

**Detroit Public Schools  
Detroit, Michigan**

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**Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
June 30, 2002**

**Prepared by:**

**Detroit Public Schools**

**Division of Financial Services**

**Published November 15, 2002**

# Detroit Public Schools

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Issued Under  
Separate Cover



# DETROIT PUBLIC SCHOOLS

5057 WOODWARD AVENUE

DETROIT, MICHIGAN 48202

November 15, 2002

Citizens and Board of Education  
Detroit Public Schools  
Detroit, Michigan

We are hereby submitting the Comprehensive Annual Financial Report (CAFR) of the Detroit Public Schools (the "District") for the fiscal year ended June 30, 2002. State and federal statutes require that the District issue annual financial reports and that such reports be audited by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Detroit Public Schools for the fiscal year ended June 30, 2002.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Financial Services Division of the Detroit Public Schools. To provide a reasonable basis for making these representations, management of the Detroit Public Schools has established a comprehensive internal control framework that is designed both to protect the Detroit Public Schools' assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the Detroit Public Schools' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of all operations of the various district-wide and governmental funds of the District. All disclosures necessary to enable the reader to gain an understanding of the Detroit Public Schools' financial activities have been included.

The District's financial statements have been audited by Plante & Moran, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2002 are free of material misstatement. The independent audit consisted of reviewing, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion, indicating that the District's financial statements for the fiscal year ended June 30, 2002 are fairly presented in conformity with GAAP.

In addition, in accordance with *Government Auditing Standards*, the District issued the federally mandated Single Audit, designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report on both the fair presentation of the financial statements and on the audited school district's internal controls and compliance with legal requirements, especially concerning the administration of federal awards. This report is available separately in the District-issued Single Audit Report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

## **Reporting Entity and Organization**

Detroit Public Schools is an independent reporting entity that follows the criteria established by the Governmental Accounting Standards Board. All funds of the District are included in this report.

## **Report Format**

The Comprehensive Annual Financial Report is designed to meet the needs of a vast spectrum of readers and is segregated into the following major components:

- **Introductory Section**

This section provides an introduction to the District and to the nature of this report. Included within this section are the letter of transmittal and an organizational chart for the District.

- **Financial Section**

The MD&A, independent auditor's report, district-wide financial statements, fund financial statements, notes to the financial statements, and required and other supplemental information are included in this section.

The management of the District is responsible for the financial information presented in the financial statements and in other sections within the Comprehensive Annual Financial Report. In the preparation of these statements, management had to make informed estimates and judgments based on the most current information available in regard to the effects of certain events and transactions.

This is the first year of full implementation of the GASB No. 34 financial statement reporting format. The major changes to the District's Comprehensive Annual Financial Report include a full-accrual basis, government-wide statement of net assets and statement of activities, as well as management's discussion and analysis of operations.

- **Statistical Section**

Although this section contains financial information, these tables and exhibits differ from the financial statements in that they present some non-accounting data. Major portions of this information compare up to 10 years of data and are intended to reflect economic data, financial trends, and the fiscal status of the District.

### **Profile of Detroit Public Schools**

Detroit Public Schools, incorporated in 1842, is a statutory public body created by the State of Michigan and functions under the provisions of Act 451. The District encompasses an area of approximately 140 square miles and is located within the City of Detroit, Wayne County, Michigan. Although the corporate boundaries of the District are coterminous with the corporate boundaries of the City of Detroit, the District is a totally separate governmental unit.

Pursuant to amendments to Act 451, effective March 26, 1999 (the "Reform Legislation"), the mayor of the City of Detroit, Michigan appoints six members of the school Reform Board for the District. The Reform Board consists of the six members appointed by the mayor and, for a period of five years after the effective date of the Reform Legislation, the Superintendent of the Public Instruction of the State (or the Superintendent's designee). Currently, one vacancy exists on the Reform Board. After such five-year period, the mayor shall appoint the seventh member of the Reform Board to replace the Superintendent of Public Instruction of the State. The Reform Board replaced the District's 11-member elected Board of Education

In July 2000, pursuant to the Reform Legislation, the Reform Board appointed Kenneth Stephen Burley, Ph.D. as Chief Executive Officer of the District, succeeding an interim Chief Executive Officer. The Chief Executive Officer may exercise all the powers and actions otherwise vested in law in the elected Board of Education of the District and its secretary and treasurer, and all additional powers and duties provided under the Reform Legislation. Those powers and duties include authority over the expenditures of all District funds, including proceeds from bonded indebtedness; rights and obligations under collective bargaining agreements and employment contracts entered into by the elected Board of Education, except for any employee whose position is not covered by a collective bargaining agreement or who is employed at the will of the Chief Executive Officer; and prosecuting and defending litigation, obligations under any judgment entered against the elected Board of Education, and rights and obligations under statute, rule, and common law.

Pursuant to the Reform Legislation, the question of whether to retain the Reform Board and the Chief Executive Officer will be presented to the electors of the District in November 2004. If a majority of the electors in the District vote to keep the Reform Board and the Chief Executive Officer, the Reform Board and the Chief Executive Officer will continue and the mayor's authority to appoint and remove members of the Reform Board will continue, subject only to the question being placed on future ballots, no more than once every five years, upon the filing of petitions signed by the requisite percentage of electors. If a majority of the electors in the District vote not to keep the Reform Board and the Chief Executive Officer, the Reform Board shall arrange for the election of a new Board of Education. Effective on the next July 1 following such an election, the newly elected Board of Education shall serve as the governing body of the District and the powers of the Reform Board and the Chief Executive Officer shall cease, and the provisions of the Reform Legislation shall no longer apply to the District.

The City of Detroit is known as the "Automotive Capital of the World." Three of the largest international automotive manufacturers have headquarters located in the metropolitan area; specifically, the world headquarters of General Motors and Ford Motor Company, and the American headquarters of DaimlerChrysler. Students and residents take advantage of the many recreational and cultural opportunities located within the city limits of Detroit. Detroit is home to one of the nation's premier athletic centers, consisting of the newly constructed Ford Field and the Comerica Park baseball stadium, both providing state-of-the-art sports facilities. In the theatre district, there is the Gem Theatre, the Music Hall, the Detroit Opera House, and the historic Fox Theater, home to the legendary *Motown Revue*.

Within a three-block radius of the District's main office, located in the heart of the cultural district, one can visit the Detroit Institute of Arts, the Detroit Science Center, the Museum of African-American History, the Historical Museum, the main Public Library, and the Wayne State University campus.

One of the nation's most beautiful city-owned recreational facilities is Detroit's Belle Isle Park, surrounded by the Detroit River. The Detroit River also serves as the international border separating the City of Detroit from its neighbor, Canada, making Detroit the busiest port of entry to Canada.

### **Budgetary Controls**

The annual budget serves as the foundation for the District's financial planning and control. Enrollment forecasts are prepared and staffing and expenditure allocations are developed in January for local schools. Also in January, central support staff members are given a preliminary budget based on current activities. Both the allocations and preliminary budgets are used as the starting point for budget development. The proposed budget is then presented to the Chief Executive Officer and his cabinet for review. After the review is completed, the proposed budget is displayed for the public for three days in June. A public hearing is held in late June. The budget is then adopted on or before July 1 of each year.

Management is responsible for maintaining budgetary controls to ensure that budgets are in compliance with the legal provisions of the State of Michigan Uniform Budgeting and Accounting Act, and within the annual appropriations adopted by the Chief Executive Officer. Detailed line item budgetary reports are provided to the appropriate managers, who have been delegated the responsibility for monitoring and controlling their respective budget allocations. An encumbrance system is utilized to measure the uncommitted funds available. Budgets are revised throughout the year to appropriately address variances that occur in enrollment, revenue, expenditures, and unforeseen events.

### **About Detroit Public Schools**

#### **Economic and Geographic Makeup**

The District is located in the major urban City of Detroit, which has approximately 951,270 residents. It is estimated that 81 percent of the population is of African-American descent, and 26.1 percent of the population is at poverty level. The national economic factors have a direct impact on the employment rate within the city limits. The economy of the City of Detroit is dependent upon automobile manufacturing. During recessionary periods, the City of Detroit may experience an unemployment rate higher than the state average.

The District is divided into geographically defined constellations. Each constellation has administrative responsibility for the elementary, middle, and high schools located within its boundaries, which include regular, special education, vocational/technical, and alternative programs.

### **Educational Programs**

The District has 275 schools, consisting of 166 elementary schools, 40 middle schools, 28 high schools, 10 early childhood centers, 11 alternative schools, 10 special education schools, 7 vocational and career technical centers, and 3 adult education schools.

The District's comprehensive educational programs are designed to meet the needs of every student. This includes, but is not limited to, male and female, disadvantaged and non-disadvantaged, students of diverse race and ethnicity, students with disabilities, and students with limited English proficiency.

The **Vision** of Detroit Public Schools is to become a competitive leader in academic achievement through the use of continuous improvement strategies so that the District is the first choice for residents and eligible non-residents.

Our **Mission** is to develop a customer and data-driven, student-centered learning environment in which students are motivated to become productive citizens and lifelong learners, equipped with skills to meet the needs of their next customer, pursue higher education, or be successful in the work world.

Our **Goals** are:

- To **Improve** student achievement
- To **Create** safe and clean school environments
- To **Enhance** parental and community involvement
- To **Transform** the District into an efficient and effective organization

In order for its students to achieve, the District has instituted a support system that focuses on the elimination of any barriers to learning. This system includes social workers, psychologists, occupational therapists, teacher consultants, nurses, etc. Programs have been designed to increase parental involvement and awareness, such as the *Launched Gear Up Detroit* program, which encourages sixth graders and their parents to recognize the importance of higher education.

The implementation of the Baldrige Education Criteria for Performance Excellence is one effort to develop and implement a comprehensive curriculum throughout the District, and to strengthen the curricula related to the teaching of basic subjects, such as reading, science, mathematics, and writing. Standardization of a base core curriculum framework is being developed to improve the way students learn and teachers teach. Curriculum design and alignment activities have created a seamless approach to instruction, connecting the State standards and benchmarks to the District standards at all levels. The core curriculum is being implemented in accordance with Public Act 25, mandating design and implementation of core curriculum, as well as school improvement planning. The curriculum is designed to be anchored in the lives of the students through contextualizing experiences. The instructional programs now contain a full range of outcomes, performance indicators, curriculum guides, and pacing charts. To be able to establish measurement factors for performance, the District began the practice of criterion-referenced testing, administering the standardized Essential Skills Attainment Test (ESAT) at each grade level. This diagnostic test determines whether a student meets the academic standards of the District and the State. The ESAT breaks down individual student, class, school, and District results, as well as class summary information and item analysis. The Summer Learning Academy is a comprehensive summer school program designed to assist students in improving the skills that were not mastered during the regular school year. Course requirements are based on student ESAT scores and teacher feedback. Participation in the Summer Learning Academy is mandatory for students with below-average performance in core subjects.

Realizing the future will demand more specialization, the District offers 58 career/technical education programs, which are offered primarily at five of its career and technical centers. Hospitality and Food Services programs are currently offered at Breithaupt and Golightly Career and Technical Centers. In partnership with Wayne County Community College, advanced nursing programs are offered at the Crockett Career and Technical Centers. Davis Aerospace Career and Technical Center is one of the few facilities in the nation that offers pilot training to high school students.

The success of the District is defined by the achievements of its students. By setting higher standards for students, teachers, and administrators, and by improving the curricular and physical quality of our classrooms, we have made strides to this success.

## **Initiatives**

The Adult Education program is offered at 21 community sites and two schools. During 2001-2002, World War II veterans were honored and received high school diplomas at the Annual City-Wide Adult Education graduation.

With the implementation of an innovative enrollment campaign, the District has begun the process of reversing a five-year decline in enrollment. For the past decade, declining enrollment has cost the District hundreds of millions of dollars in State revenue. Mapping the trend, the District was expected to lose nearly \$40 million in State revenue as a result of the loss of approximately 4,000 students. However, this was averted due to the enrollment campaign, and the District was able to successfully save these dollars with a modest increase in revenue due to the additional students.

Early student learning will result in future success. As a result of the ambitious enrollment campaign, the number of preschool and kindergarten children increased. The District made great strides to enhance its early learning programs by recognizing the need to accommodate working parents. During the 2001-2002 school year, 65 early learning centers were established, serving approximately 7,000 preschool children. These centers provided flexible hours from 7:00 a.m. until 7:00 p.m., thus allowing for all-day kindergarten and preschool.

The School Improvement Plan was developed to set higher standards for learning, with improving student achievement as the number one goal. Some highlights of the strategy include:

- Holding students to state and national standards
- Standardizing the curriculum for every grade district-wide
- Creating individualized school improvement plans for every school
- Empowering principals, teachers, and administrators with increased opportunities for professional development
- Reducing class size
- Enforcing a zero-tolerance policy for subversive behavior
- Enhancing safety and security measures
- Maintaining that *Every Child Will Learn*

The District knows that children need to feel safe and secure in a positive environment that is conducive to learning. The Student Code of Conduct was revised to be in alignment with the State of Michigan's Revised School Code as it pertains to disruptive and reportable offenses. Closed-circuit televisions were installed in every high school and will be installed in every middle school. The District expanded the public safety force to adequately staff all high schools and middle schools, and purchased 12 new police cars.

Daily on-site health care services and on-site clinics were implemented in 49 schools. The mobile and on-site clinics are equipped to manage acute illnesses, administer daily medications, provide immunizations, and perform other medical duties. The Pediatric Mobile Team, sponsored by the Detroit Medical Center, provides health care to an additional 39 schools.

The District was able to reduce transportation costs by \$5 million annually through the addition of new school buses, reduced fuel and maintenance costs, and increased route efficiency. In addition, the District partnered with the City of Detroit Transportation Department to provide discounted bus passes to 20,000 students.

The District has developed a comprehensive technology plan. The scope of this plan includes delivering technology to students, instructors, administrators, support personnel, and all those who interface with the District. Desktop and laptop computers will be made available and networked both locally and district-wide to provide a more enriched classroom experience. The plan takes advantage of grants and other funding sources to build upon the program core. The most widely known available program is the *E-Rate*. With these funds, the District plans to install wireless technology. Since many of our school facilities are more than 60 years old, this type of technology will allow for quick and more efficient computer networking.

The implementation of PeopleSoft, an enterprise-wide business management solution, will integrate all current information systems into one seamless information management solution. This system will enhance the ability to automate processes and procedures, provide accountability, and be less paper intensive.

Payroll administration established a Payroll Service Center to service District employees. To better serve its employees, a direct deposit plan was initiated. Over 50 percent of the employees already participate. In addition, sealed payroll checks and advices for all District employees were implemented.

A revised chart of accounts was developed to be in compliance with the State of Michigan's reporting structure. These revisions will be instituted in the new PeopleSoft financial system during fiscal year 2002-2003.

Monthly automated financial reports were distributed to help managers to be more financially astute and accountable for budgetary monitoring and expenditure control.

### **Professional Development**

In partnership with the Michigan Department of Education and Wayne State University, the Limited License to Instruct (LLI) was developed in order to provide an alternative teaching certificate for high-shortage class subjects.

The District launched the Leadership Academy, which addresses the professional development needs of District school administration leaders, as well as other District administrators. It was designed to provide principals and administrators with the required knowledge, skills, and understanding to lead the District's schools to excellence. The ASPIRES program is a component of the Leadership Academy, designed especially for assistant and aspiring principals.

A Financial Training and Technical Support Unit was established under the Financial Services Division to provide training and support primarily to school-based personnel. As of the date of this publication, this unit has provided training to 1,276 individuals encompassing 3,880 hours. Some of the classes presented were: Computer Basics I & II; Payroll Roster Training; PeopleSoft HR Placement A & B; SubFinder Employee/End User Training; and Financial Management for School Principals.

With the enactment of *No Child Left Behind* legislation, school staffing - especially teachers - will be required to have additional tools and resources. The District is planning to expand its Leadership Academy to include more extensive training on State standards, district goals, the new reading and math curriculum, test score usage, intervention strategies, and new responsibilities for monitoring school improvement planning and program implementation. Most math teachers received developmental tools, including curriculum guides and professional development courses, in subjects such as *Teaching with Technology* and *MEAP Mathematics*.

### **Capital Improvement Plan**

The Capital Improvement Plan was developed to achieve the most value for the dollar. The original authority for \$1.5 billion in bonds was approved by the citizens of the City of Detroit in 1994 to repair and construct school facilities throughout the District. At the time of the approval, it was estimated that \$3.9 billion was needed for necessary improvements to revamp the school system. However, these costs have risen to at least \$5 billion due to inflation in construction and material costs, as well as further deterioration.

The plan is divided into eight major components:

- New construction
- Remodeling
- Special education
- Technology initiatives
- Improvements to existing schools
- Athletic field improvements
- Health initiatives
- Support services

At the beginning of the 2001-2002 school year, the District opened four new schools. These are the first newly built schools in the District in over 20 years. Each of these schools - Frank Beard Elementary, William J. Beckham Academy, Ronald H. Brown Academy, and Marion Law Academy - has over 85,000 square feet of space, with a student capacity of 750 to 850. The amenities in the schools include: an early learning center; a media center/reading room; a gymnasium/cafeteria with stage; a health clinic; and security cameras.

During the 2002-2003 school year, four new schools and six new early learning centers opened. The new schools are Charles H. Wright Academy, Schultze Elementary, Heilmann Park Elementary, and Howe Elementary.

In the fall of 2004, Cass Technical High School will open. This will be the new replacement for the nearly century-old present facility. The school will have a six-story tower and will serve 2,200 students. The new facility is scheduled to have state-of-the-art science and engineering labs; a dance studio; an auditorium with seating for 1,100; a gymnasium with a running track; a swimming pool with bleacher seating; atrium space for a cafeteria and common area; a football field with a track; and a softball diamond.

The Sinai Comprehensive Educational Campus was purchased during the 2001-2002 school year and is a unique educational campus located in northwest Detroit. Scheduled to open in the fall of 2005, this site will house the Foreign Language Immersion and Cultural Studies School (FLICS); a Special Education Facility; a remodeled Renaissance High School with a new addition; Randolph Vocational Technical Center; Outdoor Sports Center including football, track, practice field, softball diamond, and new play equipment; and a proposed commons area that will house a media center, auditorium, and gymnasium.

Also scheduled to open in the fall of 2005 is the combination facility of the current Detroit High School of the Performing Arts and the Communication and Media Arts High School. This six-story facility will house 1,200 students. This facility is being built adjacent to the new Detroit Symphony Orchestra complex, and will offer an exceptional educational and professional environment.

## **Cash Management**

The District has a cash management program designed to invest cash prudently in obligations partially insured by the Federal Deposit Insurance Corporation and investment vehicles authorized by the State of Michigan. Interest revenue totaled \$4.3 million in the General Fund, \$7.8 million in the Capital Projects Funds, and \$2.2 million in the Debt Service Funds.

## **Risk Management**

The District is self-insured for workers' compensation and medical benefits. During the year ended June 30, 2002, actual claim payments totaled \$101,733,833, an increase of \$2,688,695 from the prior year.

## **Accomplishments and Acknowledgments**

### **Accomplishments**

In 2002, the U.S. Department of Education honored Davison and Gompers Elementary Schools and Renaissance High School with the National Blue Ribbon Award. These schools were among 264 schools from across the nation to receive this prestigious award. This award spotlights some of the nation's most successful schools by honoring excellence in leadership, teaching, curriculum, student achievement, and parental involvement.

The State of Michigan honored 12 elementary schools with the Golden Apple Award, which is a cash award given to Michigan's hard-working teachers and principals for high achievement. One school, the Dow Elementary School, received the Distinguished School Award.

In January 2002, the Detroit Public Schools All City High School Marching Band performed in the Tournament of Roses Parade in Pasadena, California. This was a tremendous honor for our District and an exceptional experience for these talented students.

In March 2002, the Cass Technical High School Choir sang at Carnegie Hall. There is an abundance of talent within the student body of the District.

## Acknowledgments

The preparation of this report was accomplished through the commitment, dedication, and tireless effort of the entire Financial Services Division. We would also like to extend our thanks to other District and non-District personnel who assisted in the preparation of this report.

Sincerely,

A handwritten signature in black ink that reads "Michael Bridges". The signature is written in a cursive style with a large, sweeping initial "M".

Michael Bridges  
Director of Accounting

A handwritten signature in black ink that reads "Pamela Anstey". The signature is written in a cursive style with a large, sweeping initial "P".

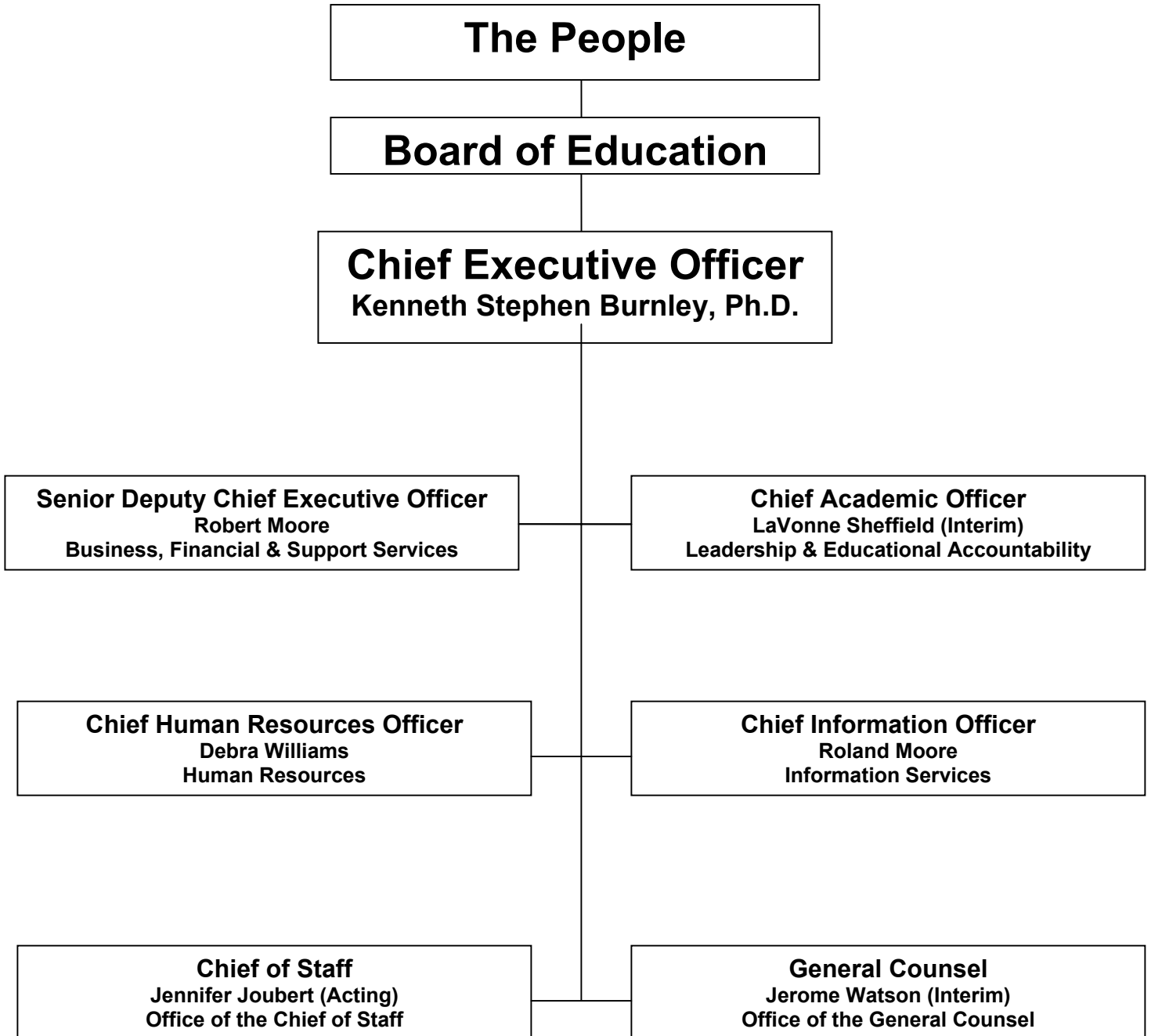
Pamela Anstey  
Deputy Chief Financial Officer

A handwritten signature in black ink that reads "Ken A. Forrest". The signature is written in a cursive style with a large, sweeping initial "K".

Ken A. Forrest  
Chief Financial Officer

# Organizational Chart

June 30, 2002



**List of Appointed Officials  
June 30, 2002**

**Board of Education**

**Chairman  
Secretary  
Member  
Member  
Member  
Member  
Member**

**W. Frank Fountain  
Gerald K. Smith, Ed.D.  
Nelida Bravo  
Marvis Cofield  
Reginald Turner  
Tom Watkins  
Vacant**

**Cabinet**

**Chief Executive Officer  
Senior Deputy Chief Executive Officer  
Chief Academic Officer (Interim)  
Chief Human Resources Officer  
Chief Information Officer  
Chief of Staff (Acting)  
General Counsel (Interim)**

**Kenneth Stephen Burnley, Ph.D.  
Robert Moore  
LaVonne Sheffield  
Debra Williams  
Roland Moore  
Jennifer Joubert  
Jerome Watson**

## **Financial Section**

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## Independent Auditor's Report

To the Board of Education  
Detroit Public Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Detroit Public Schools as of and for the year ended June 30, 2002, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Detroit Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Detroit Public Schools as of June 30, 2002 and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, the School District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of July 1, 2001, along with all related statements and interpretations. In adopting this statement, the financial statements now include a Management's Discussion and Analysis, district-wide full accrual financial statements, and reorganized fund-based statements. In addition, the governmental funds now accrue a liability for compensated absences only to the extent that they come due for payment prior to year end.

To the Board of Education  
Detroit Public Schools

The management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 43 through 47 are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Detroit Public Schools' basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated November 8, 2002 on our consideration of the School District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Plante & Moran, PLLC*

November 8, 2002

# Detroit Public Schools

## Management's Discussion and Analysis

This section of the Detroit Public Schools' annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2002. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

### Financial Highlights

- The School District's financial position improved in fiscal year 2002. Total net assets increased 57.9 percent over the course of the year.
- Overall revenues were \$1.7 billion, \$58.3 million more than expenses.
- Outlays for capital assets totaled \$339.6 million. This included four new elementary schools that opened in fall 2001, updating of kitchen facilities, and extensive remodeling projects throughout School District facilities.
- Issued \$438 million in bonds out of the School District's \$1.5 billion bond authorization.
- The School District revised its financial reporting this year to comply with GASB No. 34. This is a significant change in the methodology for reporting its financial position and activities.
- The School District increased direct instructional expenditures, while maintaining support services expenditures at a level comparable to the prior year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Detroit Public Schools' basic financial statements. The Detroit Public Schools' basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the School District acts solely as *trustee* or *agent* for the benefit of others.

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

The financial statement notes also explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the School District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another:

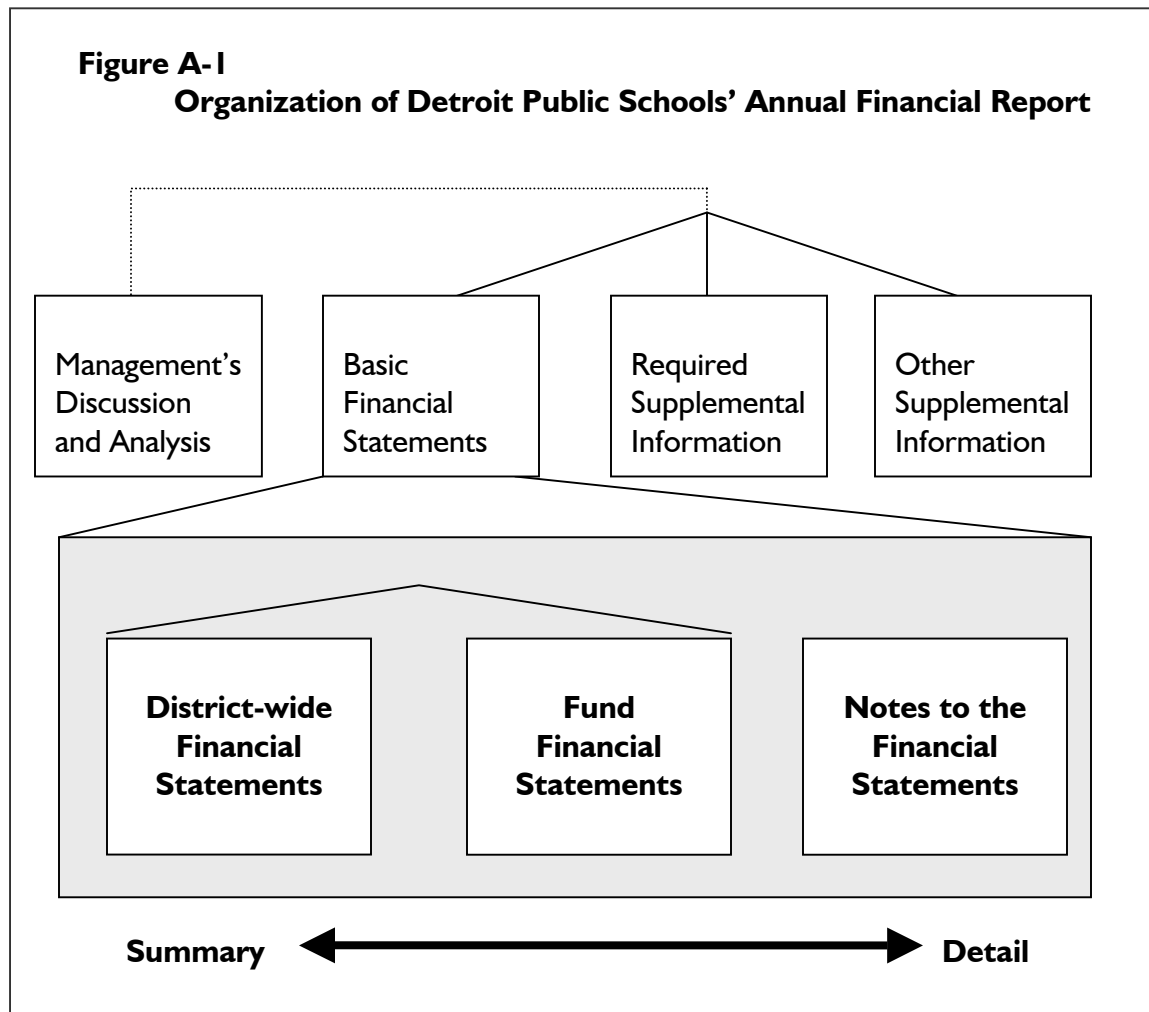


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

<b>Figure A-2 Major Features of the District-wide and Fund Financial Statements</b>			
	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as regular instructional activities, special education, and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term, and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities that are due and payable	All additions and deductions during the fiscal year, regardless of when cash is received or paid

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

### District-wide Statements

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's *net assets* and how they have changed. Net assets - the difference between the School District's assets and liabilities - is one way to measure the School District's financial health or position.

- Over time, increases or decreases in the School District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the School District's overall health, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the School District's activities are classified as *governmental activities*. All of the School District's basic services are included, such as regular and special education, transportation, and administration. Property taxes and State Aid finance most of these activities.

### Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as capital projects).

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

The School District has two kinds of funds:

- *Governmental Fund* - All of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets (which can readily be converted to cash) flow in and out and (2) what year-end balances are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Fiduciary Funds* - The School District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship funds and the student activity funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

### Financial Analysis of the District as a Whole

**Net Assets** - The School District's *combined* net assets increased \$58.3 million to \$159.0 million. Figure A-3 provides a summary of the School District's net assets as of June 30, 2002:

Figure A-3

#### Condensed Statement of Net Assets

	Governmental Activities
	(in millions)
<b>Assets</b>	
Current and other assets	\$ 797.5
Capital assets	782.8
Total assets	<u>1,580.3</u>
<b>Liabilities</b>	
Current liabilities	356.7
Long-term liabilities	<u>1,064.6</u>
Total liabilities	<u>1,421.3</u>
<b>Net Assets</b>	
Invested in capital assets - Net of related debt	152.1
Restricted net assets	32.0
Unrestricted net deficit	<u>(25.1)</u>
Total net assets	<u>\$ 159.0</u>

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

The above analysis focuses on the net assets. The change in net assets of the School District's governmental activities is discussed below. The School District's net assets were \$159.0 million on June 30, 2002. Capital assets, net of related debt totaling \$152.1 million, compares the original cost, less depreciation of the School District's capital assets to the long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets totaling \$32.0 million are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The remaining amount of net deficit (\$25.1 million) was unrestricted. The unrestricted net deficit of governmental activities represents the *accumulated* results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net deficit from year to year.

The results of this year's operations for the School District as a whole are reported in the statement of activities (see A-4), which shows the changes in net assets for fiscal year 2002. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparison to fiscal year 2001 is not available.

**Figure A-4**

### Changes in Net Assets from Operating Results

	Governmental Activities <u>(in millions)</u>
<b>Revenues</b>	
Program revenue:	
Charges for services	\$ 6.2
Operating grants and contributions	537.7
General revenue:	
Property taxes	141.3
Unrestricted federal and State aid	961.3
Interest and investment earnings	14.2
Other	<u>4.0</u>
Total revenues	<u>1,664.7</u>
<b>Expenses</b>	
Instruction	873.0
Support services	635.8
Community services	5.2
Food services	44.4
Athletics	2.2
Interest on long-term debt	37.1
Unallocated depreciation	<u>8.7</u>
Total expenses	<u>1,606.4</u>
<b>Increase in Net Assets</b>	58.3
<b>Net Assets - July 1, 2001</b>	<u>100.7</u>
<b>Net Assets - June 30, 2002</b>	<u><b>\$ 159.0</b></u>

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

### Increase in Net Assets

As reported in the statement of activities, the cost of all of our *governmental* activities this year was \$1.606 billion. Certain activities were partially funded from those who benefited from the programs (\$6.2 million) or by the other governments and organizations that subsidized certain programs with grants and contributions (\$537.7 million). We paid for the remaining "public benefit" portion of our governmental activities with \$141.3 million in taxes, \$961.3 million in unrestricted federal and State aid, and \$18.2 million with other revenues, i.e., interest and general entitlements.

The School District experienced an increase in net assets of \$58.3 million. This is due to various initiatives resulting in increased revenues and/or decreased expenditures. Key decreases in expenditures include reductions in compensated absences, improved risk management initiatives, and decreases in legal expenditures. The City of Detroit implemented a property tax amnesty program during the year, which resulted in a one-time increase in delinquent property tax collections. Transportation costs decreased as new bus purchases allowed the School District to save money by reducing reliance on outside contractors. In addition, the School District changed school boundaries, which allowed more students to walk, consolidated routes, which reduced the number of drivers and routes required, significantly reduced the number of private cabs that were used, and partnered with the City of Detroit Transportation Department to provide discounted bus passes to students, allowing for a reduction in bus routes.

Figure A-7 presents the cost of four major district activities - instruction, support services, community services, and food services - in addition to the cost of other activities for the fiscal year ended June 30, 2002. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State aid constitute the vast majority of School District operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

**Figure A-7**

### Net Cost of Governmental Activities (in millions of dollars)

	Total Cost of Services	Net Cost of Services
<b>Expenses</b>		
Instruction	\$ 873.0	\$ (528.8)
Support services	635.8	(492.8)
Community services	5.2	(0.3)
Food services	44.4	0.0
Total expenses	<u>\$ 1,558.4</u>	<u>\$ (1,021.9)</u>

# **Detroit Public Schools**

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## **Management's Discussion and Analysis (Continued)**

- The cost of all governmental activities this year was \$1.606 billion.
- Some of the cost was financed by users of the School District's programs (\$6.2 million).
- The federal and State governments subsidized certain programs with grants and contributions (\$537.7 million).
- Most of the School District's costs (\$1.062 billion), however, were financed by district and state taxpayers.
- This portion of governmental activities was financed by property taxes, unrestricted federal and State aid, and investment earnings.

### **Financial Analysis of the School District's Funds**

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it, and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$421.3 million, which is an increase of \$177.2 million from last year. The primary reasons for the increase are as follows:

#### **General Fund**

In the General Fund, our principal operating fund, the fund balance experienced an increase of \$22.8 million to \$103.6 million. The School District experienced decreases in expenditures primarily as a result of the initiatives outlined in the section entitled "increase in net assets."

The General Fund fund balance has been reserved to fund known commitments of the School District that have not been expended as of June 30, 2002. As of June 30, 2002, the School District's General Fund fund balance was reserved as follows:

- Inventories - \$4.9 million
- Encumbrances - \$6.3 million

In addition, the General Fund fund balance has been designated \$30.0 million for workers' compensation claims to be paid in subsequent periods.

#### **Special Revenue Funds**

The School District maintains two Special Revenue Funds - Athletics and Food Services. At this time, no fund balances are maintained in these funds.

# **Detroit Public Schools**

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## **Management's Discussion and Analysis (Continued)**

The Food Services Fund required General Fund support of \$567,000 and the Athletics Fund required General Fund support of \$2.2 million in the fiscal year ended June 30, 2002.

### **Debt Service Funds**

The combined Debt Service Funds showed a fund balance increase of \$8.3 million. Millage rates were increased from 7.0 mills to 8.37 mills in order to meet current obligations. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt Service Funds fund balances can only be used to pay debt service obligations.

### **Capital Projects Funds**

The combined Capital Projects Funds fund balance increased significantly as a result of the School District receiving \$474 million in bond proceeds. The School District spent \$334 million in capital outlay expenditures from the Capital Projects Funds in 2002. Construction projects are in progress throughout the School District.

### **General Fund Budgetary Highlights**

Over the course of the year, the School District revises its budget as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

As of June 30, 2002, the School District had \$782.8 million invested in a broad range of capital assets, including land, buildings, equipment, vehicles, and construction in progress. This amount represents a net increase (including additions, deductions, and depreciation) of approximately \$324.8 million, or 70.9 percent, from last year.

The major changes in net assets are a result of the construction projects funded by the \$1.5 billion bond authorization. This year's additions to buildings included four new elementary schools.

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

**Figure A-8**

**Capital Assets** (net of depreciation, in millions of dollars)

	2002	2001	Percent Increase
Land	\$ 14.1	\$ 14.1	-
Land improvements	10.3	9.3	10.75
Buildings	579.4	503.7	15.03
Machinery and equipment	38.4	35.3	8.78
Licensed vehicles	44.3	32.1	38.01
Construction in progress	<u>466.2</u>	<u>226.8</u>	105.56
Total capital assets	1,152.7	821.3	40.35
Less accumulated depreciation	<u>369.9</u>	<u>363.3</u>	1.82
Net capital assets	<u><b>\$ 782.8</b></u>	<u><b>\$ 458.0</b></u>	<u><b>70.92</b></u>

The substantial completion of the 1996A, 1998A, 1998B, and 1998C Bond projects are planned for the 2002-2003 fiscal year. The School District anticipates very substantial capital additions in the 2002-2003 fiscal year.

### Debt

At the end of this year, the School District had \$874.2 million in bonds outstanding, plus \$32.6 million in unamortized bond premium, for a total of \$906.8 million. This amount represents an increase of 97 percent over the previous year and is due primarily to the Series 2001A bond offering.

**Figure A-9**

**Outstanding Debt** (in millions of dollars)

	2002	2001	Percent Change
General obligation bonds	\$ 862.6	\$ 444.6	94.02
Unamortized bond premium	32.6	-	-
Other bonds	<u>11.6</u>	<u>14.8</u>	<u>(0.22)</u>
Total long-term debt	<u><b>\$ 906.8</b></u>	<u><b>\$ 459.4</b></u>	<u><b>97.39</b></u>

# **Detroit Public Schools**

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## **Management's Discussion and Analysis (Continued)**

The School District's general obligation bond rating continues to be equivalent to the State's credit rating. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues qualified debt, that is debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's only bonded indebtedness subject to the Bonded Debt Limit is its Energy Conservation Bonds, Series 1999, in the outstanding principal amount of \$11.6 million, which is significantly below the statutorily imposed limit.

Other obligations include early retirement incentives, retirement benefits, legal obligations, and workers' compensation. We present more detailed information about our long-term liabilities in the notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

Our elected officials and administration consider many factors when setting the School District's 2003 fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2003 fiscal year is 20 percent and 80 percent of the February 2002 and September 2002 student counts, respectively. The 2003 fiscal year budget was adopted July 1, 2003, based on an estimate of students that will be enrolled in September 2002. Approximately 69 percent of total General Fund revenue is from the State portion of the foundation allowance and 5 percent is from property taxes, with the bulk of the balance coming from grants from state, federal and private sources. Under State law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations.

The School District implemented an aggressive marketing campaign to attract elementary and pre-kindergarten students for the 2001-2002 school year. The marketing campaign was successful and resulted in an increase in pre-kindergarten enrollment from approximately 4,500 in the 2000-2001 school year to approximately 7,000 in the 2001-2002 school year. Preliminary results of the student count for the 2002-2003 school year indicate that the School District has dramatically reduced the rate of decline in the student count. Based on this early enrollment data, we anticipate that the fall student count will be close to the estimates used in creating the 2003 fiscal year budget. Once the final student count and related per pupil funding is validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

# **Detroit Public Schools**

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## **Management's Discussion and Analysis (Continued)**

Since the School District's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to estimate revenues. Based on the results of the most recent conference, the State estimates funds are sufficient to fund the foundation approved for fiscal year 2002-2003 based on moving the Statewide Education Tax collection for three of the six mills from winter to summer for the 2003 collection, at which time the Statewide Education Tax collection will have a one-time reduction to five mills. This creates one-time additional revenue of approximately \$450 million in the State's fiscal year 2002-2003 to help fund the planned foundation allowance. In addition, the State imposed an additional cigarette tax, which will generate additional revenue for the State.

In July 2002, the School District settled its labor contract negotiations with the Detroit Federation of Teachers Union (DFT). The budget adopted for the 2002-2003 school year reflected the increased costs of this contract settlement.

The School District is continuing its extensive capital projects program in 2003. An additional \$734 million in bonds for this program (the remainder of the \$1.5 billion authorization) is slated for issuance in 2002-2003.

# Detroit Public Schools

## Statement of Net Assets June 30, 2002

	Governmental Activities
<b>Assets</b>	
Cash (Note 3)	\$ 2,848,867
Investments (Note 3)	75,381,486
Restricted assets (Note 8)	366,241,422
Receivables (Note 4):	
Taxes - Net of allowance of \$3,027,000	72,099,233
Due from other governmental units	262,592,234
Other	10,363,278
Due from student groups and other	2,097,883
Inventory	5,927,667
Capital assets (Note 5)	1,152,652,930
Less accumulated depreciation (Note 5)	<u>(369,869,719)</u>
Net capital assets	<u>782,783,211</u>
Total assets	<u>1,580,335,281</u>
<b>Liabilities</b>	
Accounts payable	107,842,517
Accrued salaries and wages	13,526,959
Compensated absences (Notes 7 and 9)	2,776,627
Workers' compensation and health insurance (Notes 7 and 9)	1,490,867
WRESA chargeback liability	3,590,220
Deferred revenue - Unexpended restricted funds (Note 4)	9,985,991
Due to student groups and other	20,583
Interest payable	8,508,762
Other	3,388,200
State Aid Anticipation and other notes payable (Note 11)	170,550,942
Current portion:	
Bonds payable (Note 7)	31,505,361
Unamortized bond premium	3,261,782
Capital leases (Note 7)	280,241
Long-term liabilities:	
Compensated absences (Note 7)	140,466,043
Workers' compensation and health insurance (Note 9)	33,607,836
Bonds payable (Note 7)	842,677,282
Unamortized bond premium	29,356,039
Capital leases (Note 7)	1,529,552
Legal reserve	<u>16,951,315</u>
Total liabilities	<u>1,421,317,119</u>
<b>Net Assets</b>	
Invested in capital assets - Net of related debt	152,075,316
Restricted net assets - Debt service	32,046,801
Unrestricted net deficit	<u>(25,103,954)</u>
Total net assets	<u><b>\$ 159,018,163</b></u>

# Detroit Public Schools

## Statement of Activities Year Ended June 30, 2002

	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
<b>Functions/Programs</b>				
Primary government - Governmental activities:				
Instruction	\$ 873,005,864	\$ 1,218,449	\$ 342,960,178	\$ (528,827,237)
Support services	635,819,619	374,227	142,629,745	(492,815,647)
Community services	5,231,880	592,194	4,385,874	(253,812)
Food services	44,332,443	4,009,284	40,309,610	(13,549)
Athletics	2,231,664	-	-	(2,231,664)
Interest on long-term debt	37,118,827	-	7,408,631	(29,710,196)
Depreciation (unallocated)	8,702,961	-	-	(8,702,961)
Total primary government - Governmental activities	<u>\$ 1,606,443,257</u>	<u>\$ 6,194,154</u>	<u>\$ 537,694,038</u>	(1,062,555,065)
General revenue:				
Taxes:				
Property taxes, levied for general purposes				70,361,823
Property taxes, levied for debt services				70,961,394
Federal and State aid not restricted to specific purposes				961,331,404
Interest and investment earnings				14,236,252
Other				3,951,144
Total general revenue				<u>1,120,842,017</u>
<b>Changes in Net Assets</b>				58,286,952
<b>Net Assets - Beginning of year</b>				<u>100,731,210</u>
<b>Net Assets - End of year</b>				<u>\$ 159,018,162</u>

# Detroit Public Schools

## Governmental Funds Balance Sheet June 30, 2002

	General Fund	1994 Building Site Improvement Bonds Series II Fund	1994 Building Site Improvement Bonds Series III Fund	Other Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash (Note 3)	\$ 2,848,867	\$ -	\$ -	\$ -	\$ 2,848,867
Investments (Note 3)	75,381,486	54,645,597	262,185,819	49,410,006	441,622,908
Receivables (Note 4):					
Property taxes:					
Current	7,877,181	-	-	6,703,360	14,580,541
Delinquent (Net of allowance for uncollectible taxes of \$3,027,000)	35,995,018	-	-	21,523,674	57,518,692
Due from other governmental units	255,651,860	-	-	6,940,374	262,592,234
Other	7,922,280	137,661	1,938,820	364,517	10,363,278
Due from student groups and other	2,097,883	-	-	-	2,097,883
Due from other funds (Note 6)	58,379,104	-	-	26,595,840	84,974,944
Inventory	4,873,616	-	-	1,054,051	5,927,667
<b>Total assets</b>	<b>\$ 451,027,295</b>	<b>\$ 54,783,258</b>	<b>\$ 264,124,639</b>	<b>\$ 112,591,822</b>	<b>\$ 882,527,014</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 41,615,971	\$ 2,579,291	\$ 59,906,066	\$ 3,741,189	\$ 107,842,517
Accrued salaries and wages	13,375,365	14,874	-	136,720	13,526,959
Compensated absences	2,776,627	-	-	-	2,776,627
Workers' compensation (Note 9)	1,490,867	-	-	-	1,490,867
WRESA chargeback liability	3,590,220	-	-	-	3,590,220
Deferred revenue:					
Unexpended restricted funds (Note 4)	13,731,483	-	-	1,054,055	14,785,538
Delinquent property taxes	35,995,018	-	-	21,523,673	57,518,691
Due to student groups and other	20,583	-	-	-	20,583
Due to other funds (Note 6)	60,146,212	980,344	509,155	23,339,233	84,974,944
Notes payable (Note 11)	170,550,942	-	-	-	170,550,942
Interest payable (Note 11)	742,806	-	-	-	742,806
Other	3,388,200	-	-	-	3,388,200
<b>Total liabilities</b>	<b>347,424,294</b>	<b>3,574,509</b>	<b>60,415,221</b>	<b>49,794,870</b>	<b>461,208,894</b>
<b>Fund Balances</b>					
Reserved for inventories	4,873,616	-	-	-	4,873,616
Reserved for encumbrances	6,332,407	51,208,749	203,709,418	30,750,151	292,000,725
Designated for debt service	-	-	-	32,046,801	32,046,801
Designated for workers' compensation	30,000,000	-	-	-	30,000,000
Undesignated	62,396,978	-	-	-	62,396,978
<b>Total fund balances</b>	<b>103,603,001</b>	<b>51,208,749</b>	<b>203,709,418</b>	<b>62,796,952</b>	<b>421,318,120</b>
<b>Total liabilities and fund balances</b>	<b>\$ 451,027,295</b>	<b>\$ 54,783,258</b>	<b>\$ 264,124,639</b>	<b>\$ 112,591,822</b>	<b>\$ 882,527,014</b>

# Detroit Public Schools

## Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets Year Ended June 30, 2002

Total fund balances of governmental activities	\$ 421,318,120
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported as assets in the funds.	
The cost of capital assets is	1,152,652,930
Accumulated depreciation is	<u>(369,869,719)</u>
Total	782,783,211
Other long-term assets not available to pay current period expenditures therefore deferred in the governmental funds	
	62,318,239
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds:	
Compensated absences	(140,466,043)
Workers' compensation and health insurance	(33,607,836)
Bonds payable	(874,182,643)
Unamortized bond premium	(32,617,821)
Capital leases	(1,809,793)
Legal	(16,951,315)
Accrued interest payable is not included as a liability in governmental funds	<u>(7,765,956)</u>
Net assets of governmental activities	<u><u>\$ 159,018,162</u></u>

# Detroit Public Schools

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2002

	General Fund	1994 Building Site Improvement Bonds Series II Fund	1994 Building Site Improvement Bonds Series III Fund	Other Nonmajor Governmental Funds	Totals
<b>Revenue</b>					
Local sources	\$ 149,442,586	\$ 1,949,626	\$ 4,670,186	\$ 77,045,960	\$ 233,108,358
State sources	1,204,706,629	-	-	9,383,289	1,214,089,918
Federal sources	199,031,889	-	-	38,325,616	237,357,505
<b>Total revenue</b>	<b>1,553,181,104</b>	<b>1,949,626</b>	<b>4,670,186</b>	<b>124,754,865</b>	<b>1,684,555,781</b>
<b>Expenditures</b>					
Current:					
Instruction	875,700,585	-	-	-	875,700,585
Support services	626,045,607	-	-	-	626,045,607
Community services	5,205,218	-	-	-	5,205,218
Food services	-	-	-	43,885,382	43,885,382
Athletics	-	-	-	2,238,977	2,238,977
Principal retirement	3,449,640	-	-	20,404,937	23,854,577
Payment of interest	617,178	-	-	37,439,133	38,056,311
Capital outlay:					
Capitalized	4,823,601	45,109,117	264,022,685	25,616,792	339,572,195
Not capitalized	11,739,354	-	-	2,154,001	13,893,355
Other	-	-	-	13,126,270	13,126,270
<b>Total expenditures</b>	<b>1,527,581,183</b>	<b>45,109,117</b>	<b>264,022,685</b>	<b>144,865,492</b>	<b>1,981,578,477</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>25,599,921</b>	<b>(43,159,491)</b>	<b>(259,352,499)</b>	<b>(20,110,627)</b>	<b>(297,022,696)</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	53,667,403	-	-	4,633,900	58,301,303
Operating transfers out	(56,473,131)	-	-	(1,828,172)	(58,301,303)
Proceeds from sale of bonds	-	-	438,365,000	-	438,365,000
Premium from sale of bonds	-	-	35,879,604	-	35,879,604
<b>Total other financing sources (uses)</b>	<b>(2,805,728)</b>	<b>-</b>	<b>474,244,604</b>	<b>2,805,728</b>	<b>474,244,604</b>
<b>Net Change in Fund Balances</b>	<b>22,794,193</b>	<b>(43,159,491)</b>	<b>214,892,105</b>	<b>(17,304,899)</b>	<b>177,221,908</b>
<b>Fund Balances - July 1, 2001 - As adjusted (Note 1)</b>	<b>80,808,808</b>	<b>94,368,240</b>	<b>(11,182,687)</b>	<b>80,101,850</b>	<b>244,096,211</b>
<b>Fund Balances - June 30, 2002</b>	<b>\$ 103,603,001</b>	<b>\$ 51,208,749</b>	<b>\$ 203,709,418</b>	<b>\$ 62,796,951</b>	<b>\$ 421,318,119</b>

# Detroit Public Schools

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2002

**Net Change in Fund Balances - Total Governmental Funds** \$ 177,221,908

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation.

Depreciation expense	(14,596,697)
Capital outlays	<u>339,572,195</u>

Total	324,975,498
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Long-term debt issuance, including a premium on the debt issuance, is reported as an other financing source in the governmental funds.

Long-term debt is not a revenue in the statement of activities and is reported as a long-term liability in the statement of net assets (474,244,604)

Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid (3,768,706)

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 23,854,577

Payments of capital leases are expenditures in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 1,072,722

Bond premium is amortized in the statement of activities over the specified amortization period; it is reported in governmental funds when received 3,261,782

In the statement of activities, only the gain on the sale of fixed assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold (198,030)

Decreases in compensated absences are reported as expenditures when financial resources are used in the governmental funds 17,771,957

# Detroit Public Schools

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## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued) Year Ended June 30, 2002

Because some operating grant monies will not be collected for several months after the School District's year end, they are not considered as "available" revenue in the governmental funds, and are instead counted as deferred revenue. They are, however, recorded as revenue in the statement of activities

Deferred amounts as of 6/30/02	\$ 4,799,547
Deferred amounts as of 6/30/01	<u>(14,913,007)</u>
Total	(10,113,460)

Decrease in taxes receivable. The monies will not be collected for several months after the School District's year end, so they are not considered as "available" revenue in the governmental funds, and are instead counted as deferred revenue.

(9,688,157)

Legal obligations are recorded in the statement of activities when accrued; they are not reported in governmental funds until paid

10,922,213

Workers' compensation and health insurance is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid

(4,225,156)

Arbitrage on bonds payable is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid

1,444,408

**Change in Net Assets of Governmental Activities**

**\$ 58,286,952**

# Detroit Public Schools

## Fiduciary Fund Statement of Fiduciary Net Assets June 30, 2002

	Agency Funds		Private-purpose Trust	Total
	Payroll Deductions	Student Activities	Scholarships	
<b>Assets</b>				
Cash	\$ 334,337	\$ 5,292,120	\$ 121	\$ 5,626,578
Investments	6,692,350	-	505,044	7,197,394
Due from other funds	20,583	-	-	20,583
<b>Total assets</b>	<b><u>\$ 7,047,270</u></b>	<b><u>\$ 5,292,120</u></b>	<b><u>\$ 505,165</u></b>	<b><u>\$ 12,844,555</u></b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable	\$ 4,133,149	\$ -	\$ -	\$ 4,133,149
Due to student groups and other	2,097,883	5,292,120	-	7,390,003
Due to other funds	816,238	-	-	816,238
<b>Total liabilities</b>	<b>7,047,270</b>	<b>5,292,120</b>	<b>-</b>	<b>12,339,390</b>
<b>Net Assets - Reserved for scholarships</b>	<b>-</b>	<b>-</b>	<b>505,165</b>	<b>505,165</b>
<b>Total liabilities and net assets</b>	<b><u>\$ 7,047,270</u></b>	<b><u>\$ 5,292,120</u></b>	<b><u>\$ 505,165</u></b>	<b><u>\$ 12,844,555</u></b>

# Detroit Public Schools

## Fiduciary Fund Statement of Changes in Fiduciary Net Assets Year Ended June 30, 2002

	<u>Scholarships</u>
<b>Additions</b>	
Private donations	\$ 1,560,809
Other revenues	402,193
Interest	<u>20,812</u>
Total additions	1,983,814
<b>Deductions</b> - Scholarships awarded	<u>1,478,649</u>
<b>Change in Net Assets</b>	505,165
<b>Net Assets</b> - Beginning of year	<u>-</u>
<b>Net Assets</b> - End of year	<u><u>\$ 505,165</u></u>

## **Note I - Summary of Significant Accounting Policies**

The accounting policies of the Detroit Public Schools (the "School District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

### **Reporting Entity**

Pursuant to amendments to Act 451, effective March 26, 1999 (the "Reform Legislation"), the mayor of the City of Detroit, Michigan appoints six members of the school reform board for the School District (the "Reform Board"). The Reform Board consists of the six members appointed by the mayor and, for a period of five years after the effective date of the Reform Legislation, the Superintendent of the Public Instruction of the State (or the superintendent's designee). The Reform Board replaced the School District's eleven-member elected Board of Education.

In July 2000, pursuant to the Reform Legislation, the Reform Board appointed Kenneth Stephen Burnley, Ph.D. as Chief Executive Officer of the School District, succeeding an interim Chief Executive Officer. The Chief Executive Officer may exercise all the powers and actions otherwise vested in law in the elected Board of Education of the School District and its secretary and treasurer and all additional powers and duties provided under the Reform Legislation. Those powers and duties include authority over the expenditures of all School District funds, including proceeds from bonded indebtedness; rights and obligations under collective bargaining agreements and employment contracts entered into by the elected Board of Education, except for any employee whose position is not covered by a collective bargaining agreement or who is employed at the will of the Chief Executive Officer; and to prosecute and defend litigation, obligations under any judgment entered against the elected Board of Education, and rights and obligations under statute, rule, and common law. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate, component units of the School District. Based on the application of the criteria, the School District does not contain any component units.

## **Note I - Summary of Significant Accounting Policies (Continued)**

### **District-wide and Fund Financial Statements**

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. All of the School District's district-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**District-wide Statements** - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted State aid.

## **Note I - Summary of Significant Accounting Policies (Continued)**

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted State aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund. The School District maintains separate subfunds within the General Fund for federal activities, adult education, special education, and risk management.

The 1994 Building Site Improvement Bonds Series II and Series III Funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The funds operate until the purposes for which they were created are accomplished.

### **Assets, Liabilities, and Net Assets or Equity**

**Deposits and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

### Note I - Summary of Significant Accounting Policies (Continued)

**Receivables and Payables** - In general, outstanding balances between funds are reported as "due to/from other funds."

Property tax and other trade receivables are shown net of an allowance for uncollectible amounts. Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are billed on July 1 for approximately 50 percent of the taxes and on December 1 for the remainder of the property taxes. Taxes are considered delinquent on March 1 the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. United States Department of Agriculture Commodities inventory received by the Food Service Fund are recorded as inventory and deferred revenue until used. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

**Restricted Assets** - The unspent bond proceeds of the Capital Projects Funds require amounts to be set aside for construction. In addition, the unspent property taxes levied in the Debt Service Funds are required to be set aside for future bond principal and interest payments. These amounts have been classified as restricted assets.

**Capital Assets** - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extended asset life are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Buses and other vehicles	5-10 years
Furniture and other equipment	5-10 years

## **Note I - Summary of Significant Accounting Policies (Continued)**

**Compensated Absences** - The liability for compensated absences reported in the district-wide statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

**Long-term Obligations** - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Comparative Data/Reclassifications** - Comparative data is not included in the School District's financial statements due to the accounting change described below.

**Accounting Change** - Effective July 1, 2001, the School District implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the School District's financial statements as a result of GASB No. 34 are as follows:

- A Management's Discussion and Analysis (MD&A) section providing analysis of the School District's overall financial position and results of operations has been included.

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 1 - Summary of Significant Accounting Policies (Continued)

- District-wide financial statements (statement of net assets and statement of activities) prepared using full accrual accounting for all of the School District's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets includes assets totaling \$822,075,714 previously reported in the General Fixed Assets Account Group. Capital assets at July 1, 2001 previously reported in the General Fixed Assets Account Group have been adjusted by \$777,013 to reflect the historical cost of the School District's capital assets at that date. In addition, the governmental activities column includes bonds and other long-term obligations totaling \$679,493,352 previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.
- As a result of GASB No. 34, the following change has been made as of July 1, 2001:

	Governmental Funds
Fund balance, as previously reported	\$ 68,789,867
Increase to fund balance resulting from adoption of GASB No. 34 related to prior recognition of compensated absence liability in the General Fund	<u>12,018,941</u>
Fund balance, as adjusted	<u>\$ 80,808,808</u>

### Note 2 - Stewardship, Compliance, and Accountability

**Budgetary Information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for the General, Special Revenue, and Debt Service Funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. The School District increased budgeted amounts during the year in response to increased student enrollment and special education reimbursements.

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 2 - Stewardship, Compliance, and Accountability (Continued)

Encumbrance accounting is employed in all funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

The budget has been prepared in accordance with generally accepted accounting principles, with the following exception:

- Capital outlay has been allocated to the various other functions rather than treated as a separate category.

**Capital Projects Funds Compliance** - The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

### Note 3 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

At year end, the School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 2,848,867	\$ 334,458	\$ 3,183,325
Investments	441,622,908	7,197,394	448,820,302
Restricted assets	-	-	-
Total	<u>\$ 444,471,775</u>	<u>\$ 7,531,852</u>	<u>\$ 452,003,627</u>

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 3 - Deposits and Investments (Continued)

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking and savings accounts, certificates of deposit)	\$ 4,453,197
Investments in securities, mutual funds, and similar vehicles	<u>447,550,430</u>
Total	<u>\$ 452,003,627</u>

The deposits of the School District were reflected in the accounts of the financial institution at \$4,410,849, of which \$500,001 is covered by federal depository insurance and \$3,910,848 was uninsured and uncollateralized.

The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC and/or other insurance, it is impractical to insure all bank deposits. As a result, the School District evaluates each financial institution it deposits School District funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments are categorized into these three categories of credit risk:

Category 1 - Insured or registered, or securities held by the School District or its agent in the School District's name;

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the School District's name; and

Category 3 - Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the School District's name

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 3 - Deposits and Investments (Continued)

At year end, the School District's investment balances were categorized as follows:

Description	Interest Rates	Date of Maturity	Carrying Amount	Category
<b>General Funds</b>				
Checking accounts	Various	N/A	\$ 2,848,867	1
Money market	Various	N/A	73,551,871	2
Repurchase agreement	1.80	04/20/2003	559,743	2
Certificate of deposit	2.90	12/04/2002	<u>1,269,872</u>	1
Total			78,230,353	
<b>Capital Projects Funds</b>				
Commercial paper	1.80-2.10	Various	11,637,875	2
Money market	Various	N/A	274,174,436	2
Repurchase agreement	1.97	07/01/2002	49,447,453	2
U.S. government agency	2.23-2.3	Various	<u>16,724,322</u>	2
Total			351,984,086	
<b>Debt Service Fund - Money market</b>				
	Various	N/A	14,257,336	2
<b>Fiduciary Funds</b>				
Checking accounts	Various	N/A	334,458	1
Money market	Various	N/A	505,044	2
Repurchase agreement	3.2	07/01/2002	<u>6,692,350</u>	2
Total			<u>7,531,852</u>	
Total investment balances			<u><b>\$ 452,003,627</b></u>	
Total by category:				
	Category 1		\$ 4,453,197	
	Category 2		<u>447,550,430</u>	
			<u><b>\$ 452,003,627</b></u>	

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 4 - Receivables

Receivables as of year end for the School District's individual major funds and the nonmajor, Internal Service, and fiduciary funds in the aggregate are as follows:

	General Fund	1994 Building Site Improvement Bonds Series II	1994 Building Site Improvement Bonds Series III	Nonmajor and Other Funds	Total
Receivables:					
Taxes - Net	\$ 43,872,199	\$ -	\$ -	\$ 28,227,034	\$ 72,099,233
Intergovernmental	255,651,860	-	-	6,940,374	262,592,234
Other	7,922,280	137,661	1,938,820	364,517	10,363,278
Net receivables	<u>\$ 307,446,339</u>	<u>\$ 137,661</u>	<u>\$ 1,938,820</u>	<u>\$ 35,531,925</u>	<u>\$ 345,054,745</u>

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unavailable	Unearned	Total
Delinquent property taxes	\$ 57,518,692	\$ -	\$ 57,518,692
Grant and categorical aid payment received prior to meeting all eligibility requirements	4,799,547	9,985,991	14,785,538
Total	<u>\$ 62,318,239</u>	<u>\$ 9,985,991</u>	<u>\$ 72,304,230</u>

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 5 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2001	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2002
Assets not being depreciated:					
Land	\$ 14,074,041	\$ -	\$ -	\$ -	\$ 14,074,041
Construction in progress	226,767,797	(94,667,823)	334,102,981	-	466,202,955
Capital assets being depreciated:					
Building and building improvements	503,690,643	76,373,497	697,027	1,384,971	579,376,196
Land improvements	9,307,384	-	997,805	21,011	10,284,178
Buses and other vehicles	32,159,160	18,294,326	621,257	6,793,384	44,281,359
Machinery and equipment	35,306,676	-	3,153,125	25,600	38,434,201
Total capital assets being depreciated	580,463,863	94,667,823	5,469,214	8,224,966	672,375,934
Accumulated depreciation:					
Building and building improvements	311,888,018	-	8,870,705	1,206,141	319,552,582
Land improvements	8,392,902	-	149,909	21,011	8,521,800
Buses and other vehicles	27,140,994	-	2,777,289	6,793,384	23,124,899
Machinery and equipment	15,878,044	-	2,798,794	6,400	18,670,438
Subtotal	363,299,958	-	14,596,697	8,026,936	369,869,719
Net capital assets being depreciated	217,163,905	94,667,823	(9,127,483)	198,030	302,506,215
Net capital assets	\$ 458,005,743	\$ -	\$ 324,975,498	\$ 198,030	\$ 782,783,211

Depreciation expense was charged to activities of the School District as follows:

#### Governmental activities:

Instruction	\$ 2,052,670
Support services	3,666,610
Community services	3,390
Food services	171,066
Unallocated	8,702,961

Total governmental activities \$ 14,596,697

Note: Depreciation expense was not charged to activities where the School District considers its assets to impact multiple activities and allocation is not practical.

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 5 - Capital Assets (Continued)

**Construction Commitments** - The School District has active construction projects at year end. At year end, the School District's commitments with contractors are as follows in the listed bond issues:

	Spent to Date	Remaining Commitment
Series I 1996A	\$ 98,074,476	\$ 4,821,476
Series II 1998	185,738,628	18,585,367
Series III 2001A	275,205,371	82,096,504
Series IV 2002A	<u>1,849,191</u>	<u>135,124,064</u>
Total	<u>\$ 560,867,666</u>	<u>\$ 240,627,411</u>

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	General Fund	Fund Due From			Total
		1994 Building Site Improvement Bonds Series II Fund	1994 Building Site Improvement Bonds Series III Fund	Other Nonmajor Governmental Funds	
General Fund	\$ 33,550,372	\$ 980,344	\$ 509,155	\$ 23,339,233	\$ 58,379,104
Other nonmajor governmental funds	<u>26,595,840</u>	-	-	-	<u>26,595,840</u>
Total	<u>\$ 60,146,212</u>	<u>\$ 980,344</u>	<u>\$ 509,155</u>	<u>\$ 23,339,233</u>	<u>\$ 84,974,944</u>

### Interfund Transfers

	Transfers Out		Total
	General Fund	Other Nonmajor Governmental Funds	
Transfers in:			
General Fund	\$ 51,839,231	\$ 1,828,172	\$ 53,667,403
Other nonmajor governmental funds	<u>4,633,900</u>	-	<u>4,633,900</u>
Total	<u>\$ 56,473,131</u>	<u>\$ 1,828,172</u>	<u>\$ 58,301,303</u>

# Detroit Public Schools

## Note 7 - Long-term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences, claims and judgments, termination benefits, and certain risk liabilities.

Long-term obligation activity can be summarized as follows:

Description	Effective Date of Issue	Year of Maturity	Serial Interest Rates of Debt	Amount of Original Issue
School Building and Site Improvement Bonds:				
Series XXI	08/06/87	2007	7.00-7.25	\$ 26,600,000
Series XXII	09/29/88	2009	9.350-9.375	20,000,000
Series 1992	07/01/92	2012	4.80-6.25	33,000,000
Series 1993	10/01/93	2013	4.55-5.125	79,730,000
Series 1996A	03/01/96	2025	3.70-6.50	89,000,000
Series 1998A	11/01/98	2007	4.0-4.30	940,000
Series 1998B	11/01/98	2028	3.50-3.75	209,770,000
Series 1998C	11/01/98	2025	3.50-5.25	84,855,000
Series 1998 (Durant)	11/24/98	2013	4.76	59,304,433
Series 2001A	10/30/01	2031	3.00-6.00	438,365,000
Total School Building and Improvement Bonds				1,041,564,433
Energy Conservation Bonds	03/10/99	2007	2.90-4.25	21,210,000
Total bonds payable				<u>\$ 1,062,774,433</u>
First Municipal Note Payable	08/12/98	2001	5.25	<u>\$ 830,724</u>
Other liabilities:				
Compensated absences payable				
Workers' compensation and health insurance				
Capital leases payable				
Legal and other				

**Notes to Financial Statements**  
**June 30, 2002**

Balance at June 30, 2001	Additions (Retirements)	Balance at June 30, 2002	Current
\$ 13,950,000	\$ (1,900,000)	\$ 12,050,000	\$ 2,050,000
13,000,000	(1,175,000)	11,825,000	1,275,000
3,180,000	(1,545,000)	1,635,000	1,635,000
61,880,000	(4,435,000)	57,445,000	4,655,000
21,425,000	(1,625,000)	19,800,000	1,710,000
940,000	-	940,000	640,000
202,740,000	(10,000)	202,730,000	2,160,000
84,250,000	(290,000)	83,960,000	300,000
43,237,580	(5,349,937)	37,887,643	5,355,361
-	434,290,000	434,290,000	8,445,000
444,602,580	417,960,063	862,562,643	28,225,361
14,780,000	(3,160,000)	11,620,000	3,280,000
\$ 459,382,580	\$ 414,800,063	\$ 874,182,643	\$ 31,505,361
\$ 289,640	\$ (289,640)	\$ -	\$ -
\$ 158,238,000	\$ (14,995,330)	\$ 143,242,670	\$ 2,776,627
29,382,681	5,716,022	35,098,703	1,490,867
2,882,515	(1,072,722)	1,809,793	280,241
29,317,936	(12,366,621)	16,951,315	-

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 7 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above governmental bond and note obligations are as follows:

	School Building and Site Improvement Bonds			Special Purpose Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 28,225,361	\$ 46,428,713	\$ 74,654,074	\$ 3,280,000	\$ 432,875	\$ 3,712,875
2004	26,909,921	45,115,309	72,025,230	3,030,000	304,500	3,334,500
2005	23,295,299	43,685,624	66,980,923	2,170,000	192,145	2,362,145
2006	24,895,555	42,390,890	67,286,445	1,365,000	117,036	1,482,036
2007	26,676,534	41,026,080	67,702,614	1,425,000	60,104	1,485,104
2008-2012	132,529,956	183,666,985	316,196,941	350,000	7,438	357,438
2013-2017	111,880,017	150,962,268	262,842,285	-	-	-
2018-2022	86,675,000	123,964,875	210,639,875	-	-	-
2023-2027	40,555,000	105,352,350	145,907,350	-	-	-
2028 and thereafter	360,920,000	45,291,788	406,211,788	350,000	7,438	357,438
Total	<u>\$ 862,562,643</u>	<u>\$ 827,884,882</u>	<u>\$ 1,690,447,525</u>	<u>\$ 11,970,000</u>	<u>\$ 1,121,536</u>	<u>\$ 13,091,536</u>

**Durant Non-Plaintiff Bond** - Included in Governmental Activities General Obligation Bonds is the Durant Non-Plaintiff Bond. Annual payments associated with this bond are funded by the State of Michigan via specifically appropriated State Aid and will not require any School District debt levy or utilization of any other School District financial resources.

In prior years, the School District defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2002, \$109,725,000 of bonds outstanding are considered defeased.

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 7 - Long-term Debt (Continued)

**Capital Leases** - The School District has entered into lease agreements as lessee for financing the purchase of certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The future minimum lease obligations and the net present value are as follows:

2003	\$ 402,107
2004	402,107
2005	402,107
2006	402,107
2007	402,107
2008	<u>201,053</u>
Total minimum lease payments	2,211,588
Less amount representing interest	<u>401,795</u>
Present value of minimum lease payments	<u>\$ 1,809,793</u>

### Note 8 - Restricted Assets

The balances of the restricted asset accounts are as follows:

	Governmental Activities
Unspent bond proceeds and related interest	\$ 351,984,086
Unspent property taxes levied for debt service	<u>14,257,336</u>
Total restricted assets	<u>\$ 366,241,422</u>

### Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District is uninsured for loss related to property loss, torts, and errors and omissions.

# Detroit Public Schools

## Notes to Financial Statements June 30, 2002

### Note 9 - Risk Management (Continued)

The School District is also self-insured for workers' compensation and medical benefits. The total estimated liability for these claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported, totals \$35,098,075, which includes \$1,490,867 in the General Fund. These estimates are recorded in the district-wide statements. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2002</u>	<u>2001</u>
Estimated liability - Beginning of year	\$ 39,285,809	\$ 47,708,159
Estimated claims incurred, including changes in estimates	97,586,729	90,622,788
Claim payments	<u>(101,773,835)</u>	<u>(99,045,138)</u>
Estimated liability - End of year	<u>\$ 35,098,703</u>	<u>\$ 39,285,809</u>

Various legal actions, proceedings, and claims are pending or may be asserted in the future against the School District, including those arising out of personal injuries and civil actions. Some of the foregoing matters may involve compensatory and/or punitive damage claims.

Litigation is subject to many uncertainties, the ultimate outcome of which is not predictable; however, the School District's management believes the resulting liabilities from outstanding legal actions, proceedings, and claims will not have a material adverse effect upon the School District's financial position or results of operations. At June 30, 2002, the School District has recorded an estimated liability of approximately \$17,000,000 for pending litigation as a long-term obligation.

## **Note 9 - Risk Management (Continued)**

In addition, the Organization of School Administrators, Local 28 AFL-CIA ("OSAS") commenced arbitration proceedings against the School District in April 2002 challenging the layoffs and contract nonrenewals of 271 curriculum administrators, whose employment continues in classroom teaching positions. OSAS's principal claims assert that the layoffs violated the union's contract and that the contract nonrenewals violated procedural requirements of State law, and seeks the reinstatement of such employees to their former administrative positions. Related and similar judicial and administrative actions have been commenced by OSAS. It is expected that a decision in the principal arbitration action seeking reinstatement of such employees to administrative roles will be rendered in late November 2002. Should such reinstatement be required, it would result in an estimated annual cost to the School District of between approximately \$15-20 million, primarily comprised of the differential between administrative and teaching position salaries and the substantial costs associated with the requirement to add additional teaching personnel. No amount has been accrued for any amounts related to this case.

## **Note 10 - Defined Benefit Pension Plan and Postemployment Benefits**

**Plan Description** - The School District participates in the Michigan Public School Employees' Retirement System (MPSERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the system at 7150 Harris Drive, P.O. Box 30673, Lansing, MI 48909-8103.

**Funding Policy** - Employer contributions to the system result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis.

## **Note 10 - Defined Benefit Pension Plan and Postemployment Benefits (Continued)**

The pension benefit rate totals 12.16 percent for the period from July 1, 2001 through September 30, 2001 and 12.17 percent for the period from October 1, 2001 through June 30, 2002 of the covered payroll to the plan. Basic plan members make no contributions, but Member Investment Plan members contribute at rates ranging from 3.0 percent to 4.3 percent of gross wages. The School District's contributions to the MPSERS plan for the years ended June 30, 2002 and 2001 were \$113,270,430 and \$112,686,171, respectively.

**Postemployment Benefits** - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverages. Retirees having these coverages contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental, and vision coverages. Required contributions for post-employment health care benefits are included as part of the School District's total contribution to the MPSERS plan discussed above.

## **Note 11 - State Aid Anticipation and Other Notes**

During March 2002, Detroit Public Schools borrowed \$170,000,000 in a State Aid Anticipation note. The note bears interest at 1.3 percent and is due August 2002. At June 30, 2002, Detroit Public Schools has accrued interest of \$742,806 on this note. In addition, the School District had approximately \$550,000 of other current notes payable at June 30, 2002.

Subsequent to year end, the School District repaid the \$170,000,000 note due August 2002 and borrowed \$210,000,000 at 1.4 percent annual interest on a new State Aid Anticipation note. The note, plus interest, is due August 2003.

## **Note 12 - Subsequent Events**

Subsequent to year end, the School District settled a lawsuit for \$2,800,000. A provision has been made for this liability in the district-wide statement of net assets.

Subsequent to year end, the School District issued Series IV of the 1994 School Building Site Improvement Bonds. The proceeds of the issue of the Series IV amount to \$388,995,000.

## **Required Supplemental Information**

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# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Statement - General Fund Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenue</b>				
Local sources:				
Property taxes	\$ 77,763,297	\$ 75,645,386	\$ 81,327,181	\$ 5,681,795
Tuition	458,000	458,000	1,218,449	760,449
Earnings on investments	7,108,000	4,279,431	4,273,293	(6,138)
Special education millage	46,930,944	53,051,832	46,785,273	(6,266,559)
Other	18,492,153	20,041,293	15,838,390	(4,202,903)
<b>Total local sources</b>	<b>150,752,394</b>	<b>153,475,942</b>	<b>149,442,586</b>	<b>(4,033,356)</b>
State sources:				
State Aid Foundation	1,080,108,002	1,072,792,838	1,071,667,196	(1,125,642)
At-risk	98,832,284	92,573,407	94,425,757	1,852,350
Other	18,936,107	26,124,302	38,613,676	12,489,374
<b>Total State sources</b>	<b>1,197,876,393</b>	<b>1,191,490,547</b>	<b>1,204,706,629</b>	<b>13,216,082</b>
Federal sources:				
Title I	109,706,363	109,943,728	100,300,918	(9,642,810)
Other	81,921,294	82,498,715	98,730,971	16,232,256
<b>Total federal sources</b>	<b>191,627,657</b>	<b>192,442,443</b>	<b>199,031,889</b>	<b>6,589,446</b>
<b>Total revenue</b>	<b><u>\$ 1,540,256,444</u></b>	<b><u>\$ 1,537,408,932</u></b>	<b><u>\$ 1,553,181,104</u></b>	<b><u>\$ 15,772,172</u></b>
<b>Expenditures</b>				
Instruction:				
K-12:				
Salaries	\$ 358,517,511	\$ 352,605,626	\$ 342,269,724	\$ (10,335,902)
Benefits	116,414,964	115,987,062	115,958,392	(28,670)
Purchased services	1,315,933	2,113,293	758,537	(1,354,756)
Supplies	12,493,114	15,529,497	15,993,083	463,586
Capital outlay	52,300	254,016	50,575	(203,441)
Other	5,856,715	4,859,374	244,339	(4,615,035)
<b>Total K-12</b>	<b>494,650,537</b>	<b>491,348,868</b>	<b>475,274,650</b>	<b>(16,074,218)</b>
Preschool:				
Salaries	10,622,243	25,930,566	20,121,172	(5,809,394)
Benefits	3,449,171	8,529,672	6,816,901	(1,712,771)
Purchased services	625,245	793,265	452,981	(340,284)
Supplies	670,681	704,878	475,902	(228,976)
Capital outlay	148,528	519,801	1,718,941	1,199,140
Other	312,995	449,650	201,297	(248,353)
<b>Total Preschool</b>	<b>15,828,863</b>	<b>36,927,832</b>	<b>29,787,194</b>	<b>(7,140,638)</b>

Note - This budget statement is in greater detail than the adopted budget.

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Statement - General Fund (Continued) Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures (Continued)</b>				
Instruction (Continued):				
Summer school:				
Salaries	\$ 839,375	\$ 1,072,705	\$ 1,311,437	\$ 238,732
Benefits	272,555	352,859	444,305	91,446
Purchased services	105,425	105,425	7,992	(97,433)
Supplies	16,000	16,000	63,117	47,117
Total summer school	1,233,355	1,546,989	1,826,851	279,862
Special education:				
Salaries	105,631,720	110,837,908	95,773,706	(15,064,202)
Benefits	34,299,895	36,459,326	32,447,407	(4,011,919)
Purchased services	1,555,244	1,320,718	642,731	(677,987)
Supplies	4,007,893	3,290,744	1,739,375	(1,551,369)
Capital outlay	678,853	762,099	494,856	(267,243)
Other	20,910,301	14,941,558	14,412,320	(529,238)
Total special education	167,083,906	167,612,353	145,510,395	(22,101,958)
Compensatory education:				
Salaries	109,917,390	109,273,431	119,522,775	10,249,344
Benefits	35,691,504	35,944,703	40,528,709	4,584,006
Purchased services	8,874,818	8,561,919	6,563,293	(1,998,626)
Supplies	24,383,077	15,096,818	14,877,394	(219,424)
Capital outlay	2,167,470	2,163,150	1,734,965	(428,185)
Other	5,704,895	710,906	1,508,503	797,597
Total compensatory education	186,739,154	171,750,927	184,735,639	12,984,712
Vocational education:				
Salaries	23,116,175	22,578,481	21,130,146	(1,448,335)
Benefits	7,506,101	7,427,028	7,158,734	(268,294)
Purchased services	1,034,974	1,197,568	1,028,674	(168,894)
Supplies	3,227,174	3,789,382	2,404,438	(1,384,944)
Capital outlay	2,082,497	1,005,791	1,963,919	958,128
Other	82,833	92,755	73,962	(18,793)
Total vocational education	37,049,754	36,091,005	33,759,873	(2,331,132)
Adult education:				
Salaries	9,891,526	9,303,707	7,250,923	(2,052,784)
Benefits	3,211,898	3,060,387	2,456,558	(603,829)
Purchased services	3,393,605	685,057	503,090	(181,967)
Supplies	608,789	567,935	514,072	(53,863)
Capital outlay	71,401	91,627	21,753	(69,874)
Other	1,584	167,739	44,596	(123,143)
Total adult education	17,178,803	13,876,452	10,790,992	(3,085,460)
Total instruction	919,764,372	919,154,426	881,685,594	(37,468,832)

Note - This budget statement is in greater detail than the adopted budget.

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Statement - General Fund (Continued) Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures (Continued)</b>				
Support services:				
Pupil services:				
Salaries	\$ 35,733,689	\$ 46,199,453	\$ 44,347,065	\$ (1,852,388)
Benefits	11,603,160	15,196,975	15,024,450	(172,525)
Purchased services	2,459,851	2,582,665	2,184,442	(398,223)
Supplies	1,234,791	1,111,665	806,010	(305,655)
Capital outlay	31,810	41,810	18,958	(22,852)
Other	415,634	710,568	318,547	(392,021)
Total pupil services	51,478,935	65,843,136	62,699,472	(3,143,664)
Instructional staff support:				
Salaries	19,133,413	18,174,766	15,461,564	(2,713,202)
Benefits	6,212,850	5,978,457	5,238,261	(740,196)
Purchased services	5,246,483	8,380,808	7,105,785	(1,275,023)
Supplies	3,428,853	3,451,970	2,924,853	(527,117)
Capital outlay	3,262,759	1,784,493	3,134,026	1,349,533
Other	2,475,122	4,977,327	5,691,106	713,779
Total instructional staff support	39,759,480	42,747,821	39,555,595	(3,192,226)
School administration:				
Salaries	107,564,259	100,407,262	97,327,261	(3,080,001)
Benefits	34,927,414	33,028,241	32,973,740	(54,501)
Purchased services	11,067,451	13,337,212	12,317,303	(1,019,909)
Supplies	11,180,457	8,421,168	8,019,315	(401,853)
Capital outlay	653,849	1,356,456	1,272,611	(83,845)
Other	747,811	2,182,252	1,531,378	(650,874)
Total school administration	166,141,241	158,732,591	153,441,608	(5,290,983)
General administration:				
Salaries	11,284,920	8,055,853	7,203,801	(852,052)
Benefits	3,664,350	2,649,914	2,440,593	(209,321)
Purchased services	2,677,569	3,227,353	2,315,653	(911,700)
Supplies	355,238	430,767	238,728	(192,039)
Capital outlay	185,000	164,884	92,747	(72,137)
Other	902,871	1,903,452	1,889,856	(13,596)
Total general administration	19,069,948	16,432,223	14,181,378	(2,250,845)
Business office:				
Salaries	12,251,328	12,287,160	14,268,286	1,981,126
Benefits	3,978,154	4,041,772	4,833,987	792,215
Purchased services	7,551,426	8,433,926	7,221,046	(1,212,880)
Supplies	439,001	496,979	265,546	(231,433)
Capital outlay	1,298,802	1,328,266	1,031,732	(296,534)
Other	7,079,299	8,754,718	7,915,306	(839,412)
Total business office	32,598,010	35,342,821	35,535,903	193,082

Note - This budget statement is in greater detail than the adopted budget.

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Statement - General Fund (Continued) Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures (Continued)</b>				
Support services (Continued):				
Operations and maintenance:				
Salaries	\$ 89,592,758	\$ 86,176,189	\$ 94,653,230	\$ 8,477,041
Benefits	29,091,850	28,347,032	32,067,798	3,720,766
Purchased services	56,365,425	56,296,637	36,880,884	(19,415,753)
Supplies	26,439,206	26,625,450	23,702,731	(2,922,719)
Capital outlay	1,002,413	3,376,673	2,356,130	(1,020,543)
Other	1,889,574	2,842,006	1,767,675	(1,074,331)
Total operations and maintenance	204,381,226	203,663,987	191,428,448	(12,235,539)
Transportation:				
Salaries	15,873,640	15,930,937	19,028,995	3,098,058
Benefits	5,154,363	5,240,366	6,446,880	1,206,514
Purchased services	18,055,752	19,445,240	19,982,871	537,631
Supplies	3,463,596	2,660,363	2,031,386	(628,977)
Capital outlay	170,366	181,029	125,807	(55,222)
Other	143,129	(413,840)	(746,822)	(332,982)
Total transportation	42,860,846	43,044,095	46,869,117	3,825,022
Other support services:				
Salaries	17,048,163	19,625,209	18,741,192	(884,017)
Benefits	5,535,744	6,455,570	6,349,374	(106,196)
Purchased services	37,599,734	52,289,314	52,494,013	204,699
Supplies	2,141,757	1,981,608	3,444,874	1,463,266
Capital outlay	2,295,640	1,811,822	2,490,972	679,150
Other	35,662,753	21,709,686	9,336,644	(12,373,042)
Total other support services	100,283,791	103,873,209	92,857,069	(11,016,140)
Total support services	656,573,477	669,679,883	636,568,590	(33,111,293)
Community service:				
Salaries	2,667,572	2,639,790	2,573,104	(66,686)
Benefits	866,193	868,340	871,748	3,408
Purchased services	171,118	839,962	1,277,319	437,357
Supplies	77,789	56,147	36,193	(19,954)
Capital outlay	10,000	147,784	54,963	(92,821)
Other	473,100	655,530	446,854	(208,676)
Total community service	4,265,772	5,207,553	5,260,181	52,628
Principal retirement	3,449,640	3,449,640	3,449,640	-
Payment of interest	617,178	617,178	617,178	-
Total expenditures	1,584,670,439	1,598,108,680	1,527,581,183	(70,527,497)

Note - This budget statement is in greater detail than the adopted budget.

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Statement - General Fund (Continued) Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 47,102,718	\$ 87,269,148	\$ 53,667,403	\$ (33,601,745)
Transfers out	<u>(16,523,725)</u>	<u>(69,622,841)</u>	<u>(56,473,131)</u>	<u>(13,149,710)</u>
Total other financing sources (uses)	<u>30,578,993</u>	<u>17,646,307</u>	<u>(2,805,728)</u>	<u>(20,452,035)</u>
<b>Net Change in Fund Balance</b>	(13,835,002)	(43,053,441)	22,794,193	65,847,634
<b>Fund Balance - July 1, 2001 - As adjusted</b>	<u>80,808,808</u>	<u>80,808,808</u>	<u>80,808,808</u>	<u>-</u>
<b>Fund Balance - June 30, 2002</b>	<u><b>\$ 66,973,806</b></u>	<u><b>\$ 37,755,367</b></u>	<u><b>\$ 103,603,001</b></u>	<u><b>\$ 65,847,634</b></u>

Note - This budget statement is in greater detail than the adopted budget.

## **Other Supplemental Information**

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# Detroit Public Schools

	Special Revenue Funds		Debt Service Funds		
	Food Services	Athletics	School Building Site Improvement Bonds	Judgment Levy	Deficit Funding Bonds
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	14,257,336	-	-
Receivables:					
Property taxes:					
Current	-	-	6,145,724	69,530	488,106
Delinquent - Net of allowance for uncollectible taxes of \$1,133,000	-	-	18,141,506	2,046,481	1,335,687
Due from other governmental units	6,940,374	-	-	-	-
Other	530,858	-	17,696	-	-
Due from other funds	12,618,677	2,257,890	7,580,079	-	4,132,335
Inventory	1,054,051	-	-	-	-
<b>Total assets</b>	<b>\$ 21,143,960</b>	<b>\$ 2,257,890</b>	<b>\$ 46,142,341</b>	<b>\$ 2,116,011</b>	<b>\$ 5,956,128</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 3,727	\$ 27,369	\$ -	\$ -	\$ -
Accrued salaries and wages	136,720	-	-	-	-
Unexpended restricted funds	1,054,055	-	-	-	-
Delinquent property taxes	-	-	18,141,506	2,046,481	1,335,686
Due to other funds	19,949,458	2,230,521	326,252	-	317,754
<b>Total liabilities</b>	<b>21,143,960</b>	<b>2,257,890</b>	<b>18,467,758</b>	<b>2,046,481</b>	<b>1,653,440</b>
<b>Fund Balances</b>					
Reserve for encumbrances	-	-	-	-	-
Designated for debt service	-	-	27,674,583	69,530	4,302,688
Undesignated	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>27,674,583</b>	<b>69,530</b>	<b>4,302,688</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,143,960</b>	<b>\$ 2,257,890</b>	<b>\$ 46,142,341</b>	<b>\$ 2,116,011</b>	<b>\$ 5,956,128</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2002**

Capital Projects Funds				
1986 School Building Site Improvement Bonds	1994 School Building Site Improvement Bonds Series I	1994 School Building Site Improvement Bonds Series IV	Durant Bond	Total
\$ -	\$ -	\$ -	\$ -	\$ -
11,988,617	15,178,083	-	7,985,970	49,410,006
-	-	-	-	6,703,360
-	-	-	-	21,523,674
-	-	-	-	6,940,374
17,550	-	-	(201,587)	364,517
6,859	-	-	-	26,595,840
-	-	-	-	1,054,051
<b><u>\$ 12,013,026</u></b>	<b><u>\$ 15,178,083</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,784,383</u></b>	<b><u>\$ 112,591,822</u></b>
\$ -	\$ 2,157,137	\$ 1,338,392	\$ 214,564	\$ 3,741,189
-	-	-	-	136,720
-	-	-	-	1,054,055
-	-	-	-	21,523,673
2,115	2,332	510,801	-	23,339,233
2,115	2,159,469	1,849,193	214,564	49,794,870
12,010,911	13,018,614	(1,849,193)	7,569,819	30,750,151
-	-	-	-	32,046,801
-	-	-	-	-
12,010,911	13,018,614	(1,849,193)	7,569,819	62,796,952
<b><u>\$ 12,013,026</u></b>	<b><u>\$ 15,178,083</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,784,383</u></b>	<b><u>\$ 112,591,822</u></b>

# Detroit Public Schools

	Special Revenue Funds		Debt Service Funds		
	Food Services	Athletics	Site Improvement Bonds	Judgment Levy	Deficit Funding Bonds
<b>Revenues</b>					
Local sources	\$ 4,018,620	\$ -	\$ 58,651,550	\$ 13,183,186	\$ -
State sources	1,974,658	-	7,408,631	-	-
Federal sources	<u>38,325,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>44,318,894</u>	<u>-</u>	<u>66,060,181</u>	<u>13,183,186</u>	<u>-</u>
<b>Expenditures</b>					
Food services:					
Salaries	12,488,039	-	-	-	-
Benefits	4,148,523	-	-	-	-
Purchased services	25,714,237	-	-	-	-
Supplies	1,464,351	-	-	-	-
Other	70,232	-	-	-	-
Athletics:					
Salaries	-	504,188	-	-	-
Benefits	-	179,296	-	-	-
Purchased services	-	910,564	-	-	-
Supplies	-	644,929	-	-	-
Principal retirement	-	-	20,404,937	-	-
Payment of interest	-	-	37,439,133	-	-
Capital outlay:					
Capitalized	645,613	-	-	-	-
Not capitalized	354,650	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,113,656</u>	<u>12,614</u>
Total expenditures	<u>44,885,645</u>	<u>2,238,977</u>	<u>57,844,070</u>	<u>13,113,656</u>	<u>12,614</u>
<b>Excess of Revenues Over (Under)</b>					
Expenditures	(566,751)	(2,238,977)	8,216,111	69,530	(12,614)
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	2,394,923	2,238,977	-	-	-
Operating transfers out	<u>(1,828,172)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>566,751</u>	<u>2,238,977</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	-	8,216,111	69,530	(12,614)
<b>Fund Balances - July 1, 2001</b>	<u>-</u>	<u>-</u>	<u>19,458,471</u>	<u>-</u>	<u>4,315,302</u>
<b>Fund Balances - June 30, 2002</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,674,582</u>	<u>\$ 69,530</u>	<u>\$ 4,302,688</u>

**Other Supplemental Information  
Combining Statement of Revenue, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2002**

Capital Projects Funds				
1986 Site Improvement	1994 School Building Site Improvement Bonds Series I	1994 School Building Site Improvement Bonds Series IV	Durant Bond	Total
\$ 304,967	\$ 674,006	\$ -	\$ 213,631	\$ 77,045,960
-	-	-	-	9,383,289
-	-	-	-	38,325,616
304,967	674,006	-	213,631	124,754,865
-	-	-	-	12,488,039
-	-	-	-	4,148,523
-	-	-	-	25,714,237
-	-	-	-	1,464,351
-	-	-	-	70,232
-	-	-	-	504,188
-	-	-	-	179,296
-	-	-	-	910,564
-	-	-	-	644,929
-	-	-	-	20,404,937
-	-	-	-	37,439,133
1,272,816	21,643,570	1,849,193	205,600	25,616,792
-	-	-	1,799,351	2,154,001
-	-	-	-	13,126,270
1,272,816	21,643,570	1,849,193	2,004,951	144,865,492
(967,849)	(20,969,564)	(1,849,193)	(1,791,320)	(20,110,627)
-	-	-	-	4,633,900
-	-	-	-	(1,828,172)
-	-	-	-	2,805,728
(967,849)	(20,969,564)	(1,849,193)	(1,791,320)	(17,304,899)
12,978,760	33,988,178	-	9,361,139	80,101,850
<b>\$ 12,010,911</b>	<b>\$ 13,018,614</b>	<b>\$ (1,849,193)</b>	<b>\$ 7,569,819</b>	<b>\$ 62,796,951</b>

**Statistical and Other Information Section  
(Unaudited)**

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# Detroit Public Schools

## Statistical and Other Information (Unaudited) Detail of Bonded Debt Year Ended June 30, 2002

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2001	Bonds Issued (Retired) this Year	Bonds Defeased this Year	Bonds Outstanding June 30, 2002	Current Portion
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### Series XXI

Amount of issue - \$26,000,000

#### Due May 1:

2002	7.750	\$ 1,900,000	\$ 1,900,000	\$ (1,900,000)	\$ -	\$ -	\$ -	\$ -
2003	7.750	2,050,000	2,050,000	-	-	-	2,050,000	2,050,000
2004	7.750	2,200,000	2,200,000	-	-	-	2,200,000	-
2005	7.750	2,400,000	2,400,000	-	-	-	2,400,000	-
2006	7.750	2,600,000	2,600,000	-	-	-	2,600,000	-
2007	7.750	2,800,000	2,800,000	-	-	-	2,800,000	-

Total Series XXI issue 13,950,000 (1,900,000) - 12,050,000 2,050,000

The Bonds were issued for the purpose of site acquisition and development, equipment acquisition, and permanent improvements for school buildings in the School District.

### Series XXII

Amount of issue - \$20,000,000

#### Due May 1:

2002	9.375	1,175,000	1,175,000	(1,175,000)	-	-	-	-
2003	9.375	1,275,000	1,275,000	-	-	-	1,275,000	1,275,000
2004	9.350	1,400,000	1,400,000	-	-	-	1,400,000	-
2005	9.350	1,525,000	1,525,000	-	-	-	1,525,000	-
2006	9.350	1,675,000	1,675,000	-	-	-	1,675,000	-
2007	9.350	1,825,000	1,825,000	-	-	-	1,825,000	-
2008	9.350	1,975,000	1,975,000	-	-	-	1,975,000	-
2009	9.350	2,150,000	2,150,000	-	-	-	2,150,000	-

Total Series XXII issue 13,000,000 (1,175,000) - 11,825,000 1,275,000

The Bonds were issued for the purpose of site acquisition and development, equipment acquisition, and permanent improvements for school buildings in the School District.

### Series 1992

Amount of issue - \$33,000,000

#### Due May 1:

2002	5.750	1,545,000	1,545,000	(1,545,000)	-	-	-	-
2003	5.800	1,635,000	1,635,000	-	-	-	1,635,000	1,635,000

Total Series 1992 issue 3,180,000 (1,545,000) - 1,635,000 1,635,000

The Bonds were issued for the purpose of defraying the cost of acquiring, constructing, and reconstructing certain improvements to existing school buildings, structures, facilities, and sites of the School District, including replacement of certain equipment. The proceeds of the Bonds were to be used to pay expenses of issuance of the Bonds and to establish a separate depository account designated School Building and Site Bonds, Series 1992 Construction Fund, to be used to pay the costs of the project.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Detail of Bonded Debt (Continued) Year Ended June 30, 2002

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2001	Bonds Issued (Retired) this Year	Bonds Defeased this Year	Bonds Outstanding June 30, 2002	Current Portion
<b>Series 1993</b>								
Amount of issue - \$79,730,000								
Due May 1:								
2002	4.700	\$	4,435,000	\$ 4,435,000	\$ (4,435,000)	\$ -	\$ -	\$ -
2003	4.800		4,655,000	4,655,000	-	-	4,655,000	4,655,000
2004	4.850		4,890,000	4,890,000	-	-	4,890,000	-
2005	4.950		5,130,000	5,130,000	-	-	5,130,000	-
2006	5.050		5,395,000	5,395,000	-	-	5,395,000	-
2007	5.125		5,680,000	5,680,000	-	-	5,680,000	-
2008	5.125		6,340,000	6,340,000	-	-	6,340,000	-
2009	5.125		6,645,000	6,645,000	-	-	6,645,000	-
2010	5.125		6,970,000	6,970,000	-	-	6,970,000	-
2011	5.125		5,815,000	5,815,000	-	-	5,815,000	-
2012	5.125		2,885,000	2,885,000	-	-	2,885,000	-
2013	5.125		3,040,000	3,040,000	-	-	3,040,000	-
Total Series 1993 issue				61,880,000	(4,435,000)	-	57,445,000	4,655,000

The Bonds were issued for the purposes of (i) defraying the cost of acquiring, constructing, and reconstructing certain permanent improvements to existing school buildings, structures, facilities, and sites of the School District, including replacement of certain equipment, (ii) paying costs of issuance of the Bonds, (iii) establishing a separate depository account designated School Building and Site Improvement and Refunding Bonds, Series 1993 Construction Fund, to be used solely to pay the costs of the projects, and (iv) making a deposit to the Escrow Fund in order to advance refund prior bonds.

### Series 1996A

Amount of issue - \$89,000,000

Due May 1:								
2002	5.500		1,625,000	1,625,000	(1,625,000)	-	-	-
2003	5.500		1,710,000	1,710,000	-	-	1,710,000	1,710,000
2004	6.250		1,805,000	1,805,000	-	-	1,805,000	-
2005	6.250		1,920,000	1,920,000	-	-	1,920,000	-
2006	6.250		2,040,000	2,040,000	-	-	2,040,000	-
2007	6.500		2,165,000	2,165,000	-	-	2,165,000	-
2008	6.500		2,305,000	2,305,000	-	-	2,305,000	-
2009	6.500		2,455,000	2,455,000	-	-	2,455,000	-
2010	6.500		2,615,000	2,615,000	-	-	2,615,000	-
2011	6.500		2,785,000	2,785,000	-	-	2,785,000	-
Total Series 1996A issue				21,425,000	(1,625,000)	-	19,800,000	1,710,000

The Bonds were issued for the purposes of (i) defraying the costs of acquiring, constructing, and reconstructing new school buildings, and the acquisition of certain equipment by the School District, and (ii) paying costs of issuance of the Bonds.

### Series 1998A

Amount of issue - \$940,000

Due May 1:								
2003	4.000		640,000	640,000	-	-	640,000	640,000
2004	4.100		10,000	10,000	-	-	10,000	-
2005	4.200		190,000	190,000	-	-	190,000	-
2006	4.250		50,000	50,000	-	-	50,000	-
2007	4.300		50,000	50,000	-	-	50,000	-
Total Series 1998A issue				940,000	-	-	940,000	640,000

The Bonds were issued for the purposes of defraying the costs of acquiring, constructing, and reconstructing certain permanent improvements to existing school facilities and sites, construction of new school buildings, and the acquisition of certain equipment by the School District, and paying costs of issuance of the Bonds.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Detail of Bonded Debt (Continued) Year Ended June 30, 2002

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2001	Bonds Issued (Retired) this Year	Bonds Defeased this Year	Bonds Outstanding June 30, 2002	Current Portion
<b>Series 1998B</b>								
Amount of issue - \$209,770,000								
Due May 1:								
2002	3.800	\$	10,000	\$ 10,000	\$ (10,000)	\$ -	\$ -	\$ -
2003	3.900		2,160,000	2,160,000	-	-	2,160,000	2,160,000
2004	5.000		2,790,000	2,790,000	-	-	2,790,000	-
2005	5.000		4,220,000	4,220,000	-	-	4,220,000	-
2006	5.000		4,575,000	4,575,000	-	-	4,575,000	-
2007	5.000		4,805,000	4,805,000	-	-	4,805,000	-
2008	5.000		5,100,000	5,100,000	-	-	5,100,000	-
2009	5.000		5,355,000	5,355,000	-	-	5,355,000	-
2010	5.000		5,620,000	5,620,000	-	-	5,620,000	-
2011	5.375		5,905,000	5,905,000	-	-	5,905,000	-
2012	5.375		6,220,000	6,220,000	-	-	6,220,000	-
2013	5.375		6,555,000	6,555,000	-	-	6,555,000	-
2014	5.375		6,905,000	6,905,000	-	-	6,905,000	-
2015	5.375		7,280,000	7,280,000	-	-	7,280,000	-
2017	5.000		15,725,000	15,725,000	-	-	15,725,000	-
2021	5.000		36,450,000	36,450,000	-	-	36,450,000	-
2028	4.750		83,065,000	83,065,000	-	-	83,065,000	-
Total Series 1998B issue				202,740,000	(10,000)	-	202,730,000	2,160,000

The Bonds were issued for the purposes of (i) defraying the cost of acquiring, constructing, and reconstructing certain permanent improvements to existing school facilities and sites, construction of new school buildings, and the acquisition of certain equipment by the School District, and (ii) paying costs of issuance of the Bonds.

### Series 1998C

Amount of issue - \$84,855,000

Due May 1:								
2002	3.800		290,000	290,000	(290,000)	-	-	-
2003	3.900		300,000	300,000	-	-	300,000	300,000
2004	4.000		2,040,000	2,040,000	-	-	2,040,000	-
2005	4.100		2,125,000	2,125,000	-	-	2,125,000	-
2006	4.200		2,205,000	2,205,000	-	-	2,205,000	-
2007	5.000		2,300,000	2,300,000	-	-	2,300,000	-
2008	5.000		2,420,000	2,420,000	-	-	2,420,000	-
2009	5.000		2,540,000	2,540,000	-	-	2,540,000	-
2010	5.000		2,665,000	2,665,000	-	-	2,665,000	-
2011	5.250		2,800,000	2,800,000	-	-	2,800,000	-
2012	5.250		5,910,000	5,910,000	-	-	5,910,000	-
2013	5.250		3,260,000	3,260,000	-	-	3,260,000	-
2014	5.250		3,430,000	3,430,000	-	-	3,430,000	-
2015	5.250		3,610,000	3,610,000	-	-	3,610,000	-
2016	5.250		3,800,000	3,800,000	-	-	3,800,000	-
2017	5.250		4,000,000	4,000,000	-	-	4,000,000	-
2025	5.250		40,555,000	40,555,000	-	-	40,555,000	-
Total Series 1998C issue				84,250,000	(290,000)	-	83,960,000	300,000

The Bonds were issued for the purposes of (i) defraying the cost of advance refunding a portion of the School District's School Building and Site Bonds (Unlimited Tax General Obligation), Series 1992, dated July 1, 1992, in the original principal amount of \$33,000,000 and its School Building and Site Improvement Bonds (Unlimited Tax General Obligation), Series 1996A, dated March 1, 1996, in the original principal amount of \$89,000,000 and (ii) paying costs of issuance of the Bonds.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Detail of Bonded Debt (Continued) Year Ended June 30, 2002

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2001	Bonds Issued (Retired) this Year	Bonds Defeased this Year	Bonds Outstanding June 30, 2002	Current Portion
<b>Series 2001A</b>								
Amount of issue - \$438,365,000								
	2001				\$ 438,365,000	-		
	Due May 1:							
	2002	3.250	4,075,000	\$ -	(4,075,000)	\$ -	\$ -	\$ -
	2003	3.000	8,445,000	-	-	-	8,445,000	8,445,000
	2004	3.000	1,325,000	-	-	-	1,325,000	-
	2004	5.000	7,835,000	-	-	-	7,835,000	-
	2005	3.000	175,000	-	-	-	175,000	-
	2005	5.000	2,870,000	-	-	-	2,870,000	-
	2006	3.250	1,755,000	-	-	-	1,755,000	-
	2006	5.500	1,730,000	-	-	-	1,730,000	-
	2007	3.500	4,045,000	-	-	-	4,045,000	-
	2008	3.500	1,600,000	-	-	-	1,600,000	-
	2008	5.500	2,660,000	-	-	-	2,660,000	-
	2009	3.750	285,000	-	-	-	285,000	-
	2009	5.500	3,915,000	-	-	-	3,915,000	-
	2010	3.900	350,000	-	-	-	350,000	-
	2010	5.500	2,660,000	-	-	-	2,660,000	-
	2011	4.000	550,000	-	-	-	550,000	-
	2011	5.500	8,920,000	-	-	-	8,920,000	-
	2012	4.000	1,000,000	-	-	-	1,000,000	-
	2012	5.500	5,790,000	-	-	-	5,790,000	-
	2013	4.125	300,000	-	-	-	300,000	-
	2013	5.000	6,110,000	-	-	-	6,110,000	-
	2014	4.250	390,000	-	-	-	390,000	-
	2014	5.500	6,445,000	-	-	-	6,445,000	-
	2015	5.500	17,175,000	-	-	-	17,175,000	-
	2016	4.600	400,000	-	-	-	400,000	-
	2016	5.500	7,185,000	-	-	-	7,185,000	-
	2017	5.500	12,295,000	-	-	-	12,295,000	-
	2018	5.500	11,565,000	-	-	-	11,565,000	-
	2019	5.500	12,200,000	-	-	-	12,200,000	-
	2020	5.500	12,875,000	-	-	-	12,875,000	-
	2021	5.000	1,345,000	-	-	-	1,345,000	-
	2021	5.500	12,240,000	-	-	-	12,240,000	-
	2029	6.000	183,695,000	-	-	-	183,695,000	-
	2031	5.125	94,160,000	-	-	-	94,160,000	-
	Total Series 2001A issue			-	434,290,000	-	434,290,000	8,445,000

The Bonds were issued for the purpose of defraying the cost of acquiring, construction, and reconstructing certain permanent improvements to existing school facilities and sites, acquiring new sites, constructing new school buildings, and acquiring certain equipment, including school buses and technology, and paying costs of issuance of the Bonds.

### Series 1998 (Durant)

Amount of issue - \$59,304,433

	Due May 15:							
	2002	4.761	5,349,937	5,349,937	(5,349,937)	-	-	-
	2003	4.761	5,355,361	5,355,361	-	-	5,355,361	5,355,361
	2004	4.761	2,614,921	2,614,921	-	-	2,614,921	-
	2005	4.761	2,740,299	2,740,299	-	-	2,740,299	-
	2006	4.761	2,870,555	2,870,555	-	-	2,870,555	-
	2007	4.761	3,006,534	3,006,534	-	-	3,006,534	-
	2008	4.761	3,150,447	3,150,447	-	-	3,150,447	-
	2009	4.761	3,300,484	3,300,484	-	-	3,300,484	-
	2010	4.761	3,457,471	3,457,471	-	-	3,457,471	-
	2011	4.761	3,622,152	3,622,152	-	-	3,622,152	-
	2012	4.761	3,794,402	3,794,402	-	-	3,794,402	-
	2013	4.761	3,975,017	3,975,017	-	-	3,975,017	-
	Total Series 1998 (Durant)			43,237,580	(5,349,937)	-	37,887,643	5,355,361

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Detail of Bonded Debt (Continued) Year Ended June 30, 2002

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2001	Bonds Issued (Retired) this Year	Bonds Defeased this Year	Bonds Outstanding June 30, 2002	Current Portion
<b>Energy Conservation</b>								
Amount of issue - \$21,210,000								
Due:								
11/01/01	3.550	\$	1,565,000	\$	1,565,000	\$	(1,565,000)	\$ -
05/01/02	3.800		1,595,000		1,595,000		(1,595,000)	-
11/01/02	3.800		1,625,000		1,625,000		-	1,625,000
05/01/03	3.900		1,655,000		1,655,000		-	1,655,000
11/01/03	3.900		1,690,000		1,690,000		-	1,690,000
05/01/04	4.000		1,340,000		1,340,000		-	1,340,000
11/01/04	4.000		1,290,000		1,290,000		-	1,290,000
05/01/05	4.050		880,000		880,000		-	880,000
11/01/05	4.050		675,000		675,000		-	675,000
05/01/06	4.150		690,000		690,000		-	690,000
11/01/06	4.150		705,000		705,000		-	705,000
05/01/07	4.250		720,000		720,000		-	720,000
11/01/07	4.250		350,000		350,000		-	350,000
Total Energy Conservation				14,780,000	(3,160,000)	-	11,620,000	3,280,000
Total all issues				<u>\$ 459,382,580</u>	<u>\$ 414,800,063</u>	<u>\$ -</u>	<u>\$ 874,182,643</u>	<u>\$ 31,505,361</u>

# Detroit Public Schools

			\$26,000,000 Series XXI		\$20,000,000 Series XXI		\$33,000,000 Series 1992	
			Principal	Interest	Principal	Interest	Principal	Interest
			2002	Nov	01	\$ -	\$ 466,937	\$ -
2003	May	01	2,050,000	466,938	1,275,000	552,978	1,635,000	47,415
	May	15						
	Nov	01		387,500		493,212		
2004	May	01	2,200,000	387,500	1,400,000	493,213		
	May	15						
	Nov	01		302,250		427,762		
2005	May	01	2,400,000	302,250	1,525,000	427,763		
	May	15						
	Nov	01		209,250		356,468		
2006	May	01	2,600,000	209,250	1,675,000	356,469		
	May	15						
	Nov	01		108,500		278,162		
2007	May	01	2,800,000	108,500	1,825,000	278,163		
	May	15						
	Nov	01				192,843		
2008	May	01			1,975,000	192,844		
	May	15						
	Nov	01				100,513		
2009	May	01			2,150,000	100,513		
	May	15						
	Nov	01						
2010	May	01						
	May	15						
	Nov	01						
2011	May	01						
	May	15						
	Nov	01						
2012	May	01						
	May	15						
	Nov	01						
2013	May	01						
	May	15						
	Nov	01						
2014	May	01						
	Nov	01						
2015	May	01						
	Nov	01						
2016	May	01						
	Nov	01						
2017	May	01						
	Nov	01						
2018	May	01						
	Nov	01						
2019	May	01						
	Nov	01						
2020	May	01						
	Nov	01						
2021	May	01						
	Nov	01						
2022	May	01						
	Nov	01						
2023	May	01						
	Nov	01						
2024	May	01						
	Nov	01						
2025	May	01						
	Nov	01						
2026	May	01						
	Nov	01						
2027	May	01						
	Nov	01						
2028	May	01						
	Nov	01						
2029	May	01						
	Nov	01						
2030	May	01						
	Nov	01						
2031	May	01						
Total interest			<u>\$ 2,948,875</u>		<u>\$ 4,803,881</u>		<u>\$ 94,830</u>	
Total principal			<u>\$ 12,050,000</u>		<u>\$ 11,825,000</u>		<u>\$ 1,635,000</u>	



# Detroit Public Schools

			\$84,855,000 Series 1998C		\$438,365,000 Series 2001A		\$59,304,433 Series 1998 (Durant)	
			Principal	Interest	Principal	Interest	Principal	Interest
2002	Nov	01	\$ -	\$ 2,152,974	\$ -	\$ 11,971,812	\$ -	\$ -
2003	May	01	300,000	2,152,974	8,445,000	11,971,813		
	May	15					5,355,361	1,803,964
2004	Nov	01		2,147,124		11,845,137		
	May	01	2,040,000	2,147,124	9,160,000	11,845,138	2,614,921	1,548,977
2005	May	15						
	Nov	01		2,106,324		11,629,387		
2006	May	01	2,125,000	2,106,324	3,045,000	11,629,388	2,740,299	1,424,471
	May	15						
2007	Nov	01		2,062,761		11,555,012		
	May	01	2,205,000	2,062,761	3,485,000	11,555,013	2,870,555	1,293,996
2008	May	15						
	Nov	01		2,016,456		11,478,918		
2009	May	01	2,300,000	2,016,456	4,045,000	11,478,919	3,006,534	1,157,319
	May	15						
2010	Nov	01		1,958,956		11,408,131		
	May	01	2,420,000	1,958,956	4,260,000	11,408,131	3,150,447	1,014,167
2011	May	15						
	Nov	01		1,893,456		11,306,981		
2012	May	01	2,540,000	1,893,456	4,200,000	11,306,981	3,300,484	864,163
	May	15						
2013	Nov	01		1,834,956		11,193,975		
	May	01	2,665,000	1,834,956	3,010,000	11,193,975	3,457,471	707,015
2014	May	15						
	Nov	01		1,768,331		11,114,000		
2015	May	01	2,800,000	1,768,331	9,470,000	11,114,000	3,622,152	542,393
	May	15						
2016	Nov	01		1,694,831		10,857,700		
	May	01	5,910,000	1,694,831	6,790,000	10,857,700	3,794,402	369,929
2017	May	15						
	Nov	01		1,539,694		10,678,475		
2018	May	01	3,260,000	1,539,694	6,410,000	10,678,475	3,975,017	189,265
	May	15						
2019	Nov	01		1,454,119		10,504,262		
	May	01	3,430,000	1,454,119	6,835,000	10,504,263		
2020	May	15						
	Nov	01		1,364,081		10,318,737		
2021	May	01	3,610,000	1,364,081	17,175,000	10,318,738		
	May	15		1,269,319		9,846,425		
2022	Nov	01		1,269,318		9,846,425		
	May	01	3,800,000	1,169,568	7,585,000	9,639,637		
2023	May	15						
	Nov	01		1,169,568	12,295,000	9,639,638		
2024	May	01	4,000,000	1,064,569		9,301,525		
	May	15						
2025	Nov	01		1,064,569	11,565,000	9,301,525		
	May	01		1,064,569		8,983,488		
2026	May	15						
	Nov	01		1,064,569	12,200,000	8,647,988		
2027	May	01		1,064,569		8,647,988		
	May	15						
2028	Nov	01		1,064,569	12,875,000	8,293,925		
	May	01		1,064,569		8,293,925		
2029	May	15						
	Nov	01		1,064,569	13,585,000	7,923,700		
2030	May	01		1,064,569		7,923,700		
	May	15						
2031	Nov	01		1,064,569		7,923,700		
	May	01	40,555,000	1,064,569		7,923,700		
2032	May	15						
	Nov	01						
2033	Nov	01						
	May	01						
2034	Nov	01						
	May	01						
2035	Nov	01						
	May	01						
2036	Nov	01						
	May	01						
2037	Nov	01						
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2087	Nov	01						
	May	01						
2088	Nov	01						
	May	01						
2089	Nov	01						
	May	01						
2090	Nov	01						
	May	01						
2091	Nov	01						
	May	01						
2092	Nov	01						
	May	01						
2093	Nov	01						
	May	0						



# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Direct and Overlapping Debt Year Ended June 30, 2002

Bonded Indebtedness	Dated Date	Original Principal Amount	Principal Amount Outstanding
<b>School District Direct Debt</b>			
Building & Site Bonds, Series 1987	08/01/87	\$ 26,600,000	\$ 12,050,000
Building & Site Bonds, Series 1988	09/01/88	20,000,000	11,825,000
Building & Site Bonds, Series 1992	07/01/92	33,000,000	1,635,000
Building & Site & Refunding Bonds, Series 1993	10/01/93	79,730,000	57,455,000
Building & Site Bonds, Series 1996A	03/01/96	89,000,000	19,800,000
Building & Site Bonds, Series 1998A	11/01/98	940,000	940,000
Building & Site Bonds, Series 1998B	11/01/98	209,770,000	202,730,000
Building & Site & Refunding Bonds, Series 1998C	11/01/98	84,855,000	83,960,000
Durant Bonds, Series 1998*	11/24/98	59,304,433	37,877,643
Energy Conservation Bonds, Series 1999*	03/10/99	21,210,000	11,620,000
Building & Site Bonds, Series 2001A	10/01/01	<u>438,365,000</u>	<u>434,290,000</u>
Direct Bonded Indebtedness		<b><u>\$ 1,062,774,433</u></b>	<b><u>\$ 874,182,643</u></b>

\*Not Qualified for Participation in Michigan School Bond Loan Fund

Source: The School District

### Overlapping General Obligation Bonded Indebtedness

100.00% of City of Detroit	\$ 1,024,450,000
19.25% of County of Wayne	24,172,230
18.99% of Intermediate School District	-
30.52% of Wayne County Community College	<u>25,658,164</u>
Total overlapping debt	<b><u>\$ 1,074,280,394</u></b>

Source: Municipal Advisory Council of Michigan

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Legal Debt Margin Year Ended June 30, 2002

### Summary of Bonded Indebtedness

2002 Actual Valuation (True Cash Value)	\$ 21,951,604,580
2002 SEV (50% of True Cash Value)	\$ 10,975,802,590
2002 Taxable Value	\$ 7,639,805,282
Direct Bonded Indebtedness	\$ 874,182,643
Percentage of Direct Bonded Indebtedness to Actual Valuation	3.98%
Percentage of Direct Bonded Indebtedness to Taxable Valuation	11.44%
Population census (2002)	951,270
Per Capita Direct Bonded Indebtedness	\$ 918.96
Overlapping Bonded Indebtedness	\$ 1,074,280,394
Combined Direct and Overlapping Bonded Indebtedness	\$ 1,948,463,037
Percentage of Direct and Overlapping Bonded Indebtedness to Actual Valuation	8.88%
Percentage of Direct and Overlapping Bonded Indebtedness to Taxable Value	25.50%
Per Capita Direct and Overlapping Bonded Indebtedness	\$ 2,048.28

Source: City of Detroit Finance Department

### Bonded Debt Limit

The bonded debt limit of the School District is equal to 15% of its taxable value (the "Bonded Debt Limit"). This limit is calculated by the School District to be \$1,145,970,792, based on the taxable value for the fiscal year ended June 30, 2002. The Bonded Debt Limit does not include deficit bonds, school bus purchase notes, and bonds qualified for participation in the Michigan School Bond Loan Fund, a program established pursuant to the provisions of Section 16 ("Qualified Bonds"). The School District's only bonded indebtedness subject to the Bonded Debt Limit is its Energy Conservation Bonds, Series 1999 in the outstanding principal amount of \$11,620,000.

# Detroit Public Schools

	Total	Tax Year			
		2001	2000	1999	1998
Estimated actual value of taxable property	\$ 21,951,604,580	\$ 19,648,594,740	\$ 17,256,887,876	\$ 15,133,571,800	
State Equalized Valuation/Taxable Value of property assessed in the City of Detroit	\$ 7,639,805,282	\$ 7,204,381,124	\$ 6,856,681,901	\$ 6,631,616,310	
Nonhomestead valuation	\$ 4,780,548,412	\$ 4,575,423,804	\$ 4,379,265,443	\$ 4,241,051,460	
Tax rate (mills):					
General Fund		18.00	18.00	18.00	18.00
School Building and Site Bonds Fund		8.37	7.00	5.90	4.96
Deficit Funding Bonds Fund		-	-	-	1.49
Judgement Levy Fund		2.13	-	-	-
Total tax rate (mills)		<u>28.50</u>	<u>25.00</u>	<u>23.90</u>	<u>24.45</u>
General Fund:					
Prior years:					
Levy	\$ -	\$ 82,357,628	\$ 78,826,777	\$ 83,359,074	
Collections, write-offs, and adjustments	-	(68,996,914)	(72,146,418)	(79,093,087)	
July 1, 2001 tax receivable	\$ 46,960,375	-	13,360,714	6,680,359	4,265,987
Current year:					
Levy	86,049,872	86,049,872	-	-	-
Collections, write-offs, and adjustments	(95,121,231)	(74,658,644)	(5,909,734)	(2,825,615)	(1,387,226)
June 30, 2002 tax receivable	<u>\$ 37,889,016</u>	<u>\$ 11,391,228</u>	<u>\$ 7,450,980</u>	<u>\$ 3,854,744</u>	<u>\$ 2,878,761</u>
School Building and Site Bonds Fund:					
Prior years:					
Levy	\$ -	\$ 50,430,668	\$ 35,000,344	\$ 27,494,377	
Collections, write-offs, and adjustments	-	(42,249,401)	(31,571,940)	(26,087,324)	
July 1, 2001 tax receivable	\$ 18,159,578	-	8,181,267	3,428,404	1,407,053
Current year:					
Levy - Regular	63,945,170	63,945,170	-	-	-
Collections, write-offs, and adjustments	(63,008,241)	(55,480,148)	(3,618,752)	(1,450,124)	(457,549)
June 30, 2002 tax receivable	<u>\$ 19,096,507</u>	<u>\$ 8,465,022</u>	<u>\$ 4,562,515</u>	<u>\$ 1,978,280</u>	<u>\$ 949,504</u>
Deficit Funding Bonds Fund:					
Prior years:					
Levy	\$ -	\$ -	\$ -	\$ 8,259,399	
Collections, write-offs, and adjustments	-	-	-	(7,836,716)	
July 1, 2001 tax receivable	\$ 2,086,896	-	-	-	422,683
Current year:					
Levy - Regular	-	-	-	-	-
Collections, write-offs, and adjustments	(680,910)	-	-	-	(137,449)
June 30, 2002 tax receivable	<u>\$ 1,405,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,234</u>
Judgement Levy Fund:					
Prior years:					
Levy	\$ -	\$ -	\$ -	\$ -	-
Collections, write-offs, and adjustments	-	-	-	-	-
July 1, 2001 tax receivable	\$ -	-	-	-	-
Current year:					
Levy - Regular	16,272,785	16,272,785	-	-	-
Collections, write-offs, and adjustments	(14,118,604)	(14,118,604)	-	-	-
June 30, 2002 tax receivable	<u>\$ 2,154,181</u>	<u>\$ 2,154,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Statistical and Other Information (Unaudited)**  
**Summary of Property Tax Data**  
**Year Ended June 30, 2002**

Tax Year						
1997	1996	1995	1994	1993	1992	
<b>\$ 13,910,430,300</b>	<b>\$ 12,774,419,760</b>	<b>\$ 11,824,374,100</b>	<b>\$ 11,791,552,580</b>	<b>\$ 11,630,823,170</b>	<b>\$ 11,408,251,760</b>	
<b>\$ 6,450,576,199</b>	<b>\$ 6,147,617,878</b>	<b>\$ 5,887,323,624</b>	<b>\$ 5,815,411,585</b>	<b>\$ 5,815,411,585</b>	<b>\$ 5,704,125,880</b>	
<b>\$ 4,109,637,345</b>	<b>\$ 3,920,774,022</b>	<b>\$ 3,707,212,591</b>	<b>\$ 3,770,014,444</b>	<b>\$ -</b>	<b>\$ -</b>	
18.00	18.00	18.00	18.00	41.08	40.90	
5.54	5.30	5.00	2.62	4.80	6.00	
2.05	2.20	2.04	2.04	1.00	1.50	
-	-	-	-	-	-	
<b>25.59</b>	<b>25.50</b>	<b>25.04</b>	<b>22.66</b>	<b>46.88</b>	<b>48.40</b>	
\$ 75,039,414	\$ 70,220,814	\$ 66,729,828	\$ 67,860,260	\$ 235,175,244	\$ 229,648,108	
(72,435,574)	(68,293,600)	(65,208,746)	(66,474,150)	(232,135,748)	(227,056,956)	
2,603,840	1,927,214	1,521,082	1,386,110	3,039,496	2,591,152	
-	-	-	-	-	-	
(783,025)	(526,569)	(439,662)	(411,646)	(1,082,698)	(1,197,276)	
<b>\$ 1,820,815</b>	<b>\$ 1,400,645</b>	<b>\$ 1,081,420</b>	<b>\$ 974,464</b>	<b>\$ 1,956,798</b>	<b>\$ 1,393,876</b>	
\$ 35,736,192	\$ 32,582,375	\$ 29,436,618	\$ 15,446,934	\$ 27,913,976	\$ 34,224,755	
(34,496,160)	(31,688,150)	(28,765,621)	(15,131,416)	(27,553,180)	(33,807,501)	
1,240,032	894,225	670,997	315,518	360,796	417,254	
-	-	-	-	-	-	
(372,902)	(244,327)	(193,949)	(93,702)	(128,519)	(192,798)	
<b>\$ 867,130</b>	<b>\$ 649,898</b>	<b>\$ 477,048</b>	<b>\$ 221,816</b>	<b>\$ 232,277</b>	<b>\$ 224,456</b>	
\$ 13,223,681	\$ 13,524,759	\$ 12,010,140	\$ 12,027,384	\$ 5,815,412	\$ 8,556,189	
(12,764,824)	(13,153,571)	(11,736,373)	(11,781,713)	(5,740,276)	(8,451,876)	
458,857	371,188	273,767	245,671	75,136	104,313	
-	-	-	-	-	-	
(137,988)	(101,419)	(79,131)	(72,959)	(26,764)	(48,199)	
<b>\$ 320,869</b>	<b>\$ 269,769</b>	<b>\$ 194,636</b>	<b>\$ 172,712</b>	<b>\$ 48,372</b>	<b>\$ 56,114</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Summary of Property Tax Rates Year Ended June 30, 2002

Fiscal Year	School Operating	School Debt	State Education Tax	Library	City of Detroit	Wayne County	Wayne Regional Education Service Agency	Wayne County Community College	Total
1993	40.2600	7.5000	-	2.6400	30.6390	8.1600	2.0000	0.5500	91.7490
1994	40.4400	5.8000	-	2.6400	30.3790	7.9000	2.0000	1.3700	90.5290
1995	18.0000	4.6600	6.0000	2.6400	30.8270	7.9200	2.0000	1.2800	73.3270
1996	18.0000	7.0400	6.0000	2.6400	31.5060	7.9200	2.0000	1.2800	76.3860
1997	18.0000	7.5000	6.0000	2.6400	31.2830	8.1530	1.9970	1.2020	76.7750
1998	18.0000	7.5900	6.0000	2.6400	31.2380	8.1530	2.0000	1.1910	76.8120
1999	18.0000	6.4500	6.0000	2.6400	33.8150	8.1700	2.0000	1.1500	78.2250
2000	18.0000	5.9000	6.0000	2.6400	31.0950	8.1284	1.9914	1.0190	74.7738
2001	18.0000	7.0000	6.0000	3.6331	31.6783	8.0776	1.9789	1.0000	77.3679
2002	18.0000	10.5000 *	6.0000	3.6331	31.9000	8.0650	1.9750	2.5000	82.5731

\* This amount includes a judgment levy of 2.13 mills

Source: City of Detroit Finance Department

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Assessed Valuation Data - Property Type Year Ended June 30, 2002

Type of Property	Assessed Value at December 31, 2000*	Percent of Total Real Property	Percent of Total Roll
Commercial property	\$ 1,456,853,440	24.35	19.07
Industrial property	601,180,735	10.05	7.87
Residential property	<u>3,925,333,117</u>	<u>65.60</u>	<u>51.38</u>
Total real property	5,983,367,292	<u><b>100.00</b></u>	78.32
Personal property	<u>1,656,437,990</u>		<u>21.68</u>
Total property	<u><b>\$ 7,639,805,282</b></u>		<u><b>100.00</b></u>

\* The December 31, 2000 valuations, used for the 2001 tax year levy, are the basis of the School District's fiscal year revenue.

Source: City of Detroit Assessor's Office

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Assessed Valuation Data - Ten Largest Taxpayers Year Ended June 30, 2002

Principal Taxpayers	Assessed Valuation at December 31, 2000*			Percent of Total
	Real Property	Personal Property	Total	
DaimlerChrysler Corporation	\$ 125,086,775	\$ 685,747,565	\$ 810,834,340	10.61
Detroit Edison	45,636,777	303,256,710	348,893,487	4.57
Riverfront Holdings - GM	167,873,269	81,739,140	249,612,409	3.27
Michigan Consolidated Gas	15,408,244	163,860,190	179,268,434	2.35
Motor City Casino	18,334,654	44,703,390	63,038,044	0.83
MGM Grand Detroit LLC	20,855,600	39,334,510	60,190,110	0.79
One Detroit Center	42,592,244	112,260	42,704,504	0.56
Greektown Casino	26,257,094	11,256,920	37,514,014	0.49
American Axle & Mfg.	8,897,868	20,240,210	29,138,078	0.38
Flatbrick Detroit	28,700,000	29,040	28,729,040	0.38
Balance of Detroit City Valuations	<u>5,483,724,767</u>	<u>306,158,055</u>	<u>5,789,882,822</u>	75.77
Total	<u><b>\$ 5,983,367,292</b></u>	<u><b>\$ 1,656,437,990</b></u>	<u><b>\$ 7,639,805,282</b></u>	<u><b>100.00</b></u>

\* The December 31, 2000 valuations, used for the 2001 tax year levy, are the basis of the School District's fiscal year revenue.

Source: City of Detroit Finance Department, Assessments Division

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Construction and Property Values Year Ended June 30, 2002

Calendar Year	Annual Construction by Category							
	New Construction				Alterations/Additions			
	Residential		Non-residential		Residential		Non-residential	
	No. of Permits	Value (millions)	No. of Permits	Value (millions)	No. of Permits	Value (millions)	No. of Permits	Value (millions)
1992	133	\$ 31.5	310	\$ 24.2	2,237	\$ 21.6	646	\$ 90.7
1993	43	11.9	311	152.0	1,911	21.9	585	90.3
1994	51	22.1	313	52.6	1,649	16.3	590	108.4
1995	84	21.9	329	274.9	1,892	10.7	735	236.7
1996	79	14.7	316	271.5	2,872	75.8	685	225.6
1997	79	10.9	354	115.6	3,573	84.6	835	368.2
1998	125	53.3	351	349.6	4,709	62.7	891	810.6
1999	174	42.1	258	351.9	4,707	72.8	1,213	458.6
2000	115	39.7	308	364.4	4,934	75.7	860	1,141.8
2001	72	20.0	170	322.4	3,624	42.9	555	372.3

Source: City of Detroit Department of Buildings and Safety Engineering

### Aggregate Property Value by Category

Fiscal Year	SEV			Taxable				
	Commercial and Industrial		Residential	Total	Commercial and Industrial		Residential	Total
1993	\$ 1,447,002,825	\$ 2,975,922,075	\$ 4,422,924,900	\$ 1,447,002,825	\$ 2,975,922,075	\$ 4,422,924,900		
1994	1,460,638,705	3,094,029,920	4,554,668,625	1,460,638,705	3,094,029,920	4,554,668,625		
1995	1,455,850,850	3,109,589,050	4,565,439,900	1,455,850,850	3,109,589,050	4,565,439,900		
1996	1,502,521,950	3,128,599,950	4,631,121,900	1,487,622,131	3,118,636,343	4,606,258,474		
1997	1,590,010,250	3,353,216,350	4,943,226,600	1,558,602,704	3,145,031,894	4,703,634,598		
1998	1,682,952,850	3,668,921,700	5,351,874,550	1,609,751,447	3,237,484,252	4,847,235,699		
1999	1,847,303,951	4,092,896,600	5,940,200,551	1,677,497,435	3,327,533,525	5,005,030,960		
2000	2,007,416,628	4,983,545,650	6,990,962,278	1,779,546,264	3,439,653,975	5,219,200,239		
2001	2,182,054,100	5,924,124,350	8,106,178,450	1,881,972,270	3,604,289,934	5,486,262,204		
2002	2,404,326,050	6,915,038,250	9,319,364,300	2,058,034,175	3,925,333,117	5,983,367,292		

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Comparison of Debt Service Funds to General Fund Expenditures and Other Uses Year Ended June 30, 2002

Fiscal Year	Total Expenditures and Other Uses		Ratio of Debt Service to General Fund Expenditures and Other Uses
	Debt Service Funds	General Fund	
1993	\$ 52,926,126	\$ 1,026,754,607 **	5.15
1994	48,578,115 *	1,142,478,765 **	4.25
1995	46,050,917	1,240,484,828 **	3.71
1996	45,890,550	1,357,565,784 **	3.38
1997	51,147,305	1,313,296,268 **	3.89
1998	51,625,860	1,328,502,459 **	3.89
1999	66,783,644	1,424,344,728 **	4.69
2000	55,411,883	1,478,743,301 **	3.75
2001	39,860,055	1,491,006,820	2.67
2002	70,970,340	1,584,054,314	4.48

\* Amount does not include payment to refunding bond escrow agent.

\*\* Includes Food Services and Athletic Fund expenditures

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Comparison of Bonded Debt to SEV/Taxable Value and Population Year Ended June 30, 2002

Fiscal Year	Bonded Debt	Tax Year	State Equalized Valuation/Taxable Value*	Percent of Bonded Debt to State Equalized Valuation/ Taxable Value	Population	Per Capita Bonded Debt
1993	\$ 275,726,117	1992	\$ 5,704,125,880	4.83	1,016,130	\$ 271
1994	294,293,898	1993	5,815,411,585	5.06	1,011,977	291
1995	267,099,422	1994	5,895,776,290	4.53	1,008,430	265
1996	325,718,700	1995	5,887,332,624	5.53	1,003,701	325
1997	295,442,900	1996	6,147,617,879	4.81	995,233	297
1998	262,127,600	1997	6,450,576,199	4.06	975,477	269
1999	510,705,076	1998	6,631,616,310	7.70	967,360	528
2000	478,006,512	1999	6,856,681,901	6.97	965,084	495
2001	459,382,580	2000	7,204,381,125	6.38	951,270	483
2002	874,182,643	2001	7,639,805,282	11.44	951,270	919

\* State Equalized Value/Taxable Values for a tax year are valuations as of December 31 of the previous year.

Sources: City of Detroit Assessor's Office, U.S. Census Bureau

# Detroit Public Schools

	2002	2001	2000	1999
<b>Revenues</b>				
Local sources	\$ 149,442,586	\$ -	\$ -	\$ -
State sources	1,204,706,629	-	-	-
Federal sources	199,031,889	-	-	-
General operations	-	1,194,787,276	1,212,541,532	1,185,131,779
Special program operations	-	255,221,129	218,468,270	221,178,900
Auxiliary operations	-	881,474	37,102,162	35,134,044
<b>Other Financing Sources</b>				
Note proceeds	-	-	-	2,182,724
Operating transfer	53,667,403	4,578,791	-	-
Capital lease acquisition	-	-	-	2,613,195
Total revenues and other financing sources	<u>\$ 1,606,848,507</u>	<u>\$ 1,455,468,670</u>	<u>\$ 1,468,111,964</u>	<u>\$ 1,446,240,642</u>
<b>Expenditures</b>				
Instruction	\$ 875,700,585	\$ 698,251,247	\$ 537,667,895	\$ 508,180,769
Special program operations	-	269,979,428	171,554,877	174,481,214
Supporting services	626,045,607	516,718,280	427,692,759	417,625,780
Auxiliary operations	-	999,459	34,606,544	33,237,398
Community services	5,205,218	-	-	-
Other expenditures	-	2,988,144	282,249,591	261,915,317
Capital outlay	16,562,955	-	24,971,635	17,362,491
Other Uses - Interfund transfers	56,473,131	2,070,262	-	11,541,759
Total expenditures and other uses	<u>\$ 1,579,987,496</u>	<u>\$ 1,491,006,820</u>	<u>\$ 1,478,743,301</u>	<u>\$ 1,424,344,728</u>
<b>Percent Change in Expenditure</b>	5.97%	0.83%	3.82%	7.21%
<b>Student Enrollment</b>	159,694	162,693	168,213	173,848
<b>Expenditures per Student</b>	\$ 9,894	\$ 9,165	\$ 8,791	\$ 8,193
<b>Percent Change in Expenditure Per Student</b>	7.96%	4.25%	7.30%	7.23%

**Notes:**

Prior to 2001, auxiliary operations included Food Service and Athletics.

In 2001, capital outlay was included as a component of other expenditure groups and was not broken out separately.

In 2002, expenditure and revenue classifications were modified to conform with GASB No. 34.

**Statistical and Other Information (Unaudited)**  
**Ten-year Summary of General Fund**  
**Revenue and Expenditures**  
**Year Ended June 30, 2002**

1998	1997	1996	1995	1994	1993
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,145,958,397	1,102,696,745	1,095,822,978	1,075,258,161	944,878,398	853,637,360
213,762,637	219,852,486	195,046,806	121,119,177	141,631,833	126,063,446
36,347,857	36,069,451	33,724,815	34,924,172	30,565,524	29,940,160
-	-	7,180,120	-	3,030,422	-
-	-	-	-	-	-
-	-	-	-	-	-
<b><u>\$ 1,396,068,891</u></b>	<b><u>\$ 1,358,618,682</u></b>	<b><u>\$ 1,331,774,719</u></b>	<b><u>\$ 1,231,301,510</u></b>	<b><u>\$ 1,120,106,177</u></b>	<b><u>\$ 1,009,640,966</u></b>
\$ 467,509,867	\$ 457,263,214	\$ 483,432,263	\$ 576,843,132	\$ 536,701,872	\$ 496,141,487
169,495,717	169,301,905	164,731,030	-	-	-
374,221,979	352,132,566	372,800,759	355,649,270	357,053,713	335,344,745
31,764,690	31,553,702	31,425,740	30,975,522	33,785,068	31,655,754
-	-	-	-	-	-
260,085,839	278,241,439	281,996,529	254,566,644	200,242,723	142,642,360
13,881,097	13,312,662	11,893,677	11,324,972	3,280,491	3,270,512
11,543,270	11,490,780	11,285,786	11,125,288	11,414,898	17,699,749
<b><u>\$ 1,328,502,459</u></b>	<b><u>\$ 1,313,296,268</u></b>	<b><u>\$ 1,357,565,784</u></b>	<b><u>\$ 1,240,484,828</u></b>	<b><u>\$ 1,142,478,765</u></b>	<b><u>\$ 1,026,754,607</u></b>
1.16%	(3.26%)	9.44%	8.58%	11.27%	1,954.98%
173,871	173,080	169,996	167,551	167,132	182,516
\$ 7,641	\$ 7,588	\$ 7,986	\$ 7,404	\$ 6,836	\$ 5,626
0.70%	(4.98%)	7.86%	8.31%	21.51%	18.56%

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Comparison of Unreserved Fund Balance to Expenditures and Other Uses Year Ended June 30, 2002

Fiscal Year	Undesignated Fund Balance (Deficit)	Expenditures and Other Uses	Fund Balance (Deficit) as a Percentage of Expenditures and Other Uses
1993	\$ 1,798,287	\$ 1,026,754,607	0.18
1994	-	1,142,478,765	-
1995	-	1,240,484,828	-
1996	(19,825,406)	1,357,565,784	(1.46)
1997	-	1,313,296,268	-
1998	-	1,328,502,459	-
1999	-	1,424,344,728	-
2000	30,280,114	1,478,743,301	2.05
2001	22,671,885	1,491,006,820	1.52
2002	62,396,978	1,584,054,314	3.94

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Investments Year Ended June 30, 2002

Type of Investment	Fund Group	Interest Rate	Date of Purchase	Date of Maturity	Carrying Value
Governmental Funds:					
Money Market (1)	General	Various	N/A	N/A	\$ 72,534,399
Money Market (4)	General	1.57	08/01/2001	N/A	1,017,472
Repurchase Agreement (2)	General	1.8	04/20/2002	04/20/2003	559,743
Certificate of Deposit (3)	General	2.9	12/04/2001	12/04/2002	1,269,872
Money Market (1)	Debt Service	Various	N/A	N/A	14,257,336
Commercial Paper - Dealers Cap Account (5)	Capital Projects	1.83	06/03/2002	07/01/2002	248,677
Commercial Paper - Windmill Funding (5)	Capital Projects	2.00	06/28/2002	07/01/2002	781,000
Commercial Paper - Merrill Lynch (5)	Capital Projects	1.75	06/07/2002	07/02/2002	98,995
Commercial Paper - Bavaria Fin. Funding (5)	Capital Projects	1.96	04/04/2002	07/03/2002	298,967
Commercial Paper - Superior Funding (5)	Capital Projects	1.81	06/11/2002	07/05/2002	248,950
Commercial Paper - Bavaria Fin. Funding (5)	Capital Projects	1.81	05/13/2002	07/08/2002	248,912
Commercial Paper - Amstel Funding (5)	Capital Projects	1.97	03/27/2002	07/11/2002	248,863
Commercial Paper - Dealers Cap Account (5)	Capital Projects	1.83	06/18/2002	07/12/2002	198,888
Commercial Paper - Phillip Morris Co. (5)	Capital Projects	1.87	04/11/2002	07/15/2002	248,818
Commercial Paper - Galleon Capital (5)	Capital Projects	1.83	06/13/2002	07/16/2002	248,809
Commercial Paper - Beethoven Funding (5)	Capital Projects	1.82	06/10/2002	07/18/2002	248,785
Commercial Paper - CATDA (5)	Capital Projects	1.90	04/17/2002	07/19/2002	198,810
Commercial Paper - Nike Inc. (5)	Capital Projects	1.77	06/07/2002	07/22/2002	124,870
Commercial Paper - Sydney Capital Corp. (5)	Capital Projects	1.84	04/22/2002	07/22/2002	249,731
Commercial Paper - Edison Assest Sec. (5)	Capital Projects	1.82	04/19/2002	07/23/2002	249,721
Commercial Paper - CATDA (5)	Capital Projects	1.82	05/16/2002	07/30/2002	199,706
Commercial Paper - Bavaria Fin. Funding (5)	Capital Projects	1.83	05/03/2002	08/01/2002	249,606
Commercial Paper - Greyhawk Funding (5)	Capital Projects	1.79	05/21/2002	08/02/2002	249,602
Commercial Paper - Triple A One Funding Corp. (5)	Capital Projects	1.81	05/01/2002	08/05/2002	199,648
Commercial Paper - GE Capital Co. (5)	Capital Projects	2.08	03/28/2002	08/12/2002	199,514
Commercial Paper - Bavaria Fin. Funding (5)	Capital Projects	1.83	06/03/2002	08/13/2002	249,453
Commercial Paper - Bavaria Fin. Funding (5)	Capital Projects	1.86	05/15/2002	08/15/2002	249,419
Commercial Paper - Dealers Cap Account (5)	Capital Projects	1.80	06/14/2002	08/16/2002	249,425
Commercial Paper - Beethoven Funding (5)	Capital Projects	1.83	06/21/2002	08/19/2002	249,377
Commercial Paper - Barton Capital Corp. (5)	Capital Projects	1.80	05/20/2002	08/23/2002	249,338
Commercial Paper - Sydeney Capital Corp. (5)	Capital Projects	1.93	05/09/2002	09/03/2002	249,142
Commercial Paper - Atlantis One Funding (5)	Capital Projects	1.83	05/06/2002	09/06/2002	249,149
Commercial Paper - Dealers Cap Account. (5)	Capital Projects	1.84	06/11/2002	09/09/2002	199,284
Commercial Paper - Enterprise Funding (5)	Capital Projects	1.78	06/19/2002	09/19/2002	249,011
Commercial Paper - CATDA (5)	Capital Projects	1.82	06/18/2002	09/23/2002	149,363
Commercial Paper - Fairway Finance (5)	Capital Projects	1.89	06/07/2002	10/15/2002	248,609
Commercial Paper - GE Capital Co. (5)	Capital Projects	1.85	06/25/2002	11/04/2002	154,990
Commercial Paper - CATDA (5)	Capital Projects	1.95	06/10/2002	11/13/2002	198,538
Commercial Paper - New Center Asset Trust (5)	Capital Projects	1.81	05/21/2002	08/19/2002	3,651,905
Money Market (5)	Capital Projects	1.80-2.10	Various	Various	274,174,436
Repurchase Agreement (5)	Capital Projects	1.97	06/26/2002	07/01/2002	49,447,453
U.S. Government Agency (5)	Capital Projects	2.23-2.3	Various	Various	16,724,322
Total Governmental Funds					<b>\$ 441,622,908</b>

- (1) Held by Bank One
- (2) Held by First Independence
- (3) Held by Health One Credit Union
- (4) Held by Michigan Liquid Asset Fund Plus
- (5) Held by Standard Federal Bank

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Investments (Continued) Year Ended June 30, 2002

Type of Investment	Fund Group	Interest Rate	Date of Purchase	Date of Maturity	Carrying Value
Fiduciary Funds:					
Money Market (1)	Fiduciary	Various	N/A	N/A	\$ 505,044
Repurchase Agreement (2)	Fiduciary	3.2	06/26/2002	07/01/2002	<u>6,692,350</u>
Total Fiduciary Funds					<u><u>\$ 7,197,394</u></u>

(1) Held by Bank One

(2) Held by First Independence

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Major Insurance Coverage Year Ended June 30, 2002

Policy Coverage	Company/Policy Number	Policy Period	Details of Coverage	Premium
Contents/Liability	<b>Chubb</b> 35383881	07/01/01-07/01/02	Willis Warehouse, CDC, Canfield SCB (liability only)	\$ 153,715.00
Auto Coverage	<b>Citizens</b> CA766777	07/01/01-07/01/02	Service Fleet	329,943.00
Excess Auto Liability	<b>GENSTAR</b> IXG369326	07/01/01-07/01/02	Excess Auto Liability	192,187.50
EDP	<b>Chubb</b> 3561797	07/01/01-07/01/02	Computer Equipment Service	60,875.00
Inland Marine	<b>Citizens</b> IMC0071037	07/01/01-07/01/02	Other Equipment Service	4,696.00
Primary Bus Fleet Liability	<b>Michigan Mutual</b> CA1133297	07/16/01-07/16/02	Bus Fleet	597,372.00
Bus Physical Damage	<b>Citizens</b> OO76673	07/16/01-07/16/02	Bus Fleet	279,889.00
Building, Contents, and Liability	<b>Chubb</b> 35383907	11/12/01-11/12/02	Children's Museum	21,982.00
Excess Liability	<b>Chubb</b> 79792758	11/12/01-11/12/02	Children's Museum	5,000.00
Property	<b>Citizens</b> 361337	11/09/01-11/09/02	Burt Shuly & Barsamian School	20,982.00
General Liability	<b>Western World</b> NPP779635	06/18/02-06/18/03	Barsamian Academy	3,857.00
Property - FEMA Flood Coverage	<u>Undrs@Lloyds</u>	04/02/02-04/02/03	Locations Lessenger School Hosmer School Dexter Career Burrough MS Hamilton School Turner Elementary A.L. Holmes Goodale School Glazer School	20,252.00
General Liability	<b>Chicago Ins</b> AHCI152605	05/12/02-05/12/03	JTPA School of Practical Nursing Medical/Malpractice	2,066.00
General Liability	<b>Western World</b> NGL741059	11/01/01-11/01/02	Randolph Vocation Center Rehab Program	3,602.25

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Elementary Schools</b>					
Academy Americas Elementary	625	773	773	200,000	200,000
Angell Primary Elementary	71	115	115	7,300	7,300
Angelou Elementary	168	142	142	15,000	15,000
Arts Academy	119	173	173	18,680	18,680
Atkinson Elementary	451	400	400	41,516	41,516
B.Jordan/Hampton Elementary	547	161	161	88,775	88,775
Bagley Elementary	597	600	600	60,638	60,638
Barton Elementary	533	400	400	38,848	38,848
Beard Early Childhood Center	65	69	69	14,400	14,400
Bellevue Elementary	363	250	250	53,703	53,703
Bennett Elementary	667	573	573	63,322	63,322
Berry Elementary	232	150	150	31,600	31,600
Bethune Elementary	259	207	207	18,500	18,500
Biddle Elementary	241	250	250	39,800	39,800
Birney Elementary	365	273	273	55,001	55,001
Bow Elementary	575	523	523	53,250	53,250
Brady Elementary	409	323	323	82,852	82,852
Brewer Elementary	702	400	400	57,894	57,894
Brown Academy (formerly Stellwagen ES)	414	-	-	-	-
Bunche Elementary	245	523	523	56,488	56,488
Burns Elementary	702	550	550	72,704	72,704
Burt Elementary	381	273	273	54,887	54,887
Campbell Elementary	331	300	300	51,026	51,026
Carleton Elementary	720	600	600	48,312	48,312
Carstens Elementary	545	650	650	82,536	82,536
Chandler Elementary	363	300	300	46,433	46,433
Chrysler Elementary	194	200	200	18,983	18,983
Clark Elementary	725	523	523	71,916	71,916
Clinton Elementary	472	423	423	62,740	62,740
Columbian Early Learning Center	-	-	462	-	43,910
Columbian Primary	122	123	123	12,360	12,360
Cooke Elementary	373	450	450	45,184	45,184
Coolidge Elementary	618	750	750	57,528	57,528
Cooper Elementary	583	800	800	102,352	102,352
Courville Elementary	834	750	750	126,136	126,136
Crary Elementary	492	450	450	57,104	57,104
Cultural Center Early Learning Center	-	46	46	14,400	14,400
Davison Elementary	776	623	623	91,475	91,475
Dossin Elementary	397	450	450	48,808	48,808
Dow Elementary	468	570	570	55,360	55,360
Duffield Elementary	532	523	523	139,500	70,000
Eastside Early Childhood Center	17	46	46	14,400	14,400
Edison Elementary	427	680	680	54,184	54,184

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Elementary Schools (Continued)</b>					
Edmonson Elementary	246	173	173	54,400	54,400
Fairbanks Elementary	310	250	250	31,136	31,136
Far West Early Learning Center	71	92	92	14,400	14,400
Ferry Elementary	332	523	523	62,270	62,270
Fitzgerald Elementary	853	700	700	66,586	66,586
Fleming Elementary	711	600	600	55,940	55,940
Ford Elementary	407	400	400	53,408	53,408
Foreign Language	426	-	-	-	-
Fox Elementary	121	69	69	6,060	6,060
Gardner Elementary	386	273	273	35,158	35,158
Glazer Elementary	370	373	373	48,000	48,000
Gompers Elementary	297	150	150	34,801	34,801
Goodale Elementary	1,479	-	-	-	-
Grayling Elementary	275	350	350	53,935	53,935
Greenfield Park Elementary	451	350	350	78,654	78,654
Guyton Elementary	481	450	450	47,264	47,264
Hamilton Elementary	511	550	550	83,675	83,675
Hanneman Elementary	433	500	500	45,968	45,968
Hanstein Elementary	329	200	200	23,632	23,632
Harding Elementary	505	550	550	71,600	71,600
Harms Elementary	529	450	450	41,477	41,477
Healy Elementary	217	200	200	15,872	15,872
Herman Rogers Academy	638	823	823	81,024	81,024
Higgins Elementary	369	450	450	45,548	45,548
Holcomb Elementary	504	423	423	52,500	52,500
Holmes, A.L. Elementary	549	923	923	90,293	90,293
Hosmer Elementary	418	500	500	61,688	61,688
Houghten Elementary	452	500	500	58,368	58,368
Howe Elementary	336	-	-	-	-
Hubert Elementary	408	373	373	72,770	72,770
Hutchinson Elementary	439	450	450	60,088	60,088
Jamieson Elementary	628	723	723	64,300	64,300
Jemison Elementary	282	200	200	36,776	36,776
Joyce Elementary	503	423	423	42,564	42,564
Keidan Elementary	507	700	700	69,088	69,088
Keith Elementary	447	373	373	49,341	49,341
King Elementary	589	473	473	52,100	52,100
Kosciusko Elementary	370	273	273	58,968	58,968
Larned Elementary	257	223	223	19,372	19,372
Law Elementary	690	-	-	-	-
Lodge Elementary	182	173	173	25,340	25,340
Logan Elementary	634	550	550	49,280	49,280

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Elementary Schools (Continued)</b>					
Loving Elementary	424	323	323	49,200	49,200
Lynch Elementary	221	150	150	39,330	39,330
MAAT IMHOTEP	651	450	450	56,000	56,000
MacCulloch Elementary	604	700	700	71,350	71,350
MacDowell Elementary	597	373	373	51,288	51,288
Macomb Elementary	348	150	150	25,189	25,189
Mann Elementary	492	450	450	48,378	48,378
Mark Twain Elementary	321	423	423	45,670	45,670
Marsh Elementary	222	173	173	23,296	23,296
Marshall, John Elementary	822	623	623	64,880	64,880
Marshall, Thurgood Elementary	813	700	700	80,192	80,192
Mason Elementary	634	550	550	52,900	52,900
Maybury Elementary	613	350	350	40,766	40,766
McColl Elementary	430	250	250	38,348	38,348
McFarlane Elementary	423	400	400	54,208	54,208
McGregor Elementary	619	384	384	32,464	32,464
McKenny Elementary	577	423	423	59,940	59,940
Medicine Bear Elementary	123	-	-	-	-
Monnier Elementary	410	750	750	74,200	74,200
Neinas Elementary	478	423	423	64,250	64,250
new Beard Elementary	608	623	623	85,000	85,000
new Beckham Elem. (formerly Goodale)	-	-	623	85,000	85,000
new Heilmann Elementary	-	-	623	95,000	95,000
new Howe Elementary	-	-	623	-	95,000
new Law Elementary	-	-	623	-	95,000
new Schulze Elementary	-	-	623	-	95,000
new Wright Elementary (formerly Taft)	-	-	623	-	95,000
Newberry Elementary	523	500	500	47,700	47,700
Nichols Elementary	468	450	450	51,904	51,904
Northwest Early Learning Center	26	46	46	14,400	14,400
O. W. Holmes Elementary	553	550	550	70,470	70,470
Oakman Elementary	149	323	323	46,464	46,464
Owen Elementary	223	173	173	51,510	51,510
Parker Elementary	689	723	723	82,688	82,688
Parkman Elementary	402	373	373	46,592	46,592
Pasteur Elementary	584	523	523	62,416	62,416
Pitcher Elementary	451	400	400	41,224	41,224
Pulaski Elementary	837	723	723	57,366	57,366
Richard Elementary	659	500	500	40,064	40,064
Richards, F. Elementary	365	300	300	40,640	40,640
Ron Brown Academy	580	623	623	85,000	85,000
Rose Elementary	270	350	350	30,500	30,500
Rowan Elementary	262	223	223	37,014	37,014
Rutherford Elementary	480	-	-	-	-
Sanders Elementary	418	623	623	48,000	48,000
Schulze Elementary	443	-	-	-	-

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Elementary Schools (Continued)</b>					
Scripps Elementary	223	373	373	44,538	44,538
Stark Elementary	432	523	523	62,240	62,240
Stellwagen Early Childhood Center	40	46	46	14,400	14,400
Stewart Elementary	316	373	373	58,800	58,800
Thirkell Elementary	438	123	123	57,000	57,000
Trix Elementary	428	400	400	40,451	40,451
Turner Elementary	111	123	123	18,260	18,260
Van Dyke Davison Early Learn. Ctr.	-	-	46	-	14,000
Van Zile Elementary	632	673	673	46,368	46,368
Vandenberg Elementary	292	223	223	39,104	39,104
Vernor Elementary	538	400	400	53,300	53,300
Von Steuben ES/MS	631	729	729	52,768	52,768
Wayne Elementary	652	450	450	43,470	43,470
Weatherby Elementary	216	150	150	33,344	33,344
Webster Elementary	369	400	400	44,358	44,358
White Elementary	986	923	923	112,912	112,912
Wilkins Elementary	606	623	623	52,496	52,496
Woodward Elementary	473	350	350	44,608	44,608
Yost Academy	136	173	173	29,824	29,824
Young, C. Elementary	764	350	350	67,805	67,805
<b>Middle Schools</b>					
AFFA EAST ES/MS		408	408	30,000	30,000
Ann Arbor Trail Middle School	504	594	594	45,343	45,343
Barbour Middle School	945	1,269	1,269	203,228	203,228
Bates Academy	774	606	606	100,300	100,300
Beaubien Middle School	741	1,008	1,008	178,816	178,816
Blackwell Middle School	632	837	837	54,431	54,431
Boynton Middle School	630	1,020	1,020	120,135	120,135
Brooks Middle School	822	648	648	109,000	109,000
Burbank Middle School	792	567	567	91,020	91,020
Burroughs Middle School	695	972	972	129,592	129,592
Burton Middle School	455	697	697	40,050	40,050
Butzel Middle School	426	432	432	135,600	135,600
Cadillac Middle School	507	527	527	48,192	48,192
Carver Middle School	658	567	567	41,104	51,104
Cerveney Middle School	649	810	810	187,488	187,488
Cleveland Middle School	1,089	675	675	102,352	102,352
Clippert Middle School	427	405	405	28,762	28,762
Coffey Middle School	455	486	486	56,559	56,559
Columbus Middle School	662	621	621	52,224	52,224
Courtis Middle School	561	810	810	74,048	74,048
Detroit Math and Science Academy	245	324	324	-	-
Detroit Open Middle School	432	378	378	33,500	33,500
Dewey Middle School	387	878	878	78,850	78,850

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Middle Schools (Continued)</b>					
Dixon Middle School	661	810	810	60,544	60,544
Drew Middle School	719	1,053	1,053	139,000	139,000
Durfee Middle School	938	756	756	130,500	130,500
Earhart Middle School	756	648	648	111,396	111,396
Elmdale Conservatory	402	408	408	28,000	28,000
Emerson ES/MS	910	855	1,317	50,432	94,342
Farwell Middle School	900	864	864	96,304	96,304
Fine and Perf. Arts East	450	450	450	-	-
Fisher Middle School	380	324	324	37,472	37,472
Foch Middle School	601	-	-	-	-
Foreign Lang. Immersion & Cultural	864	862	1,018	117,510	141,410
Garvey Middle School	338	-	-	-	-
Golightly Education Center	546	601	601	61,256	105,166
Grant Middle School	689	648	648	48,096	48,096
Greenfield Union ES/MS	512	254	716	43,470	82,770
Guest Middle School	541	810	810	80,448	80,448
Hally Middle School	673	594	594	48,500	48,500
Hampton Middle School	395	1,113	1,113	172,450	172,450
Henderson Middle School	518	459	459	30,191	30,191
Hughes Academy	298	-	-	-	-
Hutchins Middle School	516	1,134	1,134	111,465	138,056
Jones Middle School	387	702	702	44,260	44,260
Joy Middle School	683	1,161	1,161	130,688	130,688
Lessenger Middle School	858	621	621	93,258	93,258
Lions Alt. Middle School	55	243	243	-	-
Longfellow Middle School	383	810	810	197,500	197,500
Ludington Middle School	654	540	540	53,632	53,632
Malcolm X Middle School	535	567	567	37,700	37,700
Marquette ES/MS	781	702	1,164	48,016	91,926
McMichael Middle School	433	783	783	55,070	55,070
McNair Middle School	935	891	891	152,000	152,000
Miller Middle School	657	989	989	134,252	134,252
Munger Middle School	719	1,134	1,134	103,612	103,612
Murphy Middle School	756	648	648	102,102	102,102
New Heilmann Middle School	-	-	972	-	140,000
New Osborn Middle School	-	-	972	-	140,000
Noble Middle School	708	1,134	1,134	116,248	116,248
Nolan Middle School	990	1,161	1,161	137,496	137,496
Parks Middle School	671	756	756	41,056	41,056
Pelham Middle School	309	493	493	114,200	114,200
Phoenix Middle School	484	999	999	105,173	105,173
Post Middle School	629	702	702	106,586	106,586
Priest ES/MS (incl'd's etc)	750	565	1,027	73,840	118,690
Robeson Academy	840	843	843	135,360	135,360
Robinson Middle School	814	864	864	128,000	128,000

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Middle Schools (Continued)</b>					
Ruddiman Middle School	485	729	729	99,440	99,440
Sampson Middle School	438	783	783	81,684	81,684
Sherrard Middle School	491	1,048	1,048	143,510	143,510
Sherrill Middle School	629	783	783	73,000	73,000
Spain Middle School	944	1,000	1,000	89,287	89,287
Stephens Middle School	521	783	783	83,400	83,400
Taft Middle School	589	459	459	95,594	95,594
Vetal Middle School	914	405	405	65,800	65,800
Webber Middle School	748	918	918	120,438	120,438
Winship Middle School	654	770	770	67,012	67,012
Winterhalter Middle School	1,029	1,134	1,134	125,504	125,504
Young, Whitney Middle School	564	486	486	67,805	69,500
<b>High Schools</b>					
Barsamian Prep. School	76	297	297	22,200	22,200
Boykin Alternative High School	117	120	120	57,758	57,758
Breithaupt Voc High School	17	595	595	166,247	-
Cass Technical High School	2,344	-	-	-	-
Central High School	913	204	1,505	62,614	268,914
Chadsey High School	712	1,020	1,020	163,842	163,842
Cody High School	1,795	1,658	1,658	338,949	338,949
Comm/Media Arts High School	448	638	638	79,450	79,450
Commerce High School	294	485	485	61,440	61,440
Cooley High School	1,112	1,199	1,199	285,874	321,024
Crockett Career and Tech. Center	643	600	600	98,270	98,270
Crosman High School	301	-	-	-	-
Davis Aerospace High School	262	510	510	49,400	49,400
Denby High School	1,882	1,530	1,530	180,266	180,266
Detroit City High School	251	434	434	42,972	42,972
Detroit High School for Fine Arts	496	-	-	-	-
Douglass Alternative High School	235	319	319	81,915	81,915
Ferguson Alternative MS/HS	258	319	319	67,270	67,270
Finney High School	1,158	1,862	1,862	257,392	257,392
Ford High School	1,298	1,122	1,122	270,218	270,218
Golightly Career and Tech. Center	11	680	680	61,256	61,256
Kettering High School	1,305	867	867	165,362	215,632
King, Martin Luther High School	2,005	1,530	1,530	293,752	293,752
Krolik Alternative Ed.	55	149	149	28,412	28,412
Mackenzie High School	1,429	1,275	1,275	223,960	223,960
Mumford High School	1,672	1,403	1,403	240,273	240,273
Murray-Wright High School	1,566	1,734	1,734	232,817	232,817
new Cass Technical High School	-	-	2,244	-	388,528
new HS for Fine/Performing Arts	-	-	1,200	-	305,634
new Renaissance High School	-	-	1,199	-	350,000
North End Alternative Ed.	121	255	255	-	-
Northern High School	994	714	714	154,496	154,496

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>High Schools (Continued)</b>					
Northwestern High School	1,190	1,428	1,428	356,776	356,776
Osborn High School	1,495	1,377	1,377	258,595	258,595
Pershing High School	1,666	1,683	1,683	209,328	230,328
Randolph Career and Tech. Center	26	425	425	70,125	70,125
Redford High School	1,747	1,377	1,377	254,936	254,936
Southeastern High School	1,228	-	1,632	-	318,062
Southwestern High School	695	1,275	1,275	223,700	223,700
Trombly Alternative High School	319	332	332	71,866	71,866
Vincent Continuing Ed. Center	83	255	255	16,240	16,240
West Side Alt. High School	190	383	383	28,500	28,500
Western High School	1,342	1,275	1,275	214,412	214,412
<b>Non-Instructional Sites</b>					
African Heritage Ctr./Staff Dev. Ctr.	190	-	-	-	9,000
Canfield Audio/Visual	N/A	N/A	N/A	30,216	30,216
Central Administration Building	N/A	N/A	N/A	-	137,700
Central Distribution Center	N/A	N/A	N/A	316,578	316,578
Children's Museum	N/A	N/A	N/A	-	11,100
Deiter Trainable Center	N/A	N/A	N/A	47,712	47,712
Dexter Careers Center	N/A	N/A	N/A	28,500	28,500
East Maintenance Hub	N/A	N/A	N/A	-	44,000
Eastside Bus Terminal	N/A	N/A	N/A	44,784	44,784
Edison Garage	N/A	N/A	N/A	3,464	3,464
Field Learning Center	N/A	N/A	N/A	51,582	51,582
Field, Moses Center	N/A	N/A	N/A	53,742	53,742
Harris 21st Century Comm.	N/A	N/A	N/A	-	-
International Institute	N/A	N/A	N/A	-	-
Jessie Kennedy Institute	N/A	N/A	N/A	-	-
Lawton Building	N/A	N/A	N/A	-	-
Longfellow Annex Center	N/A	N/A	N/A	-	-
Marseilles Attendance	N/A	N/A	N/A	-	-
Northern Annex	N/A	N/A	N/A	10,500	10,500
Poe Developmental Center	N/A	N/A	N/A	-	-
Puritan Attendance	N/A	N/A	N/A	-	-
School for the Deaf	N/A	N/A	N/A	61,152	61,152
Schools Center Annex	N/A	N/A	N/A	-	-
Schools Center Building	N/A	N/A	N/A	-	-
Sinai Site (Central Heating Plant)	N/A	N/A	N/A	-	10,000
Thorn Apple Valley IT Building 1	N/A	N/A	N/A	-	-
Thorn Apple Valley IT Building 2	N/A	N/A	N/A	-	-
Thorn Apple Valley IT Building 3	N/A	N/A	N/A	-	-
Thorn Apple Valley IT Building 4	N/A	N/A	N/A	-	-
Thorn Apple Valley IT Building 5	N/A	N/A	N/A	-	-
Washington Careers Center	N/A	N/A	N/A	86,400	-
West Maintenance Hub	N/A	N/A	N/A	-	24,000
Westside Bus Terminal	N/A	N/A	N/A	38,979	38,979
Willis Warehouse	N/A	N/A	N/A	170,688	170,688
Wingert Vocational Pre-Center	N/A	N/A	N/A	42,240	42,240

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2002

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Totals by School Type</b>					
Elementary School	76,879	63,950	70,368	7,161,386	7,599,296
Middle School	34,281	45,477	48,663	6,530,151	7,086,522
High School	34,051	32,096	39,670	5,224,636	6,558,580
Non-Instructional				3,152,419	4,058,381

Source: Michigan Department of Treasury Form SBL-101.4P, **Summary of Existing and Proposed School Facilities**, submitted to the State by Detroit Public Schools Program Management Team in conjunction with Bond Series 2002A as of 3/5/02.

Note: The total enrollment for the grade levels are the actual student counts in Grades K-5 (elementary school), 6-8 (middle school) and 9-12 (high school), and not the totals of just the grade level schools. Total figures are adjusted for other factors as well, and will not necessarily match to the sum of individual sites.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Graduate Information Year Ended June 30, 2002

School Year	High School	Adult High School Completion	GED Graduates
1987-88	6,998	N/A	N/A
1988-89	7,226	522	1,095
1989-90	6,637	N/A	N/A
1990-91	5,731	525	1,870
1991-92	5,674	567	1,592
1992-93	6,129	518	1,804
1993-94	5,777	445	1,784
1994-95	6,063	399	1,956
1995-96	5,957	477	1,418
1996-97	6,286	292	226
1997-98	6,549	274	339
1998-99	6,317	26	342
1999-00	6,332	77	230
2000-01	5,964	84	396
2001-02	5,382	106	247

N/A - Not available

Source: Student Information Services - Detroit Public Schools  
Office of Adult Education - Detroit Public Schools

# Detroit Public Schools

	2001-02	2000-01	1999-00	1998-99
Charge per lunch to students:				
Paid - Elementary	1.10	\$ 0.90	\$ 0.90	\$ 0.90
Paid - Secondary	1.20	1.00	1.00	1.00
Paid - High School	1.20	1.00	1.00	1.00
Reduced	0.40	0.40	0.40	0.40
Charge per lunch to adults	a la carte	a la carte	a la carte	a la carte
Number of days served	168	168	175	168
Number of free lunches served	11,902,270	11,614,288	12,438,594	12,313,009
Percent of total lunches served	84.72	85.59	85.74	86.58
Average number of free lunches served daily	70,847	69,133	71,078	73,292
Number of paid lunches served at reduced price	406,774	428,282	497,624	445,001
Percent of total lunches served	2.90	3.16	3.43	3.13
Number of paid lunches served at regular price	1,739,831	1,526,922	1,570,529	1,463,297
Percent of total lunches served	12.38	11.25	10.83	10.29
Average number of paid lunches served daily:				
At reduced price	2,421	2,549	2,844	2,649
At regular price	10,356	9,089	8,974	8,710
Total number of lunches served	14,048,875	13,569,492	14,506,747	14,221,307
Average number of lunches served daily	83,624	80,771	82,896	84,651
Total number of students	156,604	159,694	162,693	168,213

Source: Office of Food Services, Detroit Public Schools

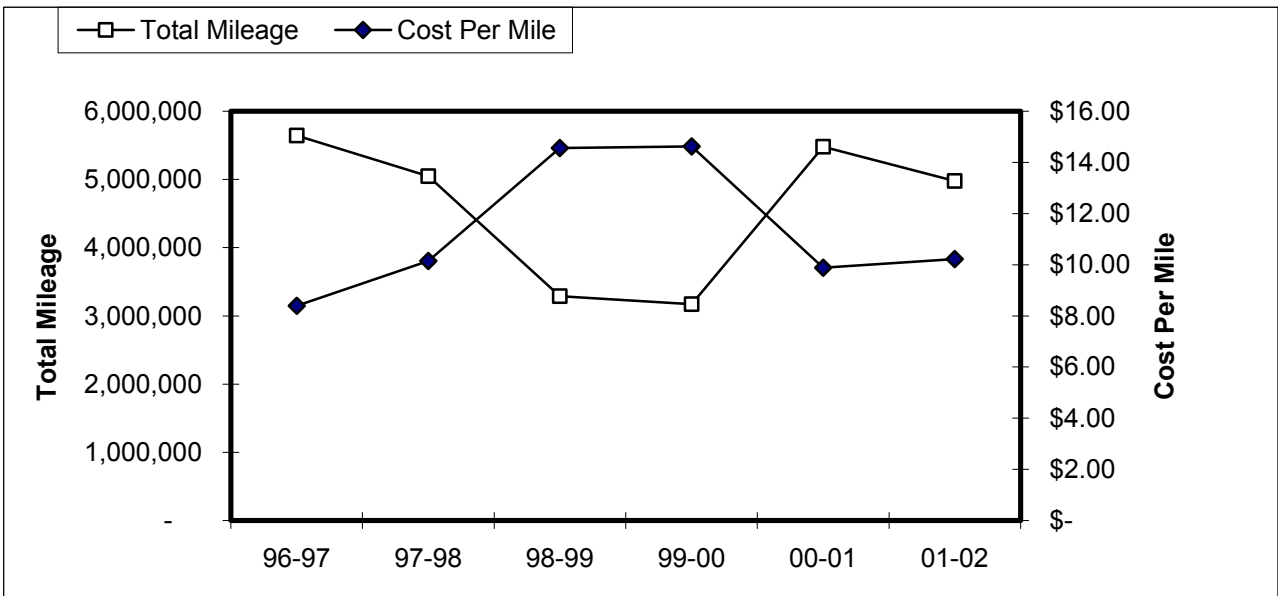
**Statistical and Other Information (Unaudited)**  
**School Lunch Program**  
**Year Ended June 30, 2002**

1997-98	1996-97	1995-96
\$ 0.90	\$ 0.90	\$ 0.90
1.00	1.00	1.00
1.00	1.00	1.00
0.40	0.40	0.40
a la carte	a la carte	a la carte
172	168	168
13,000,927	12,985,513	12,593,798
87.97	87.31	86.41
75,587	77,295	74,963
393,422	309,083	312,087
2.66	2.08	2.14
1,384,498	1,577,691	1,668,323
9.37	10.61	11.45
2,287	1,840	1,858
8,049	9,391	9,930
14,778,847	14,872,287	14,574,208
85,924	88,526	86,751
173,848	173,871	173,080

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Pupil Transportation Data Year Ended June 30, 2002

School Year	Regular Pupil Transportation Mileage*	Total Current Operating Expenditures	Average Cost Per Mile
92-93	N/A*	N/A*	\$ -
93-94	N/A*	N/A*	-
94-95	N/A*	N/A*	-
95-96	N/A*	N/A*	-
96-97	5,645,366	\$ 47,385,525	8.39
97-98	5,046,496	51,186,310	10.14
98-99	3,286,598	47,874,247	14.57
99-00	3,172,568	46,397,180	14.62
00-01	5,480,808	54,167,982	9.88
01-02	4,976,315	50,849,335	10.22



\* N/A - Information is not available.

Source: Form SE-4094.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Demographic Statistics - City of Detroit Year Ended June 30, 2002

Year	School Year	Population	School Enrollment*	Average Daily Attendance	Unemployment Percentage Rate
1992	1992-1993	1,016,130	167,132	91%	16.50%
1993	1993-1994	1,011,977	167,551	92%	13.20%
1994	1994-1995	1,008,430	169,996	91%	10.80%
1995	1995-1996	1,003,701	173,080	92%	10.00%
1996	1996-1997	995,233	173,871	90%	9.10%
1997	1997-1998	975,477	173,848	90%	7.90%
1998	1998-1999	967,360	168,213	90%	7.20%
1999	1999-2000	965,084	162,693	N/A	7.60%
2000	2000-2001	951,270	159,694	90%	6.60%
2001	2001-2002	951,270 **	156,604	89%	5.10%

N/A - Not available

\* Figures are based on the winter count and do not include preschool

\*\*Estimated population figures for the City of Detroit in 2001 will not be available until late in 2002, according to the U.S. Census Bureau Web site.

Sources: Department of Commerce, Bureau of the Census; the State Aid Financial Status Report; Michigan Employment Security Agency

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Largest Employers - City of Detroit Year Ended June 30, 2002

Company	Type of Business	Number of Employees
Detroit Public Schools	Public school system	20,051
City of Detroit	City government	19,000
Detroit Medical Center	Health care system	12,395
U.S. Government	Federal government	11,851
DaimlerChrysler Corp.	Automobile manufacturer	11,244
Henry Ford Health System	Health care system	7,718
General Motors Corp.	Automobile manufacturer	7,401
State of Michigan	State government	6,793
U.S. Postal Service	Postal service	6,362
Wayne State University	Public university	5,857

Source: *Crain's List*, July 15, 2002

# Detroit Public Schools

## Statistical and Other Information (Unaudited) District Staffing Year Ended June 30, 2002

Classification	Number of Employees
<b>Instructional Staff</b>	
Basic programs	6,787
Added needs	4,524
Adult education	41
Other	3
Total instructional staff	11,355
<b>Instructional Support Staff</b>	
Pupil services	2,476
Instructional staff services	795
Total instructional support staff	3,271
<b>Non-Instructional Support Staff</b>	
Executive administration (including Chief Executive Officer and other executive administrators)	30
School administration (including principals and assistant principals)	1,294
Business services	330
Food service	879
Operations and maintenance	2,343
Transportation	368
Central support services	149
Community services	32
Total non-instructional support staff	5,425
Total staff	<u>20,051</u>

Source: Michigan Department of Education School District/Building Staff Report

# Detroit Public Schools

	2002	2001	2000	1999
<b>Local Sources</b>				
Property taxes	\$ 81,327,181	\$ 75,463,886	\$ 71,925,327	\$ 76,616,502
Earnings on investments	4,273,293	7,337,357	7,140,951	7,956,383
Special education millage	46,785,273	45,027,284	53,305,293	46,233,973
Other local	17,056,839	-	-	-
<b>Total Local Revenue</b>	<b>\$ 149,442,586</b>	<b>\$ 127,828,527</b>	<b>\$ 132,371,571</b>	<b>\$ 130,806,858</b>
<b>% of Revenue from Local Revenue</b>	<b>9.62%</b>	<b>8.81%</b>	<b>9.02%</b>	<b>9.07%</b>
<b>% Change in Local Revenue</b>	<b>16.91%</b>	<b>-3.43%</b>	<b>1.20%</b>	<b>11.55%</b>
<b>State Sources</b>				
State Aid	\$ 1,071,667,196	\$ 1,056,977,769	\$ 1,046,920,520	\$ 1,034,589,767
At-risk	94,425,757	91,911,168	75,877,780	79,661,241
Other State sources	38,613,676	-	-	-
<b>Total State Revenue</b>	<b>\$ 1,204,706,629</b>	<b>\$ 1,148,888,937</b>	<b>\$ 1,122,798,300</b>	<b>\$ 1,114,251,008</b>
<b>% of Revenue from State Revenue</b>	<b>77.56%</b>	<b>79.18%</b>	<b>76.48%</b>	<b>77.30%</b>
<b>% Change in State Revenue</b>	<b>4.86%</b>	<b>2.32%</b>	<b>0.77%</b>	<b>2.06%</b>
<b>Federal Sources</b>				
Education Consolidation and Improvements Act I	\$ 100,300,918	\$ 97,195,687	\$ 84,218,687	\$ 92,128,414
Other federal sources	98,730,971	-	-	-
<b>Total Federal Revenue</b>	<b>\$ 199,031,889</b>	<b>\$ 97,195,687</b>	<b>\$ 84,218,687</b>	<b>\$ 92,128,414</b>
<b>% of Revenue from Federal Revenue</b>	<b>12.82%</b>	<b>6.70%</b>	<b>5.74%</b>	<b>6.39%</b>
<b>% Change in Federal Revenue</b>	<b>104.77%</b>	<b>15.41%</b>	<b>-8.59%</b>	<b>-2.59%</b>
<b>Other General Operations</b>				
	\$ -	\$ 9,980,980	\$ 33,249,441	\$ 19,735,154
<b>% of Revenue from Other General Operations</b>	<b>\$ -</b>	<b>0.69%</b>	<b>2.26%</b>	<b>1.37%</b>
<b>% Change in Other General Operations</b>	<b>-</b>	<b>-69.98%</b>	<b>68.48%</b>	<b>64.62%</b>
<b>Other Special Program Operations</b>				
	\$ -	\$ 66,114,274	\$ 58,371,803	\$ 49,389,245
<b>% of Revenue from Other Special Program Operations</b>	<b>\$ -</b>	<b>4.56%</b>	<b>3.97%</b>	<b>3.43%</b>
<b>% Change in Other Special Program Operations</b>	<b>-</b>	<b>13.26%</b>	<b>18.19%</b>	<b>11.97%</b>
<b>Auxiliary Operations</b>				
	\$ -	\$ 881,474	\$ 37,102,162	\$ 35,134,044
<b>% of Revenue from Auxiliary Operations</b>	<b>-</b>	<b>0.06%</b>	<b>2.53%</b>	<b>2.44%</b>
<b>% Change in Auxiliary Operations</b>	<b>-</b>	<b>(0.01)</b>	<b>0.06</b>	<b>(0.03)</b>
<b>Total Revenue</b>	<b>\$ 1,553,181,104</b>	<b>\$ 1,450,889,879</b>	<b>\$ 1,468,111,964</b>	<b>\$ 1,441,444,723</b>
<b>% Change in Total Revenues</b>	<b>7.05%</b>	<b>-1.17%</b>	<b>1.85%</b>	<b>3.25%</b>
<b>Student Enrollment</b>				
	159,694	162,693	168,213	173,848
<b>% Change in Student Enrollment</b>	<b>-1.84%</b>	<b>-3.28%</b>	<b>-3.24%</b>	<b>-0.01%</b>
<b>Total Revenue Per Student</b>	<b>\$ 9,726</b>	<b>\$ 8,918</b>	<b>\$ 8,728</b>	<b>\$ 8,291</b>
<b>% Change in Total Revenue Per Student</b>	<b>9.06%</b>	<b>2.18%</b>	<b>5.27%</b>	<b>3.26%</b>

Notes:

Prior to 2001, auxiliary operations included Food Service and Athletics.

In 2002, revenue classifications were modified to conform with GASB No. 34.

**Statistical and Other Information (Unaudited)**  
**General Fund Revenue by Source**  
**Year Ended June 30, 2002**

	1998	1997	1996	1995	1994	1993
\$	74,291,346	\$ 74,338,605	\$ 65,206,513	\$ 57,541,160	\$ 231,357,577	\$ 208,866,446
	9,121,264	7,967,874	5,432,661	4,619,552	-	-
	33,851,192	25,789,013	45,019,568	30,578,513	22,728,984	21,299,178
	-	-	-	-	-	-
\$	117,263,802	\$ 108,095,492	\$ 115,658,742	\$ 92,739,225	\$ 254,086,561	\$ 230,165,624
	8.40%	7.96%	8.73%	7.53%	22.75%	22.80%
	8.48%	-6.54%	24.71%	-63.50%	10.39%	
\$	1,016,706,222	\$ 983,466,283	\$ 972,614,955	\$ 979,752,119	\$ 682,451,470	\$ 610,624,037
	75,078,955	73,229,079	60,881,361	-	-	-
	-	-	-	-	-	-
\$	1,091,785,177	\$ 1,056,695,362	\$ 1,033,496,316	\$ 979,752,119	\$ 682,451,470	\$ 610,624,037
	78.20%	77.78%	78.02%	79.57%	61.09%	60.48%
	3.32%	2.24%	5.49%	43.56%	11.76%	
\$	94,574,532	\$ 97,782,027	\$ 91,694,819	\$ 77,750,084	\$ 84,117,809	\$ 76,500,399
	-	-	-	-	-	-
	94,574,532	\$ 97,782,027	\$ 91,694,819	\$ 77,750,084	\$ 84,117,809	\$ 76,500,399
	6.77%	7.20%	6.92%	6.31%	7.53%	7.58%
	-3.28%	6.64%	17.94%	-7.57%	9.96%	
\$	11,988,373	\$ 11,134,970	\$ 7,549,281	\$ 2,766,817	\$ 8,340,367	\$ 12,847,699
	0.86%	0.82%	0.57%	0.22%	0.75%	1.27%
	7.66%	47.50%	172.85%	-66.83%	-35.08%	
\$	44,109,150	\$ 48,841,380	\$ 42,470,626	\$ 43,369,093	\$ 57,514,024	\$ 49,563,047
	3.16%	3.59%	3.21%	3.52%	5.15%	4.91%
	-9.69%	15.00%	-2.07%	-24.59%	16.04%	
\$	36,347,857	\$ 36,069,451	\$ 33,724,815	\$ 34,924,172	\$ 30,565,524	\$ 29,940,160
	2.61%	2.65%	2.55%	2.85%	2.73%	2.97%
	0.01	0.07	(0.03)	0.14	0.02	-
<b>\$</b>	<b>1,396,068,891</b>	<b>\$ 1,358,618,682</b>	<b>\$ 1,324,594,599</b>	<b>\$ 1,231,301,510</b>	<b>\$ 1,117,075,755</b>	<b>\$ 1,009,640,966</b>
	2.76%	2.57%	7.58%	10.23%	10.64%	
	173,871	173,080	169,996	167,551	167,132	182,516
	0.46%	1.81%	1.46%	0.25%	-8.43%	
\$	8,029	\$ 7,850	\$ 7,792	\$ 7,349	\$ 6,684	\$ 5,532
	2.28%	0.81%	6.03%	9.95%	20.83%	

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Certified Staff Data Year Ended June 30, 2002

All instructional staff are required to possess a valid Michigan teaching certificate at the appropriate level and with the appropriate endorsements for the instructional assignment. To obtain a Michigan teaching certificate, an individual (1) must be recommended to the Michigan Department of Education by an approved Michigan teacher preparation institution upon completion of all requirements or (2) apply directly to the Michigan Department of Education if she/he holds a valid teaching certificate from another state. The requirements for a Michigan teaching certificate are determined by statute and set forth in the Administrative Rules governing the Certification of Michigan Teachers. The Michigan Compiled School Laws require that the school district enter into an employment contract only with an individual holding a valid Michigan certificate. The employment contract is terminated in the event that an individual does not present evidence of continuing certification.

Michigan Teaching Certificate requirements include:

### Provisional, valid for six years

- Bachelor's degree
- Completion of a minimum of 20 semester hours of coursework relevant to the delivery of instruction, including methods and materials and directed teaching
- Substantive content knowledge appropriate for instruction at either the elementary (K-5), middle (6-8), or secondary (7-12) levels
- Coursework in the teaching of reading appropriate to the level of the teaching certificate
- Completion of the appropriate Michigan Tests for Teacher Certification

### Professional, valid for five years

- Three years of successful teaching at the level of the certificate and in a certificate endorsement area
- Minimum of eighteen graduate hours of coursework in a planned program

### Professional - Renewal, valid for five years

- For each renewal, completion of six hours of coursework or eighteen Continuing Education Units

The School District's current certified staff averages 16.2 years of in-district experience with the following educational level distribution:

<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctorate Degree</u>
42.48%	56.47%	1.05%