

# ***Detroit Public Schools***

## ***2008 Adopted Budget***

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**June 30, 2007**

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



## **Detroit Public Schools 2008 Adopted Budget**

*(Fiscal Year July 1, 2007 – June 30, 2008)*

**Lamont D. Satchel, Esq.  
Interim General Superintendent**

**April L. Royster, CPA  
Interim Chief Financial Officer  
Executive Director, Office of Accounting**

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

For additional information regarding the District's financial results, readers should refer to the Comprehensive Annual Financial Report (CAFR) (located on the District's website) for the fiscal year ended June 30, 2006, which includes audited financial statements. The State approved Deficit Elimination Plan (DEP) is also available on the District's website, [www.detroitk12.org](http://www.detroitk12.org)



# **DETROIT PUBLIC SCHOOLS 2008 Adopted Budget**

**Fiscal Year  
July 1, 2007 – June 30, 2008**

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# **DETROIT PUBLIC SCHOOLS**

## **Board of Education**



**The Honorable Rev. Jimmy Womack, M.D.**  
***President (At-Large)***

**The Honorable Joyce V. Hayes-Giles, Esq.**  
***Vice President (District 5)***

**The Honorable Annie Carter**  
***(District 3)***

**The Honorable Marvis Cofield**  
***(District 7)***

**The Honorable Paula Johnson, Esq.**  
***(District 6)***

**The Honorable Jonathan Cleveland Kinloch**  
***(District 2)***

**The Honorable Rev. David Murray**  
***(At Large)***

**The Honorable Carla D. Scott, M.D.**  
***(District 1)***

**The Honorable Ida C. Short**  
***(At-Large)***

**The Honorable Marie L. Thornton**  
***(At-Large)***

**The Honorable Tyrone Winfrey**  
***(District 4)***

**(Effective January 1, 2006)**



July 1, 2007

Honorable Board of Education Members

Lamont D. Satchel, Esq.  
Interim General Superintendent  
Detroit Public Schools  
Detroit, Michigan

We are hereby submitting the 2008 Adopted Budget, for the fiscal year ending June 30, 2008. This plan represents our assessment and recommendations concerning the allocation of available resources in compliance with the Michigan Uniform Budgeting and Accounting Act and the Deficit Elimination Plan (DEP). All applicable State laws, regulations, and statutory requirements have been met. This document, along with the budget presentation document, and Budget Book will be posted on the Detroit Public Schools' web site for public access and viewing. A balanced budget is presented for each of the District's funds.

Current Financial Trends:

- √ Student enrollment continues to decline for the District. Since the fall of 2000, the District has lost 61,937 funded pupils. For fiscal year ending 2008, the estimated loss represents approximately 5,000 funded pupils alone.
  
- √ Although the State has projected to increase the per pupil funding levels by an estimated \$100 - \$178, this increase is not reflected in our preliminary revenue projections as no definite decision has been finalized by the State. If the increase occurs, it will be offset by the increase in benefits and existing contractual obligations. The recent State funding trends are critical factors facing this District. However, the District continues to provide quality services in areas that are not always provided with the full funding levels necessary for the programs. Some examples include: Special Education, English as a Second Language (ESL), and No Child Left Behind (NCLB).

- √ The eroding tax base of the City of Detroit; along with the differences in the 1996 foundation allowance has continued to contribute to the greater disparity between urban children and suburban children. For example, the 1996 foundation allowance for the Detroit City School District's foundation allowance was \$7,259, while the Birmingham City School District's foundation allowance was \$11,930. The State has attempted to bring the lower districts closer to the funding of the higher districts, by increasing the per pupil funding, however, the differential has not decreased substantially. The 2007 Foundation allowance for Detroit is \$7,469 while Birmingham's is \$12,140. This huge per student disparity makes it much harder for urban districts to provide an adequate level of education.
  
- √ The District's ongoing financing concerns, along with the trends in student data, have forced the District to balance this Preliminary budget based on significant reductions and re-prioritizing existing programs and services.
  
- √ The economic impact of Charter Schools and the population trends in the City of Detroit will continue to deteriorate the District's financial ability to adequately support all programming needs. In fiscal year 2006-2007 Wayne County RESA reported approximately 33,759 City of Detroit students attending charter schools.
  
- √ In 2007-2008 the District is proposing to maintain the current level of Title I allocations to schools.
  
- √ In an attempt to provide alternatives for those students requiring a different learning path, the District implemented a "Last Chance Program" during Fiscal Year 2006. During Fiscal Year 2006, three (3) community based organizations were contracted in July 2005 to provide an alternative high school education to students that had dropped out of the District. These organizations generated 696 full-time equivalents (FTEs). For Fiscal Year 2007, nine (9) community based organizations provided services generating approximately 1,400 FTEs. The District retains 20% of the state foundation allowance for each FTE generated. For Fiscal Year 2008 the Last Chance Program has been eliminated.

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

Respectfully submitted,

April L. Royster, CPA  
Interim Chief Financial Officer  
Executive Director, Office of Accounting

Walter L. Esaw  
Executive Director  
Office of Budget



# **FINANCIAL POLICIES & PROCEDURES 2008**

## **FINANCIAL POLICIES AND PROCEDURES**

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

### **Budget Standards:**

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

### **Personnel Policies:**

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

### **ACCOUNTING POLICY**

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

### **Fund Accounting:**

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

### **Function Reporting:**

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

### **Basis of Accounting:**

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

**Property Taxes:**

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

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

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

**Pension Plan:**

Substantially all District employees participate in the Michigan Public School Employees' Retirement System (MPERS), known as Office of Retirement Services (ORS), under which employees are entitled to certain defined benefits established by State statute. Currently, school districts are required by State statute to contribute 16.72% of eligible wages to the plan. The 2008 budget was developed based on 16.72% as the required contribution.

**INTERNAL CONTROL/FUNDS TRANSFER POLICY**

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

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

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

**GENERAL APPROPRIATIONS RESOLUTION  
AND 2007-08 BUDGET**

WHEREAS, the 2007-2008 budget recommendations were presented to the General Superintendent, and the Committee on Finance, Budget and Title I.

WHEREAS, pursuant to the provisions of Act No. 43, of the Public Acts of Michigan of 1963, Second Extra Session, the Board of Education is required to hold a public hearing on the proposed budget prior to its adoption for the fiscal year ending June 30, 2008, and

WHEREAS, due notice of such public hearing was given by publication in newspapers of general circulation at least five days prior to such hearing, which notice, in accordance with said act, stated that a copy of such budget was available for public inspection on at the District's Welcome Center and on its website; and

WHEREAS, in accordance with the act, such public hearing was held in the auditorium of Spain Elementary/Middle School, 3700 Beaubien in the City of Detroit on the 25<sup>th</sup> day of June 2007; and

WHEREAS, the Board of Education hereby adopts this general appropriations resolution for the 2007-08 budget of the Detroit School District for all programs and funds.

NOW, THEREFORE, BE IT RESOLVED, that this resolution shall constitute the general appropriations of the Detroit School District for the 2007-08 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the Detroit School District.

BE IT FURTHER RESOLVED, that the total income and total expenditure appropriations for the General Fund, Building and Site Fund, Operating Debt Retirement Fund, Bond Debt Retirement Fund, and School Service Fund of the Detroit Board of Education for 2007-08 are as specified in this resolution.

BE IT FURTHER RESOLVED, that budgeted appropriations available from a prior year and carried forward for the fiscal year ending June 30, 2007 are not included in the amounts appropriated for the fiscal 2007-08 year.

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

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

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

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

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

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

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

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

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

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

This appropriations resolution is to take effect on July 1, 2007.



# **BUDGET DEVELOPMENT PROCESS 2008**



## **IMPORTANCE OF THE BUDGET**

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

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

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

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

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

## **Budget Administration**

1. The General Superintendent is authorized to:
  - a. reallocate any excess revenues received during the year. Such reallocations shall be for one-time non-recurring non-salary purposes only.
  - b. reallocate and expend savings that may occur during the year in centrally budgeted accounts. Such reallocations and expenditures shall be for one-time non-recurring salary and non-salary projects and activities.
2. The General Superintendent and the Board of Education must approve all allocations from the Fund Balance. The Fund Balance is used for the following purposes:
  - a. Enrollment shifts that could occur after the Fourth Wednesday count that establish the need for additional instructional service and supplies.
  - b. Initiatives that will occur during the school year, but an exact amount or the allocation of an amount is not known prior to the adoption of the budget.
  - c. Contingency for unforeseen events that may occur throughout the school year.
  - d. The undesignated fund balance is available for appropriation at the discretion of the General Superintendent with Board approval.
3. The General Superintendent shall approve all changes in student enrollment numbers.
4. Changes and amendments to the adopted budget (total revenues and total expenditures for all programs and funds) will be made based on the following budget amendment process:
  - a. The Budget Office receives budget revisions and recommendations.

- b. Suggested budget revisions will be reviewed and recommended adjustments will be forwarded to the Cabinet representatives for their review and input.
- c. Based on Cabinet's input, the Budget Office will prepare a revised budget and submit it to the General Superintendent and the Board of Education for approval.
- d. The Budget Office will implement the revised budget upon the General Superintendent and Board of Education approval.
- e. All budget changes and amendments are reported to the Michigan Department of Education (MDE) through the submission of monthly DEP (DS 4848) reports.

## **BUDGET DEVELOPMENT**

Budget Development involves several steps. One critical step is to estimate revenue for the next fiscal year. Revenue estimates are primarily dependent on what the State foundation allowance (per pupil allowance) will be. The per pupil allowance is approved by the State legislature on an annual basis. The per pupil allowance is applied to enrollment estimates for the fiscal year based on projections received from the Office of Pupil Population Management. Enrollment projections are primarily based on historical trends as well as population estimates for the City of Detroit.

The District must also estimate federal revenue from grant programs as well as local revenue from property taxes.

In preparation of the 2007-2008 budget, central office division/department provide an initial budget estimate for staffing and discretionary appropriations. The Office of Budget met with every division/department to review initial expenditure estimates. All school staffing is formula driven per their Bargaining Unit contract.

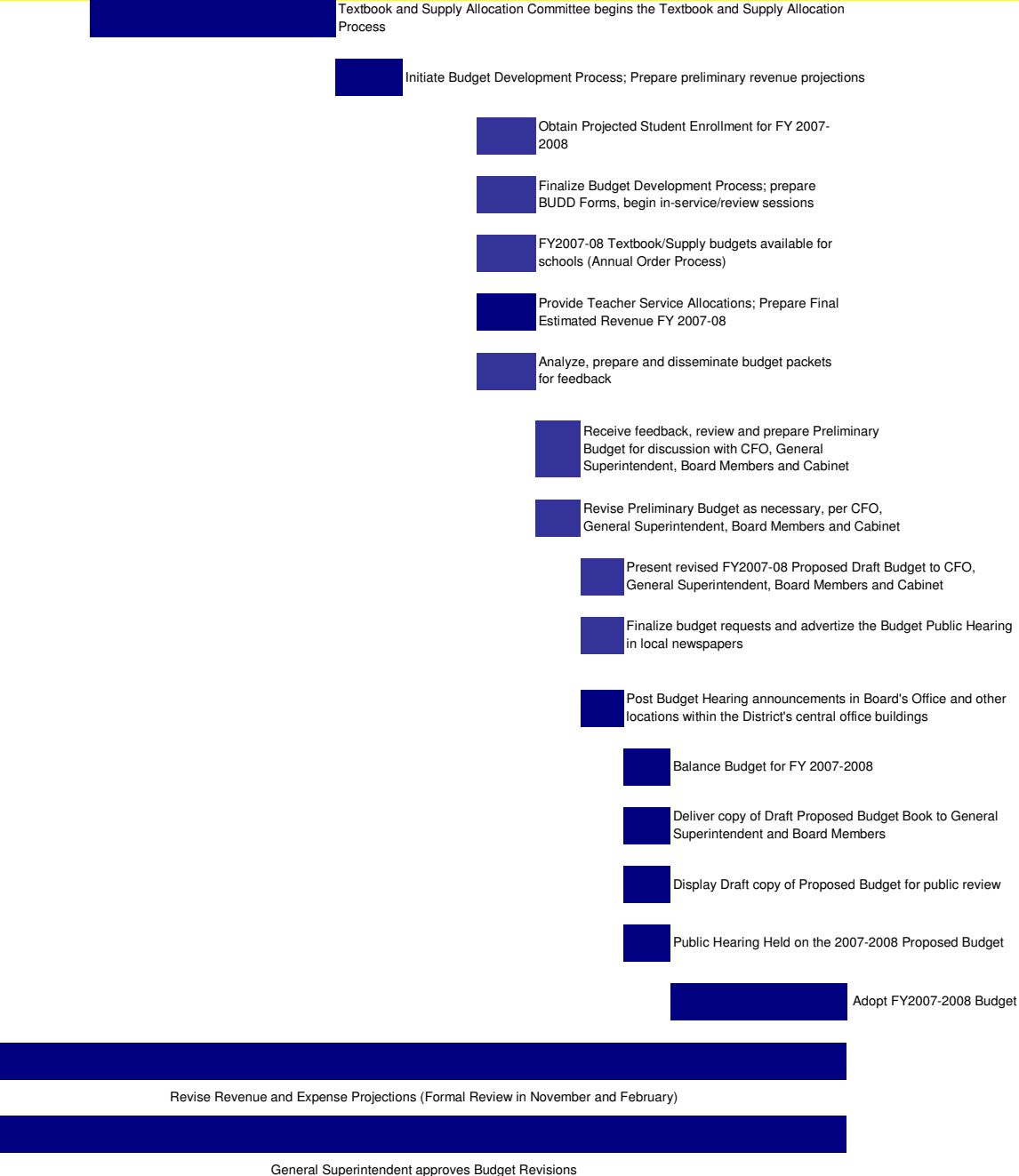
The District is required to have appropriations equal revenue for each fiscal year and maintain a positive fund balance.

Once a proposed budget has been developed, it is presented to the General Superintendent and Cabinet for review and approval. Once approved by the General Superintendent, the budget is forwarded to the Board of Education, Committee on Finance for review. Before the budget is approved by the Board of Education, a public budget hearing meeting is held to receive community input.

The District is mandated to have an adopted budget approved by the Board of Education by July 1 of each year.

# BUDGET PROCESS

September	October	November	December	January	February	March	April	May	June	July	August
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## **FY 08 NOTES AND ASSUMPTIONS:**

1. The continuation of non-union management concessions amounting to approximately \$4.5 million.
2. Labor contract negotiations will provide concessions amounting to approximately \$30.1 million.
3. DFT will receive 3 days (concession given in 2006) back in 2008, amounting to \$9.9 million.
4. All eligible employees will receive a step and lane increase amounting to \$18.6 million.
5. Per pupil allowance will remain \$7,469.
6. School Staffing will be consistent with Bargaining Units Allocation Formulas. Projected reductions due to declining student enrollment are approximately 611 positions. The 2007-2008 Budget is balanced with the assumption that these positions will be removed from the PeopleSoft system.
7. Class size requirements are maintained.
8. No adverse Legislative changes.
9. The retirement percentage for the 2007-2008 fiscal year is approximately 16.72%, representing a decrease of 1.02%.
10. The preliminary average fringe benefit rate for positions is estimated at 43%, inclusive of the 16.72% above.
11. Central Office was reduced by 24 positions, amounting to \$2,052,300.
12. All central office/departments discretionary allocations were reduced by 50% excluding purchased services which were reduced by 10%.
13. A total of \$2,388,996 in revenue has been projected from the sales and leases of properties owned by the District:
  - Lease - \$999,000
  - Sales - \$1,389,996

**FY 08 NOTES AND ASSUMPTIONS:**

*(continued)*

14. Decrease in utility cost due to the closure of 34 schools, an approximate savings of \$2 million.
15. Enrollment projections are based on an anticipated loss of 5,000 students resulting in a reduction in revenue of \$37 million.
16. Sec. 29, the declining enrollment grant, will yield \$8.1 million.
17. Sec. 31a is expected to decrease per pupil due to declining enrollment. The net effect may be a 6-8% decline in 31a funding.
18. Sec. 32d MSRP will remain at \$3,300 per student.
19. Mini Grants (Sec. 34A for K-3 math and reading also Sec. 35 middle schools math and science enhancement) will continue.
20. Sec. 51a and Sec. 51c (special education) will be maintained at the current level.
21. Sec. 99c for middle school math programs will continue at \$54 per pupil resulting in \$1,036,314 in revenue.
22. Sec. 107 provides more funds for Adult Education with little effect to the District.
23. The district will be closing 34 buildings for 2008 (projected savings \$10.8 million) and between 3 and 10 for each of the next three fiscal years. Any savings in FY 2008 will be offset by expenses incurred due to the closing.
24. Overtime for the District will be restricted to the budgeted amount.
25. Building and Program Closures:

(See next page)

**DETROIT PUBLIC SCHOOLS**  
**2007-2008 REALIGNMENT PLAN RECOMMENDATIONS**  
**April 4, 2007**

**BUILDING AND PROGRAM CLOSURES**  
*(Total = 34; Fall 2007 = 27; Fall 2008 =7)*

**Elementary Schools**

Atkinson	Hanneman
Berry	Healy International
Brady	Higgins
Clinton- Fall 2008 (c)	Kosciusko
Courville	MAAT Imhotep
Dossin – Fall 2008 (c)	Mason – Fall 2008 (c)
Fairbanks	McGregor
Genesis	Monnier
Greenfield Park	Northwest ECC- Fall 2008 (c)
Guyton – Fall 2008 (c)	Von Steuben

**K-8 Schools**

Angelou, Maya	Detroit Open - Fall 2008 (c)
Cadillac	Grant
Cooper	Sherrard
Courtis - Fall 2008 (c)	Winship

**Middle Schools**

Hancock Center  
Joy  
Miller

**High Schools**

Mackenzie(\*)  
Millennium (appealable)  
Redford(\*)

**Notes:**

**(c)** School, originally recommended for closure, will remain open on the condition that it meets specific academic achievement, student enrollment or retention targets within one year. If the school does not meet these targets, the school will automatically close in June 2008.

**(appealable)-** School will have 30 days from Board approval to present an alternative proposal. The Realignment Committee will review the appeal and the Interim General Superintendent will present a recommendation to the Board. Unless the Board accepts appeal, the closure will remain in place.

**(\*)** Mackenzie will be permitted to raise approximately \$2 million required to address immediate facility conditions. If funds are not available by July 15, 2007, the building will close. Mackenzie and Redford supporters will also be given up to two years to develop a plan to re-open the school. Such plans must address academic and facility improvements.

## **PROGRAM RELOCATION AND BUILDING CLOSURES**

*(Total = 9; Fall 2007 = 7; Fall 2008 =2)*

\*Barsamian – Program relocates to Detroit City building with Hancock students as a 6-12 Center (appealable)  
Bates Academy – Program relocates to Beaubien building  
Communication/Media Arts – Program relocates to a larger building (to be determined), Fall 2008  
Crosman Alternative – Program relocates to Hutchins building as 7-12 program  
Detroit International Academy – Program relocates to Northern HS building as 7-12 program  
Douglass Academy – Program relocates to Murray-Wright building as 7-12 program  
Sampson – Program relocates to Webber building  
Stewart – Program relocates to MacCulloch building as New K-8 learning opportunity  
Twain, Mark – Program relocates to Boynton building, Fall 2008 (c)

## **PROGRAM CLOSURE OR RELOCATION AND BUILDING REMAINS OPEN**

*(Total = 18; Closures = 16; Relocations = 2)*

Beaubien – Program closure (Bates program moves into building)  
Boynton – Program closure, Fall 2008 (Mark Twain program moves into building)  
\*Detroit City Alternative- Program relocation (program moves into Longfellow building)  
Greenfield Union – Program closure (New PK-8 learning opportunity within building)  
Hutchins – Program relocation (Crosman program moves into building)  
Jordan – Program closure (New K-8 learning opportunity within building)  
Lessenger – Program closure (New K-8 learning opportunity within building)  
Longfellow – Program closure (Detroit City Alternative moves into building)  
MacCulloch – Program closure (New K-8 learning opportunity within building)  
McMichael – Program closure (Hutchins program moves into building as New K-8)  
McNair – Program closure (New 6-8 learning opportunity with a new African Centered Curriculum and Theme within building)  
Munger – Program closure (New K-6 learning opportunity within building)  
Murray-Wright – Program closure (Douglass Academy 7-12 program moves into building) (appealable)  
Nolan – Program closure (New K-8 learning opportunity within building)  
Northern – Program closure (Detroit International Acad. 7-12 program moves into building)  
Phoenix – Program closure (New K-8 learning opportunity within building)  
Ruddiman – Program closure (Building re-opens as Cody 9<sup>th</sup> Grade Academy)  
Webber – Program closure (Sampson program moves into building)

*\*Per the appeal approved by the Board on June 14, 2007, Barsamian Alternative will remain open, Hancock alternative will move to another building currently in the District's portfolio, and Detroit City Alternative whose program moves to Longfellow, will close.*

***BUILDING REMAINS OPEN-NEW PROGRAM OR GRADE ADJUSTMENT***

*(Total = 12)*

Chadsey – Program reconfigures from 9-12 into New 7-12 learning opportunity  
Cleveland – Program reconfigures from 6-8 into New 7-12 learning opportunity  
Cody 9<sup>th</sup> Grade Academy – New learning opportunity within former Ruddiman building  
Davison – Program reconfigures from PK-5 into PK-6  
Drew – Program reconfigures from 6-8 into New K-8 learning opportunity  
Emerson – Program reconfigures from PK-8 into PK-5  
Farwell – Program reconfigures from 6-8 into 5-8  
Finney – New African-Centered Curriculum and Theme into 9-12 program (Phased Process)  
Hutchinson – Program reconfigures from PK-5 into PK-6  
Parker – Program reconfigures from PK-5 into PK-8  
Van Zile – Program reconfigures from PK-5 into PK-4  
White ES – Program reconfigures from PK-5 into PK-6

***SCHOOL BUILDINGS REMOVED FROM  
PRELIMINARY CLOSURE LIST***

*(Total = 15)*

1. Barbour – Remains open
2. Birney – Remains open with an expanded attendance boundary
3. Butzel – Remains open
4. Chadsey – Remains open as a reconfigured 7-12 program
5. Cleveland – Remains open as a New 7-12 learning opportunity
6. Detroit City High – Building re-opens as the Barsamian Preparatory 6-12 Center
7. Fisher Magnet @ Burbank – Remains open with an expanded attendance boundary
8. Holmes, O.W. – Remains open
9. Hutchinson – Remains open as a reconfigured PK-6 program
10. Longfellow – Building re-opens as Detroit City High
11. MacDowell – Remains open
12. Macomb – Remains open
13. McNair – Building re-opens as a New 6-8 African Centered Curriculum and Theme
14. Thirkell – Remains open with an expanded attendance boundary
15. Trix – Remains open



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

**GENERAL FUND  
PROJECTED ACTUALS (UNAUDITED) AS OF JULY 1, 2007**

	General Fund 11	Grants Fund 14	Adult Education 13	Special Education 22	Total Gen Fund Actuals (Unaudited) FY 2007
<b><u>Projected Revenues</u></b>					
Local Sources	\$111,880,209	\$1,490,257	\$-	\$72,000,000	185,370,465
State Sources	747,683,395	77,781,623	7,000,000	84,346,521	916,811,539
Federal Sources	11,600,000	241,158,358	-	-	252,758,358
Other	4,198,051	-	-	-	4,198,051
Total Revenues	\$875,361,655	\$320,430,238	\$7,000,000	\$156,346,521	1,359,138,413
<b><u>Projected Expenditures</u></b>					
Instruction (1XX)	364,433,330	195,324,734	695,329	159,831,781	720,285,175
Support Services Pupil (21X)	24,430,259	31,018,192	129,430	49,946,641	105,524,520
Support Services					
Instructional Staff (22X)	20,378,867	50,308,206	299,013	9,489,727	80,475,813
General Administration (23X)	8,615,243	370,433	-	-	8,985,678
School Administration (24X)	85,609,541	1,194,402	3,815,585	5,646,750	96,266,277
Business Services (25X)	53,997,590	1,603,610	1,500	-	55,602,699
Operation and Maintenance (26X)	167,359,892	11,412,530	2,049,143	12,300	180,833,866
Transportation (27X)	43,713,401	4,941,333	10,000	891,765	49,556,499
Central Services (28X)	43,757,216	2,486,111	-	-	46,243,328
Other (29X)	-	-	-	-	-
Community Services (3XX)	796,573	8,073,885	-	-	8,870,458
Site Acquisition Services(4XX)	2,073,000	72,796	-	-	2,145,797
Debt Service (5XX)	19,407,200	-	-	-	19,407,200
Total Expenditures	\$834,572,112	\$306,806,231	\$7,000,000	\$225,818,964	1,374,197,310
<b><i>Excess of Revenues Over Expenditure</i></b>					
	\$40,789,543	\$13,624,007	\$-	\$(69,472,443)	\$(15,058,897)
<b><u>Other Financing Sources (Uses)</u></b>					
Transfers In	13,698,516	74,509	-	69,472,443	83,259,504
Transfers Out	(72,354,952)	(13,698,516)	-	-	(86,067,504)
Note Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	(58,656,436)	(13,624,007)	-	69,472,443	(2,808,000)
<b><i>Net Change in Fund Balance</i></b>					
	\$(17,866,893)	\$-	\$-	\$-	(17,866,897)
<b>Fund Balance - July 1, 2006</b>					
					22,022,693
Reserve - Repayment of Delinquent Taxes					(2,000,000)
<b>Fund Balance - June 30, 2007</b>					
					\$2,155,796

**GENERAL FUND  
ADOPTED BUDGET AS OF JULY 1, 2007**

	<b>Total Gen Fund Actuals (Unaudited) FY 2007</b>	<b>General Fund 11</b>	<b>Grants Fund 14</b>	<b>Adult Education 13</b>	<b>Special Education 22</b>	<b>Total Gen Fund FY 2008</b>
<b>Projected Revenues</b>						
Local Sources	185,370,465	\$102,905,925	\$581,349		69,000,000	172,487,274
State Sources	916,811,539	684,461,152	73,833,757	\$4,534,690	84,346,521	847,166,120
Federal Sources	252,758,358	10,300,100	220,691,591		-	230,991,691
Othe Financing Sources	4,198,051	2,578,083	-		-	2,578,083
Total Revenues	\$1,359,138,413	\$800,245,260	\$295,106,697	\$4,534,690	\$153,346,521	\$1,253,233,168
<b>Projected Expenditures</b>						
Instruction (1XX)	720,285,175	281,536,650	184,245,863	849,810	147,968,377	614,600,700
Support Services Pupil (21X)	105,524,520	21,506,811	28,315,437	123,622	56,260,506	106,206,376
Support Services						
Instructional Staff (22X)	80,475,813	19,500,666	44,593,409	276,056	8,407,958	72,778,089
General Administration (23X)	8,985,678	9,614,753	168,593	-	-	9,783,346
School Administration (24X)	96,266,277	86,675,112	891,596	3,173,002	5,111,028	95,850,738
Business Services (25X)	55,602,699	59,044,005	1,160,963	-	-	60,204,968
Operation and Maintenance (26X)	180,833,866	154,177,140	10,461,431	102,200	23,524	164,764,295
Transportation (27X)	49,556,499	44,906,151	4,886,704	10,000	629,400	50,432,255
Central Services (28X)	46,243,328	43,066,591	2,085,588	-	-	45,152,179
Other (29X)	-	-	-	-	-	-
Community Services (3XX)	8,870,458	943,921	7,445,502		-	8,389,423
Site Acquisition Services(4XX)	2,145,797	-	7,500		-	7,500
Debt Service (5XX)	19,407,200	22,536,099	-		-	22,536,099
Total Expenditures	1,374,197,310	\$743,507,899	\$284,262,585	\$4,534,690	\$218,400,794	1,250,705,966
<b>Excess of Revenues Over Expenditures</b>	<b>\$(15,058,897)</b>	<b>\$56,737,361</b>	<b>\$10,844,112</b>	<b>\$-</b>	<b>\$(65,054,273)</b>	<b>\$2,527,200</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	83,259,504	10,918,621	74,509		65,054,273	76,047,403
Transfers Out	(86,067,504)	(67,655,982)	(10,918,621)			(78,574,603)
Note Proceeds	-					-
Total Other Financing Sources (Uses)	(2,808,000)	(56,737,361)	(10,844,112)	-	65,054,273	(2,527,200)
<b>Net Change in Fund Balance</b>	<b>(17,866,897)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>
<b>Fund Balance - July 1, 2006</b>	<b>22,022,693</b>					<b>4,155,796</b>
Reserve - Repayment of Delinquent Taxes	(2,000,000)					(2,000,000)
<b>Fund Balance - June 30, 2007</b>	<b>\$2,155,796</b>					<b>\$2,155,796</b>



# **GENERAL FUND/GENERAL PURPOSE (FUND 11)**

**GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised Per DEP</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>PROJECTED REVENUES</u></b>				
<i><b>Local Sources</b></i>				
Property Taxes	96,090,884	96,090,884	96,090,884	91,280,525
Tuition	890,000	898,127	898,127	995,000
Earnings on Investment	3,000,000	3,000,000	4,934,026	3,450,000
Other Local Revenue	6,747,383	9,957,172	9,957,172	7,180,400
<b>Total Local Sources</b>	<b>\$106,728,267</b>	<b>\$109,946,183</b>	<b>\$111,880,209</b>	<b>\$102,905,925</b>
<i><b>State Sources</b></i>				
State Foundation	739,228,057	708,428,984	708,428,984	661,627,778
Charter Schools	424,760	424,760	424,760	527,416
Durant	5,930,443	5,930,443	5,930,443	5,930,443
Other State Revenue	6,456,351	32,899,208	32,899,208	16,375,515
<b>Total State Revenue</b>	<b>\$752,039,611</b>	<b>\$747,683,395</b>	<b>\$747,683,395</b>	<b>\$684,461,152</b>
<i><b>Federal Sources</b></i>				
Federal Direct Restricted	1,500,000	1,500,000	1,500,000	1,200,000
Other Federal Revenue	10,100,000	10,100,000	10,100,000	9,100,100
<b>Total Federal Sources</b>	<b>\$11,600,000</b>	<b>\$11,600,000</b>	<b>\$11,600,000</b>	<b>\$10,300,100</b>
Other Financing Sources (5XX)	1,875,000	1,875,000	1,875,000	1,389,996
Fund Modifications (6XX)	2,323,051	2,323,051	2,323,051	1,188,087
<b>Total Other Financing Sources</b>	<b>4,198,051</b>	<b>4,198,051</b>	<b>4,198,051</b>	<b>2,578,083</b>
<b>Total Revenues</b>	<b>\$874,565,929</b>	<b>\$873,427,629</b>	<b>\$875,361,655</b>	<b>\$800,245,260</b>
<b><u>PROJECTED EXPENDITURES</u></b>				
<i><b>Instruction (1XX)</b></i>				
Salaries and Benefits	306,313,567	339,199,671	339,199,671	262,795,469
Purchased Services	2,109,584	3,462,969	3,462,969	4,206,577
Teaching Supplies and Textbooks	18,157,348	21,742,437	21,742,437	14,524,603
Capital Outlay	10,000	27,967	27,967	5,000
Other Expenditures	10,000	286	286	5,000
<b>Total Instruction</b>	<b>\$326,600,499</b>	<b>\$364,433,330</b>	<b>\$364,433,330</b>	<b>\$281,536,650</b>
<i><b>Support Services Pupil (21X)</b></i>				
Salaries and Benefits	23,409,772	22,724,980	22,724,980	20,625,829
Purchased Services	604,639	1,679,456	1,679,456	840,150
Teaching Supplies and Textbooks	61,815	25,823	25,823	40,832
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
<b>Total Support Services Pupil</b>	<b>\$24,076,226</b>	<b>\$24,430,259</b>	<b>\$24,430,259</b>	<b>\$21,506,811</b>

**GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised Per DEP</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>Support Services</u></b>				
<b><i>Instructional Staff (22X)</i></b>				
Salaries and Benefits	19,784,933	18,003,725	18,003,725	15,458,453
Purchased Services	1,757,167	683,859	683,859	1,410,749
Teaching Supplies and Textbooks	3,239,581	1,621,926	1,621,926	2,450,421
Capital Outlay	301,161	69,357	69,357	181,042
Other Expenditures	-	-	-	-
	\$25,082,842	\$20,378,867	\$20,378,867	\$19,500,666
<b><i>General Administration (23X)</i></b>				
Salaries and Benefits	6,096,098	5,168,283	5,168,283	5,682,712
Purchased Services	1,344,606	3,291,957	3,291,957	3,829,567
Supplies and Materials	97,719	118,247	118,247	86,900
Capital Outlay	4,400	440	440	2,750
Other Expenditures	33,148	36,316	36,316	12,824
	\$7,575,971	\$8,615,243	\$8,615,243	\$9,614,753
<b><i>School Administration (24X)</i></b>				
Salaries and Benefits	89,234,840	84,810,170	84,810,170	85,763,279
Purchased Services	182,568	628,820	628,820	500,375
Supplies and Materials	116,761	170,551	170,551	411,458
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$89,534,169	\$85,609,541	\$85,609,541	\$86,675,112
<b><i>Business Services (25X)</i></b>				
Salaries and Benefits	23,130,419	34,267,193	34,267,193	38,638,419
Purchased Services	8,638,869	7,018,721	7,018,721	11,427,017
Supplies and Materials	280,350	258,546	258,546	160,700
Capital Outlay	89,237	76,926	76,926	48,119
Other Expenditures	1,837,000	2,183,304	2,183,304	1,769,750
Payment Of Interest	10,200,000	10,192,900	10,192,900	7,000,000
	\$44,175,875	\$53,997,590	\$53,997,590	\$59,044,005
<b><i>Operation and Maintenance (26X)</i></b>				
Salaries and Benefits	104,817,746	97,930,977	97,930,977	86,909,348
Purchased Services	20,657,969	28,720,242	28,720,242	33,084,100
Supplies and Materials	50,026,452	38,613,573	38,613,573	34,645,993
Capital Outlay	662,938	2,017,034	2,017,034	272,700
Other Expenditures	1,167,500	78,066	78,066	265,000
	\$177,332,605	\$167,359,892	\$167,359,892	\$154,177,140

**GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised Per DEP</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
Transportation (27X)				
Salaries and Benefits	26,556,087	26,314,494	26,314,494	26,239,003
Purchased Services	18,520,914	15,945,174	15,945,174	17,510,248
Supplies and Materials	2,108,300	1,390,585	1,390,585	1,152,400
Capital Outlay	9,000	63,148	63,148	4,500
Other Expenditures	-	-	-	-
	\$47,194,301	\$43,713,401	\$43,713,401	\$44,906,151
Central Services (28X)				
Salaries and Benefits	25,654,578	13,427,973	13,427,973	10,922,704
Purchased Services	20,233,382	30,065,414	30,065,414	31,924,867
Supplies and Materials	224,619	209,122	209,122	166,270
Capital Outlay	50,909	54,272	54,272	50,750
Other Expenditures	4,000	435	435	2,000
	\$46,167,488	\$43,757,216	\$43,757,216	\$43,066,591
Other (29X)				
Salaries and Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$-	\$-	\$-	\$-
<b>Total Support Services</b>	\$437,063,251	\$423,431,750	\$423,431,750	\$416,984,418
<b>Community Services (3XX)</b>				
Salaries and Benefits	461,485	461,485	461,485	413,983
Purchased Services	197,568	331,800	331,800	522,625
Supplies and Materials	10,869	2,588	2,588	4,813
Capital Outlay	1,270	700	700	2,500
Other Expenditures	-	-	-	-
Total Community Services	\$671,192	\$796,573	\$796,573	\$943,921
<b>Site Acquisition Services (45X)</b>				
Salaries and Benefits	-	-	-	-
Purchased Services	181,818	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	5,930,443	2,073,000	2,073,000	-
Other Expenditures	-	-	-	-
Total Site Acquisition Services	\$6,112,261	\$2,073,000	\$2,073,000	\$-

**GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised Per DEP</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><i>Debt Service</i></b>				
Interest on Term Bonds	19,400,100	19,407,200	19,407,200	22,536,099
Principal Retirement	-	-	-	-
<b>Total Expenditures</b>	\$813,923,529	\$834,572,112	\$834,572,112	\$743,507,899
<b><i>Excess of Revenues Over Expenditures</i></b>	\$60,642,400	\$38,855,517	\$40,789,543	\$56,737,361
<b><i>Other Financing Sources (Uses)</i></b>				
Transfers In	12,712,552	13,698,516	13,698,516	10,918,621
Transfers Out	(73,354,952)	(72,354,952)	(72,354,952)	(67,655,982)
Note Proceeds				
Total Other Financing Sources (Uses)	\$(60,642,400)	\$(58,656,436)	\$(58,656,436)	\$(56,737,361)
<b><i>Net Change in Fund Balance</i></b>	\$-	\$(19,800,919)	\$(17,866,893)	\$-



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

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

**DESIGNATED SPECIAL PURPOSE GRANT FUND (14) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised Per DEP</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>PROJECTED REVENUES</u></b>				
Local Sources	1,332,439	1,490,257	1,490,257	581,349
State Sources	80,776,783	77,781,623	77,781,623	73,823,757
Federal Sources	242,461,893	241,158,358	241,158,358	220,691,591
Other Financing Sources				
<b>Total Revenues</b>	<b>\$324,571,115</b>	<b>\$320,430,238</b>	<b>\$320,430,238</b>	<b>\$295,106,697</b>
<b><u>Projected Expenditures</u></b>				
<b><i>Instruction (1XX)</i></b>				
Salaries and Benefits	144,678,320	137,082,246	137,082,246	115,343,450
Purchased Services	16,081,196	35,448,921	35,448,921	32,906,637
Teaching Supplies and Textbooks	22,996,743	11,808,773	11,808,773	18,876,251
Capital Outlay	1,467,753	2,375,392	2,375,392	1,734,558
Other Expenditures	6,427,175	8,609,402	8,609,402	15,384,966
<b>Total Instruction</b>	<b>\$191,651,187</b>	<b>\$195,324,734</b>	<b>\$195,324,734</b>	<b>\$184,245,963</b>
<b><i>Support Services Pupil (21X)</i></b>				
Salaries and Benefits	29,440,005	29,273,460	29,273,460	27,269,204
Purchased Services	381,139	1,053,947	1,053,947	409,634
Teaching Supplies and Textbooks	575,889	680,315	680,315	636,319
Capital Outlay	5,000	10,470	10,470	280
Other Expenditures	-	-	0	-
<b>Total Support Services Pupil</b>	<b>\$30,402,033</b>	<b>\$31,018,192</b>	<b>\$31,018,192</b>	<b>\$28,315,437</b>
<b><u>Support Services</u></b>				
<b><i>Instructional Staff (22X)</i></b>				
Salaries and Benefits	20,659,472	25,472,134	25,472,134	27,206,610
Purchased Services	11,195,852	12,842,311	12,842,311	11,903,676
Teaching Supplies and Textbooks	8,255,252	4,895,194	4,895,194	3,840,163
Capital Outlay	698,463	461,183	461,183	349,391
Other Expenditures	5,244,384	6,637,384	6,637,384	1,293,569
	<b>\$46,053,423</b>	<b>\$50,308,206</b>	<b>\$50,308,206</b>	<b>\$44,593,409</b>
<b><i>General Administration(23X)</i></b>				
Salaries and Benefits	-	24,594	24,594	-
Purchased Services	1,730,633	225,666	225,666	122,528
Supplies and Materials	272,148	72,598	72,598	16,065
Capital Outlay	31,829	17,575	17,575	
Other Expenditures	-	30,000	30,000	30,000
	<b>\$2,034,610</b>	<b>\$370,433</b>	<b>\$370,433</b>	<b>\$168,593</b>
<b><i>School Administration (24X)</i></b>				
Salaries and Benefits	1,609,710	1,070,049	1,070,049	823,069
Purchased Services	51,420	88,252	88,252	50,503
Supplies and Materials	29,207	36,101	36,101	18,024
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	<b>\$1,690,337</b>	<b>\$1,194,402</b>	<b>\$1,194,402</b>	<b>\$891,596</b>

**DESIGNATED SPECIAL PURPOSE GRANT FUND (14) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised Per DEP</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><i>Business Services (25X)</i></b>				
Salaries and Benefits	1,099,092	1,216,200	1,216,200	1,108,081
Purchased Services	45,000	385,410	385,410	45,000
Supplies and Materials	2,000	2,000	2,000	7,882
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$1,146,092	\$1,603,610	\$1,603,610	\$1,160,963
<b><i>Operation and Maintenance(26X)</i></b>				
Salaries and Benefits	7,956,886	10,965,854	10,965,854	10,082,719
Purchased Services	663,301	383,248	383,248	247,302
Supplies and Materials	-	-	-	98,482
Capital Outlay	-	-	-	-
Other Expenditures	12,500	63,428	63,428	32,928
	\$8,632,687	\$11,412,530	\$11,412,530	\$10,461,431
<b><i>Transportation (27X)</i></b>				
Salaries and Benefits	-	-	-	-
Purchased Services	21,637,116	4,935,615	4,935,615	4,875,978
Supplies and Materials	5,000	632	632	1,356
Capital Outlay	-	-	-	-
Other Expenditures	-	5,086	5,086	9,370
	\$21,642,116	\$4,941,333	\$4,941,333	\$4,886,704
<b><i>Central Services (28X)</i></b>				
Salaries and Benefits	839,257	1,120,570	1,120,570	1,063,513
Purchased Services	316,063	1,257,730	1,257,730	489,860
Supplies and Materials	41,331	62,009	62,009	523,215
Capital Outlay	6,500	-	0	-
Other Expenditures	40,785	45,801	45,801	-
	\$1,243,936	\$2,486,110	\$2,486,110	\$2,085,588
<b><i>Other (29X)</i></b>				
Salaries and Benefits	-	-	-	-
Purchased Services	500,000	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$500,000	\$-	\$-	\$-
<b><i>Total Support Services</i></b>				
	\$82,943,201	\$72,316,624	\$72,316,624	\$64,248,284
<b><i>Community Services (3XX)</i></b>				
Salaries and Benefits	2,121,463	2,143,646	2,143,646	1,756,839
Purchased Services	3,376,099	3,197,108	3,197,108	2,674,087
Supplies and Materials	1,421,589	1,419,192	1,419,192	1,509,438
Capital Outlay	10,000	22,950	22,950	20,000
Other Expenditures	-	1,290,989	1,290,989	1,485,138
	\$6,929,151	\$8,073,885	\$8,073,885	\$7,445,502
<b><i>Site Acquisition Services (45X)</i></b>				

<b>DESIGNATED SPECIAL PURPOSE GRANT FUND (14) JULY 1, 2007</b>				
	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised Per DEP</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
Salaries and Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	7,500	7,500	7,500	7,500
Other Expenditures	-	65,297	65,297	-
	\$7,500	\$72,797	\$72,797	\$7,500
<b>Total Expenditures</b>	\$311,933,072	\$306,806,232	\$306,806,232	\$284,262,585
<b>Excess of Revenues Over Expenditures</b>	\$12,638,043	\$13,624,006	\$13,624,006	\$10,844,112
<b>Other Financing Sources (Uses)</b>				
Transfers In	74,509	74,509	74,509	74,509
Transfers Out	(12,712,552)	(13,698,516)	(13,698,516)	(10,918,621)
Total Other Financing Sources (Uses)	\$(12,638,043)	\$(13,624,006)	\$(13,624,006)	\$(10,844,112)
<b>Net Change in Fund Balance</b>	\$-	\$-	\$-	\$-

Note(s)

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

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



## **ADULT EDUCATION (FUND 13)**

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

**ADULT EDUCATION FUND (13) JULY 1, 2007**

	FY 2007 Adopted	FY 2007 Revised Per DEP	FY 2007 Projected Actuals	FY 2008 Proposed Budget
<b><u>PROJECTED REVENUES</u></b>				
Local Sources				
State Sources	4,467,667	7,000,000	7,000,000	4,534,690
Federal Sources				
<b>Total Revenues</b>	<b>\$4,467,667</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$4,534,690</b>
<b><u>Projected Expenditures</u></b>				
<b><i>Instruction (1XX)</i></b>				
Salaries and Benefits	642,362	678,264	678,264	847,310
Purchased Services		500	500	500
Teaching Supplies and Textbooks	5,766	16,565	16,565	2,000
Capital Outlay		-	-	
Other Expenditures		-	-	
<b>Total Instruction</b>	<b>\$648,128</b>	<b>\$695,329</b>	<b>\$695,329</b>	<b>\$849,810</b>
<b><i>Support Services Pupil (21X)</i></b>				
Salaries and Benefits	129,430	129,430	129,430	123,622
Purchased Services	-	-	-	-
Teaching Supplies and Textbooks	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
<b>Total Support Services Pupil</b>	<b>\$129,430</b>	<b>\$129,430</b>	<b>\$129,430</b>	<b>\$123,622</b>
<b><i>Support Services Instructional Staff (22X)</i></b>				
Salaries and Benefits	28,762	297,064	297,064	274,107
Purchased Services	2,781	1,781	1,781	1,781
Teaching Supplies and Textbooks	168	168	168	168
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	<b>\$31,711</b>	<b>\$299,013</b>	<b>\$299,013</b>	<b>\$276,056</b>
<b><i>School Administration (24X)</i></b>				
Salaries and Benefits	1,892,105	1,882,384	1,882,384	1,742,254
Purchased Services	1,653,125	1,887,614	1,887,614	1,390,686
Supplies and Materials	34,405	28,587	28,587	25,062
Capital Outlay	17,000	17,000	17,000	15,000
Other Expenditures	6,681	-	-	0
	<b>\$3,603,316</b>	<b>\$3,815,585</b>	<b>\$3,815,585</b>	<b>\$3,173,002</b>
<b><i>Business Office (25X)</i></b>				
Salaries and Benefits	-	-	-	-
Purchased Services	45,082	1,500	1,500	-
Supplies and Materials	-	-	-	-

**ADULT EDUCATION FUND (13) JULY 1, 2007**

	FY 2007 Adopted	FY 2007 Revised Per DEP	FY 2007 Projected Actuals	FY 2008 Proposed Budget
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$45,082	\$1,500	\$1,500	\$-
<b><i>Operation and Maintenance (26X)</i></b>				
Salaries and Benefits	-	43,582	43,582	-
Purchased Services	-	2,003,361	2,003,361	100,000
Supplies and Materials	-	2,200	2,200	2,200
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$-	\$2,049,143	\$2,049,143	\$102,200
<b><i>Transportation (27X)</i></b>				
Salaries and Benefits	-	-	-	-
Purchased Services	10,000	10,000	10,000	10,000
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$10,000	\$10,000	\$10,000	\$10,000
<b><i>Central Services (28X)</i></b>				
Salaries and Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$-	\$-	\$-	\$-
<b>Total Expenditures</b>	\$4,467,667	\$7,000,000	\$7,000,000	\$4,534,690
<b>Excess of Revenues Over Expenditures</b>	-	-	-	-
<b>Net Change in Fund Balance</b>	\$-	\$-	\$-	\$-



## **SPECIAL EDUCATION (FUND 22)**

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

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

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

**SPECIAL EDUCATION FUND (22) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>Projected Revenues</u></b>				
Local Sources - Special Education Millage	72,000,000	72,000,000	72,000,000	69,000,000
State Sources - State Aid	89,911,006	84,346,521	84,346,521	84,346,521
Federal Sources	-	-	-	-
Other Financing Sources	-	-	-	-
<b>Total Revenues</b>	<b>\$161,911,006</b>	<b>\$156,346,521</b>	<b>\$156,346,521</b>	<b>\$153,346,521</b>
<b><u>Projected Expenditures</u></b>				
<b><i>Instruction (1XX)</i></b>				
Salaries and Benefits	160,739,538	154,796,343	154,796,343	143,353,077
Purchased Services	908,152	1,017,513	1,017,513	1,265,557
Teaching supplies and Textbooks	3,466,273	3,368,704	3,368,704	3,075,220
Capital Outlay	465,437	530,191	530,191	274,523
Other Expenditures	119,030	119,030	119,030	-
<b>Total Instruction</b>	<b>\$165,698,430</b>	<b>\$159,831,781</b>	<b>\$159,831,781</b>	<b>\$147,968,377</b>
<b><i>Support Services Pupil (21X)</i></b>				
Salaries and Benefits	45,438,792	45,416,038	45,416,038	50,966,044
Purchased Services	4,829,198	4,032,198	4,032,198	4,706,803
Teaching supplies and Textbooks	493,579	472,462	472,462	562,659
Capital Outlay	25,943	25,943	25,943	25,000
Other Expenditures	-	-	-	-
<b>Total Support Service Pupil</b>	<b>\$50,787,512</b>	<b>\$49,946,641</b>	<b>\$49,946,641</b>	<b>\$56,260,506</b>
<b><u>Support Services</u></b>				
<b><i>Instructional Staff (22X)</i></b>				
Salaries and Benefits	9,008,525	9,250,717	9,250,717	8,202,396
Purchased Services	151,528	200,010	200,010	191,562
Teaching supplies and Textbooks	14,000	39,000	39,000	14,000
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	<b>\$9,174,053</b>	<b>\$9,489,727</b>	<b>\$9,489,727</b>	<b>\$8,407,958</b>

**SPECIAL EDUCATION FUND (22) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b>General Administration (23X)</b>				
Salaries and Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$-	\$-	\$-	\$-
<b>School Administration (24X)</b>				
Salaries and Benefits	5,117,748	5,029,946	5,029,946	4,662,194
Purchased Services	228,501	298,501	298,501	304,731
Teaching supplies and Textbooks	342,178	318,303	318,303	144,104
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$5,688,427	\$5,646,750	\$5,646,750	\$5,111,029
<b>Operation and Maintenance (26X)</b>				
Salaries and Benefits	12,000	12,300	12,300	23,524
Purchased Services	-	-	-	-
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$12,000	\$12,300	\$12,300	\$23,524
<b>Transportation (27X)</b>				
Salaries and Benefits	-	-	-	-
Purchased Services	-	891,765	891,765	629,400
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$-	\$891,765	\$891,765	\$629,400
<b>Central Services (28X)</b>				
Salaries and Benefits	-	-	-	-
Purchased Services	1,023,026	-	-	-
Supplies and Materials	-	-	-	-

**SPECIAL EDUCATION FUND (22) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
Capital Outlay	-	-	-	-
Other Expenditures	-	-	-	-
	\$1,023,026	\$-	\$-	\$-
<b><i>Total Support Services</i></b>	\$15,897,506	\$16,040,542	\$16,040,542	\$14,171,911
<b><i>Total Expenditures</i></b>	\$232,383,448	\$225,818,964	\$225,818,964	\$218,400,794
<b><i>Excess of Revenues Over Expenditures</i></b>	\$(70,472,442)	\$(69,472,443)	\$(69,472,443)	\$(65,054,273)
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	70,472,442	\$69,472,443	\$69,472,443	65,054,273
Transfers Out	-	-	-	
Note Proceeds	-	-	-	
Total Other Financing Sources (Uses)	\$70,472,442	\$69,472,443	\$69,472,443	\$65,054,273
<b><i>Net Change in Fund Balance</i></b>	\$-	\$-	\$-	\$-

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



## **ATHLETICS (FUND 21)**

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

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

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

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

**ATHLETICS FUND (21) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	2,808,000	2,808,000	2,808,000	2,527,200
Transfers Out				
<b>Total Other Financing Sources     (Uses)</b>	<b>\$2,808,000</b>	<b>\$2,808,000</b>	<b>\$2,808,000</b>	<b>\$2,527,200</b>
<b><u>Projected Expenditures</u></b>				
Salaries and Benefits	1,329,518	1,329,518	1,329,518	1,206,145
Purchased Services	1,112,282	1,112,282	1,112,282	1,054,855
Teaching Supplies and Textbooks	366,200	366,200	366,200	266,200
Capital Outlay				
Other Expenditures				
	<b>\$2,808,000</b>	<b>\$2,808,000</b>	<b>\$2,808,000</b>	<b>\$2,527,200</b>
<b>Total Expenditures</b>	<b>\$2,808,000</b>	<b>\$2,808,000</b>	<b>\$2,808,000</b>	<b>\$2,527,200</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## **FOOD SERVICE (FUND 25)**

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

**FOOD SERVICE FUND (25) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>Projected Revenues</u></b>				
<b>Local Sources</b>				
Sales to Pupils	3,511,220	3,511,220	3,511,220	1,675,959
Other	2,653,710	2,653,710	2,653,710	3,910,434
<b>Total Local Sources</b>	<b>\$6,164,930</b>	<b>\$6,164,930</b>	<b>\$6,164,930</b>	<b>\$5,586,393</b>
<b>State Sources</b>				
At Risk	1,100,413	1,100,413	1,100,413	950,000
Other	1,822,453	1,822,453	1,822,453	2,900,000
<b>Total State Sources</b>	<b>\$2,922,866</b>	<b>\$2,922,866</b>	<b>\$2,922,866</b>	<b>\$3,850,000</b>
<b>Federal Sources</b>				
<b>National School Lunch</b>	<b>33,356,075</b>	<b>33,356,075</b>	<b>33,356,075</b>	<b>28,403,367</b>
Other	454,260	454,260	454,260	404,910
<b>Total Federal Sources</b>	<b>\$33,810,335</b>	<b>\$33,810,335</b>	<b>\$33,810,335</b>	<b>\$28,808,277</b>
<b>Total Revenues</b>	<b>\$42,898,131</b>	<b>\$42,898,131</b>	<b>\$42,898,131</b>	<b>\$38,244,670</b>
<b><u>Projected Expenditures</u></b>				
Salaries and Benefits	17,881,532	17,881,532	17,881,532	16,475,989
Purchased Services	21,420,551	21,420,551	21,420,551	19,688,094
Teaching Supplies and Textbooks	65,497	65,497	65,497	70,000
Capital Outlay	520,000	520,000	520,000	135,000
Other Expenditures	687,500	687,500	687,500	687,500
<b>Total Expenditures</b>	<b>\$40,575,080</b>	<b>\$40,575,080</b>	<b>\$40,575,080</b>	<b>\$37,056,583</b>
<b><i>Excess of Revenues Over Expenditures</i></b>	<b>\$2,323,051</b>	<b>\$2,323,051</b>	<b>\$2,323,051</b>	<b>\$1,188,087</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	-	-	-	-
Transfers Out	(2,323,051)	(2,323,051)	(2,323,051)	(1,188,087)
<b>Total Other Financing Sources (Uses)</b>	<b>\$(2,323,051)</b>	<b>\$(2,323,051)</b>	<b>\$(2,323,051)</b>	<b>\$(1,188,087)</b>
<b><i>Net Change in Fund Balance</i></b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>



## **BOND REDEMPTION (FUND 31)**

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

**BOND REDEMPTION FUND (31) July 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>Projected Revenues</u></b>				
<b><i>Local Sources</i></b>				
Property Taxes	114,710,322	114,710,322	113,198,959	116,594,928
Earnings on Investments	1,800,000	1,800,000	2,000,000	2,000,000
<b>Non-Plaintiff Debt Service</b>	7,200,000	7,200,000	-	-
Total Revenues	\$123,710,322	\$123,710,322	\$115,198,959	\$118,594,928
<b><u>Projected Expenditures</u></b>				
Principal Retirement	44,400,000	44,400,000	54,296,222	47,874,442
Payment of Interest	71,180,000	71,180,000	74,738,975	72,258,386
Dues and Fees	20,000	20,000	15,000	15,000
Total Expenditures	\$115,600,000	\$115,600,000	\$129,050,197	\$120,147,828
<b><i>Excess of Revenues Over Expenditures</i></b>	8,110,322	8,110,322	(13,851,238)	(1,552,900)
<b>Beginning Fund Balance</b>		8,110,322	26,008,575	12,157,337
<b>Ending Fund Balance</b>	\$8,110,322	\$16,220,643	\$12,157,337	\$10,604,437



## **JUDGMENT LEVY (FUND 32)**

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

**JUDGEMENT LEVY FUND (32) July 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>Projected Revenues</u></b>				
<b><i>Local Sources</i></b>				
Property Taxes	-	-	-	-
Interest Earnings	35,000	35,000	61,000	50,000
Total Revenues	\$35,000	\$35,000	\$61,000	\$50,000
<b><u>Projected Expenditures</u></b>				
Purchased Services	1,109,011	1,109,011	200,000	795,465
Total Expenditures	\$1,109,011	\$1,109,011	\$200,000	\$795,465
<b><i>Excess of Revenues Over Expenditures</i></b>	(1,074,011)	(1,074,011)	(139,000)	(745,465)
<b>Beginning Fund Balance</b>	1,074,011	1,074,011	884,465	745,465
<b>Ending Fund Balance</b>	\$-	\$-	\$745,465	\$-



## **BUILDING FUND-DURANT BOND (FUND 41)**

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

**DURANT BOND FUND (41) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b><u>Projected Revenues</u></b>				
<b><i>Local Sources</i></b>				
Earnings on Investments	200,000	200,000	180,000	100,000
<b>Total Revenues</b>	\$200,000	\$200,000	\$180,000	\$100,000
<b><u>Projected Expenditures</u></b>				
Capital Outlay	4,004,313	4,004,313	1,890,796	2,312,556
<b>Total Expenditures</b>	\$4,004,313	\$4,004,313	\$1,890,796	\$2,312,556
<b>Excess of Revenue Over Expenditures</b>	(3,804,313)	(3,804,313)	(1,710,796)	(2,212,556)
<b>Beginning Fund Balance</b>	3,804,313	3,804,313	3,923,352	2,212,556
<b>Ending Fund Balance</b>	\$-	\$-	\$2,212,556	\$-



## **BUILDING FUND- 1994 BOND PROGRAM (FUND 44)**

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

**1994 BOND PROGRAM FUND (44) JULY 1, 2007**

	<b>FY 2007 Adopted</b>	<b>FY 2007 Revised</b>	<b>FY 2007 Projected Actuals</b>	<b>FY 2008 Proposed Budget</b>
<b>Projected Revenues</b>				
<i>Local Sources</i>				
Earnings on investments	5,000,000	5,000,000	4,600,000	3,000,000
<b>Total Revenues</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$4,600,000</b>	<b>\$3,000,000</b>
<b>Projected Expenditures</b>				
Salaries	400,000	400,000	300,000	300,000
Fringes	200,000	200,000	100,000	100,000
Capital Outlay	31,259,508	31,259,508	20,000,000	56,587,631
<b>Total Expenditures</b>	<b>\$31,859,508</b>	<b>\$31,859,508</b>	<b>\$20,400,000</b>	<b>\$56,987,631</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(26,859,508)</b>	<b>(26,859,508)</b>	<b>(15,800,000)</b>	<b>(53,987,631)</b>
<b>Beginning Fund Balance</b>	<b>26,859,508</b>	<b>-</b>	<b>84,787,631</b>	<b>68,987,631</b>
<b>Ending Fund Balance</b>	<b>\$-</b>	<b>\$(26,859,508)</b>	<b>\$68,987,631</b>	<b>\$15,000,000</b>



## **GLOSSARY 2007**

# GLOSSARY

## **Accountability**

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

## **Accounts Payable**

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

## **Accrue**

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

## **Appropriation**

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

## **Appropriations Account**

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

## **Assessed Valuation**

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

## **Auditor's Opinion**

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

## **Balanced Budget**

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

## **Budget**

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

## **Building and Site Funds**

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

## **Capital Outlay**

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

## **Compensation for Loss of Assets**

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

# GLOSSARY

## **Current Expense**

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

## **Debt Retirement Funds**

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

## **Deficit**

An excess of expenditures over revenue.

## **Deficit Elimination Plan (DEP)**

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

## **Department ID**

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

## **Discretionary**

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

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

## **District**

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

## **Expenditures**

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

## **Expenses**

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

## **Financial Information Data (FID)**

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

### **Explanation of Functional Categories**

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

*2XX Supporting Services* - Supporting Services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction and to a lesser degree, community services. Supporting Services exist as adjuncts for the fulfillment of the objectives of instruction.

## GLOSSARY

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

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

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

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

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

*26X Operations and Maintenance -- Operating Buildings Services* – Activities concerned with keeping the physical plant open, clean, and ready for daily used. They include operating the heating, lighting, and ventilation systems, and repairing facilities/equipment. Also included are operating building leases, property and liability insurance, janitorial and ground maintenance costs. May be used in a Capital Projects fund only to extent allowed by law.

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

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

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

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

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

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

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

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

# GLOSSARY

## **Fiscal Year**

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

## **Fixed Assets**

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

## **Food Service Fund**

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

## **Fringe Benefits**

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

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

## **Function**

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

## **Fund**

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

## **Fund Accounting**

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

## **Fund Balance**

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

## **GASB**

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

## **General Fund**

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

## **Grants**

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

## **Non-Discretionary**

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

# GLOSSARY

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

## **Object**

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

## **Operating Budget**

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

## **Pension System**

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

## **Pupil Enrollment**

For any budget year, the number of pupils enrolled.

## **Pupil Funding**

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

## **Purchased Services**

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

## **Reserve**

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

## **Restricted**

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

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

## **Retirement Fund System**

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

## **Revenue**

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

## **Salaries**

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

Note: Controlled and administered centrally. \*Schools or departments are not responsible for over expenditures, nor are they allowed to utilize under expenditures in this category within the General

## GLOSSARY

Fund. Budgetary control is maintained by controlling the number of staffing units a school or department is authorized to have and then ensuring that they remain within authorization.

### **Special Revenue Funds**

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

### **State Board**

State board means the State Board of Education.

### **Supplies**

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

### **Taxes**

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

### **Transfer In-Out**

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