

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

TO: Judge Steven Rhodes, Transition Manager

FROM: Marios Demetriou, Deputy Superintendent of Finance and Operations

SUBJECT: Fiscal Year 2017 Budget Amendment # 1

DATE: August 15, 2016

CC: Alycia Meriweather, Interim Superintendent
Delores Brown, Executive Director, Finance
Michael Bridges, Deputy Executive Director, Finance
Marc Ingram, Deputy Executive Director, Finance

The Fiscal Year 2016-2017 (FY 2017) budget amendment No. 1 is based on a comprehensive review of actual and projected financial data and analysis. The following is a summary of some of the notable changes to the General Fund by function since the budget was adopted.

EXPENDITURES

Instruction – The Section 31A budget increased \$1.9 million primarily attributed to Reading Recovery Teachers. After reviewing the adopted budget, the Department of State and Federal Programs (DSFP) recommended changing the function codes of selected account strings for compliance reasons, and this resulted in a \$630,000 increase to Instruction. Various budget increases totaling \$150,000 account for the total change in this functional category.

Instructional Staff – The Section 31A budget decreased \$1.9 million primarily attributed to shifting funds to Instruction for Reading Recovery Teachers. Various budget increases totaling \$120,000 account for the total change in this functional category.

Pupil Services - After reviewing the adopted budget, DSFP recommended changing the function codes of selected account strings for compliance reasons, and this resulted in a \$245,000 decrease to Pupil Services.

Executive Administration – The Office of the Inspector General’s budget was moved from Business Services to Executive Administration to be in agreement with the State of Michigan Accounting Manual. This resulted in a \$520,000 increase to Executive Administration. Various budget increases totaling \$140,000 account for the total change in this functional category.



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School Administration - After reviewing the adopted budget, DSFP recommended changing the function codes of selected account strings for compliance reasons, and this resulted in a \$240,000 decrease to School Administration.

Business Services - The Office of the Inspector General's budget was moved from Business Services to Executive Administration to be in agreement with the State of Michigan Accounting Manual. This resulted in a \$520,000 decrease to Business Services. Various budget decreases totaling \$10,000 account for the total change in this functional category.

Other Support Services – The Office of Fine Arts budget increased \$73,000 solely attributed to the carrying forward of the UAW Fine Arts Grant.

FUND BALANCE

The Detroit Public Schools Community District expects the FY 2017 surplus to remain \$17.3 million.

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DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT GENERAL FUND BUDGET AMENDMENT # 1 YEAR ENDING JUNE 30, 2017

	<u>FY 2017 - Adopted</u>	<u>FY 2017 - Budget Amendment # 1</u>	<u>FY 2017 - Budget Amendment # 1 Increase (Decrease) Over FY 2017 - Adopted</u>
Revenue:			
Local sources			
Special education millage	\$ 38,826,853	\$ 38,826,853	\$ -
Other	11,925,615	12,228,981	303,366
Total local sources	<u>50,752,468</u>	<u>51,055,834</u>	<u>303,366</u>
State sources	445,820,225	445,820,225	-
Federal sources	<u>141,820,618</u>	<u>142,198,114</u>	<u>377,496</u>
Total Revenue	<u>638,393,311</u>	<u>639,074,173</u>	<u>680,862</u>
Expenditures:			
Instruction	<u>332,136,275</u>	<u>334,818,296</u>	<u>2,682,021</u>
Support services			
Pupil services	61,098,044	60,851,685	(246,359)
Instructional staff support	55,406,594	53,634,411	(1,772,183)
General administration	3,177,970	3,836,974	659,004
School administration	38,695,133	38,454,265	(240,868)
Business office	9,992,727	9,481,223	(511,504)
Operations & maintenance	84,826,740	84,854,606	27,866
Transportation	35,049,312	35,031,312	(18,000)
Central support service	28,356,986	28,331,821	(25,165)
Other support service	<u>769,593</u>	<u>842,576</u>	<u>72,983</u>
Total support services	<u>317,373,099</u>	<u>315,318,873</u>	<u>(2,054,226)</u>
Community service	<u>4,189,662</u>	<u>4,242,729</u>	<u>53,067</u>
Facilities acquisitions and improvement	<u>606,809</u>	<u>606,809</u>	<u>-</u>
Total Expenditures	<u>654,305,845</u>	<u>654,986,707</u>	<u>680,862</u>
Other Financial Sources (Uses)			
Sources			
Proceeds from sale of capital assets	6,000,000	6,000,000	-
Payments from Other School Districts	25,000,000	25,000,000	-
Transfers In	<u>2,256,058</u>	<u>2,256,058</u>	<u>-</u>
Total Sources	<u>33,256,058</u>	<u>33,256,058</u>	<u>-</u>
Total Other Financial Sources (Uses)	<u>33,256,058</u>	<u>33,256,058</u>	<u>-</u>
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>17,343,524</u>	<u>17,343,524</u>	<u>-</u>
Beginning Fund Balance	-	-	
Ending Fund Balance	<u>\$ 17,343,524</u>	<u>\$ 17,343,524</u>	




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FOOD SERVICE FUND

The Food Service Fund has remained unchanged since budget adoption.

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DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT FOOD SERVICE FUND BUDGET AMENDMENT # 1 YEAR ENDING JUNE 30, 2017

	FY 2017 - Adopted	FY 2017 - Budget Amendment # 1	FY 2017 - Budget Amendment # 1 Increase (Decrease) Over FY 2017 - Adopted
Revenue:			
Local sources			
Other	\$ 980,500	\$ 980,500	\$ -
Total local sources	980,500	980,500	-
State sources	1,283,000	1,283,000	-
Federal sources	47,340,473	47,340,473	-
Total Revenue	49,603,973	49,603,973	-
Expenditures:			
Support services			
Personnel	15,190,201	15,190,201	-
Purchased Services	2,644,775	2,644,775	-
Supplies	28,412,939	28,412,939	-
Equipment & Capital	1,100,000	1,100,000	-
Total support services	47,347,915	47,347,915	-
Total Expenditures	47,347,915	47,347,915	-
Other Financial Sources (Uses)			
Sources			
Proceeds from sale of capital assets	-	-	-
Prior Year Surplus	-	-	-
Proceeds from EAA borrowing	-	-	-
Transfers In	-	-	-
Total Sources	-	-	-
Uses			
Transfers Out	(2,256,058)	(2,256,058)	-
Prior Year Surplus	-	-	-
Total Uses	(2,256,058)	(2,256,058)	-
Total Other Financial Sources (Uses)	(2,256,058)	(2,256,058)	-
Excess (deficiency) of Revenue Over (Under) Expenditures	-	-	-
Beginning Fund Balance	-	-	
Ending Fund Balance	\$ -	\$ -	