

# **Detroit Public Schools Community District**

*Discussion Document – Detroit Board of Education*

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January 6, 2017

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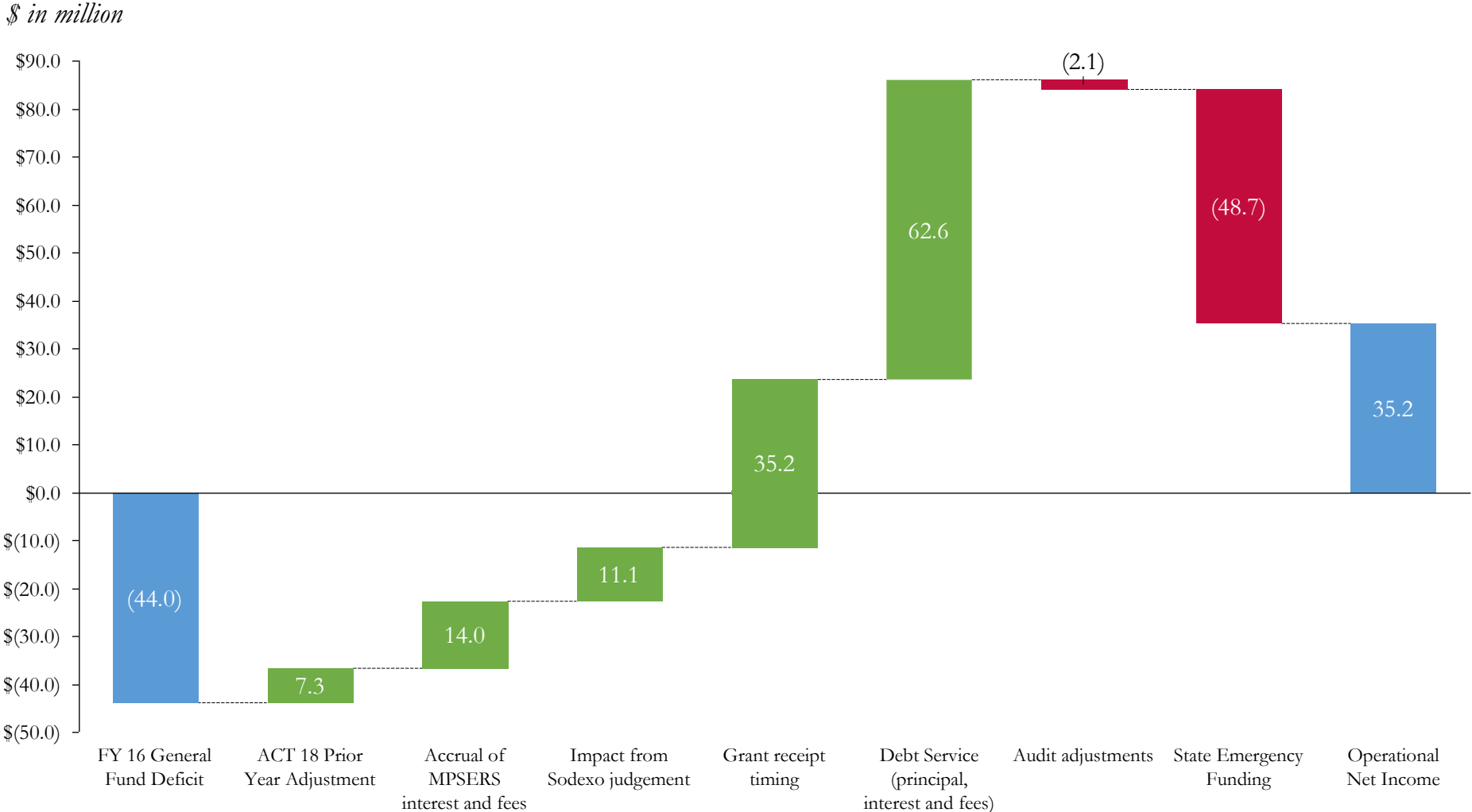
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# Summary of DPS FY16 Audited Financial Statements

	Year-over-Year Comparison of Audited Financials			
	FY15	FY16	Variance	
	Actuals	Actuals	\$	%
<b>Revenues</b>				
Local sources <sup>1</sup>	\$ 105,322,614	\$ 105,580,206	\$ 257,592	0%
State sources	385,812,644	432,186,034	46,373,390	12%
Federal sources	169,259,155	137,795,737	(31,463,418)	(19%)
Other sources	7,164,070	4,351,841	(2,812,229)	(39%)
<b>Total Revenues</b>	<b>667,558,483</b>	<b>679,913,818</b>	<b>12,355,335</b>	<b>2%</b>
<b>Expenditures</b>				
Instruction	335,669,369	318,255,222	(17,414,147)	(5%)
Support services	316,574,183	343,532,597	26,958,414	9%
Athletics	1,590,407	1,423,839	(166,568)	(10%)
Food services	-	7,423	7,423	-
Community service	3,301,079	5,123,901	1,822,822	55%
Debt service	56,895,055	53,002,094	(3,892,961)	(7%)
Capital outlay	-	1,282,513	1,282,513	-
Other uses	-	1,295,580	1,295,580	-
<b>Total Expenditures</b>	<b>714,030,093</b>	<b>723,923,169</b>	<b>9,893,076</b>	<b>1%</b>
<b>Surplus (Deficit)</b>	<b>\$ (46,471,610)</b>	<b>\$ (44,009,351)</b>	<b>\$ 2,462,259</b>	<b>(5%)</b>
<b>Beginning Fund Balance (Restated)</b>	<b>(169,460,307)</b>	<b>(207,577,903)</b>	<b>(38,117,596)</b>	<b>22%</b>
<b>Ending Fund Balance</b>	<b>(215,931,917)</b>	<b>(251,587,254)</b>	<b>(35,655,337)</b>	<b>17%</b>

1) Local sources includes interdistrict sources

# Impact on FY16 results from one-time matters



See following page, note:

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)

## Notes to the non-recurring items recorded in the DPS FY16 audited financial statements

- a) Wayne County RESA has overpaid the district approximately \$7.3M related to ACT 18 dollars for FY14 thru FY16. This adjustment was not known until after year-end and thus was not budgeted for. This adjustment is recorded as a reduction to intergovernmental revenue
- b) The District had previously only reported the outstanding balance for contributions of \$139 million. Additional fees and interest have been accrued. Subsequent to June 30, an agreement was reached to pay off the outstanding balance, including the additional interest and fees, over a timeframe not to exceed 11 years. The outstanding balance will be subject to interest at 6% and additional fees of 2% on the entire outstanding balance, until it is paid in full. This adjustment is recorded as an increase to Support - Business function expenditures. It should also be noted that the total adjustment was approximately \$24.1M, of which \$10.2M was recorded as a prior period adjustment
- c) Judgment received August 26, 2016. The final adopted budget did not include the additional amounts due to Sodexo. The entire balance of the judgement, excluding interest of \$6,698,967, has not been accrued at June 30, 2016. Any negotiation on the settlement of the amount has not been factored into the June 2016 figures. This adjustment is recorded as an increase to Support - Operations & Maintenance expenditures
- d) Funds were received by District in October/November 2016. Accounting rules dictate that since the funds were not received within a short time after June 30, the revenue cannot be recognized until the cash is received. The expenditures associated with this reimbursement request were incurred and reported in the June 30, 2016 figures. This adjustment is recorded as a reduction to federal revenue
- e) Debt principal and interest payments recorded in the General Fund. Removed for purposes of determining operating results at June 30, 2016
- f) Various accounting adjustments proposed by the auditors as final numbers were determined. This adjustment is recorded as an increase to local revenue
- g) Emergency funding received by the District prior to June 30, 2016, but does not impact operational results. Removed for purposes of determining operating results at June 30, 2016. This adjustment is recorded as an increase to state revenue

# Summary of DPS FY16 Financial Statement Audit Findings

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## 1. **Noncompliance with laws and regulations:**

- The school district continues to maintain a deficit fund balance position in the General Fund, and is not operating within the parameters of the Deficit Elimination Plan approved by the State of Michigan and the Emergency Manager.
- The school district is delinquent in remitting required payments to the Michigan Office of Retirement Services for pension and healthcare contributions, which is a violation of the Public School Employee's Retirement Act (Public Act 300 of 1980, as amended).

## 2. **Significant deficiencies and material weaknesses identified relating to internal control over financial reporting including:**

- Various account reconciliations were not prepared in a timely, accurate manner during the year.
- Several material misstatements were discovered during the audit process.
- Cash deposit accounts in the school district's name were not recorded in the accounting records.
- Property tax revenue and related interfund balances in the General Fund and Bond Redemption Fund were initially misstated by material amounts.

## 3. **Significant deficiencies and material weaknesses identified relating to internal control over major federal programs including:**

- Reimbursement was required for costs charged to grants prior to the school district liquidating the related obligations.
  - Misclassifications existed within final expenditure reports as compared to books and records of the school district.
  - The method of billing the school district for goods and services purchased with certain grant funds was inconsistent with the terms outlined in approved vendor contracts.
  - Inadequate documentation or support for expenses being charged to certain grant programs.
  - Required pre-approval was not obtained from the Food Service Fund.
  - Certain grant expenditures were charged to the incorrect grant period.
  - Documentation did not exist to support that goods and services purchased with certain grant funds were procured in accordance with the school district's policy.
- Many of the DPS FY16 audit findings are interrelated and addressing one may correct others. Please refer to the following slides for a table summarizing the audit findings, connecting them where appropriate, and comments on the status of their corrective action.

# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Proposed Corrective Action
<p><b>Deficit fund balance:</b></p> <p>Deficit financial situation and budget</p>	<ul style="list-style-type: none"> <li>2016-001</li> </ul>	<ul style="list-style-type: none"> <li>Material noncompliance with laws and regulations and material weakness</li> </ul>	<ul style="list-style-type: none"> <li>The District is working with State Treasury and other stakeholders to address the DPS deficit fund balance. This finding is likely to continue into the future for DPS, but plans have been transparent and collaborative to address obligations.</li> </ul>
<p><b>Outstanding payment obligations for retirement system:</b></p> <p>Payments to Office of Retirement Services (ORS) should be made timely and grant reimbursement requests for grant-funded employees should be made only after obligations are paid (not just incurred).</p> <p>Grant reimbursement requests for any expenditure should be made only for those expenditures which have been paid.</p>	<ul style="list-style-type: none"> <li>2016-002</li> <li>2016-007</li> <li>2016-015</li> </ul>	<ul style="list-style-type: none"> <li>Material noncompliance with laws and regulations and material weakness</li> <li>Material noncompliance with laws and regulations and material weakness</li> <li>Material noncompliance with laws and regulations and significant deficiency</li> </ul>	<ul style="list-style-type: none"> <li>2016-002: A payment plan is in place for the ORS obligation as part of the district restructuring plan. The District is, and has been, current with the submission of employee contributions to the plan</li> <li>2016-007: During the period following June 30, 2016, the District paid ORS for grant funded retirement costs that had been previously requested for reimbursement (i.e. finding has been addressed). The activity surrounding this item was done in full cooperation with the Michigan Department of Education, Michigan Department of Treasury, Wayne RESA and our auditors.</li> <li>2016-015: The District has revised its reimbursement request procedures to include verification that expenditures charged to grants have been PAID for prior to the request for reimbursement. The District staff in the grants area will undergo training on this point to prevent future findings.</li> </ul>

**\*Audit Finding Type Definitions:**

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

# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Proposed Corrective Action
<p><b>Realignment of staffing responsibilities to allow for timely account reconciliation:</b></p> <p>Certain accounting reconciliations and analyses were not prepared on a timely basis, resulting in numerous audit adjustments and a prior period adjustment (for property tax reporting and accrual of penalty and interest on retirement obligations)</p>	<ul style="list-style-type: none"> <li>• 2016-003</li> <li>• 2016-004</li> <li>• 2016-005</li> </ul>	<ul style="list-style-type: none"> <li>• Material weakness</li> <li>• Material weakness</li> <li>• Material weakness</li> </ul>	<ul style="list-style-type: none"> <li>• District administration is currently analyzing staffing levels, workload allocation and review and support functions in order to allow for the timely reconciliation and adjustment of District records.</li> <li>• Given the significant staff reduction which occurred during fiscal 2016, reallocations were not able to be accomplished in time for the June 2016 audit. The plan for reorganization and reallocation is underway and expected to begin implementation in FY 2017.</li> </ul>
<p><b>Decentralized procurement challenges:</b></p> <p>The District had been the victim of certain fraudulent activities which occurred in previous and current years and were identified and disclosed in the year ended June 30, 2016. The procurement process was not sufficiently designed to prevent certain erroneous activities from occurring</p>	<ul style="list-style-type: none"> <li>• 2016-006</li> <li>• 2016-010</li> </ul>	<ul style="list-style-type: none"> <li>• Significant deficiency</li> <li>• Material weakness and material noncompliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• The District changed procurement procedures and review procedures in February 2016 to address this situation.</li> <li>• The District also re-instituted the Office of Inspector General to continue to monitor, test and investigate any further purchasing irregularities.</li> <li>• District staff have been, and will continue to be, trained and informed on the new procurement processes.</li> </ul>

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# Corrective Action Plan

Finding Overview	Finding Reference Number	Finding Type*	Proposed Corrective Action
<p><b>Training and streamlining of grant expenditure reporting and review:</b></p> <p>Certain grant funded expenditures either could not be supported with underlying documents (invoices, etc), had not been approved by the State in advance (Food Service capital items), or were reported incorrectly on grant forms (budget in one area and expended in another), or related to expenditures/activities which occurred AFTER the close of the grant period</p>	<ul style="list-style-type: none"> <li>• 2016-008</li> <li>• 2016-009</li> <li>• 2016-011</li> <li>• 2016-012</li> <li>• 2016-013</li> <li>• 2016-014</li> </ul>	<ul style="list-style-type: none"> <li>• 2016-008 and 009: Material weakness and material noncompliance with laws and regulations</li> <li>• 2016-011 to 014: significant deficiency</li> </ul>	<ul style="list-style-type: none"> <li>• The District finance and grants department are working together on (1) development of a checklist to verify all compliance requirements are met; (2) revising procedural documents to address the findings as well as implement new Federal requirements associated with grant compliance; (3) communication and training of grant staff on required pre-approvals for expenditures; changes in procedures and consistent messaging.</li> <li>• These changes are on-going and expect to be fully implemented by June 30, 2017</li> </ul>

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

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<b>1</b>	<b>DPS FY16 Audit Results, Findings and CAP</b>
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# DPS/DPSCD Key Grants Report 2016 Award Period

Grant Name(s)	2016 Grant Amount Available			2016 Cumulative Expenditures	2016 Unspent Grant Amount	2017 Carryover (pending approval)	Comments	Carryover period
	Carryover available in 2016	2016 Approved Awards Amount	Total 2016 Available Grant Amount					
IDEA Preschool <sup>1</sup>	\$ -	\$ 596,448	\$ 596,448	\$ 545,082	\$ 51,366	\$ 51,366	Carryover to Year 2 of grant (2017)	12 months
IDEA Flowthrough <sup>1</sup>	-	14,569,531	14,569,531	13,053,866	1,515,665	1,515,665	Carryover to Year 2 of grant (2017)	12 months (except center program offset)
Title I, Part A <sup>2</sup>	8,705,590	102,261,042	110,966,632	108,338,269	2,628,363	2,628,363	Carryover to Year 2 of grant (2017)	12 months
Title II, Part A <sup>3</sup>	12,286,459	16,559,804	28,846,263	21,395,861	7,450,402	7,450,402	Carryover to Year 2 of grant (2017)	12 months
CTE Perkins <sup>4</sup>	-	2,781,217	2,781,217	1,966,586	814,631	-	No carryover period	No carryover
GSRP <sup>5</sup>	4,898,403	18,430,370	23,328,773	23,196,353	132,420	132,420	Carryover to Year 2 of grant (2017)	12 months
Section 31A At Risk	-	23,491,093	23,491,093	23,491,093	-	-	All funds expended	12 months
<b>Total</b>	<b>\$ 25,890,452</b>	<b>\$ 178,689,505</b>	<b>\$ 204,579,957</b>	<b>\$ 191,987,110</b>	<b>\$ 12,592,847</b>	<b>\$ 11,778,216</b>		

Notes::

- 2016 expenditures are based on the FY16 Final Expenditure Reports ("FERs") for DPS and DPSCD. The carryover is yet to be approved (approval expected by March 2017).
- 2016 expenditures are based on the FY16 FERs for DPS and DPSCD. The carryover is yet to be approved.
- Carryover obtained from the MEGG+ consolidated application as of 12/6/16. The carryover has been approved.
- Funds not expended on the CTE Perkins Grant were largely due to grant approved employee positions that were unable to be filled.
- 2016 expenditures are based on the FY16 FERs for DPS and DPSCD. The carryover is yet to be approved.

# DPSCD Key Grants Report 2017 Award Period: as at December 31, 2016

Grant Name(s)	2017 Grant Amount Available			2017 Cumulative Expenditures (as at 31 December 2016)	2017 Grant Balance	Grant period	Carryover period
	Carryover available in 2017	2017 Approved Awards Amount	Total 2017 Available Grant Amount				
IDEA Preschool <sup>1</sup>	\$ 51,366	\$ 622,671	\$ 674,037	\$ 146,995	\$ 527,042	24 months	12 months
IDEA Flowthrough <sup>1</sup>	1,515,665	15,237,452	16,753,117	4,126,318	12,626,799	24 months (except center program offset)	12 months (except center program offset)
Title I, Part A <sup>2</sup>	2,628,363	97,888,701	100,517,064	22,636,991	77,880,073	15 months	12 months
Title II, Part A <sup>3</sup>	7,450,402	15,835,325	23,285,727	2,885,104	20,400,623	12 months	12 months
CTE Perkins	-	3,105,696	3,105,696	469,010	2,636,686	12 months	No carryover
GSRP <sup>4</sup>	132,420	18,806,500	18,938,920	7,560,522	11,378,398	12 months	12 months
Section 31A At Risk	-	22,899,631	22,899,631	6,830,257	16,069,374	12 months	12 months
<b>Total</b>	<b>\$ 11,778,216</b>	<b>\$ 174,395,976</b>	<b>\$ 186,174,192</b>	<b>\$ 44,655,197</b>	<b>\$ 141,518,995</b>		

Notes:

1. Carryover is yet to be approved. As of 1/4/17, IDEA Preschool and Flowthrough district has not received the approval letter for FY17 IDEA agreement forms so cannot request reimbursements at this time.
2. Carryover will be approved no sooner than March 2017.
3. Carryover has been approved.
4. Carryover is yet to be approved. GSRP FY16 FER for the period 10/01/15 - 06/30/16 was submitted on 1/2/17.

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<b>1</b>	<b>DPS FY16 Audit Findings and CAP</b>
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## Executive Summary – Financial Update

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- DPSCD has recorded a surplus of revenues over expenditures of \$101M through November 2016 (see p. 15 and 16). The surplus is primarily due to higher revenue resulting from one-time transfers in related to the new District legislation and low expenditures in July and August, which are customary with school being out.
- YTD revenues were higher than prior year (\$52M – see p. 15) because of the one-time transfers in, and higher than budget by \$6M (see p. 16) primarily due to a timing difference in the receipt of state and federal grant monies.
- YTD expenses were lower than prior year (\$35M – see p. 15 and 17) due to lower summer school participation and because there is no debt in DPSCD, and lower than budget (\$27M – see p. 16 and 18) due to unfilled vacancies and timing difference for certain purchased services.
- YTD net cash flow through November was \$68M (see p. 20), again primarily due to one-time transfers in and low summer expenditures.
- Net cash flow (\$68M – see p.190) was lower than the revenue surplus (\$101M – see p. 15 and 16) due to timing differences between cash and accruals. These timing differences are expected to reverse.

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

	Year-over-Year Comparison Current Month				Year-over-Year Comparison YTD				
	Actual	Actual	Variance		Actual	Actual	Variance		
	Month of Nov-15	Month of Nov-16	\$	%	YTD Nov-15	YTD Nov-16	\$	%	
<b>Revenues</b>									
Local sources <sup>1</sup>	\$ 3,906,761	\$ 668,629	\$ (3,238,132)	(83%)	\$ 28,336,477	\$ 994,437	\$ (27,342,041)	(96%)	
State sources <sup>1</sup>	31,525,041	39,307,435	7,782,395	25%	152,653,197	182,580,882	29,927,685	20%	
Federal sources	14,196,341	15,936,710	1,740,370	12%	52,966,717	50,457,476	(2,509,240)	(5%)	
Interdistrict sources <sup>2</sup>	3,265,464	2,254,061	(1,011,403)	(31%)	9,961,182	22,005,996	12,044,814	121%	
Other sources <sup>3</sup>	-	-	-	-	-	40,269,308	40,269,308	-	-
<b>Total Revenues</b>	<b>52,893,607</b>	<b>58,166,836</b>	<b>5,273,229</b>	<b>10%</b>	<b>243,917,573</b>	<b>296,308,099</b>	<b>52,390,526</b>	<b>21%</b>	
<b>Expenditures</b>									
Instruction	27,598,328	25,344,090	(2,254,239)	(8%)	99,525,058	91,820,863	(7,704,196)	(8%)	
Support services	20,257,958	14,645,384	(5,612,573)	(28%)	106,266,123	102,131,057	(4,135,065)	(4%)	
Community service	2,168,640	806,934	(1,361,706)	(63%)	2,412,294	953,006	(1,459,288)	(60%)	
Facilities acquisitions and improvement	4,119	-	(4,119)	(100%)	7,018	-	(7,018)	(100%)	
Debt service <sup>4</sup>	4,416,841	-	(4,416,841)	(100%)	22,084,205	-	(22,084,205)	(100%)	
Other uses	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>54,445,888</b>	<b>40,796,408</b>	<b>(13,649,477)</b>	<b>(25%)</b>	<b>230,294,699</b>	<b>194,904,926</b>	<b>(35,389,771)</b>	<b>(15%)</b>	
<b>Surplus (Deficit)</b>	<b>\$ (1,552,282)</b>	<b>\$ 17,370,428</b>	<b>\$ 18,922,707</b>	<b>(1219%)</b>	<b>\$ 13,622,873</b>	<b>\$ 101,403,173</b>	<b>\$ 87,780,299</b>	<b>644%</b>	

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

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

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

	Budget to Actual Comparison Current Month				Budget to Actual Comparison YTD			
	Budget	Actual	Variance		Budget	Actual	Variance	
	Month of	Month of			YTD	YTD		
	Nov-16	Nov-16	\$	%	Nov-16	Nov-16	\$	%
<b>Revenues</b>								
Local sources <sup>1</sup>	\$ 267,207	\$ 668,629	\$ 401,422	150%	\$ 593,015	\$ 994,437	\$ 401,422	68%
State sources <sup>1</sup>	35,852,607	39,307,435	3,454,828	10%	179,126,053	182,580,882	3,454,828	2%
Federal sources	12,714,924	15,936,710	3,221,786	25%	47,235,690	50,457,476	3,221,786	7%
Interdistrict sources <sup>2</sup>	3,050,129	2,254,061	(796,068)	(26%)	22,802,064	22,005,996	(796,068)	(3%)
Other sources <sup>3</sup>	-	-	-	-	40,269,308	40,269,308	(0)	(0%)
<b>Total revenues</b>	<b>51,884,867</b>	<b>58,166,836</b>	<b>6,281,969</b>	<b>12%</b>	<b>290,026,131</b>	<b>296,308,099</b>	<b>6,281,968</b>	<b>2%</b>
<b>Expenditures</b>								
Instruction	37,310,305	25,344,090	(11,966,215)	(32%)	103,787,078	91,820,863	(11,966,215)	(12%)
Support services	30,052,625	14,645,384	(15,407,241)	(51%)	117,538,298	102,131,057	(15,407,240)	(13%)
Community service	454,426	806,934	352,508	78%	600,498	953,006	352,508	59%
Facilities acquisitions and improvement	75,759	-	(75,759)	(100%)	75,759	-	(75,759)	(100%)
Debt service <sup>4</sup>	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>67,893,115</b>	<b>40,796,408</b>	<b>(27,096,707)</b>	<b>(40%)</b>	<b>222,001,634</b>	<b>194,904,926</b>	<b>(27,096,706)</b>	<b>(12%)</b>
<b>Surplus (Deficit)</b>	<b>\$ (16,008,248)</b>	<b>\$ 17,370,428</b>	<b>\$ 33,378,676</b>	<b>(209%)</b>	<b>\$ 68,024,496</b>	<b>\$ 101,403,173</b>	<b>\$ 33,378,676</b>	<b>49%</b>

Notes regarding the impact of the legislation that created DPSCD

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



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

	Year-over-Year Comparison Current Month					Year-over-Year Comparison YTD				
	Actual	Actual		Variance		Actual	Actual		Variance	
	Month of	Month of				YTD	YTD			
	Nov-15	Nov-16	\$	%	Nov-15	Nov-16	\$	%		
Salaries	\$ 26,239,082	\$ 22,847,341	\$ (3,391,741)	(13%)	\$ 100,266,847	\$ 85,705,408	\$ (14,561,439)	(15%)		
Benefits	14,604,734	12,107,073	(2,497,661)	(17%)	52,004,077	49,738,742	(2,265,335)	(4%)		
Purchased Services	7,820,731	2,630,480	(5,190,251)	(66%)	43,072,181	42,650,122	(422,059)	(1%)		
Supplies & Textbooks	70,109	1,051,977	981,868	1400%	5,293,702	4,518,330	(775,372)	(15%)		
Equipment & Capital	-	1,158,096	1,158,096	-	269,108	4,227,149	3,958,041	1471%		
Utilities	1,294,393	1,001,442	(292,951)	(23%)	7,304,579	8,065,175	760,596	10%		
Debt Service <sup>1</sup>	4,416,841	-	(4,416,841)		22,084,205	-	(22,084,205)			
Other	-	-	-	-	-	-	-	-		
	-									
<b>Total Expenditures</b>	<b>\$ 54,445,888</b>	<b>\$ 40,796,408</b>	<b>\$ (13,649,482)</b>	<b>(25%)</b>	<b>\$ 230,294,699</b>	<b>\$ 194,904,926</b>	<b>\$ (35,389,773)</b>	<b>(15%)</b>		

Note regarding the impact of the legislation that created DPSCD

1. DPSCD no longer has debt service.

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

	Budget to Actual Comparison Current Month				
	Budget	Actual		Variance	
	Month of	Month of			
	Nov-16	Nov-16	\$	%	
Salaries	\$ 31,467,145	\$ 22,847,341	\$ (8,619,804)	(27%)	
Benefits	19,871,250	12,107,073	(7,764,177)	(39%)	
Purchased Services	12,625,964	2,630,480	(9,995,484)	(79%)	
Supplies & Textbooks	1,457,147	1,051,977	(405,170)	(28%)	
Equipment & Capital	1,355,810	1,158,096	(197,714)	(15%)	
Utilities	1,115,799	1,001,442	(114,357)	(10%)	
Debt Service <sup>1</sup>	-	-	-		
Other	-	-	-		
<b>Total Expenditures</b>	<b>\$ 67,893,115</b>	<b>\$ 40,796,408</b>	<b>\$ (27,096,707)</b>	<b>(40%)</b>	

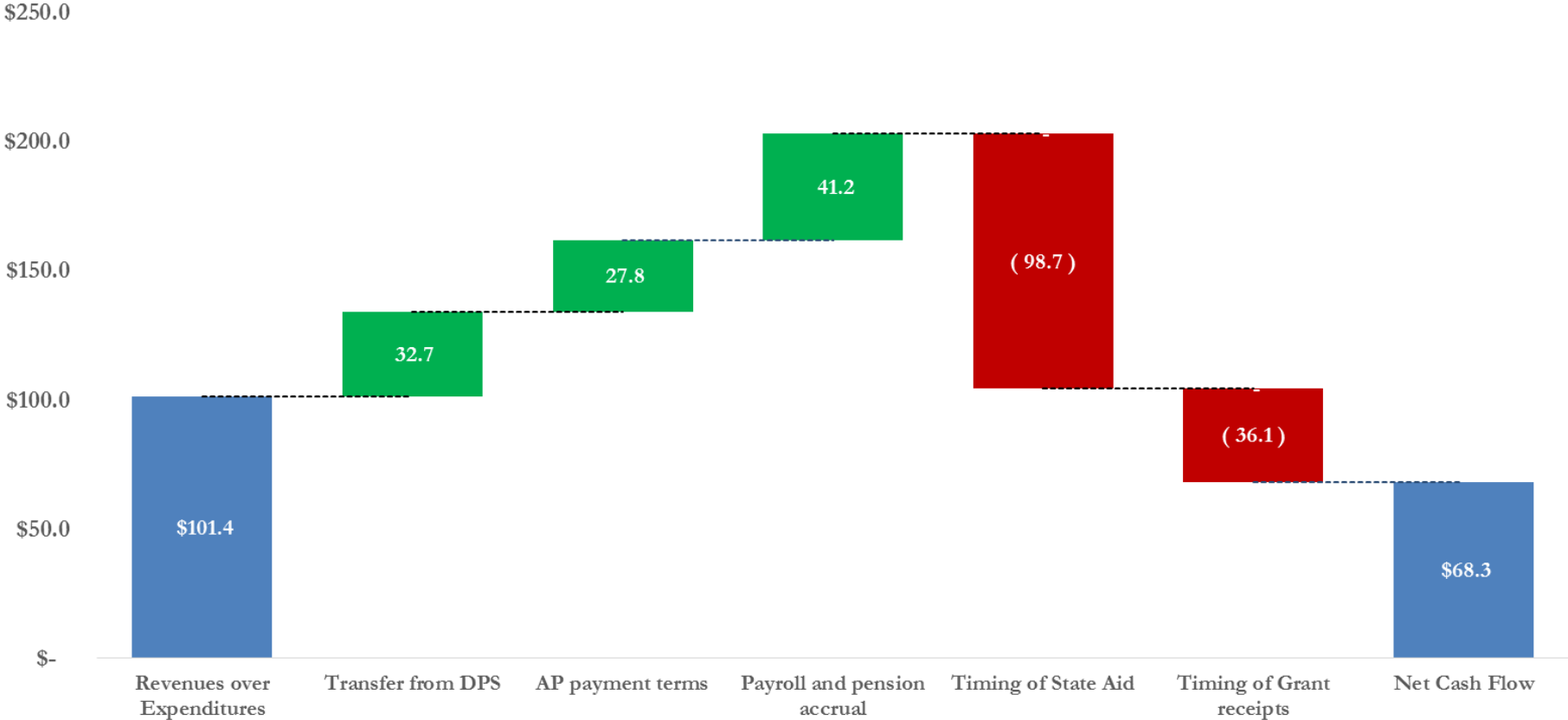
	Budget to Actual Comparison YTD				
	Budget	Actual		Variance	
	YTD	YTD			
	Nov-16	Nov-16	\$	%	
Salaries	\$ 94,325,212	\$ 85,705,408	\$ (8,619,804)	(9%)	
Benefits	57,502,919	49,738,742	(7,764,177)	(14%)	
Purchased Services	52,645,606	42,650,122	(9,995,483)	(19%)	
Supplies & Textbooks	4,923,500	4,518,330	(405,170)	(8%)	
Equipment & Capital	4,424,863	4,227,149	(197,714)	(4%)	
Utilities	8,179,535	8,065,175	(114,359)	(1%)	
Debt Service <sup>1</sup>	-	-	-		
Other	-	-	-		
<b>Total Expenditures</b>	<b>\$ 222,001,634</b>	<b>\$ 194,904,926</b>	<b>\$ (27,096,709)</b>	<b>(12%)</b>	

Note regarding the impact of the legislation that created DPSCD

1. DPSCD no longer has debt service.

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

\$ in million



# DPSCD FY17 November YTD cash flows

*\$ in thousands*

	July	August	September	October	November	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Actuals	
<b>Cash Receipts</b>						
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,841	\$ 70,893
MPSERS (State Funded)	-	-	-	-	6,364	6,364
Enhancement Millage	-	-	-	-	-	-
Grants	-	-	2,407	1,257	13,052	16,716
Transfer from DPS	25,000	15,269	-	15,739	17,000	73,008
WCRESA	15,000	-	2,498	2,254	1,944	21,696
Food Service Reimbursement	-	-	-	-	3,666	3,666
Capital Asset Sales	-	-	-	-	-	-
Miscellaneous	25	110	198	976	628	1,937
<b>Total Cash Receipts</b>	<b>40,025</b>	<b>15,380</b>	<b>5,103</b>	<b>55,277</b>	<b>78,496</b>	<b>194,281</b>
<b>Cash Disbursements</b>						
MPSERS (Pass through)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(13,598)	(6,767)	(40,223)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,296)	(14,771)
FICA	-	(629)	(882)	(1,543)	(1,566)	(4,620)
Accounts Payable	(1)	(505)	(8,223)	(6,045)	(12,668)	(27,442)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,716)	(4,462)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,468)	(12,783)
Health	(28)	(6,965)	(5,818)	(124)	(4,404)	(17,340)
Fringe Benefits	-	(6)	(13)	(22)	(40)	(82)
Food Service	-	-	(321)	(2,189)	(1,424)	(3,935)
Transfer to DPS	-	-	-	-	-	-
Other	-	(75)	-	(2)	(199)	(277)
<b>Total Cash Disbursements</b>	<b>(2,488)</b>	<b>(15,131)</b>	<b>(33,383)</b>	<b>(35,387)</b>	<b>(39,550)</b>	<b>(125,937)</b>
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	-
Net Cash Flow	37,537	249	(28,280)	19,891	38,946	68,343
<b>Ending Cash Balance</b>	<b>\$ 37,537</b>	<b>\$ 37,786</b>	<b>\$ 9,506</b>	<b>\$ 29,397</b>	<b>\$ 68,343</b>	<b>\$ 68,343</b>

# DPSCD FY17 revised monthly cash flow forecast

<i>\$ in thousands</i>	2016						2017						FY 17 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Cash Receipts</b>													
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,841	\$ 33,765	\$ 34,893	\$ 34,893	\$ 34,893	\$ 34,893	\$ 34,893	\$ 34,893	\$ 314,014
MPSERS (State Funded)	-	-	-	-	6,364	3,182	3,182	3,182	3,182	3,182	3,182	3,182	28,639
Enhancement Millage	-	-	-	-	-	-	3,506	4,908	2,103	2,103	1,402	2,475	16,497
Grants	-	-	2,407	1,257	13,052	13,009	12,173	16,335	14,587	17,350	15,147	23,387	128,703
Transfer from DPS	25,000	15,269	-	15,739	17,000	-	4,885	-	-	-	-	-	77,894
WCRESA	15,000	-	2,498	2,254	1,944	2,254	2,254	2,254	2,254	2,254	2,254	2,254	37,475
Food Service Reimbursement	-	-	-	-	3,666	4,685	3,231	3,496	3,496	3,496	3,496	3,496	29,063
Capital Asset Sales	-	-	-	-	-	3,091	5,909	-	-	-	-	-	9,000
Miscellaneous	25	110	198	976	628	537	978	1,112	1,623	1,178	978	1,623	9,966
<b>Total Cash Receipts</b>	<b>40,025</b>	<b>15,380</b>	<b>5,103</b>	<b>55,277</b>	<b>78,496</b>	<b>60,523</b>	<b>71,011</b>	<b>66,180</b>	<b>62,138</b>	<b>64,457</b>	<b>61,352</b>	<b>71,309</b>	<b>651,251</b>
<b>Cash Disbursements</b>													
MPSERS (Pass through)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,364)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (25,457)
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(13,598)	(6,767)	(25,744)	(14,145)	(14,145)	(21,218)	(14,145)	(14,145)	(15,295)	(159,061)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,296)	(9,216)	(5,585)	(5,585)	(5,585)	(5,585)	(5,585)	(6,108)	(58,021)
FICA	-	(629)	(882)	(1,543)	(1,566)	(2,885)	(1,673)	(1,673)	(1,673)	(1,673)	(1,673)	(2,510)	(18,382)
Accounts Payable	(1)	(505)	(8,223)	(6,045)	(12,668)	(22,410)	(14,035)	(15,000)	(16,500)	(15,000)	(15,000)	(15,859)	(141,246)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,716)	(2,597)	(1,910)	(1,913)	(1,913)	(1,913)	(1,913)	(2,869)	(19,491)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,468)	(8,073)	(5,914)	(5,922)	(5,922)	(5,922)	(5,922)	(8,883)	(59,342)
Health	(28)	(6,965)	(5,818)	(124)	(4,404)	(3,731)	(4,153)	(4,718)	(4,870)	(4,735)	(4,735)	(7,185)	(51,466)
Fringe Benefits	-	(6)	(13)	(22)	(40)	(65)	(586)	(586)	(795)	(586)	(586)	(1,116)	(4,403)
Food Service	-	-	(321)	(2,189)	(1,424)	(3,598)	(2,764)	(2,764)	(2,764)	(2,764)	(2,764)	(4,146)	(25,498)
Transfer to DPS	-	-	-	-	-	-	(15,739)	(17,000)	-	-	-	-	(32,739)
Other	-	(75)	-	(2)	(199)	(41)	(150)	(150)	(150)	(150)	(150)	(150)	(1,218)
<b>Total Cash Disbursements</b>	<b>(2,488)</b>	<b>(15,131)</b>	<b>(33,383)</b>	<b>(35,387)</b>	<b>(39,550)</b>	<b>(84,725)</b>	<b>(69,837)</b>	<b>(72,639)</b>	<b>(64,572)</b>	<b>(55,655)</b>	<b>(55,655)</b>	<b>(67,303)</b>	<b>(596,324)</b>
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	68,343	44,142	45,315	38,857	36,423	45,224	50,921	-
Net Cash Flow	37,537	249	(28,280)	19,891	38,946	(24,201)	1,174	(6,459)	(2,434)	8,801	5,696	4,006	54,927
<b>Ending Cash Balance</b>	<b>\$ 37,537</b>	<b>\$ 37,786</b>	<b>\$ 9,506</b>	<b>\$ 29,397</b>	<b>\$ 68,343</b>	<b>\$ 44,142</b>	<b>\$ 45,315</b>	<b>\$ 38,857</b>	<b>\$ 36,423</b>	<b>\$ 45,224</b>	<b>\$ 50,921</b>	<b>\$ 54,927</b>	<b>\$ 54,927</b>

## DPSCD Forecast to Actuals Variance – December 2016

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

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

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1	DPS FY16 Audit Findings and CAP
2	Grants update
3	Financial update
4	Contract and out of state travel requests
5	Appendix

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a

**Contract Requests**

b

**Out of State Travel Requests**



# DPSCD Contract Requests

The following contracts are being provided to the Detroit Board of Education for review and approval. Contracts over \$750,000 or a period of 2 or more years will be also need to be sent to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a new contract, was the original contract competitively bid?	Lowest Bid? If not a New Contract, was the original contract the lowest bid?	DPSCD Approval Date
1	Operations	154-0045-C Amendment 2	<p><b>Contract Renewal Amount:</b> \$1,700,000.00 NTE  <b>Contract Renewal Period:</b> February 2, 2017 - February 1, 2018 exercising the final renewal option.  <b>Source:</b> General Fund  <b>Purpose:</b> Provide warehouse management services for the District's warehouse location of (SSC) Building A, 1425 E. Warren Ave. Detroit, MI  <b>Contractor:</b> Progressive Distribution Centers, Inc.  <b>Location:</b> 18765 Seaway Drive, Melvindale MI 48122</p>	Contract Renewal	Yes	Yes	Anticipated Approval by Board 1/11/17  Approval by FRC 1/30/17
2	Department of Curriculum	17-0050	<p><b>Contract Renewal Amount:</b> \$330,133 NTE  <b>Contract Renewal Period:</b> January 9, 2017 – December 31, 2017  <b>Source:</b> Grant Fund  <b>Purpose:</b> Provide software for Danielson 2013 Evaluation Management License, a state approved teacher and administrator observation tool  <b>Contractor:</b> Frontline Technologies Group LLC dba Frontline Education  <b>Location:</b> 1400 Atwater Drive, Malvern, PA 19355</p>	New	No	N/A	Anticipated Approval by Board 1/11/17

# DPSCD Contract Requests Cont.

The following contracts are being provided to the Detroit Board of Education for review and approval. Contracts over \$750,000 or a period of 2 or more years will be also need to be sent to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a new contract, was the original contract competitively bid?	Lowest Bid? If not a New Contract, was the original contract the lowest bid?	DPSCD Approval Date
3	DPSCD Police	17-0051-C	<p><b>Contract Renewal Amount:</b> \$300,000.00 NTE for the 1st contract period and NTE \$900,000.00 with the exercise of the renewal options</p> <p><b>Contract Renewal Period:</b> December 1, 2016 - November 30, 2017 with two (2) one-year renewal options</p> <p><b>Source:</b> General Fund</p> <p><b>Purpose:</b> Provide monitoring and maintenance of security systems for the District</p> <p><b>Contractor:</b> Wiltec Technologies, Inc.</p> <p><b>Location:</b> 5840 Interface Drive, Suite 300, Ann Arbor, MI 48226</p>	New	Yes		Anticipated Approval by Board 1/11/17
4	Department of Curriculum	16-0420-C	<p><b>Contract Renewal Amount:</b> \$552,030.00</p> <p><b>Contract Renewal Period:</b> July 1, 2016 – July 1, 2018 with three (3) one year renewal options</p> <p><b>Source:</b> Grant Fund</p> <p><b>Purpose:</b> To provide the Capstone Digital Reading Program “MyOn” to an additional 24 schools; beginning Phase II of the pilot digital reading program.</p> <p><b>Contractor:</b> Coughlan Companies, Inc. dba Capstone</p> <p><b>Location:</b> North Mankato, MN 56003-1806</p>	Amendme nt to increase contract amount	Yes	Yes	Anticipated Approval by Board 1/11/17 Approval by FRC 1/30/17

# DPSCD Executive Summary for FRC Contracts

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The following contracts are being provided to the Detroit Board of Education for review and approval. Contracts over \$750,000 or a period of 2 or more years will also need to be sent to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

## Item 1

### Professional Warehouse Management Services

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

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

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

**Contract Renewal Period:** February 2, 2017 – February 1, 2018 exercising the final renewal option

**Contract Renewal Amount:** \$1,700,000.00 NTE

**Commencement Date of Original Contract:** February 2, 2015

- This contract includes services related to the receipt, control, storage, inventory management, distribution and disposal of property from the District’s schools and offices. Other services included in this contract are project property management and delivery of mail.
- Request for Proposal 15-0045-C was issued on Demandstar notifying 982 vendors. One (1) vendor, Progressive Distribution Centers, Inc., submitted a proposal.
- The evaluation committee reviewed the one proposal in accordance with the evaluation criteria. The committee concluded that Progressive Distribution Centers, Inc., provided the best value that included terms quality and pricing.

## DPSCD Executive Summary for FRC Contracts Cont.

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The following contracts are being provided to the Detroit Board of Education for review and approval. Contracts over \$750,000 or a period of 2 or more years will be also need to be sent to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

### Item 2

#### Department of Curriculum

17-0050-C Grant Fund - Provide Danielson 2013 Evaluation Management software license and training. Danielson 2013 Evaluation Management is a state approved teacher and administrator observation tool.

**Contractor:** Frontline Technologies Group LLC dba Frontline Educational

**Location:** 1400 Atwater Drive, Malvern, PA 19355

**Contract Period:** January 12, 2017 through December 31, 2017

**Total Contract Amount:** \$330,133 NTE 1<sup>st</sup> year

- This contract provides licensing and training of a state approved teacher and administrator observation tool.
- PA 173 of 2015 established a list of approved teacher and administrator observation tools. The Michigan Department of Education recommends using one of the four piloted observation tools. The District-Academics selected the Charlotte Danielson Framework for Teaching support by Danielson 2013 Evaluation Management software license.

## DPSCD Executive Summary for FRC Contracts Cont.

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The following contracts are being provided to the Detroit Board of Education for review and approval. Contracts over \$750,000 or a period of 2 or more years will be also need to be sent to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

### Item 3

#### DPSCD Police

17-0051-C      General Fund – Provide monitoring and maintenance of security systems for the District

**Contractor:** Wiltec Technologies, Inc.

**Location:** 5840 Interface Drive, Suite 300, Ann Arbor, MI 48226

**Contract Period:** December 1, 2016 through October 30, 2017 with two (2) one year renewal options

**Total Contract Amount:** \$300,000.00 NTE for the 1st contract period and NTE \$900,000.00 with the exercise of renewal options

- This contract will provide staff to monitor and maintain the District's security systems
- Request for Proposal 17-0051-C was issued on Demandstar. One (1) supplier, Wiltec Technologies, Inc. submitted a proposal
- The evaluation committee reviewed the proposal in accordance with the evaluation criteria. The evaluation committee recommends that Wiltec Technologies, Inc. be awarded a contract.

## DPSCD Executive Summary for FRC Contracts Cont.

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The following contracts are being provided to the Detroit Board of Education for review and approval. Contracts over \$750,000 or a period of 2 or more years will be also need to be sent to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

### Item 4

#### Department of Curriculum

16-0420-C Grant Fund – This contract provides the Capstone Digital Reading Program “MyOn” software to DPSCD schools. This amendment begins Phase II of the pilot digital reading program and will provide the software to 24 additional DPSCD schools.

**Contractor:** Coughlan Companies, Inc. dba Capstone MyOn Business Unit

**Location:** 1710 Roe Crest Drive, North Mankato, MN 56003-1806

**Contract Period:** July 1, 2016 through July 1, 2018 with the option of three (3) one year renewal options.

**Original Total Contract Amount:** \$345,550.00 Not to Exceed (NTE)

**New Total Amount for the Amended Contract:** \$552,030.00 Not to Exceed (NTE)

- This contract amendment will provide the Capstone Digital Reading Program “Myon” to an additional 24 schools. The total contract amount will be increased by \$206,480.00 making the Amended Total Contact Amount \$552,030.00. All other contract terms and conditions will remain the same.
- Request for Proposal 16-0420-C was issued on Demandstar; 33 suppliers were notified. Two (2) suppliers, Coughlan Companies, Inc. dba Capstone and EBSCO, submitted a proposals.
- The evaluation committee reviewed the proposal in accordance with the evaluation criteria. The evaluation committee recommended Coughlan Companies, Inc. dba Capstone be awarded a contract.

# FRC Approved Contracts: spend as at December 31, 2016

Contract #	Contractor	Contract Amount	Contract Expiry Date	Contract Period (Years)	YTD Spend (Amt Invoiced)	Purpose	Notes
DPSCD Police Department							
15-0054-C	Securitas Security Services, USA, Inc.	\$ 3,700,000	12/30/2017	1.0	\$ 1,157,245	Provide professional Security Services	
Subtotal		\$ 3,700,000			\$ 1,157,245		
Information Technology							
16-0432	WRESA	\$ 768,570	6/30/2017	1.0	\$ 87,729	Provide for services as well as support to transition certain services currently provided by WRESA to DPSCD	
16-0345-C	Learning Consultants	750,000	6/30/2019	3.0	264,846	Provide basic Cable Plant Maintenance, Technology Installation Services and Network Change & Repair Activities	
16-0345-1-C	Direct Internet	750,000	6/30/2019	3.0	-	Provide basic Cable Plant Maintenance, Technology Installation Services and Network Change & Repair Activities	1
16-0432-1	WRESA	462,830	6/30/2017	1.0	-	Provide software, support and services related to the MiStar student information system	2
Subtotal		\$ 2,731,400			\$ 352,575		
Operations							
13-0422-2	Constellation New Energy-Gas Div. LLC	\$ 2,500,000	9/30/2017	1.0		Provide natural gas supply and delivery	3
17-0032	LoPiccolo Brothers Produce Inc.	1,639,130	10/31/2017	1.0	-	Fresh fruit and vegetable program	
17-0048	Payne Landscaping, Inc.	1,591,573	2/1/2018	2.0	-	Provide snow plowing services	4
17-0015-6	Quality Roofing	1,434,024	12/31/2016	0.3	1,306,383	Provide new roof replacement and repairs for three elementary schools	
17-0021	Lutz Roofing	1,150,639	12/31/2016	0.2	-	Provide new roof replacements for Emerson and Spain schools	4
Subtotal		\$ 8,315,366			\$ 1,306,383		
Parent and Community Engagement							
16-0447-C	Southwest Counseling Solutions	\$ 2,970,240	9/30/2019	2.9	\$ -	Recruit, manage, provide oversight and reporting of Community School Coordinators (CSC) for each Community School. The CSC serves as the school Principal's primary manager of all Community School activities and services in support of the school's education	5
16-0448-C	Community Schools of Metro Detroit	2,533,440	9/30/2017	0.9	1,486,198	Recruit, manage, provide oversight and reporting of Community School Coordinators (CSC) for each Community School. The CSC serves as the school Principal's primary manager of all Community School activities and services in support of the school's educational plan.	
Subtotal		\$ 5,503,680			\$ 1,486,198		

# FRC Approved Contracts: spend as at December 31, 2016

Risk Management							
17-0019-C	Aon Risk Services Central, Inc.	\$ 876,506	12/31/2017	1.0	\$ -	Provide insurance brokerage services; manage DPSCD insurance coverage, obtain quotes, bind coverage, updating DPSCD on market trends, work with insures to process claims	6
Subtotal		\$ 876,506			\$ -		
Specialized Student Services							
16-0438-C	CareerStaff Unlimited LLC	\$ 2,532,230	6/30/2017	0.7	\$ 168,362	Provide skilled nursing care to students	
17-0033-C	Therapy Staff LLC	1,695,141	6/30/2017	0.7	78,519	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	
16-0439-C	Educational Based Services (EBS)	1,371,222	6/30/2017	0.7	-	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	7
16-0446-C	Deaf Community Advocacy Network	1,010,054	12/31/2017	1.0	26,537	Provide sign language interpreters for deaf and hard of hearing students and staff	
17-0034-C	CareerStaff Unlimited LLC	990,360	6/30/2017	0.7	-	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	8
Subtotal		\$ 7,599,007			\$ 273,418		
<b>Totals</b>		<b>\$ 28,725,959</b>			<b>\$ 4,575,819</b>		

**Notes:**

- Investigation is being conducted as to why no invoices have been entered/received for this contract.
- The pricing for this contract is based on a combined percentage of the October and February final student count. A P.O. will be generated after the district receives an invoice from WRESA.
- Investigation is being conducted as to why no invoices have been entered/received for this contract.
- Due to problems with PeopleSoft regarding the Operations category, a P.O. cannot be issued at this time. The district is working with the PeopleSoft vendor (Oracle) to rectify and expects a remedy by 1/10/2017. Once a P.O. is issued, invoices can then be applied and paid.
- Investigation is being conducted as to why no invoices have been entered/received for this contract.
- This contract commences on 1/1/17 and no insurance renewals are due immediately. P.O.s will be issued as policies come up for renewal. In addition a separate P.O. will be generated for the service brokerage fee, payable to AON.
- Investigation is being conducted as to why no invoices have been entered/received for this contract.
- Investigation is being conducted as to why no invoices have been entered/received for this contract.



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a

**Contract Requests**

b

**Out of State Travel Requests**

# DPSCD Out-of-State Travel Reimbursement Requests

The following reimbursements to school board members, officials, and employees for travel outside the state will be sent to the FRC for review and approval pursuant to section 7(q) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

Number of Participants	Central Office	School-Based	School/ Department	Conference Name	Location of Conference	Dates of Conference	Approved Request for Absence Dates	Funding Source	Total Est. Cost	Approved
2	x		State & Federal Programs	NAFPE 2017 Conference	Washington, DC	3/19/2017 - 3/22/2017	3/19/2017 - 3/22/2017	Grant	\$4,187.09	Deputy Superintendent of Finance
1		x	Montessori School	Social Justice Conference	Houston, TX	6/21/2017 - 6/26/2017	6/21/2017 - 6/26/2017	General	\$1,864.74	Interim Superintendent

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<b>1</b>	<b>DPS FY16 Audit Findings and CAP</b>
<b>2</b>	<b>Grants update</b>
<b>3</b>	<b>Financial update</b>
<b>4</b>	<b>Contracts and out of state travel requests</b>
<b>5</b>	<b>Appendix</b>

# DPSCD FY17 Budget Amendment No. 3: monthly spread by Function

	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Projected Nov-16	Projected Dec-16	Projected Jan-17	Projected Feb-17	Projected Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	FY 17 Total
<b>Revenues</b>													
Local sources	\$ 45	\$ 17,804	\$ 35,793	\$ 272,166	\$ 267,207	\$ 2,934,910	\$ 3,508,360	\$ 3,699,527	\$ 2,773,016	\$ 2,941,879	\$ 2,889,792	\$ 6,429,448	\$ 25,769,947
State sources	31,323,602	31,827,346	40,961,327	39,161,171	35,852,607	34,748,044	36,250,714	38,329,856	36,572,433	36,177,336	38,716,277	41,774,215	441,694,928
Federal sources	3,220,027	996,134	4,120,495	26,184,110	12,714,924	9,972,784	21,775,352	11,052,920	15,104,522	11,448,127	14,994,578	14,575,531	146,159,505
Interdistrict sources	15,000,000	-	2,497,874	2,254,061	3,050,129	2,900,425	2,900,425	2,959,457	2,900,425	2,900,425	2,900,425	2,900,430	43,164,076
Other sources	25,000,000	-	15,269,308	-	-	10,128,029	-	-	-	-	-	1,128,029	51,525,366
<b>Total revenues</b>	<b>74,543,674</b>	<b>32,841,284</b>	<b>62,884,797</b>	<b>67,871,508</b>	<b>51,884,867</b>	<b>60,684,192</b>	<b>64,434,851</b>	<b>56,041,760</b>	<b>57,350,396</b>	<b>53,467,767</b>	<b>59,501,072</b>	<b>66,807,653</b>	<b>708,313,822</b>
<b>Expenditures</b>													
Instruction	5,228,976	3,303,558	21,936,462	36,007,777	37,310,305	33,669,438	29,830,252	29,686,130	37,643,236	25,077,049	37,600,435	37,392,205	334,685,823
Support services	17,520,074	17,283,059	25,856,544	26,825,996	30,052,625	31,052,031	25,917,262	26,118,634	31,676,200	23,003,568	31,052,076	33,111,253	319,469,322
Community service	24,085	6,545	48,401	67,041	454,426	686,555	632,557	631,604	737,535	590,282	710,810	760,923	5,350,764
Facilities acquisitions and improvement	-	-	-	-	75,759	75,830	75,830	68,936	79,276	68,936	79,276	82,965	606,808
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>22,773,135</b>	<b>20,593,162</b>	<b>47,841,407</b>	<b>62,900,814</b>	<b>67,893,115</b>	<b>65,483,854</b>	<b>56,455,901</b>	<b>56,505,304</b>	<b>70,136,247</b>	<b>48,739,835</b>	<b>69,442,597</b>	<b>71,347,346</b>	<b>660,112,717</b>
<b>Surplus (Deficit)</b>	<b>\$51,770,539</b>	<b>\$12,248,122</b>	<b>\$15,043,390</b>	<b>\$4,970,694</b>	<b>\$(16,008,248)</b>	<b>\$(4,799,662)</b>	<b>\$7,978,950</b>	<b>\$(463,544)</b>	<b>\$(12,785,851)</b>	<b>\$4,727,932</b>	<b>\$(9,941,525)</b>	<b>\$(4,539,693)</b>	<b>\$48,201,105</b>
<b>Fund Balance</b>													
Beginning Balance	-	51,770,539	64,018,662	79,062,052	84,032,746	68,024,498	63,224,836	71,203,786	70,740,242	57,954,391	62,682,323	52,740,798	-
Net Change in Fund Balance	51,770,539	12,248,122	15,043,390	4,970,694	(16,008,248)	(4,799,662)	7,978,950	(463,544)	(12,785,851)	4,727,932	(9,941,525)	(4,539,693)	48,201,105
<b>Ending Fund Balance</b>	<b>\$51,770,539</b>	<b>\$64,018,662</b>	<b>\$79,062,052</b>	<b>\$84,032,746</b>	<b>\$68,024,498</b>	<b>\$63,224,836</b>	<b>\$71,203,786</b>	<b>\$70,740,242</b>	<b>\$57,954,391</b>	<b>\$62,682,323</b>	<b>\$52,740,798</b>	<b>\$48,201,105</b>	<b>\$48,201,105</b>

# DPSCD FY17 Budget Amendment No. 3: monthly expenditures spread by Object code

	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Projected Nov-16	Projected Dec-16	Projected Jan-17	Projected Feb-17	Projected Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	FY17 Total
Salaries	\$ 6,994,360	\$ 6,333,760	\$ 19,151,249	\$ 30,378,698	\$ 31,467,145	\$ 32,290,700	\$ 25,506,472	\$ 25,530,861	\$ 32,631,026	\$ 21,233,379	\$ 32,637,132	\$ 29,356,038	\$ 293,510,820
Benefits	4,949,033	5,863,000	10,383,749	16,435,887	19,871,250	15,282,980	14,749,142	14,749,142	18,846,126	12,290,952	18,846,126	16,585,147	168,852,534
Purchased Services	8,596,642	11,106,402	12,532,443	7,784,155	12,625,964	13,392,690	12,754,944	12,754,944	14,668,185	12,117,196	14,030,437	14,030,437	146,394,438
Supplies	-	100,386	75,444	3,290,523	1,457,147	1,965,909	1,965,909	1,787,191	2,055,269	1,787,191	2,055,269	1,965,910	18,506,147
Equipment & Capital	-	-	1,075	3,067,978	1,355,810	1,497,437	487,304	443,004	509,455	443,004	509,455	487,301	8,801,823
Utilities	2,233,100	2,166,870	720,192	1,943,574	1,115,799	1,054,138	992,130	1,240,162	1,426,186	868,113	1,364,178	1,178,152	16,302,594
Other	-	-	-	-	-	-	-	-	-	-	-	7,744,361	7,744,361
<b>Total Expenditures</b>	<b>\$22,773,135</b>	<b>\$25,570,418</b>	<b>\$42,864,152</b>	<b>\$62,900,814</b>	<b>\$67,893,115</b>	<b>\$65,483,854</b>	<b>\$56,455,901</b>	<b>\$56,505,304</b>	<b>\$70,136,247</b>	<b>\$48,739,835</b>	<b>\$69,442,597</b>	<b>\$71,347,346</b>	<b>\$660,112,717</b>