

Detroit Public Schools

2007 Proposed Budget



June 30, 2006

Prepared By:
Detroit Public Schools
Division of Finance
Office of Budget

Proposed Budget



Detroit Public Schools 2007 Proposed Budget

(Fiscal Year July 1, 2006 – June 30, 2007)

**William F. Coleman, III
General Superintendent**

**Dori A. Freelain
Chief Financial Officer**

**Walter L. Esaw
Executive Director, Office of Budget**

For additional information regarding the District's financial results, readers should refer to the Comprehensive Annual Financial Report (CAFR) (located on the District's website) for the fiscal year ended June 30, 2005, which includes audited financial statements. The State approved Deficit Elimination Plan (DEP) is also available on the District's website, www.detroitk12.org



DETROIT PUBLIC SCHOOLS 2007 Proposed Budget

Fiscal Year
July 1, 2006 – June 30, 2007

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DETROIT PUBLIC SCHOOLS

Board of Education



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Vice President (District 5)

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(District 3)

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(District 1)

The Honorable Ida C. Short
(At-Large)

The Honorable Marie L. Thornton
(At-Large)

The Honorable Tyrone Winfrey
(District 4)

(Effective January 1, 2006)



July 1, 2006

Honorable Board of Education Members
William F. Coleman, III
General Superintendent
Detroit Public Schools
Detroit, Michigan

We are hereby submitting the 2007 Adopted Budget, for the fiscal year ending June 30, 2007 (See page 22). This plan is our assessment and recommendations concerning the allocation of our available resources in compliance with the Deficit Elimination Plan (DEP). All applicable Michigan state laws and regulations, and Michigan Department of Education guidelines and statutory requirements have been met. This document, along with the budget presentation document, and Budget Book will be posted on the Detroit Public Schools' web site at various times during the year for public access and viewing. A balanced budget is presented for each of the District's funds.

Current Financial Trends:

- √ Student enrollment continues to decline for the District. Since the fall of 2000, a loss of 50,365 funded pupils has been forecasted. For fiscal year ending 2007, the estimated loss represents approximately *7,382 funded pupils alone.
- √ In an attempt to provide alternatives for those students requiring a different learning path, the District implemented a "Last Chance Program" during Fiscal Year 2006. During Fiscal Year 2006, three (3) community based organizations were contracted in July 2005 to provide alternative high education to students that had dropped out of DPS. These organizations generated 696 FTE's. For Fiscal Year 2007, a DPS Request for Proposals (RFP) resulted in eleven (11) proposals. Three (3) of these were from the 2006 providers. As a consequence, we are projecting 2,000 FTE's for Fiscal Year 2007. DPS will retain 20% of the state foundation allowance for each FTE generated.

*Includes Last Chance Program projections for FY2007.

- √ In order to be consistent with the Board and Superintendent's objectives to continue making our schools clean and safe we are proposing to hire an additional 189 custodial classifications, 20 tradespersons, and 40 full time police officers (to replace part time police officers hired in May 2006).
- √ Although the State has projected to increase the per pupil funding levels by an estimated \$200 - \$230, this amount remains short due to the increase related to the Michigan Public School Employees' Retirement System (MPERS) and existing contractual obligations. The recent State funding trends are critical factors facing this District. However, the District continues to provide quality services in areas that are not always provided with the full funding levels necessary for the programs. Some examples include: Special Education, English as a Second Language (ESL), and No Child Left Behind (NCLB).
- √ The eroding tax base of the City of Detroit, along with the differences in the 1995 foundation allowance has continued to contribute to the greater disparity between urban children and suburban children. For example, the 1995 foundation allowance for the Detroit City School District's foundation allowance was \$5,584, while the Birmingham City School District's foundation allowance was \$10,377. The State has attempted to bring the lower districts closer to the funding of the higher districts; the differential has not decreased substantially. The 2006 Foundation allowance for Detroit is \$7,259 while Birmingham's is \$11,930. This huge per student disparity makes it much harder for urban districts to provide an adequate level of education.
- √ The economic impact of Charter Schools and the population trends in the City of Detroit will continue to deteriorate the District's financial ability to adequately support all programming needs. In fiscal year 2005-2006 Wayne County Resa reported approximately 26,463 City of Detroit students attending charter schools.
- √ In fiscal year 2005-2006 the Title I allocations provided to schools were \$52.7 million. In 2006-2007 the District is proposing an increase in Title I allocation to schools of \$7.9 million, to \$60.6 million, representing a 15% increase.

The District's ongoing financing concerns, along with the trends in student data, have forced the District to balance this proposed budget based on significant reductions and re-prioritize existing programs and services. The District continues its efforts to achieve full compliancy with the State mandated Financial Information Data (FID) classifications for budget and actual expenditures.

Financial Information Data or FID (in simple terms) is a set of guidelines designed by the State of Michigan that school districts are required to use when

reporting their financial information to the State. These guidelines dictate the relationships that can exist between specific elements of an account string. These relationships are between objects and functions; functions and funds; and list specific fund numbers that can be used for reporting purposes. Of all account string elements, "Function" is the most important field to the State of Michigan, because most State analyses are based upon the "function" field and assumes the remainder of FID is correct.

We would like to thank you and the Board of Education for your commitment and support of the students, staff, community partners and the Division of Finance, Office of Budget in the development of this document.

Respectfully submitted,

Dori A. Freelain
Chief Financial Officer

Walter L. Esaw
Executive Director
Office of Budget



FINANCIAL POLICIES & PROCEDURES 2007

FINANCIAL POLICIES AND PROCEDURES

The following financial policies are consistent with Federal, State and local regulations:

Budget Standards:

Each annual budget must be prepared consistent with Generally Accepted Accounting Principles. Each budget must also be balanced such that in each fund total revenues are greater than or equal to appropriations. These policies reflect the District's commitment to preparing its budget on a basis consistent with the highest financial standards and to balancing its budget every year.

Personnel Policies:

All appointments of management level personnel shall be subject to the General Superintendent and Board of Education approval. All salary increases must be approved by the Division Head, the Executive Director of Budget, Chief Financial Officer, the Chief Human Resources Officer, General Superintendent and Board of Education.

ACCOUNTING POLICY

The following is a summary of significant accounting policies followed in the preparation of the combined financial statements of the District.

Fund Accounting:

The financial activities of the District are organized on the basis of funds, each of which is considered a separate accounting entity.

Function Reporting:

Revenues and expenditures are reported by fund and functional categories. Functional categories describe the activity for which a service or material is acquired. The basic functional categories are instruction, pupil support, instructional staff support, general administration, school administration, business services, operations and maintenance, transportation, central services, and site acquisitions services.

Basis of Accounting:

The accounts are maintained using the modified accrual basis. Under the modified accrual basis of accounting, revenue is recorded as soon as it is both measurable and available; therefore, represent resources which may be appropriated. Expenditures are generally recognized when the related liability is incurred.

Property Taxes:

Property taxes are recorded as revenue when collected or if collected within 60 days after the fiscal year-end. Taxes levied and not collected within 60 days after the fiscal year-end are recorded as taxes receivable.

Property taxes are assessed as of December 31. Approximately one-half of such taxes are levied and become a lien on July 1, and the balance is levied and becomes a lien on December 1. These taxes are due on August 15 and January 15, respectively. In its role as tax collection agent for the District, the City of Detroit is responsible for the collection of delinquent taxes, along with the County.

As a result of the passage of a constitutional amendment by the voters of the State of Michigan on March 15, 1994, the District's financing structure was reorganized effective for the fiscal year ended June 30, 1995. The reorganization of school financing shifted a portion of the District's revenue sources from locally levied and collected property taxes to the State of Michigan, received in the form of a foundation allowance. The State foundation allowance is the primary basis of revenue.

Pension Plan:

Substantially all District employees participate in the Michigan Public School Employees' Retirement System (MPERS), known as Office of Retirement Services (ORS), under which employees are entitled to certain defined benefits established by State statute. Currently, school districts are required by State statute to contribute 17.74% of eligible wages to the plan. The 2007 budget was developed based on 17.74% as the required contribution.

INTERNAL CONTROL/FUNDS TRANSFER POLICY

The District's management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of the District from loss, theft, or misuse. Officials also ensure that reliable accounting data are available for the timely preparation of all financial statements.

Budget transfers between programs are permitted. This allows flexibility and provides budgetary control for managing supervisors. The Transfer of Funds Policy is intended to streamline management processes while emphasizing the importance of budget management.

Funds may be transferred between funds, between departments or between objects. Transfers require specific approval from the Chief Financial Officer and/or the Department Head. Depending on the type of transfer, approval may be required from the Department Head, Executive Director of Budget, Chief Financial Officer, General Superintendent or any combination thereof. Central administrative offices and schools are allowed to transfer funds between objects, with approval of the Executive Director of Budget.

**GENERAL APPROPRIATIONS RESOLUTION
AND 2006-07 BUDGET**

WHEREAS, the 2006-2007 budget recommendations were presented to the General Superintendent, and the Committee on Finance, Budget and Title I.

WHEREAS, it was announced that the Board of Education would hold a public hearing on the proposed budget prior to its adoption for the fiscal year ending June 30, 2007, as required by the provisions of Act No. 43, of the Public Acts of Michigan of 1963 Second Extra Session, such public hearing was held in the auditorium of Spain Elementary/Middle School, 3700 Beaubien in the City of Detroit on the 26th day of June 2006, at 5:00 p.m.

WHEREAS, due notice of such public hearing was given by publication in newspapers of general circulation at least six days prior to such hearing, as appears by affidavit of publication on file in the office of the Secretary of the Board of Education, which notice in accordance with said act stated where a copy of such budget was available for public inspection, and

WHEREAS, the Board of Education adopt this general appropriations resolution for the 2006-07 budget of the Detroit School District for all programs and funds.

NOW, THEREFORE, BE IT RESOLVED, that this resolution shall constitute the general appropriations of the Detroit School District for the 2006-07 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the Detroit School District.

BE IT FURTHER RESOLVED, that the total income and total expenditure appropriations for the General Fund, Building and Site Fund, Operating Debt Retirement Fund, Bond Debt Retirement Fund, and School Service Fund of the Detroit Board of Education for 2006-07 are as specified in the addendum to this resolution.

BE IT FURTHER RESOLVED, that budgeted appropriations available from a prior year and carried forward for the fiscal year ending June 30, 2006 are not included in the amounts appropriated for the 2006-07 fiscal year

BE IT FURTHER RESOLVED, that the appropriations for the General Fund, Building and Site Fund, Operating Debt Retirement Fund, Bond Debt Retirement Fund, and School Service Fund as submitted to this Board of Education, be and the same are approved and adopted with certain provisions hereinafter mentioned.

BE IT FURTHER RESOLVED, that revisions in total income and total expenditure appropriations for a fund shall be approved by the Board of Education based upon recommendations from the General Superintendent.

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board and in keeping with the budgetary policies of this Board.

BE IT FURTHER RESOLVED, that no appropriation for any purpose or object shall be deemed a mandate to spend. Appropriations shall be deemed maximum authorizations to incur expenditures and the General Superintendent shall exercise supervision and control to ensure that program or work objectives are related within these maximums

BE IT FURTHER RESOLVED, that the expenditures of funds appropriated herein for school district purposes shall be under the general supervision of the General Superintendent and the control of the Chief Financial Officer, subject to budgetary policies approved by this Board of Education.

BE IT FURTHER RESOLVED, that before any order or contract for improvement, supplies or services is issued by any officer or any employee of the Board of Education, it shall be determined that an appropriation has been made therefor that has not been exhausted. No such order or contract for improvements, supplies or services shall be issued unless there is an available appropriation balance therefor. Spending against such order or contract shall be limited to the appropriation balance from which it is payable.

BE IT FURTHER RESOLVED, that line-item account transfers within the same fund of an unencumbered balance or any part thereof that is not required to meet the program or work objectives for the balance of the year may be accomplished subject to procedures established for approval of such transfers. Transfers from one division or area to another may be authorized by the Chief Financial Officer or his/her designee. Transfers within or between operating units may be authorized by the division executive in the case of a division budget subject to review by the Chief Financial Officer of his/her designee.

BE IT FURTHER RESOLVED, that the total number of positions established for each division may not be increased except as authorized by the General Superintendent under procedures that may be established to approve additional positions requested. Appropriate budget adjustments shall be made to fund the establishment of additional positions that are authorized. Salary amounts appropriated herein for unspecified positions may be used during the course of the year to establish required positions subject to the approval of the General Superintendent.

BE IT FURTHER RESOLVED, that nothing in the foregoing shall be construed as authorization for the expenditure of funds or the incurrence of obligations in excess of the total sums appropriated herein for each fund.

BE IT FURTHER RESOLVED, during the period between Board meetings, the General Superintendent may authorize issuance of an order or contract on an emergency basis and expend funds therefor without prior specific authorization by the Board, provided that at the next regular meeting of the Board, the General Superintendent shall report such action or actions to the Board for its confirmation with the provision that such commitments shall be limited to the balance available in the account(s) to be charged.

This appropriations resolution is to take effect on July 1, 2006.



BUDGET DEVELOPMENT PROCESS 2007



IMPORTANCE OF THE BUDGET

Budgeting is a planning process and no plan can anticipate unknown factors. This budget includes provisions for all factors that could be reasonably anticipated, and modifications will be made as needs change during the year. The budget authorizes the original entries in the accounting system and establishes a legal framework for payroll, personnel and purchasing operations. In short, budgeting is an indispensable part of sound and proper administrative planning and accountability.

It is the budget which provides schools and other operating units with the approved official document indicating the authorized organizational structure, staffing patterns and material resources that may be used in delivering services to students within legal and financial limitations. It is important to the smooth conduct of the administrative and operational activities that such a document be available to all throughout the District. It provides a common reference point essential to proper and expeditious processing and recording of the day-to-day transactions necessary for the placement of personnel and the delivery of materials as well as the documentation required in after-the-fact audit and evaluation of District activities. It is important to the schools and operating units in so far as it serves to indicate in advance what shall be the approved uses of resources.

Also, the budget approach and its implementation in any given year must recognize ongoing service arrangements, existing organizational structure and operating methods, any one of which may not be entirely satisfactory for most desirable results. Improvements must come over a long-range period. However, the budget development procedures provided are designed to obtain maximum participation in seeking such improvements by personnel of the District at all levels.

In preparation and presentation of the budget, each administrator of the District, from the School Principal, General Superintendent to the Board of Education, is given an opportunity to present his or her management proposals and ideas to higher levels of decision-making within the organization. The process of preparing and reviewing the budget presents an opportunity to justify operational programs, to propose changes in service, and to recommend revisions in

organizational structure and work methods. Although this process was followed, the underlying basis for the development of the budget was the approved DEP.

While such changes are continually considered as part of day-to-day administration, the budget places a definite emphasis on such concerns. A complete and well-documented budget inspires public confidence and provides the administrator with one of the most important devices for directing the activities for which he or she is responsible.

Budget Administration

1. The retirement percentage for the 2006-2007 fiscal year is approximately 17.74%. This represents a 1.4% increase.
2. The preliminary average fringe benefit rate for positions is estimated at 45%, inclusive of the 17.74% above.
3. The General Superintendent is authorized to:
 - a. reallocate any excess revenues received during the year. Such reallocations shall be for one-time non-recurring non-salary purposes only.
 - b. reallocate and expend savings that may occur during the year in centrally budgeted accounts. Such reallocations and expenditures shall be for one-time non-recurring salary and non-salary projects and activities.
4. The General Superintendent and the Board of Education must approve all allocations from the Fund Balance. The Fund Balance is used for the following purposes:
 - a. Enrollment shifts that could occur after the Fourth Wednesday counts that establish the need for additional instructional service and supplies.
 - b. Initiatives that will occur during the school year, but an exact amount or the allocation of an amount is not known prior to the adoption of the budget.
 - c. Contingency for unforeseen events that may occur throughout the school year.
 - d. The undesignated fund balance is available for appropriation at the discretion of the General Superintendent.
 - e. Carry-forward of certain program funding such as Durant settlement, Adult Education, etc.
5. The General Superintendent shall approve all changes in student enrollment numbers.
6. Changes and amendments to the adopted budget (total revenues and total expenditures for all programs and funds) will be made based on the following budget amendment process:
 - a. The Budget Office receives budget revisions and recommendations.
 - b. Suggested budget revisions will be reviewed and recommended adjustments will be forwarded to the Cabinet representatives for their review and input.

- c. Based on Cabinet's input, the Budget Office will prepare a revised budget and submit it to the General Superintendent and the Board of Education for approval.
 - d. The Budget Office will implement the revised budget upon General Superintendent and Board of Education approval.
 - e. All budget changes and amendments are reported to the Michigan Department of Education (MDE) through the submission of monthly DEP (DS 4848) reports.
7. As of January 1, 2006, the position of CEO has been replaced by the position of General Superintendent.

Notes and Assumptions:

1. The continuation of non-union management concessions.
2. Labor contract negotiations will provide concessions amounting to approximately \$105 million.
3. Class size requirements are maintained.
4. No adverse Legislative changes.
5. An increase of per pupil funding of \$200.
6. All State funding increases were consumed by contractual obligations and increases in benefit cost.
7. Staffing reductions and not immediately filling all funded positions will result in an estimated savings of \$29 million.
8. School Staffing will be consistent with Bargaining Units Allocation Formula's. Projected reductions due to reduction in student enrollment are approximately 800 positions, requiring elimination by July 1, 2006. Failure to remove these positions will result in a liability to the District of approximately \$37 million.
9. All central office departments will receive 50% of their discretionary allocation at the beginning of the fiscal year. At a minimum, a mid year review will be performed by staff to determine any appropriate adjustments.
10. The second half of the Principal's equity adjustment is NOT included in the budget.
11. Vacancies will not be filled until mid-year (January 2007).
(With the exception of critical shortage areas which include facilities, security, and positions deemed critical by the General Superintendent and the Board of Education.
12. A total of \$2,337,628 in revenue has been projected from the sales and leases of properties owned by the District.
 - Lease - \$462,628
 - Sales - \$1,875,000
13. Three building closings. (Owen, Pitcher, and Post)



GENERAL FUND (FUND 11, 13, 14, 22)

**GENERAL FUND
PROJECTED ACTUALS (UNAUDITED) AS OF JULY 1, 2006**

	General Fund 11	Grants Fund 12	Adult Education 13	Special Education 22	Total Gen Fund Actuals (Unaudited) FY 2006
Projected Revenues					
Local Sources	\$ 107,463,274	\$ 1,959,365	\$ -	\$ -	109,422,639
State Sources	797,943,168	78,990,879	15,366,757	92,868,138	985,168,942
Federal Sources	12,400,000	256,418,305	-	-	268,818,305
Other	968,885	49,509	-	70,000,000	71,018,394
Total Revenues	\$ 918,775,327	\$ 337,418,058	\$ 15,366,757	\$ 162,868,138	1,434,428,280
Projected Expenditures					
Instruction (1XX)	464,170,029	206,458,590	323,243	131,985,066	802,936,928
Support Services Pupil (21X)	23,324,159	33,291,896	116,329	35,853,727	92,586,111
Support Services					-
Instructional Staff (22X)	14,738,619	54,182,307	36,691	6,310,844	75,268,461
General Administration (23X)	7,215,278	2,314,686	-	91,657	9,621,621
School Administration (24X)	97,377,880	6,943,408	14,341,104	19,754,411	138,416,803
Business Services (25X)	43,338,787	939,950	49,440	-	44,328,177
Operation and Maintenance (26X)	165,163,943	7,260,547	53,118	42,698	172,520,306
Transportation (27X)	48,553,053	3,765,042	10,000	350,095	52,678,190
Central Services (28X)	55,025,926	2,994,199	-	410,630	58,430,755
Other (29X)	-	-	-	-	-
Community Services (3XX)	404,250	6,308,099	-	-	6,712,349
Site Acquisition Services(4XX)	5,434,141	15,000	-	-	5,449,141
Debt Service (5XX)	2,985,990	-	-	-	2,985,990
Total Expenditures	\$ 927,732,055	\$ 324,473,724	\$ 14,929,925	\$ 194,799,128	1,461,934,832
Excess of Revenues Over Expenditure	\$ (8,956,728)	\$ 12,944,334	\$ 436,832	\$ (31,930,990)	\$ (27,506,552)
Other Financing Sources (Uses)					
Transfers In	12,944,334	-	-	31,930,989	44,875,323
Transfers Out	(34,538,989)	(12,944,334)	-	-	(47,483,323)
Note Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	(21,594,655)	(12,944,334)	-	31,930,989	(2,608,000)
Net Change in Fund Balance	\$ (30,551,383)	\$ -	\$ 436,832	\$ (1)	(30,114,552)
Fund Balance - July 1, 2005					46,791,278
Reserve - Repayment of Delinquent Taxes					(2,000,000)
Fund Balance - June 30, 2006					\$ 14,676,727

GENERAL FUND PROPOSED

BUDGET AS OF JULY 1, 2006

	Total Gen Fund Actuals (Unaudited) FY 2006	General Fund 11	Grants Fund 14	Adult Education 13	Special Education 22	Total Gen Fund FY 2007
<u>Projected Revenues</u>						
Local Sources	109,422,639	\$ 106,728,267	\$ 1,332,439			108,060,706
State Sources	985,168,942	752,039,611	80,776,783	\$ 4,467,667	89,911,006	927,195,067
Federal Sources	268,818,305	11,600,000	242,461,893			254,061,893
Othe Financing Sources	71,018,394	1,875,000			72,000,000	73,875,000
Fund Modification		2,323,051				2,323,051
Total Revenues	1,434,428,280	\$ 874,565,929	\$ 324,571,115	\$ 4,467,667	\$ 161,911,006	1,365,515,717
<u>Projected Expenditures</u>						
Instruction (1XX)	802,936,928	326,600,499	191,651,187	648,128	165,698,431	684,598,245
Support Services Pupil (21X)	92,586,111	24,076,226	30,402,033	129,430	50,787,511	105,395,200
Support Services	-					
Instructional Staff (22X)	75,268,461	25,082,842	46,053,423	31,711	9,174,053	80,342,029
General Administration (23X)	9,621,621	7,575,971	2,034,610		-	9,610,581
School Administration (24X)	138,416,803	89,534,169	1,690,337	3,603,316	5,688,427	100,516,249
Business Services (25X)	44,328,177	44,175,875	1,146,094	45,082	-	45,367,051
Operation and Maintenance (26X)	172,520,306	177,332,605	8,632,687	-	12,000	185,977,292
Transportation (27X)	52,678,189	47,194,301	21,642,116	10,000	-	68,846,417
Central Services (28X)	58,430,755	46,167,488	1,243,934	-	1,023,026	48,434,448
Other (29X)	-		500,000	-	-	500,000
Community Services (3XX)	6,712,349	671,192	6,929,151		-	7,600,343
Site Acquisition Services(4XX)	5,449,141	6,112,261	7,500		-	6,119,761
Debt Service (5XX)	2,985,990	19,400,100	-		-	19,400,100
Total Expenditures	1,461,934,831	\$ 813,923,529	\$ 311,933,072	\$ 4,467,667	\$ 232,383,448	1,362,707,716
<i>Excess of Revenues Over Expenditure</i>	\$ (37,508,502)	\$ 60,642,400	\$ 12,638,043	\$ -	\$ (70,472,442)	\$ 2,808,001
<u>Other Financing Sources (Uses)</u>						
Transfers In	44,875,323	12,712,552	74,509		70,472,442	83,259,503
Transfers Out	(47,483,323)	(73,354,952)	(12,712,552)			(86,067,504)
Note Proceeds						-
Total Other Financing Sources (Uses)	(2,608,000)	(60,642,400)	(12,638,043)	-	70,472,442	(2,808,001)
<i>Net Change in Fund Balance</i>	(30,114,551)	\$ -	\$ -	\$ -	\$ -	-
Fund Balance - July 1, 2005	46,791,278					16,676,727
Reserve - Repayment of Delinquent Taxes	(2,000,000)					(2,000,000)
Fund Balance - June 30, 2006	\$ 14,676,727					\$ 14,676,727

2005-2006 Adopted and 2006-2007 Proposed Budget FTE Comparison for General Fund only

	General Fund Total		Fund 11		Fund 13		Fund 12/14		Fund 22	
	2005-06 Adopted Budget (FTEs)	2006-07 Proposed Budget (FTEs)	2005-06 Adopted Budget (FTEs)	2006-07 Proposed Budget (FTEs)	2005-06 Adopted Budget (FTEs)	2006-07 Proposed Budget (FTEs)	2005-06 Adopted Budget (FTEs)	2006-07 Proposed Budget (FTEs)	2005-06 Adopted Budget (FTEs)	2006-07 Proposed Budget (FTEs)
Full-time staff										
Officials, administrators, managers	265.9	239.1	170.0	158.5	3.0	3.7	66.4	52.4	26.5	24.5
Principals	256.0	224.0	245.0	215.0	1.0	0.0	1.0	1.0	9.0	8.0
Assistant principals	204.0	155.0	195.0	145.0	2.0	1.0	3.0	5.0	4.0	4.0
Teachers	8,740.7	7,414.4	6,294.5	5,034.0	0.0	8.0	701.1	682.0	1,745.1	1,690.4
Guidance	344.1	266.9	278.5	204.5	0.0	0.0	65.6	60.4	0.0	2.0
Psychological	111.5	108.5	41.0	0.0	0.0	0.0	0.0	39.0	70.5	69.5
Consultants/Supervisors of Instruction	308.2	285.4	209.2	177.4	0.0	0.0	56.0	63.0	43.0	45.0
Other professional staff	767.5	715.5	144.0	93.5	0.0	1.0	260.9	248.8	362.6	372.2
Teacher aides	2,134.5	1,787.0	390.0	59.0	3.0	3.0	1,273.5	1,258.0	468.0	467.0
Technicians	24.0	26.0	23.0	24.0	0.0	0.0	1.0	2.0	0.0	0.0
Clerical/Secretarial staff	1,050.4	942.4	875.7	786.5	15.0	11.0	70.7	55.9	89.0	89.0
Security	395.0	418.0	263.0	284.0	0.0	0.0	132.0	134.0	0.0	0.0
Custodial	736.0	777.0	736.0	777.0	0.0	0.0	0.0	0.0	0.0	0.0
ES Custodial	105.0	205.0	105.0	205.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Service workers	222.5	25.5	149.0	0.0	0.0	0.0	73.5	25.5	0.0	0.0
Skilled crafts	465.0	471.0	465.0	471.0	0.0	0.0	0.0	0.0	0.0	0.0
Laborers - Unskilled	49.0	28.0	49.0	28.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	16,179.3	14,088.7	10,632.9	8,662.4	24.0	27.7	2,704.7	2,627.0	2,817.7	2,771.6
Part-time staff and Substitute staff										
Instructional & Noninstructional support	1,501.1	1,055.5	963.8	527.5	76.5	79.0	451.8	437.0	9.0	12.0
Grand Total	17,680.4	15,144.2	11,596.7	9,189.9	100.5	106.7	3,156.5	3,064.0	2,826.7	2,783.6



GENERAL FUND/GENERAL PURPOSE (FUND 11)

GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<u>PROJECTED REVENUES</u>				
<i>Local Sources</i>				
Property Taxes	87,179,130	93,309,147	93,309,147	96,090,884
Tuition	700,000	955,596	955,596	890,000
Earnings on Investment	925,000	6,039,233	7,448,531	3,000,000
Other Local Revenue	8,192,000	5,750,000	5,750,000	6,747,383
Total Local Sources	\$ 96,996,130	\$ 106,053,976	\$ 107,463,274	\$ 106,728,267
<i>State Sources</i>				
State Foundation	811,512,274	776,493,527	775,935,371	739,228,057
Charter Schools	355,855	420,988	315,388	424,760
Durant	5,930,443	5,930,443	5,930,443	5,930,443
Other State Revenue	4,631,087	16,677,554	15,761,966	6,456,351
Total State Revenue	\$ 822,429,659	\$ 799,522,512	\$ 797,943,168	\$ 752,039,611
<i>Federal Sources</i>				
Federal Direct Restricted	1,500,000	1,500,000	1,500,000	1,500,000
Other Federal Revenue	10,638,158	10,900,000	10,900,000	10,100,000
Total Federal Sources	\$ 12,138,158	\$ 12,400,000	\$ 12,400,000	\$ 11,600,000
Other Financing Sources (5XX)	-	223,675	223,675	1,875,000
Fund Modifications (6XX)	-	745,210	745,210	2,323,051
Total Other Financing Sources	-	968,885	968,885	4,198,051
Total Revenues	\$ 931,563,947	\$ 918,945,373	\$ 918,775,327	\$ 874,565,929
<u>PROJECTED EXPENDITURES</u>				
<i>Instruction (1XX)</i>				
Salaries and Benefits	378,783,631	386,788,933	445,851,391	306,313,567
Purchased Services	2,730,841	3,729,769	3,729,769	2,109,584
Teaching Supplies and Textbooks	21,821,913	14,499,774	14,499,824	18,157,348
Capital Outlay	118,796	47,796	47,796	10,000
Other Expenditures	-	60,024	41,249	10,000
Total Instruction	\$ 403,455,181	\$ 405,126,296	\$ 464,170,029	\$ 326,600,499
<i>Support Services Pupil (21X)</i>				
Salaries and Benefits	24,175,743	23,996,097	22,769,820	23,409,772
Purchased Services	537,720	518,833	518,833	604,639
Teaching Supplies and Textbooks	37,772	35,506	35,506	61,815
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
Total Support Services Pupil	\$ 24,751,235	\$ 24,550,436	\$ 23,324,159	\$ 24,076,226
<i>Support Services</i>				
<i>Instructional Staff (22X)</i>				
Salaries and Benefits	14,184,717	14,547,348	12,104,098	19,784,933
Purchased Services	1,491,313	1,224,147	1,224,147	1,757,167
Teaching Supplies and Textbooks	1,641,139	1,323,875	1,323,875	3,239,581
Capital Outlay	50,604	86,499	86,499	301,161
Other Expenditures	9,950	-	-	-
Total Instructional Staff	\$ 17,377,723	\$ 17,181,869	\$ 14,738,619	\$ 25,082,842

GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
General Administration (23X)				
Salaries and Benefits	5,700,148	5,412,265	5,115,631	6,096,098
Purchased Services	1,540,849	1,960,567	1,960,567	1,344,606
Supplies and Materials	86,796	32,056	32,056	97,719
Capital Outlay	10,295	4,564	4,564	4,400
Dues and Fees	-	-	-	-
Other Expenditures	115,056	102,460	102,460	33,148
Total General Administration	\$ 7,453,144	\$ 7,511,912	\$ 7,215,278	\$ 7,575,971
School Administration (24X)				
Salaries and Benefits	106,475,531	104,282,087	95,463,500	89,234,840
Purchased Services	3,732	1,740,884	1,740,884	182,568
Supplies and Materials	5,539	14,426	14,426	116,761
Capital Outlay	-	-	-	-
Other Expenditures	-	159,070	159,070	-
	\$ 106,484,802	\$ 106,196,467	\$ 97,377,880	\$ 89,534,169
Business Services (25X)				
Salaries and Benefits	37,755,445	36,805,045	25,549,536	23,130,419
Purchased Services	10,136,609	11,508,466	7,319,718	8,638,869
Supplies and Materials	1,339,518	318,147	318,147	280,350
Capital Outlay	120,235	64,235	64,235	89,237
Dues and Fees	-	-	-	-
Other Expenditures	14,059,029	10,087,151	10,087,151	1,837,000
Payment Of Interest	-	-	-	10,200,000
	\$ 63,410,836	\$ 58,783,044	\$ 43,338,787	\$ 44,175,875
Operation and Maintenance (26X)				
Salaries and Benefits	89,543,094	91,981,484	91,594,587	104,817,746
Purchased Services	25,220,413	26,023,893	24,299,799	20,657,969
Supplies and Materials	2,631,778	41,736,108	46,685,149	50,026,452
Capital Outlay	492,289	1,961,215	1,961,215	662,938
Dues and Fees	-	-	-	-
Other Expenditures	33,650,773	623,193	623,193	1,167,500
	\$ 151,538,347	\$ 162,325,893	\$ 165,163,943	\$ 177,332,605
Transportation (27X)				
Salaries and Benefits	21,626,008	21,476,008	28,079,949	26,556,087
Purchased Services	18,182,049	18,224,751	18,224,751	18,520,914
Supplies and Materials	1,252,229	2,233,249	2,233,249	2,108,300
Capital Outlay	8,616	15,104	15,104	9,000
Other Expenditures	-	-	-	-
	\$ 41,068,902	\$ 41,949,112	\$ 48,553,053	\$ 47,194,301
Central Services (28X)				
Salaries and Benefits	22,622,421	21,504,237	21,081,850	25,654,578
Purchased Services	34,419,863	33,711,287	33,711,287	20,233,382
Supplies and Materials	151,139	143,874	143,874	224,619
Capital Outlay	151,994	77,312	77,312	50,909
Other Expenditures	46,283	11,603	11,603	4,000
	\$ 57,391,700	\$ 55,448,313	\$ 55,025,926	\$ 46,167,488

GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
Other (29X)				
Salaries and Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ -	\$ -	\$ -	\$ -
Total Support Services	\$ 444,725,454	\$ 449,396,610	\$ 431,413,486	\$ 437,063,251
Community Services (3XX)				
Salaries and Benefits	462,054	391,287	381,147	461,485
Purchased Services	100,367	5,142	5,142	197,568
Supplies and Materials	6,742	17,111	17,111	10,869
Capital Outlay	28,350	850	850	1,270
Other Expenditures	-	-	-	-
	\$ 597,513	\$ 414,390	\$ 404,250	\$ 671,192
Site Acquisition Services (45X)				
Salaries and Benefits	85,506	79,274	79,274	-
Purchased Services	-	(90,133)	(90,133)	181,818
Supplies and Materials	-	-	-	-
Capital Outlay	5,930,443	5,445,000	5,445,000	5,930,443
Other Expenditures	-	-	-	-
	\$ 6,015,949	\$ 5,434,141	\$ 5,434,141	\$ 6,112,261
Debt Service				
Interest on Term Bonds	1,482,500	2,985,990	1,809,490	19,400,100
Principal Retirement	-	-	1,176,500	-
Total Expenditures	\$ 881,027,832	\$ 887,907,863	\$ 924,789,672	\$ 813,923,529
Excess of Revenues Over Expenditures	\$ 50,536,115	\$ 31,037,510	\$ (6,014,345)	\$ 60,642,400
Other Financing Sources (Uses)				
Transfers In	12,555,734		683,113	12,712,552
Transfers Out	(82,199,947)		(68,559,912)	(73,354,952)
Note Proceeds				
Total Other Financing Sources (Uses)	\$ (69,644,213)	\$ -	\$ (67,876,799)	\$ (60,642,400)
Net Change in Fund Balance	\$ (19,108,098)	\$ 31,037,510	\$ (73,891,144)	\$ (0)



DESIGNATED SPECIAL PURPOSE GRANT (FUND 14) (FORMERLY FUND 12)

The Designated Special Purpose Grant Fund is used to account for all grant funds received and expended and/or appropriated by the District.

DESIGNATED SPECIAL PURPOSE GRANT FUND (14) JULY 1, 2006				
	FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<u>PROJECTED REVENUES</u>				
Local Sources	-	1,959,365	1,959,365	1,332,439
State Sources	82,644,463	78,990,879	78,990,879	80,776,783
Federal Sources	257,682,324	256,418,305	256,418,305	242,461,893
Other Financing Sources	-	97,658	49,509	
Total Revenues	\$ 340,326,787	\$ 337,466,207	\$ 337,418,058	\$ 324,571,115
<u>Projected Expenditures</u>				
<i>Instruction (1XX)</i>				
Salaries and Benefits	136,259,213	128,145,862	144,971,816	144,678,320
Purchased Services	13,113,677	34,542,775	34,542,775	16,081,196
Teaching Supplies and Textbooks	24,000,306	17,874,748	17,874,749	22,996,743
Capital Outlay	1,715,606	1,861,621	1,861,621	1,467,753
Other Expenditures	4,421,628	7,207,629	7,207,629	6,427,175
Total Instruction	\$ 179,510,430	\$ 189,632,635	\$ 206,458,590	\$ 191,651,187
<i>Support Services Pupil (21X)</i>				
Salaries and Benefits	38,016,238	37,015,366	31,759,218	29,440,005
Purchased Services	687,869	776,810	776,810	381,139
Teaching Supplies and Textbooks	640,590	717,631	717,631	575,889
Capital Outlay	1,500	-	-	5,000
Other Expenditures	22,000	38,237	38,237	-
Total Support Services Pupil	\$ 39,368,197	\$ 38,548,044	\$ 33,291,896	\$ 30,402,033
<u>Support Services</u>				
<i>Instructional Staff (22X)</i>				
Salaries and Benefits	19,660,881	26,078,032	18,042,929	20,659,472
Purchased Services	19,036,225	16,335,381	16,335,381	11,195,852
Teaching Supplies and Textbooks	16,689,066	7,173,970	7,173,970	8,255,252
Capital Outlay	1,540,860	392,041	392,041	698,463
Other Expenditures	1,786,023	12,237,986	12,237,986	5,244,384
	\$ 58,713,055	\$ 62,217,410	\$ 54,182,307	\$ 46,053,423
<i>General Administration(23X)</i>				
Salaries and Benefits	-	20,000	20,000	-
Purchased Services	1,988,846	1,903,550	1,903,550	1,730,633
Supplies and Materials	1,784,116	326,136	326,136	272,148
Capital Outlay	75,000	65,000	65,000	31,829
Other Expenditures	10,000	-	-	-
	\$ 3,857,962	\$ 2,314,686	\$ 2,314,686	\$ 2,034,610
<i>School Administration (24X)</i>				
Salaries and Benefits	6,563,555	7,559,966	6,232,350	1,609,710
Purchased Services	41,020	46,769	46,769	51,420
Supplies and Materials	20,000	619,290	619,290	29,207
Capital Outlay	45,000	45,000	45,000	-
Other Expenditures	-	-	-	-
	\$ 6,669,575	\$ 8,271,025	\$ 6,943,409	\$ 1,690,337

DESIGNATED SPECIAL PURPOSE GRANT FUND (14) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<i>Business Services (25X)</i>				
Salaries and Benefits	-	898,666	873,450	1,099,092
Purchased Services	954,923	60,500	60,500	45,000
Supplies and Materials	62,000	6,000	6,000	2,000
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ 1,016,923	\$ 965,166	\$ 939,950	\$ 1,146,092
<i>Operation and Maintenance(26X)</i>				
Salaries and Benefits	9,312,379	7,959,782	6,958,578	7,956,886
Purchased Services	186,936	285,169	285,169	663,301
Supplies and Materials		-	-	-
Capital Outlay		-	-	-
Other Expenditures	16,800	16,800	16,800	12,500
	\$ 9,516,115	\$ 8,261,751	\$ 7,260,547	\$ 8,632,687
<i>Transportation (27X)</i>				
Salaries and Benefits	21,366	-	-	-
Purchased Services	21,959,903	3,763,042	3,763,042	21,637,116
Supplies and Materials	97,000	2,000	2,000	5,000
Capital Outlay	-	-	-	-
Other Expenditures	9,340	-	-	-
	\$ 22,087,609	\$ 3,765,042	\$ 3,765,042	\$ 21,642,116
<i>Central Services (28X)</i>				
Salaries and Benefits	752,041	779,173	942,347	839,257
Purchased Services	517,268	998,319	1,638,958	316,063
Supplies and Materials	101,644	303,275	388,275	41,331
Capital Outlay	-	6,500	6,500	6,500
Other Expenditures	-	18,119	18,119	40,785
	\$ 1,370,953	\$ 2,105,386	\$ 2,994,199	\$ 1,243,936
<i>Other (29X)</i>				
Salaries and Benefits	18,607	115,686	-	-
Purchased Services	156,632	640,639	-	500,000
Supplies and Materials	-	85,000	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ 175,239	\$ 841,325	\$ -	\$ 500,000
<i>Total Support Services</i>				
	\$ 103,407,431	\$ 88,741,791	\$ 78,400,140	\$ 82,943,201

DESIGNATED SPECIAL PURPOSE GRANT FUND (14) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<i>Community Services (3XX)</i>				
Salaries and Benefits	2,570,318	2,655,005	1,860,725	2,121,463
Purchased Services	1,403,459	2,758,483	2,758,483	3,376,099
Supplies and Materials	1,489,910	1,678,823	1,678,823	1,421,589
Capital Outlay	6,339	9,667	9,667	10,000
Other Expenditures	-	400	400	-
	\$ 5,470,026	\$ 7,102,378	\$ 6,308,098	\$ 6,929,151
<i>Site Acquisition Services (45X)</i>				
Salaries and Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	15,000	15,000	15,000	7,500
Other Expenditures	-	-	-	-
	\$ 15,000	\$ 15,000	\$ 15,000	\$ 7,500
<i>Total Expenditures</i>	\$ 327,771,084	\$ 324,039,848	\$ 324,473,724	\$ 311,933,072
<i>Excess of Revenues Over Expenditures</i>	\$ 12,555,703	\$ 13,426,359	\$ 12,944,334	\$ 12,712,552
<u>Other Financing Sources (Uses)</u>				
Transfers In				
Transfers Out	\$ (12,555,734)	(13,426,359)	\$ (12,944,334)	(12,712,552)
Total Other Financing Sources (Uses)	\$ (12,555,734)	\$ (13,426,359)	\$ (12,944,334)	\$ (12,712,552)
<i>Net Change in Fund Balance</i>	\$ (31)	\$ -	\$ -	\$ (0)

Note(s)

Title I is the largest federal aid program for elementary and secondary schools. Title I provides money to school districts around the country based on the number of low-income families in the district. Each school district uses Title I funds to ensure that children in high poverty schools receive supplemental academic services and have the same opportunities as other children to meet the State's rigorous academic standards.

Section 31A is allocated to local school districts with a current year combined state and local revenue per pupil membership of less than or equal to \$6,500, as adjusted by index and public school academies. Section 31A funds may be used for instructional programs and direct non-instructional services, such as medical or counseling services; before or after school, add extra days to school year, use tutorial method with paraprofessionals under supervision of a certified teacher.



ADULT EDUCATION (FUND 13)

The Adult Education Fund is used to account for funds received from the state and local sources to provide for Adult Education.

ADULT EDUCATION FUND (13) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
PROJECTED REVENUES				
Local Sources			-	
State Sources	4,035,376	15,366,757	15,366,757	4,467,667
Federal Sources			-	
Total Revenues	\$ 4,035,376	\$ 15,366,757	\$ 15,366,757	\$ 4,467,667
Projected Expenditures				
Instruction (1XX)				
Salaries and Benefits	703,579	453,923	316,677	642,362
Purchased Services		800	800	
Teaching Supplies and Textbooks		5,766	5,766	5,766
Capital Outlay	-	-	-	
Other Expenditures	-	-	-	
Total Instruction	\$ 703,579	\$ 460,489	\$ 323,243	\$ 648,128
Support Services Pupil (21X)				
Salaries and Benefits	295,194	279,410	116,329	129,430
Purchased Services	-	-	-	-
Teaching Supplies and Textbooks	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
Total Support Services Pupil	\$ 295,194	\$ 279,410	\$ 116,329	\$ 129,430
Support Services				
Instructional Staff (22X)				
Salaries and Benefits	-	22,938	29,997	28,762
Purchased Services	-	4,181	4,181	2,781
Teaching Supplies and Textbooks	-	2,513	2,513	168
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ -	\$ 29,632	\$ 36,691	\$ 31,711
School Administration (24X)				
Salaries and Benefits	3,011,310	1,539,294	1,396,797	1,892,105
Purchased Services	-	5,575,882	5,575,882	1,653,125
Supplies and Materials	12,999	7,360,063	7,360,063	34,405
Capital Outlay	-	1,681	1,681	17,000
Other Expenditures	-	6,681	6,681	6,681
	\$ 3,024,309	\$ 14,483,601	\$ 14,341,104	\$ 3,603,316

ADULT EDUCATION FUND (13) JULY 1, 2006

FY 2006 Adopted	FY 2006 Revised Per DEP	FY 2006 Projected Actuals	FY 2007 Proposed Budget
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Business Office (25X)				
Salaries and Benefits	-	-	-	-
Purchased Services	-	49,440	49,440	45,082
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ -	\$ 49,440	\$ 49,440	\$ 45,082
Operation and Maintenance(26X)				
Salaries and Benefits	-	43,418	43,418	-
Purchased Services	-	9,700	9,700	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ -	\$ 53,118	\$ 53,118	\$ -
Transportation (27X)				
Salaries and Benefits	-	-	-	-
Purchased Services	-	10,000	10,000	10,000
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
Central Services (28X)				
Salaries and Benefits	12,294	-	-	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ 12,294	\$ -	\$ -	\$ -
Total Expenditures	\$ 4,035,376	\$ 15,365,690	\$ 14,929,925	\$ 4,467,667
Excess of Revenues Over Expenditures	-	1,067	436,832	-
Net Change in Fund Balance	\$ -	\$ 1,067	\$ 436,832	\$ -



SPECIAL EDUCATION (FUND 22)

The Special Education Fund is used to account for, monitor, and maintain funds related to all special education programs and facilities. The main sources of revenue for this fund include Federal, State, County, Local agencies, and a subsidy from the General Fund.

In addition to the programs available at various schools, Detroit Public Schools currently has 9 schools in the District that are devoted solely to the needs of special education students.

There are many programs available to serve the needs of Special Ed. students. These programs are budgeted consistent with all Federal, State and County Mandates and approvals.

SPECIAL EDUCATION FUND (22) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<u>Projected Revenues</u>				
Local Sources - Special Education Millage	62,763,941	-	-	
State Sources - State Aid	88,293,670	92,868,138	92,868,138	89,911,006
Federal Sources	-	-	-	-
Other Financing Sources		70,000,000	70,000,000	72,000,000
Total Revenues	\$ 151,057,611	\$ 162,868,138	\$ 162,868,138	\$ 161,911,006
<u>Projected Expenditures</u>				
<u>Instruction (1XX)</u>				
Salaries and Benefits	145,262,794	145,008,880	122,510,883	160,739,538
Purchased Services	4,137,953	4,267,416	4,267,416	908,152
Teaching supplies and Textbooks	4,922,609	4,732,052	4,732,052	3,466,273
Capital Outlay	430,588	474,715	474,715	465,437
Other Expenditures	-	-	-	119,030
Total Instruction	\$ 154,753,944	\$ 154,483,063	\$ 131,985,066	\$ 165,698,431
<u>Support Services Pupil (21X)</u>				
Salaries and Benefits	42,743,128	42,935,118	35,210,644	45,438,792
Purchased Services	374,106	374,106	374,106	4,829,198
Teaching supplies and Textbooks	343,034	243,034	243,034	493,579
Capital Outlay	25,943	25,943	25,943	25,943
Other Expenditures	-	-	-	-
Total Support Service Pupil	\$ 43,486,211	\$ 43,578,201	\$ 35,853,727	\$ 50,787,511
<u>Support Services</u>				
<u>Instructional Staff (22X)</u>				
Salaries and Benefits	8,045,369	8,041,002	6,134,770	9,008,525
Purchased Services	123,079	123,079	123,079	151,528
Teaching supplies and Textbooks	-	50,000	50,000	14,000
Capital Outlay	50,000	-	-	-
Other Expenditures	2,995	2,995	2,995	-
	\$ 8,221,443	\$ 8,217,076	\$ 6,310,844	\$ 9,174,053
<u>General Administration (23X)</u>				
Salaries and Benefits	91,657	91,657	91,657	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ 91,657	\$ 91,657	\$ 91,657	\$ -
<u>School Administration (24X)</u>				
Salaries and Benefits	20,816,707	20,978,748	17,292,986	5,117,748
Purchased Services	2,031,406	2,077,396	2,077,396	228,501
Teaching supplies and Textbooks	303,694	277,362	277,362	342,178
Capital Outlay	112,157	106,167	106,167	-
Other Expenditures	-	500	500	-
	\$23,263,964	\$23,440,173	\$ 19,754,411	\$5,688,427

SPECIAL EDUCATION FUND (22) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
Operation and Maintenance (26X)				
Salaries and Benefits	-	8,000	8,000	12,000
Purchased Services	34,698	32,954	32,954	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	1,744	1,744	-
	\$ 34,698	\$ 42,698	\$ 42,698	\$ 12,000
Transportation (27X)				
Salaries and Benefits	-	-	-	-
Purchased Services	351,045	350,095	350,095	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ 351,045	\$ 350,095	\$ 350,095	\$ -
Central Services (28X)				
Salaries and Benefits	446,597	446,596	410,630	-
Purchased Services	-	-	-	1,023,026
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$ 446,597	\$ 446,596	\$ 410,630	\$ 1,023,026
Total Support Services	\$ 32,409,404	\$ 32,588,295	\$ 26,960,335	\$ 15,897,506
Total Expenditures	\$ 230,649,559	\$ 230,649,559	\$ 194,799,128	\$ 232,383,448
Excess of Revenues Over Expenditures	\$ (79,591,948)	\$ (67,781,421)	\$ (31,930,990)	\$ (70,472,442)
Other Financing Sources (Uses)				
Transfers In	79,591,948	\$ 67,781,421	31,930,990	70,472,442
Transfers Out	-	-	-	-
Note Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	\$ 79,591,948	\$ 67,781,421	\$ 31,930,990	\$ 70,472,442
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ (0)

Notes: The subsidy from General Fund/ General purpose (fund 11) varies from year to year for multiple reasons. After all revenues for special education are reconciled for the current year, they are deducted from the total compliant special education budget. The difference is the subsidy from the General Fund/General purpose (fund 11). Many factors such as changes in population affect revenue. Changes in staffing, benefits, and mandated requirements affect expenditures.



ATHLETICS (FUND 21)

The Athletics Fund accounts for the athletic operations of the District's middle and high schools. This Fund also supports its numerous athletic programs for boys and girls during the fall, winter and spring seasons on both the junior varsity and varsity levels. Allocations are distributed to the schools bi-annually to be used to support the schools with their purchases of equipment, uniforms and operating costs where the school incurs expenses for referees, officials and emergency services.

In addition, Fund 21 provides support for the entire District for:

- Salaries for all coaches
- Referees, officials
- Transportation to all sports events
- Reimbursement for student expenses
- Printing of athletic publications and tickets

Revenues collected from the games are deposited into the schools' various athletic accounts. The money is used to defray the costs to host the games at the various school sites.

ATHLETICS FUND (21) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<u>Other Financing Sources (Uses)</u>				
Transfers In	2,608,000	2,608,000	2,608,000	2,808,000
Transfers Out				
Total Other Financing Sources (Uses)	\$ 2,608,000	\$ 2,608,000	\$ 2,608,000	\$ 2,808,000
<u>Projected Expenditures</u>				
Salaries and Benefits	1,000,000	1,095,710	1,532,838	1,329,518
Purchased Services	1,600,000	1,246,090	1,217,856	1,112,282
Teaching Supplies and Textbooks	8,000	266,200	250,691	366,200
Capital Outlay				
Other Expenditures				
	\$ 2,608,000	\$ 2,608,000	\$ 3,001,385	\$ 2,808,000
Total Expenditures	\$ 2,608,000	\$ 2,608,000	\$ 3,001,385	\$ 2,808,000
Net Change in Fund Balance	-	-	(393,385)	-



FOOD SERVICE (FUND 25)

The Food Service Fund is an enterprise fund (operated in a manner similar to private business) in which the costs of providing goods and services are to be recovered primarily through user charges. This fund is used to account for providing goods, services and food to students. The main purpose of this Fund is to keep apart, the appropriation, revenue, and expenditures related to food service. The Food Service Fund generates revenue from several sources. Although the primary source of revenue is a federal subsidy, revenue is also generated through ala carte sales and catering.

FOOD SERVICE FUND (25) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<u>Projected Revenues</u>				
Local Sources				
Sales to Pupils	3,935,789	3,935,789	2,264,631	3,511,220
Other	2,244,068	2,244,068	1,500,922	2,653,710
Total Local Sources	\$6,179,857	\$6,179,857	\$3,765,553	\$6,164,930
State Sources				
At Risk	1,087,480	1,087,480	3,798,997	1,100,413
Other	2,516,643	2,516,643	2,119,600	1,822,453
Total State Sources	\$3,604,123	\$3,604,123	\$5,918,597	\$2,922,866
Federal Sources				
National School Lunch	33,506,075	33,506,075	25,959,294	33,356,075
USDA Entitlement	454,260	454,260	300,111	454,260
	\$ 33,960,335	\$ 33,960,335	\$ 26,259,405	\$ 33,810,335
Total Revenues	\$43,744,315	\$43,744,315	\$35,943,555	\$42,898,131
<u>Projected Expenditures</u>				
Salaries and Benefits	19,302,947	19,302,947	14,614,501	17,881,532
Purchased Services	21,528,868	21,528,868	18,103,948	21,420,551
Teaching Supplies and Textbooks	60,000	60,000	30,952	65,497
Capital Outlay	2,020,000	2,020,000	459,675	520,000
Other Expenditures	832,500	832,500	629,653	687,500
Total Expenditures	\$43,744,315	\$43,744,315	\$33,838,729	\$40,575,080
<i>Excess of Revenues Over Expenditures</i>	\$ -	\$0	\$2,104,826	\$2,323,051
<u>Other Financing Sources (Uses)</u>				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
<i>Net Change in Fund Balance</i>	-	-	2,104,826	2,323,051



BOND REDEMPTION (FUND 31)

The Bond Redemption Fund is used to account for the interest and principal payments due on school building and site improvement bonds previously authorized by law and improved by the electors. Funds for these debt service payments are received from the collection of property taxes.

BOND REDEMPTION FUND (31) July 1, 2006

	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
Projected Revenues				
Local Sources				
Property Taxes	105,983,422	105,983,422	88,746,639	114,710,322
Earnings on Investments	750,000	1,785,000	-	1,800,000
Non-Plaintiff Debt Service	-	7,188,650	-	7,200,000
Total Revenues	\$ 106,733,422	\$ 114,957,072	88,746,639	123,710,322
Projected Expenditures				
Principal Retirement	42,155,000	45,427,962	42,155,000	44,400,000
Payment of Interest	74,500,000	65,915,688	60,321,539	71,180,000
Dues and Fees	10,000	15,000	7,150	20,000
Total Expenditures	\$ 116,665,000	\$ 111,358,650	102,483,689	115,600,000
Excess of Revenues Over Expenditures	(9,931,578)	3,598,422	(13,737,050)	8,110,322
Beginning Fund Balance	30,954,991	30,954,991	25,049,046	11,311,996
Ending Fund Balance	\$ 21,023,413	\$ 34,553,413	11,311,996	19,422,317



JUDGMENT LEVY (FUND 32)

The Judgment Levy Fund is used to account for taxes levied to pay for judgments entered against the District.

JUDGEMENT LEVY FUND (32) July 1, 2006

	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<u>Projected Revenues</u>				
<i>Local Sources</i>				
Property Taxes	618,565	666,429	666,429	-
Interest Earnings				35,000
Total Revenues	\$ 618,565	\$ 666,429	\$ 666,429	\$ 35,000
<u>Projected Expenditures</u>				
Purchased Services	618,565	1,242,116	1,033,375	1,109,011
Total Expenditures	\$ 618,565	\$ 1,242,116	\$ 1,033,375	\$ 1,109,011
<i>Excess of Revenues Over Expenditures</i>	-	(575,687)	(366,946)	(1,074,011)
Beginning Fund Balance	1,370,428	1,370,428	1,440,957	1,074,011
Ending Fund Balance	\$ 1,370,428	\$ 794,741	\$ 1,074,011	\$ -



BUILDING FUND-DURANT BOND (FUND 41)

The District issued bonds in the amount of \$59,304,433 in November, 1998 pursuant to the opinion of the Michigan Supreme Court case known as Durant V State of Michigan. Funds are spent in accordance with Section 1351a of the Revised School Code. Typical expenditures are: Roof and Boiler Replacements, Site Acquisitions, Site Lighting, Athletic Facilities, Security Infrastructure, School Buses, Educational Technology and Equipment, Remodeling and Hazardous Abatement.

DURANT BOND FUND (41) JULY 1, 2006				
	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
<u>Projected Revenues</u>				
<i>Local Sources</i>				
Earnings on Investments	80,000	80,000	170,000	200,000
Total Revenues	\$ 80,000	\$ 80,000	\$ 170,000	\$ 200,000
<u>Projected Expenditures</u>				
Capital Outlay	4,714,198	4,714,198	1,000,000	4,004,313
Total Expenditures	\$ 4,714,198	\$ 4,714,198	\$ 1,000,000	\$ 4,004,313
Excess of Revenue Over Expenditures	(4,634,198)	(4,634,198)	(830,000)	(3,804,313)
Beginning Fund Balance	4,634,198	4,634,198	4,634,313	3,804,313
Ending Fund Balance	\$ -	\$ -	\$ 3,804,313	\$ -



BUILDING FUND- 1994 BOND PROGRAM (FUND 44)

This Fund is used to account for the proceeds of the \$1.5 Billion Bond Program authorized by the voters in 1994.

1994 BOND PROGRAM FUND (44) JULY 1, 2006

	FY 2006 Adopted	FY 2006 Revised	FY 2006 Projected Actuals	FY 2007 Proposed Budget
Projected Revenues				
<i>Local Sources</i>				
Earnings on investments	6,000,000	6,000,000	6,950,000	5,000,000
Total Revenues	\$ 6,000,000	\$ 6,000,000	\$ 6,950,000	\$ 5,000,000
Projected Expenditures				
Salaries	600,000	600,000	368,988	400,000
Fringes	190,000	190,000	169,631	200,000
Capital Outlay	210,845,802	210,845,802	93,192,675	31,259,508
Total Expenditures	\$ 211,635,802	\$ 211,635,802	\$ 93,731,294	\$ 31,859,508
Excess of Revenues Over Expenditures	(205,635,802)	(205,635,802)	(86,781,294)	(26,859,508)
Beginning Fund Balance	205,635,802	205,635,802	113,640,802	26,859,508
Ending Fund Balance	\$ -	\$ -	\$ 26,859,508	\$ -



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Accountability

The capability and the responsibility to account for the expenditure of money and the commitment of other resources in terms of the results achieved. This involves both the stewardship of money and other resources and the evaluation of achievement in relation to specified goals.

Accounts Payable

Liabilities on open accounts owing to persons, firms, or corporations for goods and services received by a governmental unit (but not including amounts due to other funds of the same governmental unit or to other governmental units).

Accrue

To record revenues when earned or when levies are made, and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds.

Appropriation

An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose. The expenditure of an appropriation is usually limited in amount and time.

Appropriations Account

The account records authorization granted by the legislative body to make expenditures and to incur a balance sheet prepared during the fiscal period. At the end of the fiscal period, the *Appropriations* account is closed out and does not appear in the balance sheet prepared at the close of the fiscal period.

Assessed Valuation

A valuation set upon real estate or other property by a government as a basis for levying taxes.

Auditor's Opinion

A statement signed by an auditor in which he or she states that he or she has examined the financial statements in accordance with generally accepted auditing standards (with exceptions, if any) and in which he or she expresses an opinion on the financial position and results of operations of some or all of the constituent funds and balanced account groups of the government as appropriate.

Balanced Budget

A budget in which estimated revenues are equal to or greater than estimated expenditures.

Budget

A plan of financial operations embodying an estimate of proposed expenditures for a given period and purpose and the proposed means of financing that plan.

Building and Site Funds

Record transactions to account for receipt and disbursement of monies used for the acquisition of capital assets, including equipment. The principle sources of revenue are from the sale of bonds and earned interest.

Capital Outlay

Amounts paid for the acquisition of fixed assets or additions to fixed assets which are presumed to have benefits for more than one year. Amounts expended for land or existing buildings, improvements or grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial, additional, and replacement of equipment.

Compensation for Loss of Assets

Compensation or insurance recoveries for loss of school property. Gross expenditures from the proceeds should be charged to the proper expenditures account. Separate accounts may be maintained for buildings, contents, and other.

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Current Expense

Federal definition: Any expenditure except for capital outlay, debt service, and transfers. If any accounts are kept on accrual basis, current expense includes total charges incurred, whether paid or unpaid. If accounts are kept on the cash basis, it includes only actual disbursement.

Debt Retirement Funds

The receipt of funds for the payment of interest and principle and other expenses associated with long term debt are recorded in the Debt Service Fund. The primary source of revenue are debt retirement tax levies and earned interest.

Deficit

An excess of expenditures over revenue.

Deficit Elimination Plan (DEP)

A Deficit Elimination Plan (DEP) is developed to eliminate a deficit. (The DEP can be reviewed on the District's website, www.detroitk12.org at DPS Quick Links, Deficit Elimination Plan).

Department ID

The group and type of educational activities for organizational purposes. A code identifying the units of which have discriminating characteristics, include individual schools, in most cases, and can be used to designate school cost centers. Budgets and expenditures may be made for each school or operational unit.

Discretionary

Funds appropriated and expended to run most schools or departments day to day activities. Common general descriptions for these expenditure areas are supplies, services, and equipment. This does not include salaries and benefits.

Within the General Fund these funds are under the direct control of the school or department. The school is responsible for ensuring that they never over expend their Discretionary Budgets.

District

Any public school district organized under the laws of Michigan, except a junior college district.

Expenditures

Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlay.

Expenses

Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

Financial Information Data (FID)

Guidelines designed by the State of Michigan that school districts are required to use when reporting their financial information to the State. Function Codes Descriptions follows.

Explanation of Functional Categories

1XX Instruction - Instruction includes the activities dealing directly with the teaching of pupils or the interaction between teacher and pupils. Teaching may be provided for pupils in a school classroom, in another location such as in a home or hospital, and other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, telephone, and correspondence. Included here are the activities of classroom aides, teacher assistants, supplies and machines that directly aid in the instructional process. Include the work of group and class sponsors and chaperons at student activities. Include activities associated with instructional field trips.

2XX Supporting Services - Supporting Services are those services which provide

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administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction and to a lesser degree, community services. Supporting Services exist as adjuncts for the fulfillment of the objectives of instruction.

21X Support Services-Pupil - Consist of those activities that are designed to assess and improve the well being of pupils and to supplement the teaching process.

22X Support Services-Instructional Staff - Consist of activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.

23X Support Services-General Administration - Consist of those activities concerned with establishing policy, operating schools and the school system, and providing the essential facilities and services for the staff and pupils. Also included are community relations (district wide activities and programs designed to improve school/community relations.)

24X Support Service School Administration – Consists of those activities concerned with overall administrative responsibility for a single school.

25X Support Services Business – Activities concerned with purchasing, paying, transporting, exchanging and maintaining goods and services for the school district. (Fiscal Services/Internal Services).

26X Operations and Maintenance

Operating Buildings Services – Activities concerned with keeping the physical plant open, clean, and ready for daily use. They include operating the heating, lighting, and ventilation systems, and repairing facilities/equipment. Also included are operating building leases, property and liability insurance, janitorial and ground maintenance costs. May be used in a Capital Projects fund only to extent allowed by law

Security Services – Activities concerned with maintaining order and safety in school buildings, on the grounds and in the vicinity of schools at all times. Included are police activities for school functions, traffic control on grounds and in the vicinity of schools, building alarm systems, and security guards.

27X Pupil Transportation Services – Activities concerned with the conveyance of pupils to and from school, as provided by state law. It includes trips between home and school or trips to school activities. All other direct costs related to pupil transportation should be included under this function, i.e., physical exams, uniforms, school bus driver licenses, awards, bus monitors, etc. May be used in Capital Projects Funds only to extent allowed by law.

28X Support Services-Central - Activities other than general administration that support each of the other instructional and supporting service programs. (Human Resources/ Planning Research and Development/Communications/IT/Pupil Accounting).

29X Support Service-Other - Activities of any supporting service or classification of services, general in nature, which cannot be classified in the preceding service areas.

3XX Community Services - Community Services consist of those activities that are not directly related to providing education for pupils in a school system. These include services provided by the school system for the community as a whole or some segment of the community, such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities.

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45X Facilities Acquisition - Site Acquisition Services - Activities concerned with initially acquiring and improving sites.

5XX-6XX Other Financing Uses - A number of outlays of government funds are not properly classified as expenditures, but still require budgetary or accounting control. These include debt service payments and fund modifications.

NOTE: Information listed above was taken from the State of Michigan Financial Information Data (FID) Manual. Additional information on this topic can be found at <http://www.michigan.gov/documents/appendix>

Fiscal Year

July 1 through June 30 constitutes the mandatory fiscal year for public school districts.

Fixed Assets

Land, buildings, machinery, furniture, and other equipment which the school district intends to hold or continue in an asset.

Food Service Fund

A type of enterprise fund used to record financial transactions related to food service operations.

Fringe Benefits

Funds appropriated and expended to pay the cost of providing employee health, life, dental, and vision coverage, FICA and Medicare, and the employer portion of the Michigan Public School Employee Retirement System. Commonly referred to as employer paid benefits or fringe benefits.

Note: Controlled and administered centrally - Schools or departments are not responsible for over-expenditures, nor are they allowed to utilize under expenditures in this category within the General Fund. Budgetary control is maintained by controlling the number of staffing units a school or department is authorized to have and then ensuring that they remain within authorization.

Function

The basic account identifier for expenditures. It describes the activity for which a service or material is acquired.

Fund

A fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific duties.

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups in order to report on its financial position and results of its operations.

Fund Balance

The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.

GASB

The Government Accounting Standards Board was established as an arm to the Financial Accounting Foundation in April 1984 to promulgate standards of financial accounting and reporting with respect to activities and transactions of state and local government entities. The GASB is the successor organization to the National Council on Governmental Accounting (NCGA).

General Fund

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The fund used to finance the ordinary operations of the local education agency. It is available for any legally authorized purpose and consists of all school money not specifically designated for some particular purpose.

Grants

Contributions or gifts of cash or other assets from another government to be used or expended for a special purpose, activity, or facility.

Non-Discretionary

Funds appropriated and expended to pay for utilities and/or utility type expenditures. Common descriptions associated with these types of expenditures are, heat, light, and electric. Other types of expenditures may be controlled at this level such as the fuel for the school buses.

Note: Controlled and administered centrally.* Schools or departments are not responsible for over expenditures, nor are they allowed to utilize under expenditures in this category within the General Fund. Budgetary control is maintained by controlling the budget assigned to these areas and then monitoring expenditures at the District level.

Object

As used in expenditure classification, this term applies to the article purchased or the service obtained.

Operating Budget

The authorized revenues and expenditures for on-going District services and is the primary means by which the District is controlled.

Pension System

A retirement plan whereby persons leaving service in the educational system because of age, disability, or length of service receive payments. Payments may be made either in a lump sum or in the form of an annuity.

Pupil Enrollment

For any budget year, the number of pupils enrolled.

Pupil Funding

For a district for any budget year, pupil funding is derived by multiplying the pupil enrollment of the district for said budget year by the sum of three pupil funding components for the district setting category.

Purchased Services

Amount paid for services rendered by persons, organizations or other agencies for a service or product required to obtain the desired results. Examples are travel allowance, heating, lawn equipment repair, printing, equipment rental, etc.

Reserve

An account which records a portion of the fund balance which is designated for some future use and which is, therefore, not available for further appropriation or expenditure. A Reserve for Inventories equal in amount to the Inventory of Supplies on the balance sheet of a General Fund is an example of such a reserve.

Restricted

Funds appropriated to ensure strict compliance with governmental accounting requirements. Examples of such funds are inter-fund transfer budgets and fund balance budgets.

Note: Controlled and administered centrally. *Only the accounting department is allowed to conduct business against these accounts and funds. Charges against these funds are made in strict compliance with governmental accounting requirements.

Retirement Fund System

A plan whereby a fund of money, built up through contributions from participations and other sources, is used to make regular payments to those who retire from service in the educational system by reason of age, disability, or length of service.

Revenue

Increase in governmental fund type net current assets from other than expenditure refunds and fund balance transfers.

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Salaries

Funds appropriated and expended to pay the actual salaries of employees charged to a specific school or department.

Note: Controlled and administered centrally. *Schools or departments are not responsible for over expenditures, nor are they allowed to utilize under expenditures in this category within the General Fund. Budgetary control is maintained by controlling the number of staffing units a school or department is authorized to have and then ensuring that they remain within authorization.

Special Revenue Funds

All transactions for those specific revenue sources requiring separate accounting due to legal and regulatory restrictions as administrative action. Included are programs for early childhood development, job training, gifted and talented children, free lunch and other programs.

State Board

State board means the State Board of Education.

Supplies

An expenditure object within an activity, which includes all supplies that have useful life of less than one year. Amounts paid for material items that are consumed for the operation of the District. Examples are general instruction, music, language development, textbooks, dictionaries, audiovisual, tools, etc.

Taxes

Compulsory charges levied by a government for financing services performed for the common benefit.

Transfer In-Out

A legally authorized funding transfer between funds in which one fund is responsible for the actual disbursement.

**Account categories identified as "Controlled and administered centrally" are not to be used as an expense account for day to day school activities.*