediately preceding fiscal year and is not in violation in the current fiscal year because DPS has not filed for bankruptcy and is not subject to a plan for adjustment.

6. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(f) of the Act that the State Treasurer certify that DPS is in compliance with the Budget Act. A copy of the certification by the State Treasurer is attached as Exhibit 6.

7. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(g) of the Act for DPS to be in substantial compliance with the Act. The Commission has previously adopted resolutions in prior fiscal years confirming that DPS was in substantial compliance with the Act.

8. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(h) of the Act to have satisfied all of its current obligation to MPSERS. A copy of an invoice from MPSERS indicating that DPS is current in its current obligations to MPSERS is attached as Exhibit 8.

9. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(i) of the Act to implement a program in which all contracts awarded by DPS are posted on DPS's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract by establishing the Internet website located at <https://www.detroitk12.org/finance/procurement/contracts>.

10. That pursuant to Section 8 of the Act, the Commission hereby waives requirements designated in sections 6 and 7 and applicable to DPS effective upon the date on which DPS files with the State Treasurer a certified financial report prepared by an independent auditor for Fiscal Year 2019-2020.

11. That the Commission hereby informs DPS that the Commission must rescind the waiver from the requirements of Section 6 and 7 of the Act granted to DPS by this resolution pursuant to Section 8(3) of the Act if any of the following occur, or if there is a substantial likelihood that any of the following will occur:

- (a) DPS fails to pay principal of or interest on any municipal securities when due or payable;
- (b) DPS incurs a budget deficit in a fiscal year equal to or more than 5% of the total expenditures in that year based on generally accepted accounting principles;
- (c) DPS issues municipal securities without the authorization of the Commission or in violation of the Revised Municipal Finance Act, Public Act 34 of 2001, as amended, MCL 141.2101 to 141.2821;

- (d) DPS violates the Act or any mandatory financial controls in a manner that substantially impairs DPS's ability to pay principal of and interest on municipal securities or other debt when due and payable or its ability to adhere to a balanced budget;
- (e) DPS violates any provision of any applicable plan for adjustment;
- (f) the State Treasurer or the CFO fail to certify that the criteria in subsection (8)(2)(b) of the Act are met; or
- (g) the CFO resigns, is terminated is removed, or the office of CFO otherwise becomes vacant and a successor to the CFO is not appointed within 180 days of the vacancy; of
- (h) DPS has not satisfied the requirements relating to DPS contracts in Section 8(2)(h) of the Act.

12. That the Commission will review the waiver from the requirements of Section 6 and 7 of the Act granted to DPS by this resolution annually and, by December 31 of each year after 2020, make a determination as to whether to renew the waiver for the subsequent year.

13. That this waiver, and any subsequent waivers, will be reviewed and acted upon by the Commission upon timely submission of the following information and reports to the Commission:

- (a) Within 45 days after the end of each month:
 - (i) Current fiscal year-to-date actuals to budget and annualized projections, in the form provided to the Commission by DPSCD on behalf of DPS during the 12 months before the waiver granted by this resolution.
 - (ii) Monthly analysis in the form provided to the Commission by DPSCD on behalf of DPS during the 12 months before the waiver granted by this resolution.

(iii) Current fiscal year-to-date net cash flows, including a current ratio analysis, in the form provided to the Commission by DPSCD on behalf of DPS during the 12 months before the waiver granted by this resolution.

(b) Within 45 days of the end of each quarter:

(i) A summary report of the debt service and current status of payments made by DPSCD on behalf of DPS to MSPERS and the State Emergency Loan Board.

(c) On an annual basis:

(i) At least 45 days before the adoption of the annual budget for a fiscal year, a summary report of changes from the budget for the then-current fiscal year necessary to assure a deficit-free budget in the next fiscal year of DPS

(ii) By June 30 of each year, DPSCD presents on behalf of DPS an adopted deficit-free budget for DPS to the Commission.

14. That during any waiver period, the Commission will continue its regular meetings. At these regular meetings, the Commission's staff will make a presentation to the Commission addressing whether financial distress has or is about to occur within DPS as provided in the Act. If financial distress is detected, the Commission's staff shall recommend that the waiver be rescinded.

15. That this resolution is effective upon the submission by DPSCD on behalf of DPS with the State Treasurer of a certified financial report prepared by an independent auditor for Fiscal Year 2019-2020 indicating a deficit-free budget for Fiscal Year 2019-2020 for DPS and this resolution will remain in effect until the state treasurer certifies that all outstanding debts of that qualified school district are paid in full.

DETROIT FINANCIAL REVIEW COMMISSION

Annual Certification of the School District of the City of Detroit (“DPS”)
Compliance with the Michigan Financial Review Commission Act (Act 181 of 2014)
Per MCL 141.1636(2)

For the Period September 1, 2019 through October 15, 2020

Presented on October 26, 2020

Requirement	FRC Act Sec. No.	Compliance
Statutory compliance: Michigan financial review commission act terms and conditions, 2014 PA 181	6(2)	See attached verification of compliance.
Statutory compliance: Section 8 of the publicly funded health insurance contributions act requirements, 2011 PA 152, MCL 15.568	6(3)(a)	See attached verification of compliance.
Statutory compliance: revised municipal finance act requirements, 2001 PA 34, MCL 141.2101 to 141.2821	6(3)(c)	See attached verification of compliance.
Statutory compliance: uniform budget and accounting act requirements, 1968 PA 2, MCL 141.421 to 141.440a	6(3)(d)	See attached verification of compliance.
Statutory compliance: revised school code requirements, 1976 PA 451, MCL 380.1 to 380.1852	6(3)(e)(i)	See attached verification of compliance.
Statutory compliance: Article I of the state school aid act of 1979 requirements, 1979 PA 94, MCL 388.1601 to 388.1772	6(3)(e)(ii)	See attached verification of compliance.
Statutory compliance: public school employees retirement act of 1979 requirements, 1980 PA 300, MCL 38.1301 to 38.1437	6(3)(e)(iii)	See attached verification of compliance.
FRC review and approval of all applicable contracts	6(6)	DPS has not submitted any contracts.
The CFO provide needed information and documents to FRC and attend FRC meetings when needed	6(7), 7(d), and 7(o)	The CFO has been responsive to requests for information and documents and have attended meetings when requested.
FRC review and approval of collective bargaining agreements (CBAs)	6(9)	DPS has not submitted any CBAs for review or approval.
Quarterly debt service certifications	6(11)	DPS has provided all required quarterly certifications.
FRC review of revenue estimates	7(a)	DPS has provided its revenue estimates to the FRC in connection with its budget submissions per subsection 7(c).
FRC review and approval of operational budgets and budget amendments	7(c)	DPS has submitted one amendment to the FY 2020 general fund budget since September 1, 2019 and the FRC approved it. DPS submitted the FY 2021 general fund budget on June 29, 2020 and the FRC approved it.

FRC review and approval of requests to issue debt	7(e)	DPS has requested to issue and sell bonds in a direct placement and in a public offering to refund outstanding DPS unlimited tax general obligations and the School Bond Loan Fund loan outstanding since September 1, 2019 and the FRC approved the requests.
FRC reviews compliance with a deficit elimination plan	7(f)	DPS has not been required to submit a deficit elimination plan.
FRC approval of Chief Financial Officer appointment	7(h)	Refer to Resolution 2020-23.
FRC approval to alter the Superintendent's contract or to terminate the Superintendent	7(i)	Refer to Resolution 2020-23.
FRC review and approval of reimbursements for out-of-state travel	7(q)	DPS has not submitted any reimbursement requests for out-of-state travel.



Jeremy Vidito
Chief Financial Officer
Office of Finance
Fisher Building • 3011 West Grand Blvd., 11th Floor • Detroit, MI 48202
O (313) 873 - 6194 • Jeremy.vidito@detroitk12.org
detroitk12.org

TO: Financial Review Commission

FROM: Jeremy Vidito, Chief Financial Officer, Detroit Public Schools Community District

SUBJECT: Certification of the District's Compliance with Public Act 181 of 2014 (PA 181), Section 6(3);
Certification that Detroit Public Schools has met the Waiver Conditions in PA 181, Section 8(2)

DATE: October 26, 2020

1. AUTHORITY

- 1.1. State of Michigan Public Act 181, Section 6(3) states the Financial Review Commission (FRC) shall ensure that Detroit Public Schools (DPS) complies with the provisions of various State laws, as applicable, and may request verification of compliance.
- 1.2. State of Michigan Public Act 181, Section 8(1) states the FRC shall, by resolution, waive the oversight requirements designated in Sections 6 and 7 of PA 181 if certain conditions are met as provided in Section 8(2) of PA 181.

2. OBJECTIVE

- 2.1. The FRC has requested that the Chief Financial Officer (CFO) verify that DPS is in compliance with the provisions in PA 181, Section 6(3).
- 2.2. The FRC has requested that the CFO verify that DPS has met all the waiver conditions in Section 8(2) of PA 181.

3. PURPOSE

- 3.1. To certify that, to the best of my knowledge, the statements in Section 5 of this Memorandum are true and accurate, and to transmit the certification to the FRC.

4. SCOPE

- 4.1. This Memorandum is intended solely to satisfy the FRC's request for verification of compliance with the provisions in PA 181, Section 6(3) and for verification that DPS has met the waiver conditions of Section 8(2) of PA 181.

5. STATEMENT

- 5.1. In accordance with Section 6(3) of PA 181, DPSCD is in compliance with the following provisions:
 - 5.1.1. The revised municipal finance act, 2001 PA 34, MCL 141.1638(a) to 141.1638(i).
 - 5.1.2. The uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.1.3. The public-school employee's retirement act of 1979 (MCL 141.1638(2)(h)).
 - 5.1.4. The revised school code, 1976 PA 451, MCL 380.1 to 380.1852.
 - 5.1.5. Article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

Students Rise. We all Rise

DPSCD does not discriminate on the basis of race, color, national origin, sex, sexual orientation, transgender identity, disability, age, religion, height, weight, citizenship, marital or family status, military status, ancestry, genetic information, or any other legally protected category, in its educational programs and activities, including employment and admissions. Questions? Concerns? contact the Civil Rights Coordinator at (313) 240-4377 or dpscd.compliance@detroitk12.org or 3011 West Grand Boulevard, 14th Floor, Detroit MI 48202.

- 5.2. In accordance with Section 8(2) of PA 181, DPS has met the following conditions:
 - 5.2.1. Adopted and adhered to deficit-free budgets for 3 consecutive years (FY 2018, FY 2019, FY 2020) that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.2.2. Both of the following conditions related to municipal securities:
 - 5.2.2.1. All municipal securities or debt obligations sold by or for the benefit of DPS in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of DPS during that period. DPS did not sell any municipal securities or debt obligations.
 - 5.2.2.2. There is a substantial likelihood that municipal securities or debt obligations can be sold by DPS in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with DPS's financial plan, as applicable.
 - 5.2.3. Sufficient ability to borrow in the municipal securities market.
 - 5.2.4. If applicable, did not violate the Plan of Adjustment (the "POA") in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year. (Note: Upon information and belief, this requirement was not applicable to DPS.)
 - 5.2.5. Compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.2.6. Substantial compliance with PA 181.
 - 5.2.7. Implemented a program in which all contracts awarded by the District are posted on the District's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract.

CERTIFIED



Chief Financial Officer, Detroit Public Schools Community District

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

Re: Certification for the School District of the City of Detroit Pursuant to MCL 141.1638(2)(b)(i)

Dear Commission Members:

Pursuant to Section 8(2)(b)(i) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(b)(i), I hereby certify that all municipal securities or debt obligations sold by or for the benefit of the School District of the City of Detroit (“DPS”) in the general public market during Fiscal Year 2019-2020 and Fiscal Year 2020-2021 satisfied the capital and other financial requirements of DPS.

This certification is based upon the following:

- (1) DPS recently completed a refunding of eligible capital debt and School Loan Revolving Fund loans to achieve significant savings;
- (2) the chief financial officer for DPS (the “CFO”) indicated that 17 proposals from banks and underwriters for the refunding of these obligations were received by DPS;
- (3) the Financial Review Commission for the School District of the City of Detroit and the Detroit Public Schools Community District authorized the refunding; and
- (4) the CFO has certified that DPS did not and does not plan to sell any other municipal securities or debt obligations during Fiscal Year 2020-2021 and indicates that the DPS has not needed to borrow to address working capital or facility needs.

Sincerely,



Rachael A. Eubanks
State Treasurer

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

**Re: Certification for the School District of the City of Detroit Pursuant to MCL
141.1638(2)(b)(ii)**

Dear Commission Members:

Pursuant to Section 8(2)(b)(ii) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(b)(ii), I hereby certify that there is a substantial likelihood that municipal securities or debt obligations can be sold by the School District of the City of Detroit (“DPS”) in the general public market during the remainder of the Fiscal Year 2020-2021 and in Fiscal Year 2021-2022 in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with DPS’s financial plan.

This certification is based upon the following:

- (1) a certification from the chief financial officer for DPS that there is a substantial likelihood that DPS could sell municipal securities or debt obligations in the remainder of Fiscal Year 2020-2021 and Fiscal Year 2021-2022 in amounts to substantially satisfy all capital and other financial requirements;
- (2) the fact that DPS does not operate public schools and has no capital needs;
- (3) information provided by DPS and its financial advisor.

Sincerely,



Rachael A. Eubanks
State Treasurer

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

**Re: Certification for the School District of the City of Detroit Pursuant to MCL
141.1638(2)(f)**

Dear Commission Members:

Pursuant to Section 8(2)(f) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(f), I hereby certify that the School District of the City of Detroit is in compliance with the Uniform Budgeting and Accounting Act, Public Act 2 of 1968, as amended, MCL 141.421 to 141.440, as of the date of this letter.

Sincerely,



Rachael A. Eubanks
State Treasurer



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

**FINANCIAL REVIEW COMMISSION FOR THE SCHOOL DISTRICT OF
THE CITY OF DETROIT AND THE DETROIT PUBLIC SCHOOLS
COMMUNITY DISTRICT**

RESOLUTION 2020-23

**CERTIFYING (I) ADOPTION AND ADHERENCE TO DEFICIT-FREE
BUDGETS FOR THREE CONSECUTIVE YEARS (II) COMPLIANCE
WITH THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT PER
MCL 141.1638 (g) AND (III) GRANTING THE DETROIT PUBLIC
SCHOOLS COMMUNITY DISTRICT A WAIVER PURSUANT TO
SECTION 8 OF THE MICHIGAN FINANCIAL REVIEW COMMISSION
ACT**

WHEREAS, the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1631 to 141.1643, (the “Act”) created the Financial Review Commission for the School District of the City of Detroit and the Detroit Public Schools Community District (the “Commission”) to provide oversight of the School District of the City of Detroit (“DPS”) and the Detroit Public Schools Community District (“DPSCD”) beginning on June 21, 2016;

WHEREAS, the Act charges the Commission with, among other things, (a) ensuring that DPS and DPSCD meet certain statutory requirements, (b) reviewing and approving budgets and certain contracts of DPS and DPSCD, and (c) establishing processes to ensure effective and prudent fiscal management for DPS and DPSCD;

WHEREAS, under Section 8 of the Act, the Commission must waive the requirements applicable under Section 6 and 7 of the Act to DPSCD if the Commission certifies that all of the requirements are met:

(a) that DPSCD has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the Uniform Budgeting and Accounting Act, Public Act 2 of 1968, as amended, MCL 141.421 to 141.440a (the “Budget Act”);

(b) that the State Treasurer and the chief financial officer for DPSCD certify that both of the following are met:

(i) all municipal securities or debt obligations sold by or for the benefit of DPSCD in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the school district; and

(ii) there is a substantial likelihood that municipal securities or debt obligations can be sold by DPSCD in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPSCD during those periods in accordance with the school district’s financial plan, as applicable.

(c) that DPSCD has demonstrated to the Commission’s satisfaction that DPSCD has sufficient ability to borrow in the municipal securities market or within DPS;

(d) that DPSCD did not violate the plan for adjustment in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year;

(e) that the State Treasurer has certified that the school district is in compliance with the Budget Act;

(f) that DPSCD is in substantial compliance with the Act;

(g) that the DPSCD has fully satisfied all of its current obligations to the Michigan Public School Employees Retirement System (“MPERS”); and

(h) that DPSCD has implemented a program in which all contracts awarded by DPSCD are posted on the DPSCD's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract; and

WHEREAS, DPSCD seeks a waiver of active oversight of DPSCD by the Commission and has provided the Commission with documentation indicating that DPSCD has satisfied the conditions for a waiver under Section 8 of the Act.

NOW THEREFORE, be it **RESOLVED** by the Financial Review Commission for the School District of the City of Detroit and the Detroit Public Schools Community District:

1. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(a) of the Act that DPSCD adopt and adhere to a deficit-free budget for three consecutive fiscal years. Documentation indicating that DPSCD adopted and adhered to a deficit-free budget for DPSCD for Fiscal Year 2016-2017 is attached as Exhibit 1-A. Documentation indicating that DPSCD has adopted and adhered to a deficit-free budget for DPSCD for Fiscal Year 2017-2018 is attached as Exhibit 1-B. Documentation indicating that DPSCD has adopted and adhered to a deficit-free budget for DPSCD for Fiscal Year 2018-2019 is attached as Exhibit 1-C.

2. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(b)(i) of the Act that the State Treasurer and that the chief financial officer of DPSCD (the "CFO") both certify that all municipal securities or debt obligations sold by or for the benefit of DPSCD in the general public market during Fiscal Year 2019-2020 and Fiscal Year 2020-2021 satisfied the capital and other financial requirements of DPSCD. The certification by

the State Treasurer is attached as Exhibit 2-A. The certification by the CFO is attached as Exhibit 2-B.

3. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(b)(ii) of the Act that the State Treasurer and the CFO both certify that there is a substantial likelihood that municipal securities or debt obligations can be sold by DPSCD in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPSCD during those periods in accordance with DPSCD's financial plan. The certification by the State Treasurer is attached as Exhibit 3-A. The certification by the CFO is attached as Exhibit 3-B.

4. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(d) of the Act that DPSCD demonstrate to the Commission's satisfaction that DPSCD has sufficient ability to borrow in the municipal securities market or within DPSCD. A letter from the financial advisor for DPSCD regarding the ability of the DPSCD to access the market to finance capital improvements is attached at TAB 4-1.

5. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(e) of the Act that DPSCD did not violate a plan for adjustment in the immediately preceding fiscal year and is not in violation in the current fiscal year because DPSCD has not filed for bankruptcy and is not subject to a plan for adjustment.

6. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(f) of the Act that the State Treasurer certify that DPSCD is in compliance with the Budget Act. A copy of the certification by the State Treasurer is attached as Exhibit 6.

7. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(g) of the Act for DPSCD to be in substantial compliance with the Act. The Commission has previously adopted resolutions confirming that DPSCD was in substantial compliance with the Act during prior fiscal years.

8. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(h) of the Act to have satisfied all of its current obligation to MPSERS. A copy of an invoice from MPSERS indicating that DPSCD is current in its current obligations to MPSERS is attached as Exhibit 8.

9. That the Commission hereby certifies that DPSCD has satisfied the requirement under Section 8(2)(i) of the Act to implement a program in which all contracts awarded by DPSCD are posted on DPSCD's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract by establishing the Internet website located at <https://www.detroitk12.org/finance/procurement/contracts>.

10. That pursuant to Section 8 of the Act, the Commission hereby waives requirements designated in sections 6 and 7 and applicable to DPSCD effective upon the date of this resolution.

11. That the Commission hereby informs DPSCD that the Commission must rescind the waiver from the requirements of Section 6 and 7 of the Act granted to DPSCD by this resolution pursuant to Section 8(3) of the Act if any of the following occur, or if there is a substantial likelihood that any of the following will occur:

- (a) DPSCD fails to pay principal of or interest on any municipal securities when due or payable;

- (b) DPSCD incurs a budget deficit in a fiscal year equal to or more than 5% of the total expenditures in that year based on generally accepted accounting principles;
- (c) DPSCD issues municipal securities without the authorization of the Commission or in violation of the Revised Municipal Finance Act, Public Act 34 of 2001, as amended, MCL 141.2101 to 141.2821;
- (d) DPSCD violates the Act or any mandatory financial controls in a manner that substantially impairs DPSCD's ability to pay principal of and interest on municipal securities or other debt when due and payable or its ability to adhere to a balanced budget;
- (e) DPSCD violates any provision of any applicable plan for adjustment;
- (f) the State Treasurer or the CFO fail to certify that the criteria in subsection (8)(2)(b) of the Act are met; or
- (g) the CFO resigns, is terminated is removed, or the office of CFO otherwise becomes vacant and a successor to the CFO is not appointed within 180 days of the vacancy; or
- (h) DPSCD has not satisfied the requirements relating to DPSCD contracts in Section 8(2)(h) of the Act.

12. That the Commission will review the waiver from the requirements of Section 6 and 7 of the Act granted to DPSCD by this resolution annually and, by December 31 of each year after 2020, make a determination as to whether to renew the waiver for the subsequent year.

13. That this waiver, and any subsequent waivers, will be reviewed and acted upon by the Commission upon timely submission of the following information and reports to the Commission:

- (a) Within 45 days after the end of each month:
 - (i) Current fiscal year-to-date actuals to budget and annualized projections, in the form provided to the Commission by DPSCD during the 12 months before the waiver granted by this resolution.
 - (ii) Monthly analysis in the form provided to the Commission by DPSCD during the 12 months before the waiver granted by this resolution.
 - (iii) Current fiscal year-to-date net cash flows, including a current ratio analysis, in the form provided to the Commission by DPSCD during the 12 months before the waiver granted by this resolution.
- (b) Within 45 days of the end of each quarter:
 - (i) A summary report of the debt service and current status of payments made by DPSCD to MPSERS during that quarter.
 - (ii) A summary report of DPSCD's capital project expenditures during that quarter.
 - (iii) A summary of any litigation pending relating to the physical condition of DPSCD's facilities with a potential financial impact to DPSCD.
- (c) On an annual basis:
 - (i) At least 45 days before the adoption of the annual budget for a fiscal year, a summary report of changes from the budget for the then-current fiscal year necessary to assure a deficit-free budget in the next fiscal year of DPSCD.
 - (ii) By June 30 of each year, DPSCD presents an adopted deficit-free budget for DPSCD's next fiscal year to the Commission.

(iii) That during any waiver period, the Commission will continue its regular meetings. At these regular meetings, the Commission's staff will make a presentation to the Commission addressing whether financial distress has or is about to occur within DPSCD as provided in the Act. If financial distress is detected, the Commission's staff shall recommend that the waiver be rescinded

14. That this resolution is effective immediately and will remain in effect until the State Treasurer certifies that all outstanding debts of DPSCD are paid in full.

114756.000001 4832-2201-2872.4

4832-2201-2872, v. 2

DETROIT FINANCIAL REVIEW COMMISSION

Annual Certification of Detroit Public Schools Community District (“DPSCD”)
Compliance with the Michigan Financial Review Commission Act (Act 181 of 2014)
Per MCL 141.1636(2)

For the Period September 1, 2019 through October 15, 2020

Presented on October 26, 2020

Requirement	FRC Act Sec. No.	Compliance
Statutory compliance: Michigan financial review commission act terms and conditions, 2014 PA 181	6(2)	See attached verification of compliance.
Statutory compliance: Section 8 of the publicly funded health insurance contributions act requirements, 2011 PA 152, MCL 15.568	6(3)(a)	See attached verification of compliance.
Statutory compliance: revised municipal finance act requirements, 2001 PA 34, MCL 141.2101 to 141.2821	6(3)(c)	See attached verification of compliance.
Statutory compliance: uniform budget and accounting act requirements, 1968 PA 2, MCL 141.421 to 141.440a	6(3)(d)	See attached verification of compliance.
Statutory compliance: revised school code requirements, 1976 PA 451, MCL 380.1 to 380.1852	6(3)(e)(i)	See attached verification of compliance.
Statutory compliance: Article I of the state school aid act of 1979 requirements, 1979 PA 94, MCL 388.1601 to 388.1772	6(3)(e)(ii)	See attached verification of compliance.
Statutory compliance: public school employees retirement act of 1979 requirements, 1980 PA 300, MCL 38.1301 to 38.1437	6(3)(e)(iii)	See attached verification of compliance.
FRC review and approval of all applicable contracts	6(6)	DPSCD has submitted 86 applicable contracts. FRC has approved all of them.
The CFO provide needed information and documents to FRC and attend FRC meetings when needed	6(7), 7(d), and 7(o)	The CFO has been responsive to requests for information and documents and have attended meetings when requested.
FRC review and approval of collective bargaining agreements (CBAs)	6(9)	DPSCD presented 8 amendments to previously ratified CBAs that required a letter of agreement (LOA). A total of 8 CBAs and 8 LOAs has been presented to the FRC and subsequently approved by the FRC.
Quarterly debt service certifications	6(11)	DPSCD has not issued any debt.
FRC review of revenue estimates	7(a)	DPSCD has provided its revenue estimates to the FRC in connection with its budget submissions per subsection 7(c).
FRC review and approval of operational budgets and budget amendments	7(c)	DPSCD has submitted two amendments to the FY 2020 general fund budget, one amendment to the FY 2020 food service fund budget and one amendment to the FY 2019 capital projects fund budget since

		<p>September 1, 2019 and the FRC approved all of them.</p> <p>DPSCD submitted the FY 2021 general fund budget, FY 2021 food service fund budget, FY 2020 and FY 2021 student activity fund budgets on June 29, 2020 and the FRC approved all of them.</p>
FRC review and approval of requests to issue debt	7(e)	DPSCD has not submitted any requests to issue debt.
FRC reviews compliance with a deficit elimination plan	7(f)	DPSCD has not been required to submit a deficit elimination plan.
FRC approval of Chief Financial Officer appointment	7(h)	DPSCD submitted its appointment of its Chief Financial Officer. FRC approved the appointment on November 20, 2017.
FRC approval to alter the Superintendent's contract or to terminate the Superintendent	7(i)	DPSCD has not undertaken such actions.
FRC review and approval of reimbursements for out-of-state travel	7(q)	DPSCD has submitted 14 reimbursement requests for out-of-state travel. FRC has approved all of them.



Jeremy Vidito
Chief Financial Officer
Office of Finance
Fisher Building • 3011 West Grand Blvd., 11th Floor • Detroit, MI 48202
O (313) 873 - 6194 • Jeremy.vidito@detroitk12.org
detroitk12.org

TO: Financial Review Commission

FROM: Jeremy Vidito, Chief Financial Officer, Detroit Public Schools Community District

SUBJECT: Certification of the District's Compliance with Public Act 181 of 2014 (PA 181), Section 6(3);
Certification that Detroit Public Schools Community District has met the Waiver Conditions
in PA 181, Section 8(2)

DATE: October 26, 2020

1. AUTHORITY

- 1.1. State of Michigan Public Act 181, Section 6(3) states the Financial Review Commission (FRC) shall ensure that Detroit Public Schools Community District (DPSCD) complies with the provisions of various State laws, as applicable, and may request verification of compliance.
- 1.2. State of Michigan Public Act 181, Section 8(1) states the FRC shall, by resolution, waive the oversight requirements designated in Sections 6 and 7 of PA 181 if certain conditions are met as provided in Section 8(2) of PA 181.

2. OBJECTIVE

- 2.1. The FRC has requested that the Chief Financial Officer (CFO) verify that DPSCD is in compliance with the provisions in PA 181, Section 6(3).
- 2.2. The FRC has requested that the CFO verify that DPSCD has met all the waiver conditions in Section 8(2) of PA 181.

3. PURPOSE

- 3.1. To certify that, to the best of my knowledge, the statements in Section 5 of this Memorandum are true and accurate, and to transmit the certification to the FRC.

4. SCOPE

- 4.1. This Memorandum is intended solely to satisfy the FRC's request for verification of compliance with the provisions in PA 181, Section 6(3) and for verification that DPSCD has met the waiver conditions of Section 8(2) of PA 181.

5. STATEMENT


- 5.1. In accordance with Section 6(3) of PA 181, DPSCD is in compliance with the following provisions:
 - 5.1.1. The revised municipal finance act, 2001 PA 34, MCL 141.1638(a) to 141.1638(i).
 - 5.1.2. The uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.1.3. The public-school employee's retirement act of 1979 (MCL 141.1638(2)(h)).
 - 5.1.4. The revised school code, 1976 PA 451, MCL 380.1 to 380.1852.
 - 5.1.5. Article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

Students Rise. We all Rise

DPSCD does not discriminate on the basis of race, color, national origin, sex, sexual orientation, transgender identity, disability, age, religion, height, weight, citizenship, marital or family status, military status, ancestry, genetic information, or any other legally protected category, in its educational programs and activities, including employment and admissions. Questions? Concerns? contact the Civil Rights Coordinator at (313) 240-4377 or dpscd.compliance@detroitk12.org or 3011 West Grand Boulevard, 14th Floor, Detroit MI 48202.

- 5.2. In accordance with Section 8(2) of PA 181, DPSCD has met the following conditions:
 - 5.2.1. Adopted and adhered to deficit-free budgets for 3 consecutive years (FY 2017, FY 2018, FY 2019) that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.2.2. Both of the following conditions related to municipal securities:
 - 5.2.2.1. All municipal securities or debt obligations sold by or for the benefit of DPSCD in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of DPSCD during that period. DPSCD did not sell any municipal securities or debt obligations.
 - 5.2.2.2. There is a substantial likelihood that municipal securities or debt obligations can be sold by DPSCD in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPSCD during those periods in accordance with DPSCD's financial plan, as applicable.
 - 5.2.3. Sufficient ability to borrow in the municipal securities market.
 - 5.2.4. If applicable, did not violate the Plan of Adjustment (the "POA") in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year. (NOTE: Upon information and belief, this requirement was not applicable to DPSCD.)
 - 5.2.5. Compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.2.6. Substantial compliance with PA 181.
 - 5.2.7. Implemented a program in which all contracts awarded by the District are posted on the District's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract.

CERTIFIED



Chief Financial Officer, Detroit Public Schools Community District

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

**Re: Certification for the Detroit Public Schools Community District Pursuant to MCL
141.1638(2)(b)(i)**

Dear Commission Members:

Pursuant to Section 8(2)(b)(i) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(b)(i), I hereby certify that all municipal securities or debt obligations sold by or for the benefit of the Detroit Public Schools Community District ("DPSCD") in the general public market during Fiscal Year 2019-2020 and Fiscal Year 2020-2021 satisfied the capital and other financial requirements of DPSCD.

This certification is based upon the following:

- (1) the chief financial officer of DPSCD (the "CFO") has certified that DPSCD did not and does not plan to sell any municipal securities or debt obligations during Fiscal Year 2019-2020 and Fiscal Year 2020-2021; and
- (2) the CFO indicates that DPSCD has not needed to borrow to address working capital or facility needs.

Sincerely,



Rachael A. Eubanks
State Treasurer

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

Re: Certification for the Detroit Public Schools Community District Pursuant to MCL 141.1638(2)(b)(ii)

Dear Commission Members:

Pursuant to Section 8(2)(b)(ii) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(b)(ii), I hereby certify that there is a substantial likelihood that municipal securities or debt obligations can be sold by the Detroit Public Schools Community District ("DPSCD") in the general public market during the remainder of the Fiscal Year 2020-2021 and Fiscal Year 2021-2022 in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPSCD during those periods in accordance with DPSCD's financial plan.

This certification is based upon the following:

- (1) a certification from the chief financial officer for DPSCD that there is a substantial likelihood that DPSCD could sell municipal securities or debt obligations in the remainder of Fiscal Year 2020-2021 and in Fiscal Year 2021-2022 in amounts to substantially satisfy all capital and other financial requirements;
- (2) as a separate district from the School District of the City of Detroit, DPSCD may (with prequalification by the Department of Treasury and approval by the electors of DPSCD) issue bonds for capital expenditures under the School Bond Qualification, Approval, and Loan Act, Public Act 92 of 2005, as amended, MCL 388.1921 to 388.1939; and
- (3) information provided by DPSCD and its financial advisor.

Sincerely,



Rachael A. Eubanks
State Treasurer

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

**Re: Certification for the Detroit Public Schools Community District Pursuant to MCL
141.1638(2)(f)**

Dear Commission Members:

Pursuant to Section 8(2)(f) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(f), I hereby certify that the Detroit Public Schools Community District is in compliance with the Uniform Budgeting and Accounting Act, Public Act 2 of 1968, as amended, MCL 141.421 to 141.440, as of the date of this letter.

Sincerely,



Rachael A. Eubanks
State Treasurer

Previously Shared Materials

District Accomplishments

- The District financial health has improved as the District's student performance has improved in all areas:
 - Improved academic performance on state (greater growth than state in nearly every grade level and subject) and national exams (NAEP – among highest growth districts in the country);
 - 27% decrease in chronic absenteeism;
 - 63% decrease in out of school suspensions;
 - Increase in student perception of school.
- The District has opened 5 new schools and programs over the past 4 years including The School at Marygrove (a partnership with the University of Michigan) and Edmonson Montessori school.
- The District has reduced teacher vacancies from over 350 in 2016-17 to less than 50 moving into the 2020-21 school year.
- These factors have helped reverse the decades decline in enrollment, which has stabilized and is showing growth. Overall enrollment has increased approximately 6,000 students since 2017.
- DPS Operating Millage was renewed until 2032 with 85% approval.

Financial Accomplishments

- As referenced, the District has maintained balanced budgets for the past 3 years and projects a balanced budget in FY 20 while
 - Providing annual salary increases for all staff, including increasing starting teacher salary to \$51,000;
 - Aligned funding to school needs and 1,000 school-based staff by shifting away from inefficient contracted services for professional development, art and music programming and social-emotional support for students.
- The District continued to meet all compliance requirements outlined in the USDOE, MDE MOU resulting in the relaxation of reporting requirements.
- In agreement with MDE and Wayne RESA, administration of the Private Nonpublic School programs transitioned back to the District in 2020.
- District completed bond refunding of 2010 BAB, 2012 BAB, and School Loan Revolving Fund Balance which demonstrated the ability of the District to access the financial market at lower interest rates yielding savings for taxpayers.

Appendix

FRC Supplemental Questions

Supplemental FRC Questions

Question

DPSCD has publicly stated that the District has more than \$500 million in capital needs. How does the statement and needs comport with only \$25 million allocated for capital improvements over the next few years? Does the District have a 5-year capital plan?

- The FRC requirement does not require the District to access capital markets to address all capital needs, only those in the present and presiding fiscal year. In February 2020, the District allocated \$25.3M from the unrestricted general fund surplus to address immediate and long-term facility issues in the present and presiding fiscal year.
- In 2018, the District completed a comprehensive facility assessment to identify capital needs. This assessment identified \$500 million in outstanding capital projects.
- Since 2018, the District has allocated \$56 million from the unrestricted general fund contingency to address facility issues based on the type and urgency of the issue.
- The District began community engagement in the Fall of 2019 on its long-term facility needs which resulted in the school and program shifts for this year. With the passage of the Operating Millage and the confirmation that DPSCD has the authority to issue Capital Debt, the District will engage citizens on a possible bond.

Supplemental FRC Questions

Question

Can DPSCD provide a detailed list of the expenditures associated with the \$25 million in capital improvements and conformance with the State School Aid Act of 1979?




In February 2020, the District identified the \$25.3 M in capital projects to be addressed through June 30, 2021. Projects scheduled to start in Spring 2020 were delayed until Summer and Fall 2020 due to COVID-19.

Capital Project Areas	Expenditures
Exterior Construction (e.g., site work, exterior walls, roofing, windows, doors)	\$10,513,711
Interior Construction (e.g., kitchen, serving areas, stairs, interior walls, toilet partitions, doors, lockers and finishes)	4,993,009
Interior Systems (e.g., accessibility, fire protection, electrical, fixtures, communications and security systems, plumbing and lighting)	9,808,828
Total	\$25,315,548

Note: A detailed breakdown by building is provided in the appendix to this report

Supplemental FRC Questions

The District is in compliance with School Aid Act of 1979, the following components apply to Capital project expenditures.

State Aid Act 1979	Requirement	Compliance
Section 388.1618	(1) ...Each district or other entity shall apply the money received by the district or entity under this article to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under sections 22a and 22b ... may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. A district or other entity shall not apply or take the money for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this article the apportionment otherwise due upon a violation by the recipient.	
	(4) For the purposes of determining the reasonableness of expenditures, whether a district orhas received the proper amount of funds under this article, and whether a violation of this article has occurred, all of the following apply: (a) The department shall require that each district ... have an audit of the district's ... financial and pupil accounting records conducted at least annually, and at such other times as determined by the department, at the expense of the district ..., as applicable. ... A district ... shall retain these records for the current fiscal year and from at least the 3 immediately preceding fiscal years.	
	(5) By November 1 each fiscal year, each district ... shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with the district's or intermediate district's audited financial statements and consistent with accounting manuals and charts of accounts approved and published by the department.	

Supplemental FRC Questions

- In previous fiscal years, the District has allocated \$30.7M from its unassigned fund balance to address Capital Project needs. As of June 30, 2020 the funds have been invested into the following Capital Project types:

Capital Project Areas	Expenditures
Exterior Construction (e.g., site work, exterior walls, roofing, windows, doors)	\$11,097,011
Interior Construction (e.g., kitchen, serving areas, stairs, interior walls, toilet partitions, doors, lockers and finishes)	2,408,474
Interior Systems (e.g., accessibility, fire protection, electrical, fixtures, communications and security systems, plumbing and lighting)	4,276,666
Total	\$17,782,151

Supplemental FRC Questions

Question

Is DPSCD still planning to put capital mills on the ballot in 2021?

- On August 4, the citizens of Detroit passed the renewal of the “18 Mills” Operating Millage by a resounding margin, nearly 85% voted yes.
- The District believes that the voters would respond favorably to a future capital projects campaign to address current facilities and ensure every student attended a school built for the 21st Century.
- The District still plans on engaging community and stakeholders on a capital bond campaign. Given the current COVID-19 pandemic and signs of a recession, the District and will reassess timelines after we launch the FY 21 school year.

Supplemental FRC Questions

Question

If the additional capital mills are not passed, what will be the District's plan for addressing the \$500 million in capital needs previously discussed?

- The District is already addressing current facility needs through its unrestricted general fund balance. Additionally the District could consider seeking approval to issue:
 - sinking fund,
 - energy savings agreements for specific types of facility modifications, or
 - issuing general fund obligation bonds.

Supplemental FRC Questions

Question

How does the District perceive they will be received by investors when it does go to the market for a large bond issuance?

- In FY20, the District successfully refunded 2010B School Building and Site Bonds, 2012 Refunding Bonds and the School Loan Revolving Fund totaling \$546M.
- We believe the investor's reception would be favorable. In 2018, the City of Detroit issued standalone bonds gaining significant interest from investors.
- The issuance of new debt would have the unlimited tax general obligation tax pledge of the District. In addition, the District intends to work with the State to provide guarantees through the SBQLP program.

Supplemental FRC Questions

Question

What outstanding environmental factors within its facilities exist that would require the District to make capital investments within the next few years? Does the District have adequate means to address any environmental concerns that could arise requiring capital investment in excess of the \$25 million currently allocated?

- There are no current environmental factors within District facilities which have not already been addressed.
- The District regularly identifies low level safety projects (patching sidewalks, roof patches, playground equipment repairs) which are being completed by facilities through the annual general fund operations budget.

Supplemental FRC Questions

Question

Is DPSCD aware of any illnesses or other medical conditions in the last three years that were caused or may be caused by any physical issues in any of its facilities? Has there been any internal or external reports prepared in the last three years which raise concerns of health-related issues? Has there been any litigation regarding any such claims in the last three years? If the answer to any question in this paragraph is yes, please describe in detail?

- In 2018, the District received water quality reports of possible increased lead levels at schools.
 - The District installed Water Hydration filtration stations at all schools.
- The District is aware of one legal claim relating to alleged elevated levels of lead and/or copper in the school water supply.
- The District has not received any other reports (internal or external) relating to health issues caused by District facilities.



FRC CONTRACTS COMMITTEE – CONTRACT REQUIREMENTS

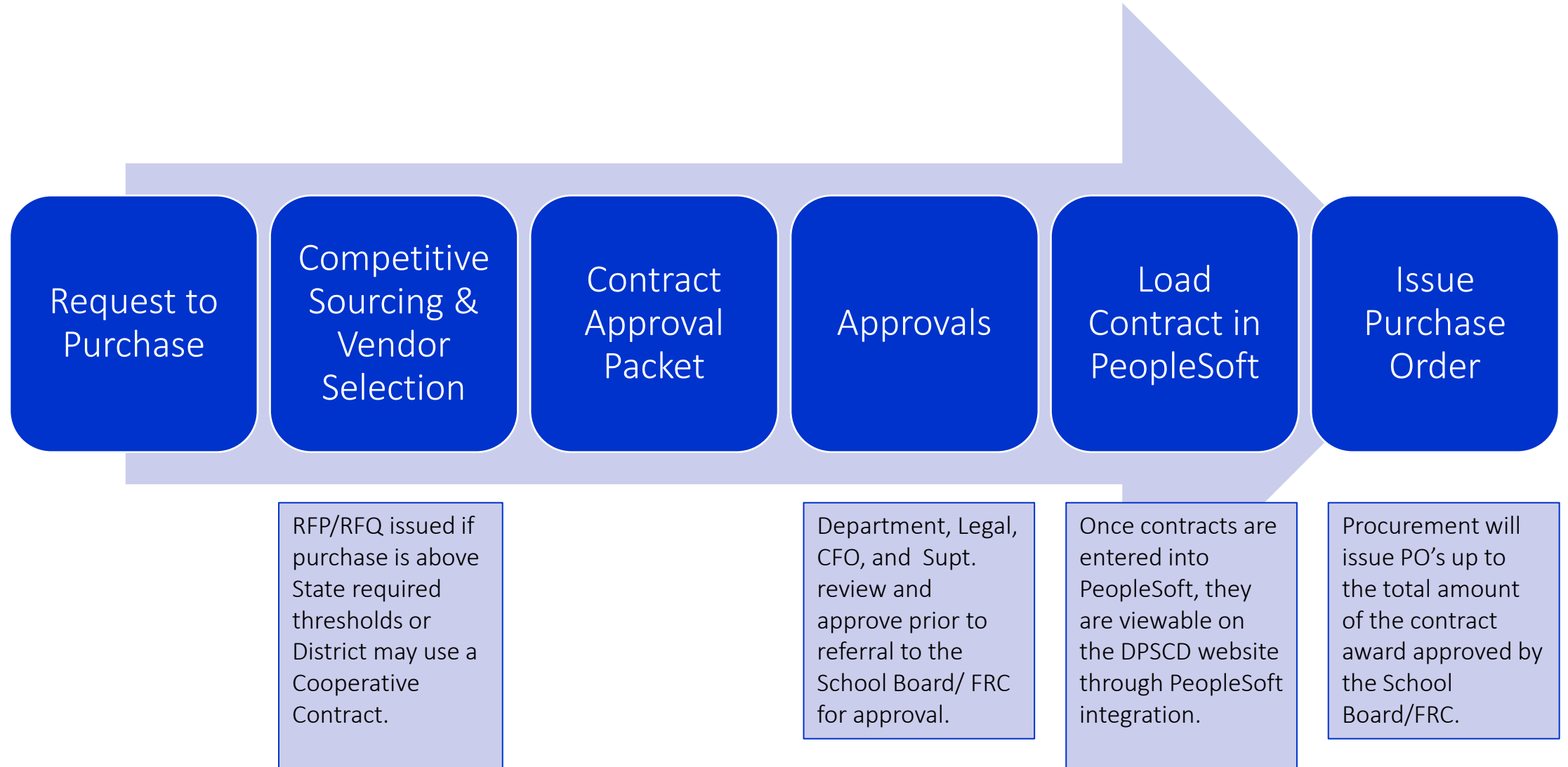
JANUARY 24, 2020



Students Rise. We All Rise

PeopleSoft-Website Integration

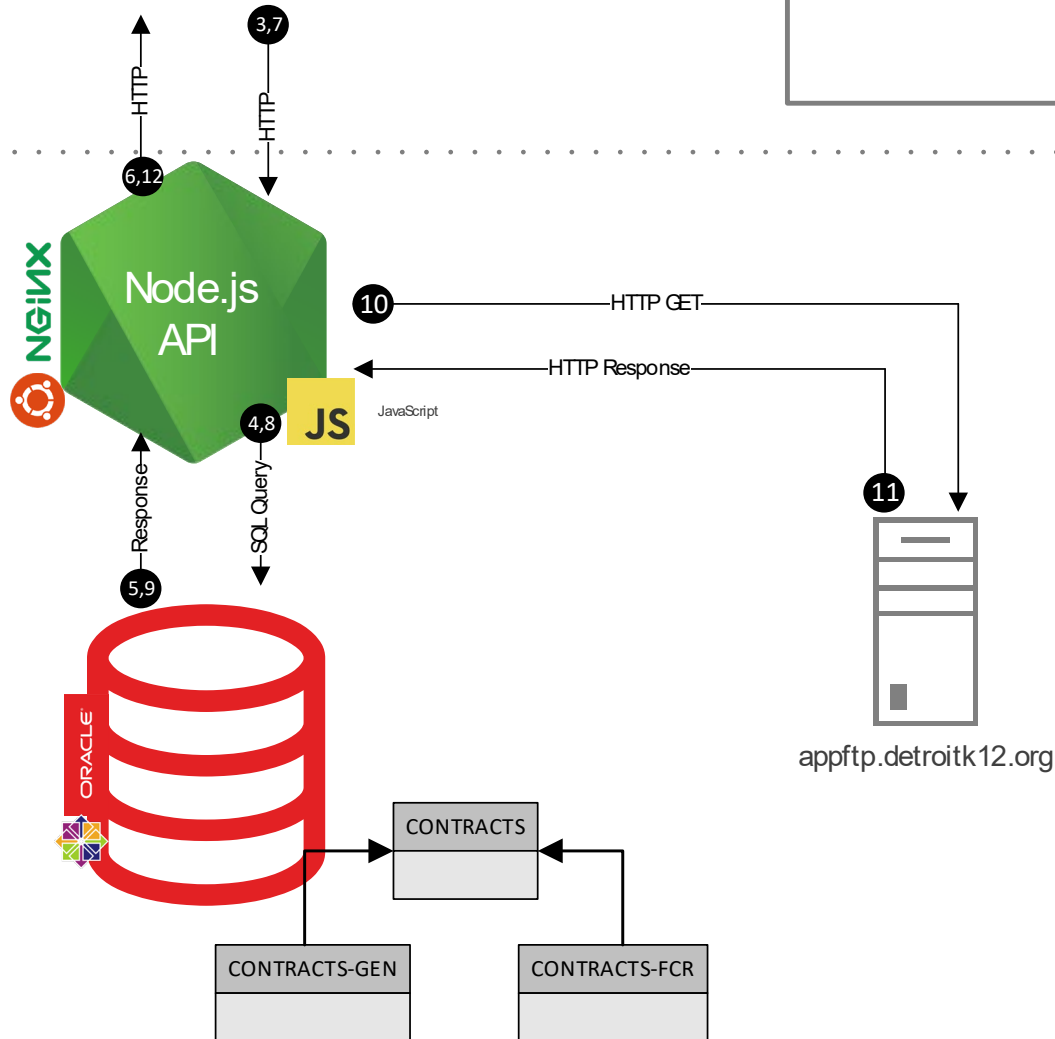
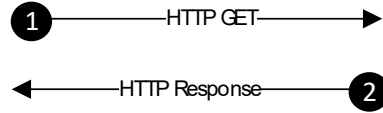
Contract Approval Process





Client Browser

Blackboard®

Blackboard
WCM

PeopleSoft Architecture & Data Flow

1. User requests detroitk12.org/contracts.
2. Blackboard responds with HTML page with JavaScript app.
3. JavaScript app requests contracts list from the API server.
4. API server queries the PeopleSoft Oracle database for the list of contracts.
5. PeopleSoft Oracle database response with list of contracts.
6. API server responds with list of contracts, JavaScript app renders list as an HTML table with file download links.
7. User clicks a download link for a contract.
8. API server queries the PeopleSoft Oracle database for the attachment file names.
9. PeopleSoft Oracle database responds with the list attachment names.
10. The API server requests file attachments from appftp.detroitk12.org via SFTP.
11. The API server downloads the file attachments. Multiple files are combined into a single zip file.
12. The API server responds with a zip file of multiple attachments, or a single PDF file.

District Policies

DPSCD Policy

- No employee may procure goods or services outside of the procurement process.
- Per Board Policy 6320, suppliers are not allowed to provide goods or services to schools or departments without a valid purchase order.
- The Superintendent is the only person in the District authorized to sign a contract with a vendor.

The procurement process is governed by State and Federal requirements as well as School Board Policies 6110, 6320, 6325, and 6470.

Purchase Thresholds

All contracts require Legal,
CFO, and Superintendent
sign-off

Superintendent Approval (*District Procedure*)

Any purchase or combined
purchases with a single vendor
greater than \$250,000

Board Approval (*Board Policy*)

Any purchase or combined
purchases with a single vendor
greater than \$750,000 or for more
than 2 years

Financial Review Commission (FRC)
Approval (*Public Act 192 of 2016*)

Travel Process

ALL OUT OF STATE TRAVEL REQUIRES BOARD AND FRC APPROVAL. REQUESTS MUST BE SUBMITTED AT LEAST 90 DAYS BEFORE THE FIRST DATE OF TRAVEL TO ACCOMMODATE APPROVAL TIMELINES. REFER TO THE [Travel Handbook](#) FOR SPECIFIC PROCESS REQUIREMENTS.

Things to remember:

- Upon receiving supervisor approval for a trip, a requisition must be submitted for travel which initiates the Board/FRC approval process
- In-State Travel Requests must be approved by Cabinet Administrator for Principals and Central Office staff; Principals for School Staff
- Out-of-State Travel Requests require the approval by the Superintendent, School Board, and the Financial Review Commission (FRC)
 - Out-of-State travel requisitions must have been approved by the board and FRC (with approved Travel Request forms) before they can be approved and dispatched to the travel agent
- If you are requesting a Per Diem or Pre-Paid Check as part of your travel request, those requisitions *must be submitted 90 days PRIOR* to the date of travel to allow for adequate approval(s)

Procurement Process

FY 21 Budgeting Timelines

Date	District Milestone
1-Jul-20	First Day to Submit FY 2021 requisitions
28-Aug-20	Last day to submit purchased service requisitions for 1st Semester
6-Nov-20	Deadline to submit Federal Title budget amendments
11-Dec-20	Last day to submit purchased service requisitions for 2nd semester
12-Feb-21	Last day to submit FY 2021 requisitions which require competitive solicitations (RFP/RFQ - Goods: +\$24K; Services: +\$150K)
9-Apr-21	Last day to submit FY 2021 requisitions
24-Apr-21	Last day to provide outstanding information to convert an outstanding FY 2021 requisition into a purchase order
30-Jun-21	Last day for FY 2021 General Fund goods to be delivered or services to be received
23-Jul-21	Last day for departments to receive on FY 2021 invoices in PeopleSoft and to submit to Accounts Payable for processing

What is a Requisition?

Suppliers are not allowed to provide goods or services to schools or departments without a valid purchase order.

It all starts with a requisition.....

A **requisition** is the request to purchase a good or service. It is submitted through PeopleSoft. It **is not** the approval to make a purchase.

A **Purchase Order (PO)** is a legally binding agreement between the District and vendor to complete a purchase. Departments/Schools may not receive goods or services until a PO has been issued to the vendor. A vendor may not begin work until a PO has been issued.

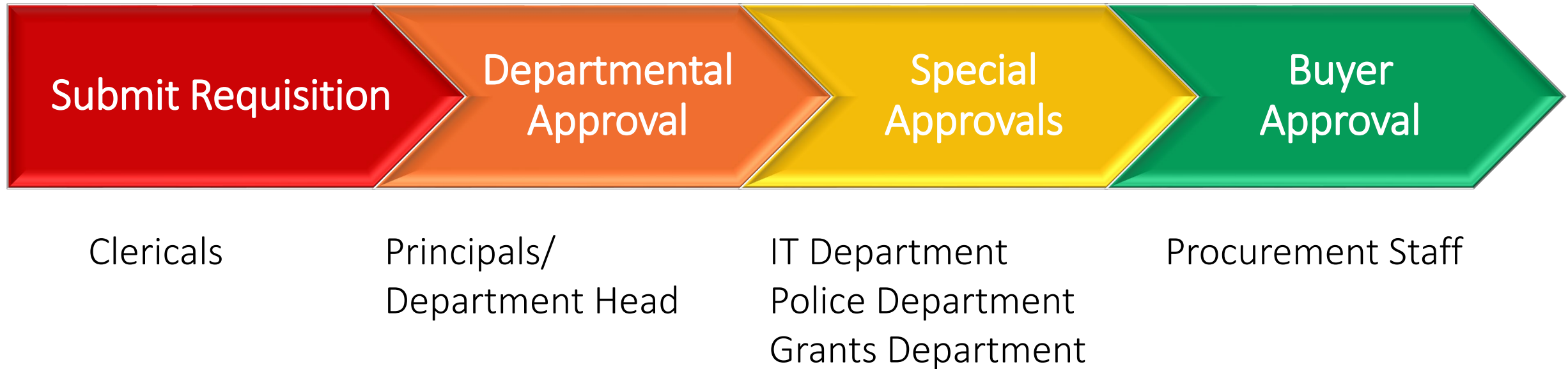
Streamlined Procurement Processes

The District has implemented a streamlined purchasing process for specific vendors. These vendors have been awarded large cooperative contracts – primarily for supplies, materials and technology.

- Amazon
- Staples
- Office Depot
- School Specialty
- Dell

Through PeopleSoft, District staff utilize vendor websites to create requisitions. Only those approved items are available for purchase, and required information is streamlined, speeding up the requisition process.

Requisition Approval Process



Requisition Departmental Approval Review

Requisition Requirements

- *** Clear Description of Service** – Ensure the description in the line items are clear and that the requisition contains a thorough approval justification.
- *** Supplier Selected or Suggested** – Every requisition should have a supplier selected for every line. If it is a new supplier, provide the new supplier forms. At the very least, a suggested supplier must be entered, and supplier contact information provided.
- *** Quotes** – Requisitions must include at least one quote to determine how the price was calculated. The quote must include quantity and pricing.
- *** Documentation** – Any additional documentation available should be attached to the requisition in order to expedite approval of the requisition.
- **Statement of Work (SOW)** - Grant-funded purchases may require that a SOW is attached to the corresponding requisition, depending on the purchase. Please review the FAQs for a list of purchases that require a SOW.
- **MIPO (Multiple Invoice Purchase Order)** – A MIPO is a special purchase order that allows a vendor to submit multiple invoices throughout the year to schools/departments – typically only used for contract services.

** Required on all requisitions*



Required Quotes Based on Dollar Value

Less than \$10,000

At Least One Quote *(checks for reasonableness may be verified via a price comparison)*

\$10,000 - \$24,924*

Multiple Quotes Required

Goods above \$24,924*
Services above \$150,000**

Competitive Bid Required

* This threshold is adjusted annually by the State of Michigan.

** The District may require a RFP for services below \$150,000 to ensure price competitiveness

Competitive Solicitations as a Sourcing Method

The District is required to issue competitive solicitations for the purchase of any good, material, or supply over the state bid threshold, currently \$24,924 and any purchase of services over \$150,000.

Most often, Procurement utilizes the request for quote (RFQ) and request for proposal (RFP) methods.

RFP Timeline & Requirements

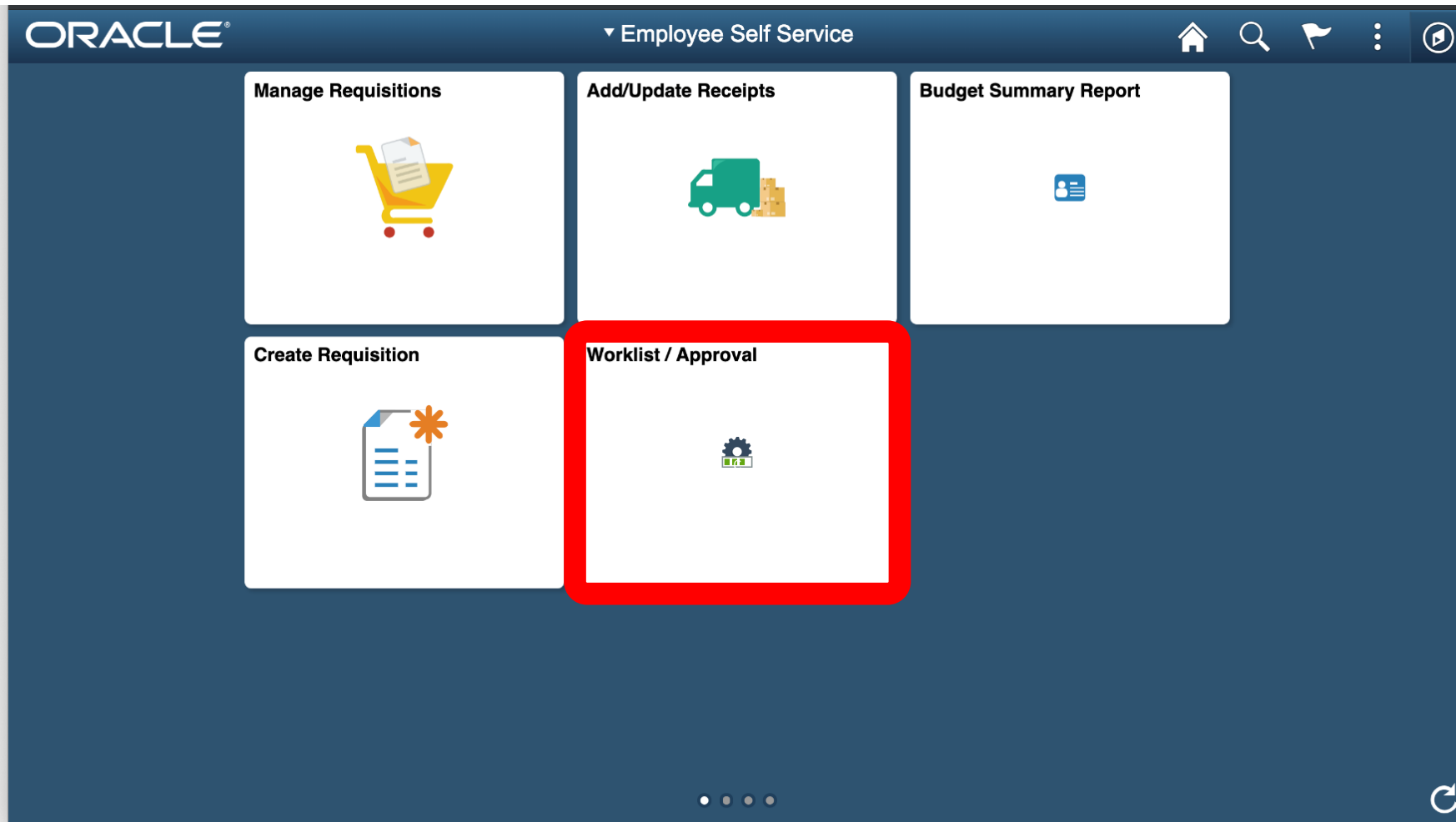
Activity	Timeline	Lead
Department submits requisition including (if applicable) statement of work and completed “Request for Proposal Template”.	As required	Department
Develop RFP/RFQ document to publicly post, review by Risk Mgmt., unless submitted on last day.	1 Week	Procurement
RFP/RFQ is publicly posted, during which department will have to respond to questions during the RFP/RFQ Q&A period.	4 Weeks	Procurement & Department
Evaluation committee reviews responses and independently scores responses to RFPs, the evaluation committee is convened by Procurement to review and finalize scoring. Timing does not reflect demonstrations or interviews.	2 -3 Weeks	Evaluation Committee & Procurement
Selected vendor is routed to Superintendent for approval.	1-2 Weeks	Procurement & Cabinet Member
Requesting department review of contract.	1 Week	Department

RFP Timeline & Requirements – Cont'd

Activity	Timeline	Lead
Negotiate and finalize contract and obtain vendor signature. Timing assumes no changes to District terms.	2 Weeks	Procurement & General Counsel
Approved contract and approval packet are routed for final approval if Board and FRC approval are not required.	1 Week	Procurement & Cabinet Member
If applicable, Agenda item is submitted to Board/FRC.	Up to 60 days	Cabinet Member
Upon appropriate approvals, Procurement will route approval package and contract for signature and process the requisition to issue a PO to vendor.		Procurement

Requisition Approval Process

Enter the Approver Module:



Approval Process – Locate Requisition For Review

Locate Requisition For Review:

Worklist



Worklist for alex.hardesty: Alex Hardesty



[Detail View](#)

Worklist Filters Approval Routing

 Feed

Worklist Items

1-25 of 120   | [View 100](#)

From	Date From	Work Item	Worked By Activity	Priority	Link		
Londre Gilkey	11/01/2018	Approval Routing	Approval Workflow	2-Medium	Requisition_805672_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519035401	Mark Worked	Reassign
Nicole Cummings	01/11/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_823796_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519037816	Mark Worked	Reassign
Gwendolyn Allen	04/03/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_845923_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519040642	Mark Worked	Reassign
Wanda Roper-Jones	04/08/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_847080_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519042105	Mark Worked	Reassign
Adriana Rendon	04/12/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_859282_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519040027	Mark Worked	Reassign
Londre Gilkey	04/17/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_865707_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519044177	Mark Worked	Reassign
Gwendolyn Allen	04/22/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_862577_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519040991	Mark Worked	Reassign
Nina Nettles	05/03/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_872747_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519045383	Mark Worked	Reassign
Nina Nettles	05/03/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_872742_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519042281	Mark Worked	Reassign
Mark Carter	05/14/2019	Approval Routing	Approval Workflow	2-Medium	Requisition_873509_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519045892	Mark Worked	Reassign
				Medium	Requisition_873560_DPS01_2018-03-19_N_0_BUSINESS_UNIT.DPSCD REQ_ID:0519045898	Mark Worked	Reassign

Find Requisition to review

- Hack: Use CTRL+F to search for the req number

Click on the link

Requisition Approval Process

Approving a Requisition:

1. Validate information

1. Budget Status: Valid
2. Clear Approval justification
3. All items entered
4. Item description: Complete
5. Supplier on every line
6. Attachments on
 - Line Item Comments
 - Header Comments

❖ If there is any error or missing information then deny the requisition (see next page)

2. If all the information is correct, click "Approve" button

[Favorites](#) > [Main Menu](#) > [Worklist](#) > [Worklist](#)
Enforce Process Discipline
DPS Community District

Requisition Approval

Business Unit DPSCD
 Requisition ID
 Requisition Name STAPLE OFFICE SUPPLY - OFFICE
 Requester
 Entered on 09/07/2018
 Status Pending
 Priority Medium
 Total Amount 434.56 USD

1.1 Budget Status Valid

1.2 Requester's Justification
 PLEASE DELIVER ALL GOODS TO: EARLY INTERVENTION DIAGNOSTIC CENTER, MAIN OFFICE, 4555 JOHN C. LODGE, DETROIT, MI 48201. CONTACT NINETTA JORDAN OR ANGELA TURNER AT (313) 263-2810 WITH ANY QUESTIONS AND/OR CONCERNS. THANK YOU.

[Edit Requisition](#) [Header Comments](#) [View printable version](#)

1.3

Line Information

Line	Item Description	Supplier Name	Quantity	UOM	Price	Requester's Comments
1	FEL0062701 - SmoothMove Prim...	ARROW OFFI-001	5.0000	EA	47.85000	USD
2	PIL57050 - B2P Bottle-2 Pen ...	ARROW OFFI-001	4.0000	EA	41.08000	USD
3	ALEFANP16B - Alert 16" 3-Spe...	ARROW OFFI-001	1.0000	EA	30.99000	USD

1.4 1.5

☒ Select All / Deselect All
[View Line Details](#) [2](#) [Approve](#) [Deny](#)

Review/Edit Approvers

Enter Approver Comments

Return to Worklist

69 Requisition Approval Process

[Favorites](#) > [Main Menu](#) > [Worklist](#) > [Worklist](#)

Enforce Process Discipline
DPS Community District

Requisition Approval

Business Unit DPSCD
Requisition ID
Requisition Name STAPLE OFFICE SUPPLY - OFFICE
Requester
Entered on 09/07/2018
Status Pending
Priority Medium
Budget Status Not Chk'd

Total Amount 434.56 USD

Requester's Justification
PLEASE DELIVER ALL GOODS TO: EARLY INTERVENTION DIAGNOSTIC CENTER, MAIN OFFICE, 4555 JOHN C. LODGE, DETROIT, MI 48201.
CONTACT NINETTA JORDAN OR ANGELA TURNER AT (313) 263-2810 WITH ANY QUESTIONS AND/OR CONCERNS. THANK YOU.

[Edit Requisition](#) [Header Comments](#) [View printable version](#)

Line Information ?

Line	Item Description	Supplier Name	Quantity	UOM	Price		Requester's Comments
1	FEL0062701 - SmoothMove Prim...	ARROW OFFI-001	5.0000	EA	47.85000	USD	
2	PIL57050 - B2P Bottle-2 Pen ...		4.0000	EA	41.08000	USD	
3	ALEFANP16B - Alert 16" 3-Spe...	ARROW OFFI-001	1.0000	EA	30.99000	USD	

☒ Select All / Deselect All

[View Line Details](#) [Approve](#) [Deny](#) 3

Review/Edit Approvers

2 Enter Approver Comments

[Return to Worklist](#)

Denying a Requisition:

If there is *any* error or missing information, then deny the requisition:

2. Enter note detailing the reason for the denial

❖ *Best practice:* Notify the requester that the requisition was denied, why, and corrections needed for re-submission.

3. Press "Deny" button

FYI: Click arrow to expand text entry box

Approval Timeline

The timelines below indicate the optimal processing time once a requisition has been submitted, and is completed accurately, to the Procurement Department. These time windows assume that all information required in the requisition is submitted accurately and completely.



This does not apply to "Direct Connect" purchases which may be completed faster.

Contract Management

Contract Management

Department Heads/Principals are responsible for the oversight of their budgets/contracts for all purchased services. This includes ensuring there are established processes to:

- Record vendor's time and effort (sign-in and out records)
- Supervise work (Work completed matches contract scope of work)
- Confirm vendor invoices match hours worked and rate to be charged

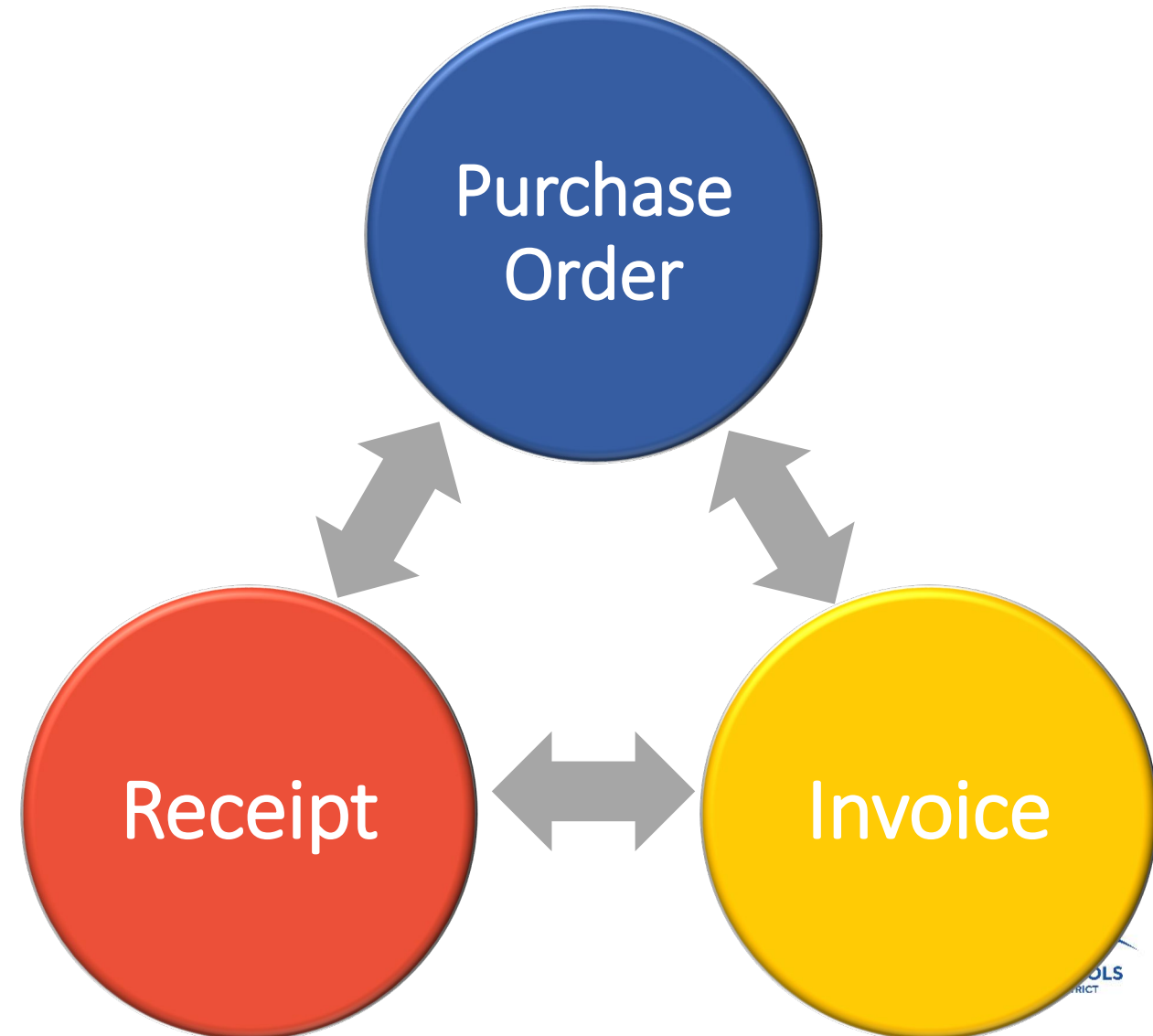
Failure to adequately monitor contracted vendors may result in employee disciplinary action up to and including possible termination.

Vendor Payment

PeopleSoft Controls for Payments

Three Way Match:

- Invoice amounts must match the pricing and terms of the PO as well as the Receipt.
- Any mismatch will suspend the issuance of payment until the discrepancies are resolved.



What does “Receiving” mean?

It is the verification from the School/Department that the goods or services have been delivered (received). A “receiver”, typically a clerical, must go into PeopleSoft and enter a “receipt” (*acknowledges that what has been provided matches to what was ordered/requested*).



Submitting Invoices to Accounts Payable

After you've received on goods/service

- Write the PO and Receipt number on the invoice
- Scan the Invoice (PDF)
- Email the signed copy to accounts.payable@detroitk12.org
- Subject Field: "Invoice to Pay [PO Number]"

An Invoice needs to include the following:
Vendor info (name/address)

1. Description: Quantity, price per unit, total
2. Receipt Number
3. Invoice Number
4. PO Number
5. Invoice Date
6. Signature of the Principal or Department Head



Invoice

<http://mrsinvoice.com>

Your Company LLC Address 123, State, My Country P 111-222-333, F 111-222-334

BILL TO:
John Doe
Alpha Bravo Road 33
P: 111-222-333, F: 111-222-334
client@example.net

SHIPPING TO:
John Doe Office
Office Road 38
P: 111-333-222, F: 122-222-334
office@example.net

Invoice #	00001
Invoice Date	12/12/2001
Name of Rep.	Bob
Contact Phone	101-102-103
Payment Terms	Cash on Delivery

Amount Due: \$4,170

NO	PRODUCTS / SERVICE	QUANTITY / HOURS	RATE / UNIT PRICE	AMOUNT
1	Tyre	2	\$20	\$40
2	Steering Wheel	5	\$10	\$50
3	Engine Oil	10	\$15	\$150

DPS FY 2021 Monthly Cash Flows

\$ in thousands

	2020						2021						
	July	August	September	October	November	December	January	February	March	April	May	June	FY 21 Total
	Actual	Actual	Forecast*	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
DPS General Fund													
Beginning Cash Balance	\$ 2,981	4,081	19,795	2,962	2,972	2,982	2,962	2,972	2,982	2,962	2,972	2,982	2,981
Receipts													
Property Tax Receipts	1,099	21,635	4,967	9,826	303	899	1,949	17,849	871	674	3,350	16,116	79,539
Transfers from BONY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Cash Receipts	-	0	10	10	10	10	10	10	10	10	10	10	100
Disbursements													
Property Tax Transfers ¹	-	(5,921)	(21,780)	(9,826)	(303)	(899)	(1,949)	(17,849)	(871)	(674)	(3,350)	(16,116)	(79,539)
Reimbursement to DPSCD	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Disbursements	-	-	(30)	-	-	(30)	-	-	(30)	-	-	-	(90)
Net Cash Flow	1,099	15,714	(16,833)	10	10	(20)	10	10	(20)	10	10	10	10
Ending Cash Balance	4,081	19,795	2,962	2,972	2,982	2,962	2,972	2,982	2,962	2,972	2,982	2,992	2,992
DPS Scheduled Bond Repayments (13 Mills)													
Beginning Property Tax Balance	20,750	20,750	26,671	48,451	18,409	18,712	19,612	21,561	39,410	40,281	(4,670)	(1,320)	20,750
Scheduled Bond Debt Payments	-	-	-	(39,868)	-	-	-	-	-	(145,625)	-	-	(185,493)
Property Tax Transfers ²	-	5,921	21,780	9,826	303	899	1,949	17,849	871	674	3,350	16,116	79,539
Draw from SLRF to meet Obligations	-	-	-	-	-	-	-	-	-	100,000	-	-	100,000
Ending Property Tax Balance	20,750	26,671	48,451	18,409	18,712	19,612	21,561	39,410	40,281	(4,670)	(1,320)	14,796	14,796
DPS Debt Fund (18 Mills - BONY)													
Beginning Cash Balance	\$ 17,978	2,045	21,833	16,690	17,892	18,563	20,074	30,979	33,876	10,636	10,652	10,653	17,978
Receipts													
Cash Receipts	1	19,788	10,761	1,202	671	1,511	10,905	8,897	1,642	329	1,034	12,585	69,326
Disbursements													
Transfers to DPS General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Scheduled EL/Bond Payments	-	-	(15,904)	-	-	-	-	(6,000)	(23,277)	-	-	-	(45,181)
Supplemental ORS Payment	(15,934)	-	-	-	-	-	-	-	(1,604)	(313)	(1,033)	(513)	(19,397)
Net Cash Flow	(15,933)	19,788	(5,143)	1,202	671	1,511	10,905	2,897	(23,239)	16	1	12,072	4,747
Ending Cash Balance	2,045	21,833	16,690	17,892	18,563	20,074	30,979	33,876	10,636	10,652	10,653	22,725	22,725
DPS Summary Cash Position													
General Fund (13 Mills)	4,081	19,795	2,962	2,972	2,982	2,962	2,972	2,982	2,962	2,972	2,982	2,992	2,992
DPS Debt Fund (18 Mills)	2,045	21,833	16,690	17,892	18,563	20,074	30,979	33,876	10,636	10,652	10,653	22,725	22,725
Ending Cash Position	\$ 6,125	\$ 41,628	\$ 19,651	\$ 20,863	\$ 21,544	\$ 23,035	\$ 33,950	\$ 36,857	\$ 13,598	\$ 13,624	\$ 13,635	\$ 25,717	\$ 25,717

*Actuals through September 11, 2020

DPSCD FY 2021 Monthly Cash Flows

\$ in thousands

	2020						2021						
	July	August	September	October	November	December	January	February	March	April	May	June	FY 21 Total
	Actual	Actual	Forecast*	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
State Aid	\$ 43,926	\$ 52,779	\$ -	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	40,500	\$ 40,500	\$ 461,204
MPSERS (State Funded)	3,745	3,749	-	-	6,740	3,370	3,370	3,370	3,370	3,370	3,370	3,370	37,825
Enhancement Millage	-	-	1,191	4,640	4,052	789	156	2,867	1,976	670	595	61	16,998
Grants	15,875	29,157	22,536	11,000	12,000	28,000	23,000	13,000	26,000	20,000	19,000	18,000	237,568
Transfers from MILAF GF Investment Account	15,000	-	-	3,800	-	-	-	-	-	-	-	1,500	20,300
Transfers from Related Accounts	-	-	13,685	-	-	5,500	-	-	5,500	-	2,000	10,500	37,185
WCRESA	-	300	2,506	2,506	1,900	2,506	2,506	2,506	2,506	2,506	2,506	2,506	24,750
Food Service Reimbursement	1,185	-	795	800	4,123	6,723	2,000	2,000	4,123	3,156	3,969	3,019	31,892
Miscellaneous	1,334	355	592	750	750	750	750	750	750	750	750	750	9,031
Total Cash Receipts	81,064	86,340	41,304	63,995	70,065	88,138	72,282	64,993	84,724	70,951	72,690	80,206	876,753
Cash Disbursements													
MPSERS (Pass through)	\$ (3,745)	\$ (3,745)	\$ (7,493)	\$ -	\$ -	\$ (6,740)	\$ (3,370)	(3,370)	\$ (3,370)	\$ (3,370)	\$ (3,370)	\$ (3,370)	\$ (41,944)
Payroll Direct Deposit	(19,795)	(18,162)	(13,222)	(25,898)	(19,298)	(19,298)	(19,298)	(19,298)	(28,946)	(19,298)	(19,298)	(19,298)	(241,106)
Employee Withholdings	(5,864)	(4,481)	(4,218)	(2,816)	(4,377)	(8,907)	(8,907)	(5,938)	(3,958)	(4,948)	(5,938)	(8,907)	(69,257)
Employer Taxes	(1,987)	(1,590)	(1,578)	(1,056)	(1,641)	(3,340)	(3,340)	(2,227)	(1,484)	(1,856)	(2,227)	(3,340)	(25,667)
Fringe Benefits	(1,186)	(1,034)	(917)	(866)	(1,082)	(2,598)	(1,299)	(1,299)	(866)	(1,082)	(1,299)	(2,598)	(16,125)
Health	(4,841)	(4,407)	(5,438)	(5,401)	(5,401)	(5,401)	(5,563)	(5,563)	(5,563)	(5,563)	(5,563)	(5,563)	(64,267)
Pension (employee portion)	(2,324)	(942)	(1,600)	(1,030)	(1,600)	(3,256)	(3,256)	(2,171)	(1,447)	(1,809)	(2,171)	(3,256)	(24,864)
Pension (employer portion)	(7,997)	(6,984)	(5,351)	(3,344)	(5,198)	(10,577)	(10,577)	(7,051)	(4,701)	(5,876)	(7,051)	(10,577)	(85,282)
Accounts Payable	(18,902)	(23,347)	(15,150)	(19,000)	(21,000)	(16,000)	(11,000)	(13,000)	(20,000)	(18,000)	(16,000)	(17,000)	(208,398)
Capital Projects Accounts Payable	(1,685)	(105)	(1,000)	(2,000)	(2,000)	(1,500)	(1,500)	(2,000)	(2,000)	(3,000)	(3,000)	(3,000)	(22,789)
Food Service	(411)	(117)	(251)	(2,197)	(3,000)	(2,197)	(2,197)	(2,197)	(3,000)	(3,000)	(3,000)	(3,000)	(24,568)
Transfer to MILAF GF Investment Account	-	-	(18,000)	-	(5,261)	(8,024)	(1,676)	(500)	(9,100)	(2,900)	(3,450)	-	(48,911)
Transfer to Related Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(173)	(52)	(190)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(3,115)
Total Cash Disbursements	(68,908)	(64,965)	(74,409)	(63,907)	(70,158)	(88,137)	(72,282)	(64,913)	(84,736)	(71,002)	(72,666)	(80,208)	(876,292)
Net Cash Flow	12,156	21,375	(33,105)	88	(93)	1	63	80	(12)	(50)	24	(2)	525
Beginning Cash Balance	29,995	42,151	63,526	30,421	30,509	30,416	30,417	30,480	30,560	30,548	30,497	30,522	29,995
Net Cash Flow	12,156	21,375	(33,105)	88	(93)	1	63	80	(12)	(50)	24	(2)	525
Ending Cash Balance	\$ 42,151	\$ 63,526	\$ 30,421	\$ 30,509	\$ 30,416	\$ 30,417	\$ 30,480	\$ 30,560	\$ 30,548	\$ 30,497	\$ 30,522	\$ 30,520	\$ 30,520

*Actuals through September 11, 2020

DPSCD FY 2021 Other Cash Accounts

	July Actual	August Actual	September Forecast*	October Forecast	November Forecast	December Forecast	January Forecast	February Forecast	March Forecast	April Forecast	May Forecast	June Forecast	FY 21 Total
General Fund Cash Balance	\$ 42,151	\$ 63,526	\$ 30,421	\$ 30,509	\$ 30,416	\$ 30,417	\$ 30,480	\$ 30,560	\$ 30,548	\$ 30,497	\$ 30,522	\$ 30,520	\$ 30,520
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ 14,761	\$ 14,764	\$ 14,767	\$ 14,797	\$ 14,827	\$ 14,853	\$ 14,878	\$ 14,904	\$ 14,926	\$ 14,962	\$ 14,997	\$ 15,033	\$ 14,761
(+) Liability Balance Transfer from DPS	4	2	31	29	26	26	25	23	35	35	35	35	307
(-) Workers' Compensation Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Internal Service Fund Balance	14,764	14,767	14,797	14,827	14,853	14,878	14,904	14,926	14,962	14,997	15,033	15,068	15,068
Legal Fund													
Beginning Balance	\$ 1,171	\$ 1,171	\$ 1,172	\$ 1,174	\$ 1,176	\$ 1,177	\$ 1,179	\$ 1,181	\$ 1,182	\$ 1,184	\$ 1,187	\$ 1,189	\$ 1,171
(+) Transfers in	0	0	2	2	2	2	2	1	2	2	2	2	20
(-) Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	1,171	1,172	1,174	1,176	1,177	1,179	1,181	1,182	1,184	1,187	1,189	1,191	1,191
Rainy Day Fund													
Beginning Balance	\$ 36,328	\$ 36,334	\$ 36,335	\$ 36,398	\$ 36,457	\$ 36,511	\$ 36,565	\$ 36,618	\$ 36,666	\$ 36,735	\$ 36,805	\$ 36,874	\$ 36,328
(+) Transfers in	6	1	62	60	54	54	53	48	69	69	69	69	615
(-) Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	36,334	36,335	36,398	36,457	36,511	36,565	36,618	36,666	36,735	36,805	36,874	36,943	36,943
MILAF Investment													
Beginning Balance	\$ 71,051	\$ 56,062	\$ 56,069	\$ 74,080	\$ 70,291	\$ 75,563	\$ 83,598	\$ 85,285	\$ 85,796	\$ 94,907	\$ 97,818	\$ 101,279	\$ 71,051
(+) Transfers in	11	7	18,011	11	5,272	8,035	1,687	511	9,111	2,911	3,461	11	49,040
(-) Transfers out	(15,000)	-	-	(3,800)	-	-	-	-	-	-	-	(1,500)	(20,300)
Ending Balance	56,062	56,069	74,080	70,291	75,563	83,598	85,285	85,796	94,907	97,818	101,279	99,790	99,790
Total Available General Fund Dollars	\$ 150,483	\$ 171,869	\$ 156,870	\$ 153,260	\$ 158,521	\$ 166,638	\$ 168,468	\$ 169,131	\$ 178,336	\$ 181,304	\$ 184,896	\$ 183,512	\$ 183,512
Capital Projects Fund													
Beginning Balance	\$ 38,067	\$ 38,072	\$ 38,073	\$ 33,419	\$ 33,448	\$ 33,473	\$ 27,997	\$ 28,021	\$ 28,045	\$ 22,568	\$ 22,592	\$ 22,660	\$ 38,067
(+) Transfers in	5	2	31	30	24	24	24	24	24	24	68	68	346
(-) Payments for completed projects	-	-	(4,685)	-	-	(5,500)	-	-	(5,500)	-	-	(9,000)	(24,685)
Ending Balance	38,072	38,073	33,419	33,448	33,473	27,997	28,021	28,045	22,568	22,592	22,660	13,728	13,728
Food Service													
Beginning Balance	\$ 22,107	\$ 22,112	\$ 22,116	\$ 13,153	\$ 13,190	\$ 13,222	\$ 13,254	\$ 13,285	\$ 13,313	\$ 13,340	\$ 13,366	\$ 11,392	\$ 22,107
(+) Transfers in	5	4	38	36	32	32	31	28	26	26	26	26	312
(-) Transfers out	-	-	(9,000)	-	-	-	-	-	-	-	(2,000)	(1,500)	(12,500)
Ending Balance	22,112	22,116	13,153	13,190	13,222	13,254	13,285	13,313	13,340	13,366	11,392	9,919	9,919
Total General Fund, ISF, Rainy Day Fund, MILAF Investment, Legal, Capital Projects and Food Service	\$ 210,666	\$ 232,058	\$ 203,442	\$ 199,898	\$ 205,216	\$ 207,889	\$ 209,774	\$ 210,489	\$ 214,245	\$ 217,262	\$ 218,949	\$ 207,159	\$ 207,159

*Actuals through September 11, 2020

Expenditures by Function – August 2020

	Budget to Actual Comparison Current Month				Budget to Actual Comparison YTD			
	Budget	Actual	Variance		Budget	Actual	Variance	
	Month of Aug FY21	Month of Aug FY21	\$	%	YTD Aug FY21	YTD Aug FY21	\$	%
FUNCTION LEVEL EXPENDITURES								
INSTRUCTION								
Elementary Programs	\$ 4,531,419	\$ 6,363,383	\$ 1,831,964	40%	5,846,305	\$ 7,343,785	\$ 1,497,480	26%
Middle School Programs	174,549	617,727	443,178	254%	201,958	705,694	503,736	249%
High School & Summer Programs	891,130	2,412,816	1,521,686	171%	2,455,101	2,806,614	351,513	14%
Special Education	1,370,177	2,331,920	961,743	70%	1,993,537	2,740,315	746,778	37%
Compensatory Education	1,806,860	1,680,844	(126,016)	(7%)	2,874,366	2,639,534	(234,832)	(8%)
Career and Technical Education	61,494	59,888	(1,606)	(3%)	72,447	118,723	46,276	64%
Adult/Continuing Education	34,718	28,767	(5,951)	(17%)	45,293	57,188	11,895	26%
Total Instruction	8,870,347	13,495,345	4,624,998	52%	13,489,007	16,411,855	2,922,848	22%
SUPPORTING SERVICES								
Pupil	2,139,711	2,986,152	846,441	40%	2,999,670	4,222,387	1,222,717	41%
Instructional Support	3,356,767	3,344,334	(12,433)	(0%)	5,030,607	5,288,256	257,649	5%
General Administration	479,099	381,174	(97,925)	(20%)	824,577	978,755	154,178	19%
School Administration	3,628,289	3,315,620	(312,669)	(9%)	5,797,879	7,054,673	1,256,794	22%
Business	1,025,494	1,645,147	619,653	60%	1,660,179	2,280,531	620,352	37%
Maintenance & Operations	8,595,881	6,561,814	(2,034,067)	(24%)	13,635,161	12,029,927	(1,605,234)	(12%)
Transportation	765,866	535,610	(230,256)	(30%)	1,541,780	1,272,367	(269,413)	(17%)
Central Support Services	5,422,682	2,662,477	(2,760,205)	(51%)	6,954,254	4,925,265	(2,028,989)	(29%)
School Activities	120,321	14,269	(106,052)	(88%)	233,404	44,391	(189,013)	(81%)
Total Supporting Services	25,534,110	21,446,598	(4,087,512)	(16%)	38,677,511	38,096,552	(580,959)	(2%)
Community Service	41,283	5,942	(35,341)	(86%)	48,463	100,821	52,358	108%
TOTAL EXPENDITURES	\$ 34,445,740	\$ 34,947,885	502,145	1%	\$ 52,214,981	\$ 54,609,228	\$ 2,394,247	5%