



Detroit Public Schools
Office of the Emergency Financial Manager
Roy S. Roberts

Order 2013-EFMRR-14

BY THE POWER AND AUTHORITY VESTED IN
THE EMERGENCY FINANCIAL MANAGER ("EMERGENCY FINANCIAL
MANAGER") FOR THE SCHOOL DISTRICT OF THE CITY OF DETROIT,
MICHIGAN ("SCHOOL DISTRICT") THROUGH MICHIGAN COMPILED
LAWS ("MCL") §§ 141.1201 – 141.1291, 380.1 – 380.1853, 388.1601 –
388.1772, 141.421 – 141.440A, 423.201 – 423.217 AND 38.71 – 38.191, THE
EMERGENCY FINANCIAL MANAGER,
ROY S. ROBERTS
HEREBY ISSUES THE FOLLOWING:

ORDER
ADOPTING THE SECOND AMENDED FISCAL YEAR 2012-2013
BUDGET FOR THE SCHOOL DISTRICT OF THE CITY OF DETROIT

WHEREAS, the Local Government Fiscal Responsibility Act, Public Act 72 of 1990 ("Public Act 72") was enacted to provide, among other matters, for the review, management, planning, and control of the financial operation of units of local government, including school districts, and the appointment of, the prescription of the powers and duties of an emergency financial manager; and to require the development of financial plans to regulate expenditures and investments by a local government in a state of financial emergency; and

WHEREAS, Governor Rick Snyder appointed Roy S. Roberts as the Emergency Financial Manager (the "Emergency Financial Manager") for the School District of the City of Detroit (the "District"); and

WHEREAS, the Emergency Financial Manager assumed immediate control over all fiscal matters of the School District of the City of Detroit as provided in MCL § 141.1241; and

WHEREAS, prior to his appointment as Emergency Financial Manager, Roy S. Roberts served at the Emergency Manager of the District under Public Act 4 of 2011, the Local Government and School District Fiscal Responsibility Act ("Public Act 4"); and

WHEREAS, the District's Fiscal Year 2012 - 2013 Budget was approved as of June 27, 2012 by the Emergency Manager, to be effective as of July 1, 2012 (the "2013 Budget"); and

WHEREAS, the 2013 Budget may be revised and/or amended to more accurately reflect the changes in revenues and/or expenditures as deemed necessary by the Emergency Financial Manager in accordance with MCL § 141.1241(e); and

WHEREAS, the 2013 Budget was previously amended by that certain Order 2013 -EFMRR-10 Adopting the Amended Fiscal Year 2012-2013 Budget for the School District of the City of Detroit dated October 12, 2012; and

WHEREAS, the Emergency Financial Manager has deemed it necessary to further revise and amend the FY 2013 Budget as more particularly set forth in the Second Amended FY2013 Budget for the School District of the City of Detroit attached hereto as Exhibit "A" (the "Second Amended Fiscal Year 2012- 2013 Budget").

NOW, THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to the powers granted under Public Act 72, the Emergency Financial Manager hereby adopts the Second Amended FY 2012 - 2013 Budget in the form attached hereto as Exhibit "A".
2. Pursuant to MCL §§ 141.1239, 141.1241 and 141.1243 and other powers granted under Public Act 72, this Order is issued and directed to the Board of Education for the School District of the City of Detroit ("School Board"), all administrators of the School District and all employees of the School District; and
3. This Order may be amended, modified, repealed or terminated by any subsequent Order issued by the Emergency Financial Manager.

Dated: November 28, 2012

By:


Roy S. Roberts

Emergency Financial Manager

School District of the City of Detroit

Exhibit A



TO: Roy S. Roberts, Emergency Financial Manager
FROM: William E. Aldridge, CPA, and Chief Financial Officer
SUBJECT: Fiscal Year 2013 Budget Amendment # 2
DATE: November 28, 2012
 Revised January 7, 2013
CC: Kevin A. Smith, Esq., Chief of Staff
 Delores A. Brown, Deputy Chief Financial Officer/Chief Accounting Officer
 Dennis L. Johnson, Executive Director, Office of Management & Budget

The Fiscal Year 2012-2013 second budget amendment is based on a comprehensive review of financial data and documents and an in-depth review of the current operations of the District. The following is a summary of the changes to the General Purpose Fund since the approval of the first amendment to the FY2012-2013 budget on October 12, 2012.

REVENUES

State Sources – To be conservative, projected carry over funds for Section 31a of \$5 million has been removed from the budget until completions of the FY2012 audit and carry over revenue is finalized. This amount is offset by the addition of Adult Ed carryover revenue of \$2.2 million.

State Aid – The District’s estimate of State Aid is being adjusted due to receipt of more accurate data. The following adjustments are being made to align the budget with the official State Aid Status Report based on the revised state aid membership and other realignments.

| Description | Per State Aid Status Report 10/20/12 | DPS Budget Balance | Adjustment |
|---------------------------|--------------------------------------|--------------------|-------------|
| 22a Prop A Obligation | 204,259,416 | 202,935,952 | \$1,323,464 |
| 22b Discretionary Payment | 50,014,819 | 50,538,122 | (\$523,303) |
| 152a Headlee Obligation | 1,248,068 | 1,452,457 | (\$204,389) |
| 26a Renaissance Zone | 4,566,914 | 4,850,159 | (\$283,245) |
| 61a.1 Vocational Ed. | \$769,919 | \$1,143,719 | (\$373,800) |

EXPENDITURES

Instruction – Title I, Part A purchased services were reduced by \$4.2 million to fund indirect costs at the authorized maximum rate to support the Title I program. In addition, \$1.8 million in Title I and Section 31a funds were allocated to the Self-Governed Schools to further fund programs. These amounts are offset by \$3.9 million additional funds to purchase textbooks. Various other minor adjustments totaling \$0.3 million account for the total change in this functional category.

In addition, the District continues to monitor and adjust Teacher Service leveling on an on-going basis. The Office of Management & Budget and Curriculum reviewed Teacher Service Levels after count day. As a result 51 of the 104 teacher positions previously eliminated have been re-instated at a cost of \$4.7 million due to classroom organization initiatives.

Instructional Staff Support – A reduction of \$3.9 million was necessary to appropriately reclassify the purchase of textbooks to Instruction. A reduction of \$1 million was made to align the School Improvement Grant budget to the Michigan Electronic Grants System (MEGS) approved budget.

School Administration - Adult Education Carry Over funds of \$2.2 million were added for discretionary spending. To align the School Improvement Grant to the budget, \$.9 million was added to the MEGS approved budget. Various other minor adjustments totaling \$0.6 million accounts for the total change in this functional category.

OTHER FINANCIAL SOURCES and USES

Transfers In/Out - The projected indirect cost included in the adopted budget was a conservative projection and was understated by approximately \$4.6 million. The adjustment amends the indirect cost budget to reflect the authorized maximum rate.

**DETROIT PUBLIC SCHOOLS
GENERAL FUND¹
BUDGET AMENDMENT # 2
YEAR ENDING JUNE 30, 2013**

| | FY 2013 Amended Budget | Increase (Decrease) | FY 2013 Amendment # 2 |
|---|----------------------------|----------------------------|----------------------------|
| Revenue: | | | |
| Local sources | | | |
| Special education millage | \$ 42,660,000 | \$ - | \$ 42,660,000 |
| Property Taxes | 74,802,205 | - | 74,802,205 |
| Other | 31,850,775 | 832,081 | 32,682,856 |
| Total local sources | <u>149,312,980</u> | <u>832,081</u> | <u>150,145,061</u> |
| State sources | 376,387,874 | (2,861,272) | 373,526,602 |
| Federal sources | <u>238,085,380</u> | <u>344,782</u> | <u>238,430,162</u> |
| Total Revenue | <u>763,786,234</u> | <u>(1,684,409)</u> | <u>762,101,825</u> |
| Expenditures: | | | |
| Instruction | <u>354,275,577</u> | <u>(2,404,759)</u> | <u>351,870,818</u> |
| Support services | | | |
| Pupil services | 57,558,180 | 1,161,078 | 58,719,258 |
| Instructional staff support | 63,743,882 | (4,902,136) | 58,841,746 |
| General administration | 8,220,309 | 232,174 | 8,452,483 |
| School administration | 35,480,139 | 3,629,402 | 39,109,541 |
| Business office | 14,492,351 | 163,548 | 14,655,899 |
| Operations & maintenance | 68,546,399 | (159,607) | 68,386,792 |
| Transportation | 25,329,839 | 56,422 | 25,386,261 |
| Central support service | 27,774,102 | 237,761 | 28,011,863 |
| Other support service | 46,179,288 | 420 | 46,179,708 |
| Total support services | <u>347,324,489</u> | <u>419,062</u> | <u>347,743,551</u> |
| Community service | <u>4,454,649</u> | <u>79,143</u> | <u>4,533,792</u> |
| Facilities acquisitions and improvement | <u>100,000</u> | <u>-</u> | <u>100,000</u> |
| Debt service | <u>53,001,761</u> | <u>-</u> | <u>53,001,761</u> |
| Total Expenditures | <u>759,156,476</u> | <u>(1,906,554)</u> | <u>757,249,922</u> |
| Other Financial Sources (Uses) | | | |
| Sources | | | |
| Proceeds from sale of capital assets | 1,502,000 | 898,000 | 2,400,000 |
| Transfers In | 27,354,130 | 4,646,336 | 32,000,466 |
| Total Sources | <u>28,856,130</u> | <u>5,544,336</u> | <u>34,400,466</u> |
| Uses | | | |
| Transfers Out | (27,354,130) | 4,646,336 | (32,000,466) |
| Prior Year Adjustments | (3,232,368) | - | (3,232,368) |
| Total Uses | <u>(30,586,498)</u> | <u>4,646,336</u> | <u>(35,232,834)</u> |
| Total Other Financial Sources (Uses) | <u>(1,730,368)</u> | <u>898,000</u> | <u>(832,368)</u> |
| Excess (deficiency) of Revenue Over (Under) Expenditures and Other Financial Sources | <u>\$ 2,899,390</u> | <u>\$ 1,120,145</u> | <u>\$ 4,019,535</u> |

¹ General Fund includes Funds 11 through 25.

Notes: See footnotes that follow for explanation of increases and decreases

**DETROIT PUBLIC SCHOOLS
REVENUES, EXPENDITURES, SOURCES AND USES
BUDGET AMENDMENT # 2
YEAR ENDING JUNE 30, 2013**

| | FY 2013 Amended Budget | Increase (Decrease) | FY 2013 Amendment # 2 |
|--------------------------|---------------------------|------------------------|--------------------------|
| Fund 11 | | | |
| Revenue | \$ 386,931,256 | \$ 6,296,145 | \$ 393,227,401 |
| Expenditures | 384,031,866 | 5,176,000 | 389,207,866 |
| Surplus (Deficit) | \$ 2,899,390 | \$ 1,120,145 | \$ 4,019,535 |
| Fund 13 | | | |
| Revenue | 5,798,143 | 2,200,000 | 7,998,143 |
| Expenditures | 5,798,143 | 2,200,000 | 7,998,143 |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 14 | | | |
| Revenue | 231,275,822 | (4,636,218) | 226,639,604 |
| Expenditures | 231,275,822 | (4,636,218) | 226,639,604 |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 18 | | | |
| Revenue | 10,257,883 | - | 10,257,883 |
| Expenditures | 10,257,883 | - | 10,257,883 |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 16 | | | |
| Revenue | 55,444,424 | - | 55,444,424 |
| Expenditures | 55,444,424 | - | 55,444,424 |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 22 | | | |
| Revenue | 56,585,165 | - | 56,585,165 |
| Expenditures | 56,585,165 | - | 56,585,165 |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 25 | | | |
| Revenue | 46,349,671 | - | 46,349,671 |
| Expenditures | 46,349,671 | - | 46,349,671 |
| Surplus (Deficit) | \$ - | \$ - | \$ - |

**DETROIT PUBLIC SCHOOLS
REVENUES AND OTHER SOURCES - GENERAL FUND
BUDGET AMENDMENT # 2
YEAR ENDING JUNE 30, 2013**

| Fund | FY 2013 Amended Budget | Increase (Decrease) | FY 2013 Amendment # 2 |
|--|------------------------------|------------------------|--------------------------|
| Fund 11 General Fund | | | |
| Property Tax Gross | \$ 88,003,836 | \$ (5,581,061) | \$ 82,422,775 |
| Uncollectable | (13,201,631) | 5,581,061 | (7,620,570) |
| Property Tax Net | 74,802,205 | - | 74,802,205 |
| State Aid | | | |
| 22a Prop A Obligation | 202,935,952 | 1,323,464 | 204,259,416 |
| 22b Discretionary Payment | 50,538,122 | (523,303) | 50,014,819 |
| 152a Headlee Obligation - Adair & 94a.9 | 1,452,457 | (204,389) | 1,248,068 |
| 26a Renaissance Zone | 4,850,159 | (283,245) | 4,566,914 |
| 22f Best Practice Incentive | 2,700,205 | - | 2,700,205 |
| 147a MPSERs Cost Offset | 9,411,058 | - | 9,411,058 |
| 61a Vocational Education | 1,143,719 | (373,800) | 769,919 |
| Prior Year Adjustments | 1,000,000 | - | 1,000,000 |
| Other | | | |
| Earnings on Investments | 300,000 | - | 300,000 |
| Medicaid Reimbursement | 11,962,025 | - | 11,962,025 |
| JROTC | 2,088,141 | - | 2,088,141 |
| Charter School Administration Fee | 1,023,192 | - | 1,023,192 |
| Other | 5,703,363 | 1,711,081 | 7,414,444 |
| Indirect Cost Revenue | 4,925,294 | 4,646,337 | 9,571,631 |
| Payment from EAA - Debt Service Offset | 10,024,560 | - | 10,024,560 |
| Payment from EAA - Services | 2,070,804 | - | 2,070,804 |
| Total Fund 11 | 386,931,256 | 6,296,145 | 393,227,401 |
| Fund 13 Adult Education | | | |
| State Aid | 4,798,143 | - | 4,798,143 |
| Deferred Revenue | 1,000,000 | 2,200,000 | 3,200,000 |
| Total Fund 13 | 5,798,143 | 2,200,000 | 7,998,143 |
| Fund 14 Grants | | | |
| Title I | 138,166,985 | - | 138,166,985 |
| Title I / Title II / Title III Carryover | 2,158,590 | - | 2,158,590 |
| 31a At Risk | 31,854,473 | (5,000,000) | 26,854,473 |
| IDEA | 18,277,470 | - | 18,277,470 |
| Title II | 16,726,810 | - | 16,726,810 |
| Great Start Readiness | 14,381,600 | - | 14,381,600 |
| Other Grants | 9,729,894 | 363,782 | 10,093,676 |
| Total Fund 14 | 231,275,822 | (4,636,218) | 226,639,604 |
| Fund 16 Special Education Center Based Programs | | | |
| Act 18 | 42,000,000 | - | 42,000,000 |
| Follow That Child | 660,000 | - | 660,000 |
| Transfer from Fund 11 | 12,784,424 | - | 12,784,424 |
| Total Fund 16 | 55,444,424 | - | 55,444,424 |
| Fund 18 ARRA | | | |
| ARRA School Improvement | 10,257,883 | - | 10,257,883 |
| Total Fund 18 | 10,257,883 | - | 10,257,883 |
| Fund 22 Special Education | | | |
| State Aid | 49,071,739 | - | 49,071,739 |
| Transfer from Fund 11 | 7,513,426 | - | 7,513,426 |
| Total Fund 22 | 56,585,165 | - | 56,585,165 |
| Fund 25 Food Service | | | |
| USDA Free & Reduced Lunch | 42,348,600 | - | 42,348,600 |
| Food Sales to Pupils | 1,629,350 | - | 1,629,350 |
| School Lunch Grant State Aid | 1,122,000 | - | 1,122,000 |
| Other | 1,249,721 | - | 1,249,721 |
| Total Fund 25 | 46,349,671 | - | 46,349,671 |
| Total | \$ 792,642,364 | \$ 3,859,927 | \$ 796,502,291 |

**DETROIT PUBLIC SCHOOLS
EXPENDITURES AND OTHER USES - GENERAL FUND
BUDGET AMENDMENT # 2
YEAR ENDING JUNE 30, 2013**

| | FY 2013 Amended Budget | Increase (Decrease) | FY 2013 Amendment # 2 |
|--|---------------------------|------------------------|--------------------------|
| Fund 11 General Fund | | | |
| Personnel | \$ 201,422,666 | \$ 5,178,487 | \$ 206,601,153 |
| Purchased Services | 82,363,690 | 296,159 | 82,659,849 |
| Supplies | 10,054,130 | (301,646) | 9,752,484 |
| Equipment & Capital | 38,500 | 3,000 | 41,500 |
| Utilities | 13,539,900 | - | 13,539,900 |
| Restricted | 3,313,368 | - | 3,313,368 |
| Principal & Interest | 53,001,761 | - | 53,001,761 |
| Transfers | 20,297,851 | - | 20,297,851 |
| Total Fund 11 | 384,031,866 | 5,176,000 | 389,207,866 |
| Fund 13 Adult Education | | | |
| Personnel | 4,420,076 | - | 4,420,076 |
| Purchased Services | 703,066 | 700 | 703,766 |
| Supplies | 675,001 | (700) | 674,301 |
| Equipment & Capital | - | 2,200,000 | 2,200,000 |
| Total Fund 13 | 5,798,143 | 2,200,000 | 7,998,143 |
| Fund 14 Grants | | | |
| Personnel | 169,529,354 | (4,331,510) | 165,197,844 |
| Purchased Services | 43,777,033 | (2,741,509) | 41,035,524 |
| Supplies | 10,311,821 | (299,033) | 10,012,788 |
| Equipment & Capital | 528,112 | (70,499) | 457,613 |
| Utilities | 9,500 | - | 9,500 |
| Restricted | 2,194,708 | (1,840,004) | 354,704 |
| Transfers | 4,925,294 | 4,646,337 | 9,571,631 |
| Total Fund 14 | 231,275,822 | (4,636,218) | 226,639,604 |
| Fund 16 Special Education Center Based Programs | | | |
| Personnel | 50,206,241 | - | 50,206,241 |
| Purchased Services | 4,416,322 | (2,000) | 4,414,322 |
| Supplies | 618,258 | (51,386) | 566,872 |
| Equipment & Capital | 203,803 | 53,386 | 256,989 |
| Total Fund 16 | 55,444,424 | - | 55,444,424 |
| Fund 18 ARRA | | | |
| Personnel | 6,730,878 | (101,375) | 6,629,503 |
| Purchased Services | 2,786,743 | (334,991) | 2,451,752 |
| Supplies | 336,231 | 556,788 | 893,019 |
| Equipment & Capital | 404,031 | (120,422) | 283,609 |
| Total Fund 18 | 10,257,883 | - | 10,257,883 |
| Fund 22 Special Education | | | |
| Personnel | 52,260,423 | - | 52,260,423 |
| Purchased Services | 3,275,234 | - | 3,275,234 |
| Supplies | 989,508 | - | 989,508 |
| Equipment & Capital | 60,000 | - | 60,000 |
| Total Fund 22 | 56,585,165 | - | 56,585,165 |
| Fund 25 Food Service | | | |
| Personnel | 18,628,955 | - | 18,628,955 |
| Purchased Services | 1,219,500 | 668,000 | 1,887,500 |
| Supplies | 20,995,884 | (668,000) | 20,327,884 |
| Equipment & Capital | 3,374,347 | - | 3,374,347 |
| Transfers | 2,130,985 | - | 2,130,985 |
| Total Fund 25 | 46,349,671 | - | 46,349,671 |
| Total | \$ 789,742,974 | \$ 2,739,782 | \$ 792,482,756 |

**DETROIT PUBLIC SCHOOLS
GENERAL FUND⁽¹⁾
BUDGET AMENDMENT # 2
YEAR ENDING JUNE 30, 2013**

| | FY 2013 Budget (Amendment # 1) | Amendment # 2 Increase (Decrease) | FY 2013 Budget (Amendment # 2) |
|---|-----------------------------------|---|-----------------------------------|
| Revenue: | | | |
| Local sources | | | |
| Special education millage | \$ 42,660,000 | \$ - | \$ 42,660,000 |
| Property Taxes | 74,802,205 | - | 74,802,205 |
| Other | 31,850,775 | 832,081 | 32,682,856 |
| Total local sources | 149,312,980 | 832,081 | 150,145,061 |
| State sources | 376,387,874 | (2,861,272) | 373,526,602 |
| Federal sources | 238,085,380 | 344,782 | 238,430,162 |
| Total Revenue | 763,786,234 | (1,684,409) | 762,101,825 |
| Expenditures: | | | |
| Instruction | 354,275,577 | (2,404,759) | 351,870,818 |
| Support services | | | |
| Pupil services | 57,558,180 | 1,161,078 | 58,719,258 |
| Instructional staff support | 63,743,882 | (4,902,136) | 58,841,746 |
| General administration | 8,220,309 | 232,174 | 8,452,483 |
| School administration | 35,480,139 | 3,629,402 | 39,109,541 |
| Business office | 14,492,351 | 163,548 | 14,655,899 |
| Operations & maintenance | 68,546,399 | (159,607) | 68,386,792 |
| Transportation | 25,329,839 | 56,422 | 25,386,261 |
| Central support service | 27,774,102 | 237,761 | 28,011,863 |
| Other support service | 46,179,288 | 420 | 46,179,708 |
| Total support services | 347,324,489 | 419,062 | 347,743,551 |
| Community service | 4,454,649 | 79,143 | 4,533,792 |
| Facilities acquisitions and improvement | 100,000 | - | 100,000 |
| Debt service | 53,001,761 | - | 53,001,761 |
| Total Expenditures | 759,156,476 | (1,906,554) | 757,249,922 |
| Other Financial Sources (Uses) | | | |
| Sources | | | |
| Proceeds from sale of capital assets | 1,502,000 | 898,000 | 2,400,000 |
| Transfers In | 27,354,130 | 4,646,336 | 32,000,466 |
| Total Sources | 28,856,130 | 5,544,336 | 34,400,466 |
| Uses | | | |
| Transfers Out | (27,354,130) | 4,646,336 | (32,000,466) |
| Prior Year Adjustments | (3,232,368) | - | (3,232,368) |
| Total Uses | (30,586,498) | 4,646,336 | (35,232,834) |
| Total Other Financial Sources (Uses) | (1,730,368) | 898,000 | (832,368) |
| Excess (deficiency) of Revenue Over (Under) Expenditures | 2,899,390 | 1,120,145 | 4,019,535 |
| Beginning Fund Balance - July 1, 2012 | (76,303,384) | | (76,303,384) |
| Ending Fund Balance - June 30, 2013 | \$ (73,403,994) | | \$ (72,283,849) |

⁽¹⁾ General Fund includes Funds 11 through 25.

**DETROIT PUBLIC SCHOOLS
RECONCILIATION OF BUDGET AMENDMENT # 2 TO EXCLUDE FUND 25
YEAR ENDING JUNE 30, 2013**

| | FY 2013 Budget (Amendment # 2 - including Fund 25) | Less Fund 25 | FY 2013 Budget (Amendment # 2 - excluding Fund 25) |
|---|--|----------------------------|--|
| Revenue: | | | |
| Local sources | | | |
| Special education millage | \$ 42,660,000 | \$ - | \$ 42,660,000 |
| Property Taxes | 74,802,205 | - | 74,802,205 |
| Other | 32,682,856 | (1,638,850) | 31,044,006 |
| Total local sources | <u>150,145,061</u> | <u>(1,638,850)</u> | <u>148,506,211</u> |
| State sources | 373,526,602 | (1,122,000) | 372,404,602 |
| Federal sources | <u>238,430,162</u> | <u>(43,588,821)</u> | <u>194,841,341</u> |
| Total Revenue | <u>762,101,825</u> | <u>(46,349,671)</u> | <u>715,752,154</u> |
| Expenditures: | | | |
| Instruction | <u>351,870,818</u> | - | <u>351,870,818</u> |
| Support services | | | |
| Pupil services | 58,719,258 | - | 58,719,258 |
| Instructional staff support | 58,841,746 | - | 58,841,746 |
| General administration | 8,452,483 | - | 8,452,483 |
| School administration | 39,109,541 | - | 39,109,541 |
| Business office | 14,655,899 | - | 14,655,899 |
| Operations & maintenance | 68,386,792 | (7,500) | 68,379,292 |
| Transportation | 25,386,261 | - | 25,386,261 |
| Central support service | 28,011,863 | (85,852) | 27,926,011 |
| Other support service | <u>46,179,708</u> | <u>(44,125,334)</u> | <u>2,054,374</u> |
| Total support services | <u>347,743,551</u> | <u>(44,218,686)</u> | <u>303,524,865</u> |
| Community service | <u>4,533,792</u> | - | <u>4,533,792</u> |
| Facilities acquisitions and improvement | <u>100,000</u> | - | <u>100,000</u> |
| Debt service | <u>53,001,761</u> | - | <u>53,001,761</u> |
| Total Expenditures | <u>757,249,922</u> | <u>(44,218,686)</u> | <u>713,031,236</u> |
| Other Financial Sources (Uses) | | | |
| Sources | | | |
| Proceeds from sale of capital assets and other | 2,400,000 | - | 2,400,000 |
| Proceeds from long term revenue bonds | - | - | - |
| Proceeds from Settlements | - | - | - |
| Transfers In | 32,000,466 | - | 32,000,466 |
| Total Sources | <u>34,400,466</u> | - | <u>34,400,466</u> |
| Uses | | | |
| Transfers Out | (32,000,466) | (2,130,985) | (29,869,481) |
| Prior Year Adjustments | <u>(3,232,368)</u> | - | <u>(3,232,368)</u> |
| Total Uses | <u>(35,232,834)</u> | <u>(2,130,985)</u> | <u>(33,101,849)</u> |
| Total Other Financial Sources (Uses) | <u>(832,368)</u> | <u>2,130,985</u> | <u>1,298,617</u> |
| Excess (deficiency) of Revenue Over (Under) Expenditures | <u>4,019,535</u> | - | <u>4,019,535</u> |
| Beginning Fund Balance - July 1, 2012 | (76,303,384) | | (76,303,384) |
| Ending Fund Balance - June 30, 2013 | <u>\$ (72,283,849)</u> | | <u>\$ (72,283,849)</u> |

General Fund includes Funds 11 through 22.

DETROIT PUBLIC SCHOOLS
REVENUES, EXPENDITURES, SOURCES AND USES
RECONCILIATION OF BUDGET AMENDMENT # 2 TO EXCLUDE FUND 25
YEAR ENDING JUNE 30, 2013

| | Amendment # 2 | | |
|--------------------------|-----------------------------------|------------------------|-----------------------------------|
| | FY 2013 Budget (Amendment # 1) | Increase (Decrease) | FY 2013 Budget (Amendment # 2) |
| Fund 11 | | | |
| Revenue | \$ 386,931,256 | \$ 6,296,145 | \$ 393,227,401 |
| Expenditures | <u>384,031,866</u> | <u>5,176,000</u> | <u>389,207,866</u> |
| Surplus (Deficit) | \$ 2,899,390 | \$ 1,120,145 | \$ 4,019,535 |
| Fund 13 | | | |
| Revenue | 5,798,143 | 2,200,000 | 7,998,143 |
| Expenditures | <u>5,798,143</u> | <u>2,200,000</u> | <u>7,998,143</u> |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 14 | | | |
| Revenue | 231,275,822 | (4,636,218) | 226,639,604 |
| Expenditures | <u>231,275,822</u> | <u>(4,636,218)</u> | <u>226,639,604</u> |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 18 | | | |
| Revenue | 10,257,883 | - | 10,257,883 |
| Expenditures | <u>10,257,883</u> | <u>-</u> | <u>10,257,883</u> |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 16 | | | |
| Revenue | 55,444,424 | - | 55,444,424 |
| Expenditures | <u>55,444,424</u> | <u>-</u> | <u>55,444,424</u> |
| Surplus (Deficit) | \$ - | \$ - | \$ - |
| Fund 22 | | | |
| Revenue | 56,585,165 | - | 56,585,165 |
| Expenditures | <u>56,585,165</u> | <u>-</u> | <u>56,585,165</u> |
| Surplus (Deficit) | \$ - | \$ - | \$ - |

**DETROIT PUBLIC SCHOOLS
REVENUES AND OTHER SOURCES - GENERAL FUND
RECONCILIATION OF BUDGET AMENDMENT # 2 TO EXCLUDE FUND 25
YEAR ENDING JUNE 30, 2013**

| Fund | FY 2013 Budget (Amendment # 1) | Amendment # 2 Increase (Decrease) | FY 2013 Budget (Amendment # 2) |
|--|-----------------------------------|---|-----------------------------------|
| Fund 11 General Fund | | | |
| Property Tax Gross | \$ 88,003,836 | \$ (5,581,061) | \$ 82,422,775 |
| Uncollectable | (13,201,631) | 5,581,061 | (7,620,570) |
| Property Tax Net | 74,802,205 | - | 74,802,205 |
| State Aid | | | |
| 22a Prop A Obligation | 202,935,952 | 1,323,464 | 204,259,416 |
| 22b Discretionary Payment | 50,538,122 | (523,303) | 50,014,819 |
| 152a Headlee Obligation - Adair & 94a.9 | 1,452,457 | (204,389) | 1,248,068 |
| 26a Renaissance Zone | 4,850,159 | (283,245) | 4,566,914 |
| 22f Best Practice Incentive | 2,700,205 | - | 2,700,205 |
| 147a MPSEs Cost Offset | 9,411,058 | - | 9,411,058 |
| 61a Vocational Education | 1,143,719 | (373,800) | 769,919 |
| Prior Year Adjustments | 1,000,000 | - | 1,000,000 |
| Other | | | |
| Earnings on Investments | 300,000 | - | 300,000 |
| Medicaid Reimbursement | 11,962,025 | - | 11,962,025 |
| JROTC | 2,088,141 | - | 2,088,141 |
| Charter School Administration Fee | 1,023,192 | - | 1,023,192 |
| Other | 5,703,363 | 1,711,081 | 7,414,444 |
| Indirect Cost Revenue | 4,925,294 | 4,646,337 | 9,571,631 |
| Payment from EAA - Debt Service Offset | 10,024,560 | - | 10,024,560 |
| Payment from EAA - Services | 2,070,804 | - | 2,070,804 |
| Total Fund 11 | 386,931,256 | 6,296,145 | 393,227,401 |
| Fund 13 Adult Education | | | |
| State Aid | 4,798,143 | - | 4,798,143 |
| Deferred Revenue | 1,000,000 | 2,200,000 | 3,200,000 |
| Total Fund 13 | 5,798,143 | 2,200,000 | 7,998,143 |
| Fund 14 Grants | | | |
| Title I | 138,166,985 | - | 138,166,985 |
| Title I / Title II / Title III Carryover | 2,158,590 | - | 2,158,590 |
| 31a At Risk | 31,854,473 | (5,000,000) | 26,854,473 |
| IDEA | 18,277,470 | - | 18,277,470 |
| Title II | 16,726,810 | - | 16,726,810 |
| Great Start Readiness | 14,361,600 | - | 14,361,600 |
| Other Grants | 9,729,894 | 363,782 | 10,093,676 |
| Total Fund 14 | 231,275,822 | (4,636,218) | 226,639,604 |
| Fund 16 Special Education Center Based Programs | | | |
| Act 18 | 42,000,000 | - | 42,000,000 |
| Follow That Child | 660,000 | - | 660,000 |
| Transfer from Fund 11 | 12,784,424 | - | 12,784,424 |
| Total Fund 16 | 55,444,424 | - | 55,444,424 |
| Fund 18 ARRA | | | |
| ARRA School Improvement | 10,257,883 | - | 10,257,883 |
| Total Fund 18 | 10,257,883 | - | 10,257,883 |
| Fund 22 Special Education | | | |
| State Aid | 49,071,739 | - | 49,071,739 |
| Transfer from Fund 11 | 7,513,426 | - | 7,513,426 |
| Total Fund 22 | 56,585,165 | - | 56,585,165 |
| Total | \$ 746,292,693 | \$ 3,859,927 | \$ 750,152,620 |

**DETROIT PUBLIC SCHOOLS
EXPENDITURES AND OTHER USES - GENERAL FUND
RECONCILIATION OF BUDGET AMENDMENT # 2 TO EXCLUDE FUND 25
YEAR ENDING JUNE 30, 2013**

| | FY 2013 Budget (Amendment # 1) | Amendment # 2 Increase (Decrease) | FY 2013 Budget (Amendment # 2) |
|--|-----------------------------------|---|-----------------------------------|
| Fund 11 General Fund | | | |
| Personnel | \$ 201,422,666 | \$ 5,178,487 | \$ 206,601,153 |
| Purchased Services | 82,363,690 | 296,159 | 82,659,849 |
| Supplies | 10,054,130 | (301,646) | 9,752,484 |
| Equipment & Capital | 38,500 | 3,000 | 41,500 |
| Utilities | 13,539,900 | - | 13,539,900 |
| Restricted | 3,313,368 | - | 3,313,368 |
| Principal & Interest | 53,001,761 | - | 53,001,761 |
| Transfers | 20,297,851 | - | 20,297,851 |
| Total Fund 11 | 384,031,866 | 5,176,000 | 389,207,866 |
| Fund 13 Adult Education | | | |
| Personnel | 4,420,076 | - | 4,420,076 |
| Purchased Services | 703,066 | 700 | 703,766 |
| Supplies | 675,001 | (700) | 674,301 |
| Total Fund 13 | 5,798,143 | 2,200,000 | 7,998,143 |
| Fund 14 Grants | | | |
| Personnel | 169,529,354 | (4,331,510) | 165,197,844 |
| Purchased Services | 43,777,033 | (2,741,509) | 41,035,524 |
| Supplies | 10,311,821 | (299,033) | 10,012,788 |
| Equipment & Capital | 528,112 | (70,499) | 457,613 |
| Utilities | 9,500 | - | 9,500 |
| Restricted | 2,194,708 | (1,840,004) | 354,704 |
| Transfers | 4,925,294 | 4,646,337 | 9,571,631 |
| Total Fund 14 | 231,275,822 | (4,636,218) | 226,639,604 |
| Fund 16 Special Education Center Based Programs | | | |
| Personnel | 50,206,241 | - | 50,206,241 |
| Purchased Services | 4,416,322 | (2,000) | 4,414,322 |
| Supplies | 618,258 | (51,386) | 566,872 |
| Equipment & Capital | 203,603 | 53,386 | 256,989 |
| Total Fund 16 | 55,444,424 | - | 55,444,424 |
| Fund 18 ARRA | | | |
| Personnel | 6,730,878 | (101,375) | 6,629,503 |
| Purchased Services | 2,786,743 | (334,991) | 2,451,752 |
| Supplies | 336,231 | 556,788 | 893,019 |
| Equipment & Capital | 404,031 | (120,422) | 283,609 |
| Total Fund 18 | 10,257,883 | - | 10,257,883 |
| Fund 22 Special Education | | | |
| Personnel | 52,260,423 | - | 52,260,423 |
| Purchased Services | 3,275,234 | - | 3,275,234 |
| Supplies | 989,508 | - | 989,508 |
| Equipment & Capital | 60,000 | - | 60,000 |
| Total Fund 22 | 56,585,165 | - | 56,585,165 |
| Total | \$ 743,393,303 | \$ 2,739,782 | \$ 746,133,085 |