

**Detroit Public Schools  
Detroit, Michigan**

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**Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
June 30, 2004**

**Prepared by:**

**Detroit Public Schools**

**Division of Financial Services**

**Published November 11, 2004**

# Detroit Public Schools

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Issued Under  
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# **Introductory Section**

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**Detroit  
Public  
Schools**

November 11, 2004

Citizens and Board of Education  
Detroit Public Schools  
Detroit, Michigan

We are hereby submitting the Comprehensive Annual Financial Report (CAFR) of Detroit Public Schools (the "School District") for the fiscal year ended June 30, 2004. State and federal statutes require that the School District issue annual financial reports and that such reports be audited by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report and all appropriate disclosures for the fiscal year ended June 30, 2004 in an effort to provide all interested parties information on the financial condition of Detroit Public Schools.

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

The School District's financial statements have been audited by Plante & Moran, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the School District for the fiscal year ended June 30, 2004 are free of material misstatement. The independent audit consisted of reviewing, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion, suggesting that the School District's financial statements for the fiscal year ended June 30, 2004 are fairly presented in conformity with GAAP.

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

### **Reporting Entity and Organization**

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

### **Report Format**

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

- **Introductory Section**

This section provides an introduction to the reader to the School District and to the nature of this report. Included within this section are the letter of transmittal, the organizational chart, the list of appointed officials, the ASBO Certificate of Excellence in Financial Reporting, and the Certificate of Achievement for Excellence in Financial Reporting for the School District.

- **Financial Section**

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

- **Statistical Section**

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

### **GASB No. 34 Reporting Model**

This is the third year that the School District has used a reporting format that fully implements the Governmental Accounting Standards Board (GASB) Statement No. 34 financial statement reporting model. The major changes to the School District's Comprehensive Annual Financial Report include a full-accrual basis government-wide statement of net assets and statement of activities, as well as management's discussion and analysis (MD&A) of operations. The GASB No. 34 financial reporting model is mandatory for all state and local governments and dramatically changes the presentation and content of the governments' external financial statements.

This School District is very proud of the efforts of the finance team to fully implement the requirements of the new model. The School District is committed to full disclosure for all financial information, and by adopting these changes, maintains this commitment to our public. The GASB No. 34 model provides a more accurate reflection of the financial condition and the results of operations. Fiscal accountability requires individual governments to demonstrate, normally during a fiscal year, compliance with public decisions concerning the raising and spending of public funds. Operational accountability requires individual governments to demonstrate how it has met or plans to meet any operating objectives that have been established. The new statements encourage both fiscal and operational accountability and provide better information for the reader, including investors and creditors.

GASB No. 34 requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the management's discussion and analysis and should be read in conjunction with it. The School District's MD&A can be found in the financial section immediately following the report of the independent auditors.

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

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



Detroit Public Schools is the 15th largest school district in the country and the largest public school system in Michigan. The School District is the largest employer in Detroit, employing approximately 20,000 staff.

Pursuant to amendments to Public Act 451, effective March 26, 1999 (the "Reform Legislation"), the mayor of the City of Detroit, Michigan appointed six members of the school reform board for the School District. The final member of the Reform Board is the Superintendent of Public Instruction of the State (or his designee) and was appointed by the governor for a five-year period. The Reform Board replaced the School District's 11-member elected Board of Education. Due to the expiration of terms, in February 2003, the mayor appointed four new board members, from which one individual was appointed as the new chairperson. Currently, one vacancy exists on the Reform Board. During the current fiscal year, the initial five-year term of the governor-appointed Board position expired. This seventh seat is now subject to appointment by the mayor. As of the date of this letter, the Superintendent of Public Instruction of the State remains on the Reform Board.

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

Pursuant to the original Reform Board legislation and House Bill 4508, the question of whether to retain the Reform Board and the chief executive officer concept was presented to the electors of the School District on November 2, 2004. A majority of the electors in the School District voted not to keep the Reform Board and the chief executive officer concept. The Reform Board shall arrange for the election of an 11-member Board of Education. Effective on the next July 1 following such an election, the newly elected Board of Education shall serve as the governing body of the School District and the powers of the Reform Board and the chief executive officer shall cease and the provisions of the Reform Legislation shall no longer apply to the School District. Transition rules are in effect to maintain the current structure of government until such time as the newly elected Board can fulfill their obligations.

During the 2002-2003 fiscal year, the School District relocated and consolidated its main headquarters from the Detroit cultural district to the newly renovated and upgraded facilities in the New Center area of the city. The new facilities, acquired through the acquisition of a condominium interest in the historic Fisher Building, keeps the School District headquarters within a one-mile radius of the City's cultural district. One can still visit the Detroit Institute of Arts, the Detroit Science Center, the Museum of African-American History, the Historical Museum, the Main Public Library, the Wayne State University campus, and the entertainment at the Fisher Theater easily when visiting the School District's headquarters.

## **Profile of Detroit**

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

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

## **Budgetary Controls**

The annual budget serves as the foundation for the School District’s financial planning and control. Enrollment forecasts are prepared and then staffing and expenditure allocations are developed in January for local schools. Also in January, central support staff members are given a preliminary budget based on current activities. Both the allocations and preliminary budgets are used as the starting point for budget development. The proposed budget is then presented to the chief executive officer and his cabinet for review. After the review is completed, the proposed budget is displayed for the public for three days in June. A public hearing is held in late June. The budget is then adopted on or before July 1 of each year. The budget presentation, as well as the entire budget along with updates, is posted to the School District Website at various times throughout the year to provide public access and viewing.

Management is responsible for maintaining budgetary controls to ensure that budgets are in compliance with the legal provisions of the State of Michigan Uniform Budgeting and Accounting Act, and within the annual appropriations adopted by the chief executive officer. Detailed line item budgetary reports are provided to the appropriate managers, who have been delegated the responsibility for monitoring and controlling their respective budget allocations. With the implementation of a new financial accounting system in January 2003, budget managers gained immediate on-line access to their budget, expenditure, and encumbrance information. An encumbrance system is utilized to measure the uncommitted funds available. Budgets are revised throughout the year to appropriately address variances that occur in enrollment, revenue, expenditures, and unforeseen events.

## **Economic and Geographic Makeup**

The School District is located in the major urban City of Detroit, which has approximately 900,863 inhabitants according to the U.S. Census Bureau 2003 data. This population is made up of approximately 46 percent males and 54 percent females. According to the information provided by the American Community Survey for 2003, 81 percent of the City of Detroit's population is of African-American descent, 14 percent is Caucasian, 6 percent is of Hispanic origin, and 1 percent is of Asian descent. This data is based on people reporting only one race. The City of Detroit has a poverty rate of 33.4 percent. With 334,000 households identified within the city, 60 percent are made up of families, with the balance of 40 percent accounting for people living alone. These households represent individuals with a mean and median household income of \$38,242 and \$28,232, respectively. For the employed population 16 years and older, the leading industries in the City of Detroit are manufacturing, education, health, and social services.

The national economic factors have a direct impact on the employment rate within the city limits. The State of Michigan has suffered 25 mass company layoffs in the last reporting period based on the Bureau of Labor Statistics information as of August 2004. The Bureau also indicated that the unemployment rate for the nation was 5.6 percent; the State of Michigan had a rate of 7.5 percent during the period July 2004. The economy of the City of Detroit is very dependent on automobile manufacturing. During recessional periods, the City of Detroit usually experiences an unemployment rate higher than the state average and, in July 2004, the City's unemployment rate was 8.2 percent.

## **About Detroit Public Schools**

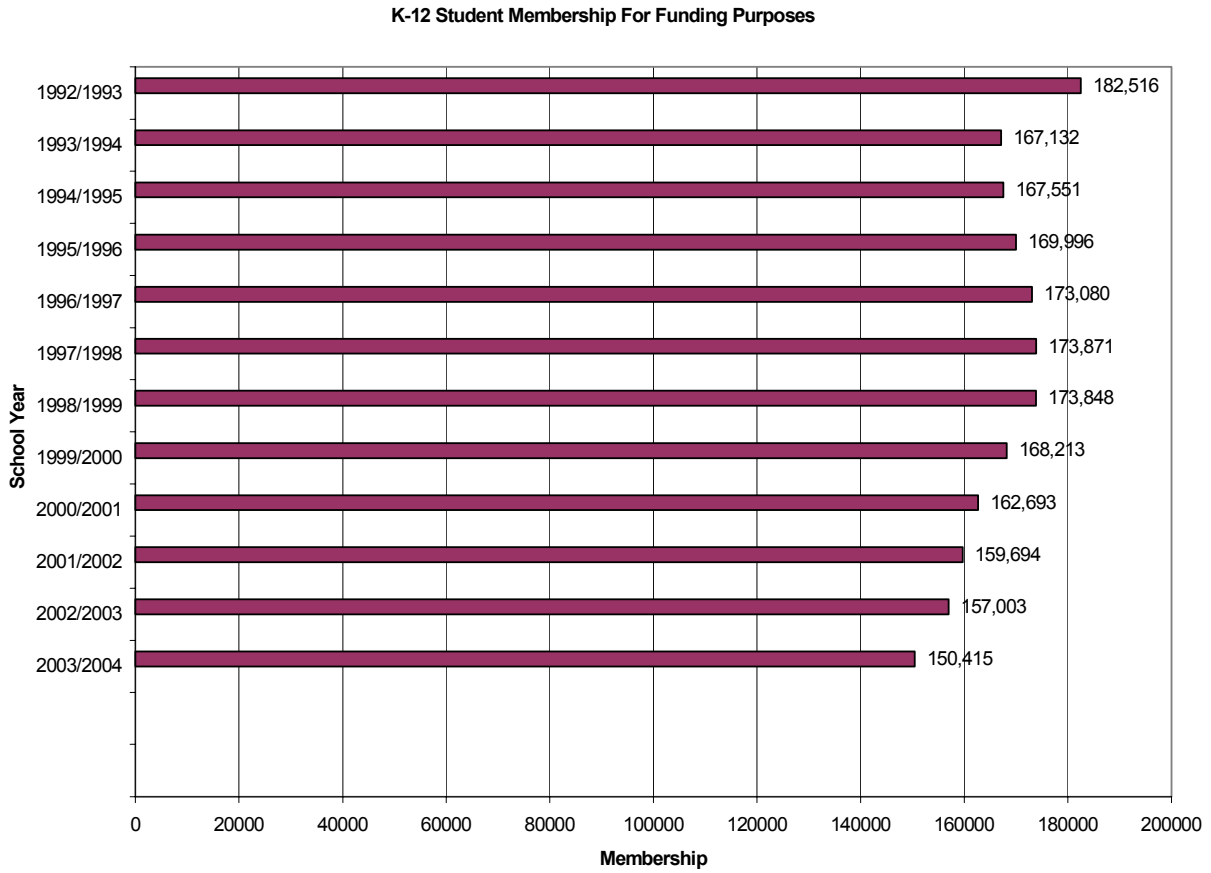
The School District is divided into geographically defined constellations. Each constellation has administrative responsibility for the elementary, middle, and high schools located within its boundaries, which include regular, special education, vocational/technical, and alternative programs.

The School District has 255 schools, consisting of 134 elementary schools, 71 kindergarten-8th grade and regular middle schools, 26 high schools, 11 alternative schools, seven special education schools, and six vocational and career technical centers. These locations provide services to 150,415 students.

The School District will begin the 2004-2005 year with a General Fund deficit of \$48.7 million. During the 2003-2004 year, the School District's General Fund incurred \$123 million of expenditures in excess of revenue. Significant factors contributing to this shortfall include a declining enrollment which resulted in the loss of \$47 million in State Aid from the previous fiscal year, a state per student foundation allowance that did not increase from the previous fiscal year despite significant increases in health care and other costs, and a midyear reduction of the foundation allowance of \$74 per student, resulting in an additional loss of \$11 million.

## Student Funded Membership

As this chart clearly shows, Detroit Public Schools has been experiencing a steadily declining K-12 funded student membership.



An analysis of this historical declining student enrollment is presented below.

### State Aid K-12 Membership Analysis

School Year	Student Membership For Funding Purposes	Increase (Decrease)	Percent Increase (Decrease)	Per Pupil State Aid Amount	Additions (Reductions) in State Aid Due to Changing Enrollment
2003/2004	150,415	(6,588)	-4.20%	\$ 7,180.00	\$ (47,301,840)
2002/2003	157,003	(2,690)	-1.68%	\$ 7,180.00	\$ (19,317,503)
2001/2002	159,694	(2,999)	-1.84%	\$ 6,884.00	\$ (20,646,149)
2000/2001	162,693	(5,521)	-3.28%	\$ 6,584.00	\$ (36,347,235)
1999/2000	168,213	(5,634)	-3.24%	\$ 6,283.60	\$ (35,404,567)
1998/1999	173,848	(23)	-0.01%	\$ 6,045.60	\$ (137,779)
1997/1998	173,871	791	0.46%	\$ 6,045.60	\$ 4,779,893
1996/1997	173,080	3,084	1.81%	\$ 5,891.60	\$ 18,171,403
1995/1996	169,996	2,445	1.46%	\$ 5,736.60	\$ 14,023,807
1994/1995	167,551	419	0.25%	\$ 5,583.60	\$ 2,339,919
1993/1994	167,132	(15,384)	-8.43%	\$ 4,713.20	\$ (72,508,482)
1992/1993	182,516	N/A	N/A	\$ 4,423.85	N/A
	Totals	<u>(32,100)</u>			\$ <u>(192,348,533)</u>
	Averages	(2,918)	-1.45%		\$ (17,486,230)

The initial significant loss of students occurred during the 1993-1994 school year and was the result of a major labor dispute. During the remainder of the 1990s, the School District was able to maintain a fairly stable student population. However, upon entering the next century, the School District began a period of decline. Some of the decline can be attributed to a declining birth rate. However, the School District is faced with a number of significant challenges in attempting to halt or at least slow the rate of student loss. Charter schools and private schools have taken a significant number of students. In addition, students have the ability to enroll in surrounding districts. An early childhood initiative was successful in reducing the rate of decline beginning with the 2001-2002 school year. However, as that market became saturated, we have witnessed a return to the five-year average reduction in funded student membership.

The School District believes that the best defense against continuing student membership decline is the improvement of the School District. Through the improvement of the physical facilities, providing a safe and clean environment, developing a more efficient and effective organization, and significantly improving student achievement, we are convinced that we can slow the rate of student membership decline.

### **Educational Programs**

The School District's comprehensive educational programs are designed to meet the needs of every student. This includes, but is not limited to, males and females, disadvantaged and non-disadvantaged, students of diverse race and ethnicity, students with disabilities, and students with limited English proficiency. The School District offers a diversified curriculum, including both college and career preparation courses.

The **Vision** of Detroit Public Schools is to become a competitive leader in academic achievement through the use of continuous improvement strategies, making our schools the first choice for Detroit residents and other eligible students.

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

Our **Goal** is to improve student achievement and performance by:

- Creating safe and clean school environments
- Enhancing parental and community involvement
- Transforming the School District into an efficient and effective organization

The School District is turning the corner academically. In a strong testament to the School District's emphasis on increased student achievement and performance, students' scores rose across the board on the Michigan Educational Assessment Program (MEAP). In seven of the 12 areas tested, the growth by our students exceeded the growth demonstrated by their counterparts across the state. Our students also showed significant improvement on Terra-Nova, a norm-referenced achievement test. The percentage of School District students that scored at or above the 50th percentile increased in all four of the subject areas tested compared with the previous year.

Detroit Public Schools continues the process of standardizing the basic curriculum. This change has helped tremendously with the transitional student because they will experience the same pedagogy at any location throughout the School District.

Early student learning also contributes to future academic success. During the 2003-2004 school year, educational services were provided to 15,607 pre-kindergarten and kindergarten students. Our early learning programs have resulted in significant improvements in our test results in the early grades and increased levels of kindergarten enrollment. In an effort to accommodate our working parents, the School District continued to enhance its early learning programs by providing before and after school care (the wrap around program).

The School District's major investment in the Open Court Reading Literacy program in Fall 2002 has yielded significant results. In fall 2003, the School District implemented Open Court Reading for pre-school. In two years, MEAP reading scores have increased from 33.2 percent to 60.4 percent, a gain of 27.2 percentage points. Writing scores on the fourth grade assessment increased as well. In order to secure greater gains in writing, the School District established a partnership with the Northwest Regional Educational Laboratory in January 2004 and began a writing initiative that focused on traits of effective writing. In addition, district-wide professional development provides training for elementary, middle, and high school teachers to implement the writing curriculum.

Building on the School District's success in implementing the new reading curriculum, this year the School District focused its efforts on improving student performance in mathematics. Initiatives included new instructional programs, tutorial programs, and professional development. The School District also developed a program, in partnership with University of Michigan - Dearborn, to provide graduate credit course work for teachers to increase their knowledge of mathematics content and pedagogy.

During fiscal year 2002-2003, Dr. Kenneth Stephen Burnley (School District chief executive officer, CEO) organized a group of the lower performing schools in a category entitled "CEO District." This year the School District, in partnership with Wayne RESA, continued to provide additional support to these schools. Additional resources were allocated to several schools to reduce class sizes and supplement professional development efforts. Peer review and mentor programs were established to provide support.

Realizing the future will demand more specialization, the School District offers 79 career/technical education programs, offered primarily at its career and technical centers. Hospitality and food services programs are currently offered at Breithaupt and Golightly Career and Technical Centers. In partnership with Wayne County Community College, advanced nursing programs are offered at the Crockett Career and Technical Centers. Davis Aerospace Career and Technical Center is one of the few facilities in the nation that offers pilot training to high school students. It also includes cosmetology programs at the comprehensive high schools.

The success of the School District is defined by the achievements of its students. By setting higher standards for students, teachers, and administrators, and by improving the curriculum and the physical quality of our classrooms, we have made strides toward achieving greater student performance.

### **Initiatives**

The School Improvement Plan (*Every Child Will Learn*) was developed to set higher standards for learning. With improving student achievement and performance as the number one goal, the school improvement plan incorporates four guiding principles into every academic program:

- Maintaining high expectations
- Focus on children
- Providing teachers with necessary resources
- Monitoring student progress and holding staff accountable for results

Each school in the district was responsible for developing an individual School Improvement Plan. These plans are subject to peer review.

The 2003-2004 School District Improvement Plan was approved by the Board of Education on February 11, 2004. This school year marked the implementation of a new approach to school improvement planning. The School District's approach integrated the requirements of No Child Left Behind (NCLB), Michigan's Education YES, and the Malcolm Baldrige Approach for School Improvement and Performance Excellence, providing school improvement teams with a comprehensive model of planning based on best practice and federal and state mandates. This research-based, data-driven process guides school improvement teams in developing plans and then reviewing progress toward improvement goals.

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



The Department of Site Management devotes its allocated staff and monetary resources to maintaining 303 campuses and providing construction improvements on an as-needed and as-funded basis. Summer projects for 2004 impacted all 303 facilities and provided 9,779 various types of services. Their services include, but are not limited to, the following: fence construction and repair, parking lot resurfacing, concrete sidewalk replacements, planning and construction management of playground and athletic field improvements and maintenance, drainage structure and storm sewer maintenance, earthwork, pruning of mature trees and shrubs, and turf maintenance.

On-site school-based health services are available in 20 school-based health centers sponsored by our local health care providers. The Pediatric School Mobile Health Unit provides services to 30 additional schools. There is one full-service dental clinic. Detroit Public School nurses provide health services in another 36 schools. In total, 86 schools have some level of health services available to the students in their buildings. These services include, but are not limited to, administering of medications, providing immunizations, managing students with chronic illnesses such as asthma, diabetes, and healthy weight, conducting health education sessions, and other health-related services.

The Food Service Department continues with a number of initiatives. During this fiscal year, the percentage of students being served free school lunch rose from 80.74 percent to 82.67 percent. Total meals served rose to 13,636,746 meals from 13,609,353 the previous year. In addition, the department received an "A" rating from the Physician's Committee for Responsible Medicine for the nutritional quality of DPS lunches.

The School District has a comprehensive technology plan. The scope of this plan includes delivering technological solutions to assist students, teachers, administrators, and support personnel. We are also implementing systems and services for all those who interface with the School District. Technology standards have been made available for the acquisition of technology for instruction and business. All newly acquired computers are networked both locally and district-wide to provide a more enriched classroom experience. The plan takes advantage of grants and other funding sources to build upon the program core. The most widely known available grant program is E-Rate. With these funds, the School District is wiring school and business sites. To enhance computer flexibility and availability, the School District has installed wireless technology. Many of the school buildings are older structures, making wiring difficult. Since many of our school facilities are more than 60 years old, we are implementing various technological solutions to address network installation issues.

With the implementation of PeopleSoft Financials Management System, Human Capital Management System, Contracting and Procurement module, and Enterprise Performance Management module, an enterprise-wide business management solution has been installed. This installation has integrated all current information systems into one seamless information management solution. This system has enhanced our ability to automate processes and procedures, provide accountability, and be less paper-intensive. Financial reporting and monitoring has been significantly enhanced, with further improvements expected in the coming year. Last year, the School District became one of the first districts in the state to report its year-end financial information electronically. Monthly automated financial reports are distributed to help managers and administrators to be more financially astute and accountable for budgetary monitoring and expenditure control.

### **Professional Development**

In partnership with the Michigan Department of Education and Wayne State University, the Limited License to Instruct (LLI) program, designed to provide an alternative teaching certificate for high shortage curriculum subjects, is still underway. This continues to be a primary “grow your own” initiative to supply quality certified instructors.

The School District’s Center for School Leaders provides professional development for all school-based administrators and those aspiring for leadership positions. The goal of the center is to improve the achievement of our students through school-based leadership. Professional development sessions are designed to improve the leadership and management skills of the participants in the program. Through grants from the Skillman Foundation and Detroit Renaissance, Inc., principals have received training from national consultants in education and have attended Harvard University classes during the summer.

In collaboration with WCCCD, the School District implemented training for paraprofessionals to ensure compliance with the “highly qualified” requirement of the No Child Left Behind Act.

A Financial Training and Technical Support Unit established under the Division of Finance provides training and support to all School District personnel. Throughout the last year, this unit provided training to 2,552 individuals encompassing 13,165 hours of training.

### **Capital Improvement Plan**

The Capital Improvement Plan was developed to achieve the most value for the dollar. The original authority for \$1.5 billion in bonds was approved by the citizens of the City of Detroit in 1994 to repair and construct school facilities throughout the School District. At the time of the approval, it was estimated that \$3.9 billion was needed for necessary improvements to revamp the school system. However, these costs have risen to at least \$5 billion due to inflation in construction and material costs, as well as further deterioration. During the first six years of the Capital Improvement Program, progress was slow and little was accomplished. Under the leadership of Dr. Kenneth Burnley in 2000, a revamped Capital Improvement Program was instituted to achieve the most value for the dollar.

In order to complete the funding for the Capital Improvement Program during the month of October 2002, the School District sold and received net proceeds of \$396 million (Series IV) in bonds, then in April 2003 the School District sold and received net proceeds of \$339 million (Series V) in bonds, the final series of the \$1.5 billion in bonds. Over 80 percent of the original authority has been sold under Dr. Burnley's guidance. The following is a recap of the activities for each bond series as of June 30, 2004:

Series	Net Proceeds Premiums and Interest Earned as of June 30, 2004	Number of Projects Underway or Completed	Expenses and Encumbrances as of June 30, 2004	Net Available to Fund Projects as of June 30, 2004
I	\$ 110,039,334	150	\$ 103,370,031	\$ 6,669,303
II	232,100,455	300	222,079,172	10,021,283
III	480,202,472	153	456,712,127	23,490,345
IV	403,322,908	38	360,558,674	42,764,234
V	<u>341,747,226</u>	<u>60</u>	<u>269,474,070</u>	<u>72,273,156</u>
Totals	<u>\$ 1,567,412,395</u>	<u>701</u>	<u>\$ 1,412,194,074</u>	<u>\$ 155,218,321</u>

The information includes expenditures for remodeling, site acquisition, program and project management, and architecture and engineering fees.

The Capital Improvement Plan (CIP) is divided into eight major components:

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

At the beginning of the 2003-2004 school year, the School District opened two prototypical middle schools, Heilmann Park and Brenda M. Scott. These schools represent a milestone in blending creative design and technology for the 21st century facilities. Each school is about 145,000 square feet of space and incorporates many defining elements of the City of Detroit. An example is the deep blue glazed brick running through the building, representing the Detroit River. Each school has capacity for 1,000 students and includes a three-story academic house with a total of 30 classrooms. Each classroom is equipped with five computer stations; there is one special education classroom, two science rooms, and one computer classroom. Other amenities include an art center with a dark room, pottery kiln, material and project storage rooms, an enhanced nurses station, and a 1,000 square foot health clinic that will be accessible to the general public. The heating system utilizes geothermal technology for heating and cooling, incorporating 15 miles of pipe located beneath the playfield to provide clean, efficient, and cost-effective temperature control for the buildings.

New construction continues for three new/replacement schools including Cass Technical High School, scheduled to open in 2005. The new facility will replace a century-old structure with a towering six-story building having educational space that will serve 2,200 students. The new facility includes state-of-the-art science and engineering labs, a dance studio, an auditorium with seating for 1,100, a gymnasium with a running track, a swimming pool with bleacher seating, a cafeteria and common area housed in a glass atrium, and a football field with a track and a softball diamond. The Ford High School for the Fine, Performing and Communication Arts will open in 2005 and will combine the current Detroit High School of the Performing Arts and the Communication and Media Arts High School. The six-story facility is located next door to the Max Fisher Complex in the heart of Detroit's cultural center. The school will house the public broadcasting television station as well as WDET radio station, providing students a unique opportunity for mentoring with professional Detroit Symphony Orchestra musicians as well as professionals from the broadcast industry. The Educational Complex at Sinai will open in 2005 and will include four schools blended together in a park-like setting. The campus will include a replacement high school for the current Renaissance High School, a school for the medically fragile, a K-8 foreign language immersion and cultural studies school (which will be located at the current Renaissance High site following extensive renovation), and the Randolph Career and Technical Center. Campus amenities will include a regional outdoor sports center including football, softball diamond, track, a practice field, and new play equipment.

Construction is also progressing toward a 2005 opening for two of the School District's historic facilities, Southeastern and Central High Schools. Each of these schools will be made new again with complete internal renovations and major additions. Central High School, the first high school in the state of Michigan, will become a revitalized community high school serving 1,200 students with restored and renovated science labs, rest rooms, and enlarged classrooms. A 55,000 square foot addition will house a new administrative suite, new gymnasium and locker rooms, new kitchen and cafeteria, and a new boiler/mechanical room. An outdated annex will be demolished and a football field and track will be added on the site along with new staff and visitor parking lots and restoration to the historic facility's masonry and windows. The renovation and addition at Southeastern High School will transform it into a premiere high tech educational center providing a range of teaching pathways preparing students for professional and technical automotive careers. The project will add 80,000 square feet of space to the facility and include the automotive technology center, a new cafeteria, new gymnasium, and complete interior renovations.

## **Cash Management**

The School District has a cash management program designed to invest cash prudently in obligations partially insured by the Federal Deposit Insurance Corporation and investment vehicles authorized by the State of Michigan. Interest revenue totaled \$920,568 in the General Fund, \$6,661,688 in the Capital Projects Funds, and \$313,814 in the Debt Service Funds.

## **Risk Management**

The School District's Office of Risk Management has created for the first time in the School District's 162-year history a comprehensive insurance program using both insured and self-insured options to secure the district assets and its complex operations. The School District was able to purchase new policies or revise those in place to enhance or better secure the School District's exposures. Some of the new policies or enhanced coverage include property insurance coverage for all 255 school buildings and operational sites, including 12 newly constructed elementary and middle schools; coverage for the contents of school sites such as classroom equipment, computers and other school-based materials, fleet coverage for all DPS-owned buses and service vehicles used to transport students or to deliver school-related goods and supplies, student travel/special event coverage, educator's legal liability, and pollution liability. The workers' compensation program is still self-insured but, effective February 1, 2004, the School District was given approval by the State of Michigan Workers' Compensation Bureau to also self-administer the School District's workers' compensation program through a School District-operated workers' compensation claims management team. This distinguished authority is one of only eight approved within the State of Michigan and this was the first such approval to be given by the State in more than 40 years.

During the year ended June 30, 2004, actual workers' compensation payments totaled \$10,710,370.

## **Accomplishments and Acknowledgments**

### **Accomplishments**

The Association of School Business Officials International (ASBO) has awarded the Certificate of Excellence in Financial Reporting and the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Detroit Public Schools for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2003. This was the second year the School District has received both prestigious awards. In order to be awarded Certificates of Excellence and Achievement, the School District published an easily readable and efficiently organized CAFR. The report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to both GFOA and ASBO to determine its eligibility for another certificate.

The State of Michigan honored nine of the elementary schools with the Golden Apple Award, which is a cash award given to Michigan's hard-working teachers and principals for high achievement.

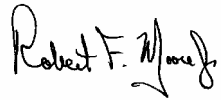
## Acknowledgments

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

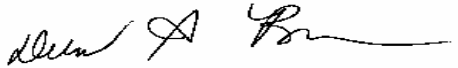
Respectfully submitted,



Dori A. Freelain  
Chief Financial Officer



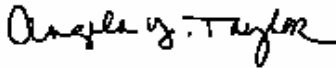
Robert F. Moore Jr.  
Senior Deputy CEO



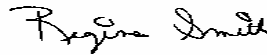
Delores A. Brown  
Program Supervisor - Cash Management



Valerie Kyser  
Program Supervisor - Financial Reporting

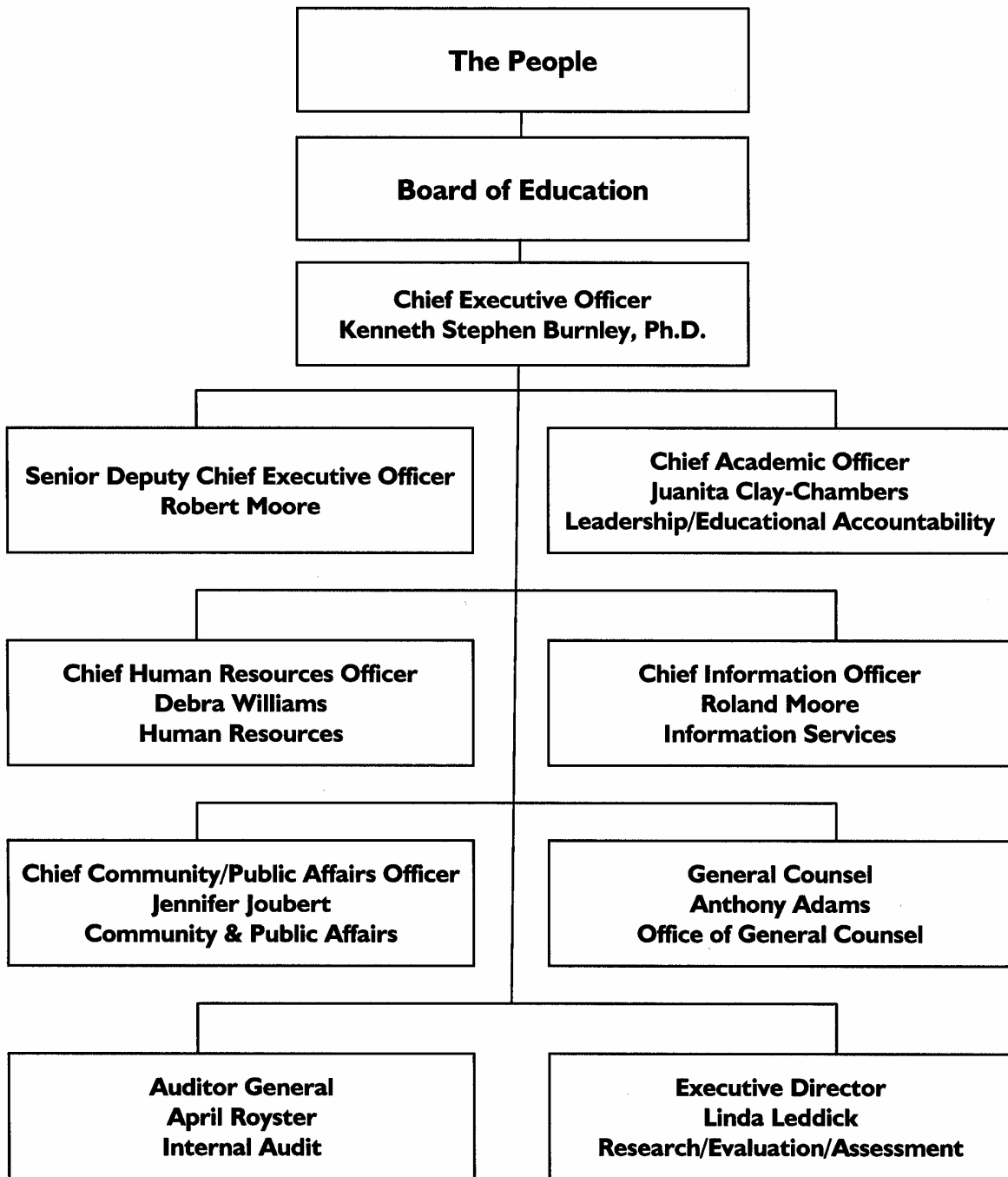


Angela Y. Taylor  
Program Supervisor - Purchasing Card Unit



Regina Smith  
Program Supervisor - Grant Accounting

**Detroit Public Schools**  
**Organizational Chart**  
**June 30, 2004**



# **Detroit Public Schools**

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## List of Appointed Officials June 30, 2004

### Board of Education

Chairman	William C. Brooks
Secretary	Gerald K. Smith, Ed. D
Member	Belda Garza
Member	Michael F. Tenbusch
Member	Tom Watkins
Member	Geneva J. Williams

### Cabinet

Chief Executive Officer	Kenneth Stephen Burnley, Ph.D.
Sr. Deputy Chief Executive Officer	Robert F. Moore
Chief Academic Officer	Juanita Clay-Chambers
Chief Human Resources Officer	Debra Williams
Chief Information Officer	Roland Moore
Chief of Community & Public Affairs	Jennifer Joubert
General Counsel	Anthony Adams
Auditor General	April Royster
Executive Director	Linda Leddick



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

**DETROIT PUBLIC SCHOOLS**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2003

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*William R. Hall*  
President

*Barbara Keller*  
Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Detroit Public Schools,  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Edward Hanrahan*

President

*Jeffrey L. Esser*

Executive Director

## **Financial Section**

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## Independent Auditor's Report

To the Chief Executive Officer  
Detroit Public Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Detroit Public Schools as of and for the year ended June 30, 2004, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Detroit Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Detroit Public Schools as of June 30, 2004 and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As more fully described in Note 13 to the financial statements, the School District has incurred expenditures in excess of revenues in the General Fund for two consecutive years, primarily due to the reduction in revenue received from the State that results from the loss of students. The General Fund is in a deficit position at June 30, 2004. The School District will experience a further loss of students for the fiscal year ending June 30, 2005. Administration's plans in regard to these matters are also described in Note 13 to the financial statements.

To the Chief Executive Officer  
Detroit Public Schools

The management's discussion and analysis (identified in the table of contents) is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated November 4, 2004 on our consideration of the School District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Plante & Moran, PLLC*

November 4, 2004

# **Detroit Public Schools**

## **Management's Discussion and Analysis**

This section of Detroit Public Schools' annual financial report presents management's discussion and analysis of the School District's financial performance during the year ended June 30, 2004. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Detroit Public Schools is an urban public school district located in the city of Detroit. It is a fiscally independent school district governed by a chief executive officer and a seven-member reform board (see letter of transmittal for further discussion). There are 134 elementary schools, 71 kindergarten through 8<sup>th</sup> grade and regular middle schools, 26 high schools, 11 alternative schools, seven special education schools, six vocational and career technical centers, two administration offices, and maintenance and transportation facilities.

The management's discussion and analysis, a requirement of GASB No. 34, is intended to be Detroit Public Schools' discussion and analysis of the financial results of the fiscal year ended June 30, 2004.

### **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Detroit Public Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds, the General Fund, the 1994 Building and Site Improvement Bonds Series IV Fund, and the 1994 Building and Site Improvement Bonds Series V Fund, with all other funds presented in one column as nonmajor funds. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The annual report includes the following:

Management's Discussion and Analysis (MD&A)  
(Required Supplemental Information)

#### **Basic Financial Statements**

District-wide Financial Statements      Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)  
Budgetary Information for Major Funds

Other Supplemental Information  
Statistical Information

# **Detroit Public Schools**

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

### ***Reporting the School District as a Whole - District-wide Financial Statements***

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting. This method is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net assets - the difference between assets and liabilities, as reported in the statement of net assets - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net assets - as reported in the statement of activities - are indicators of whether the School District's financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net assets and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, instructional support services, utilities, operations and maintenance, transportation, community services, athletics, and food services. Property taxes, unrestricted state aid, and state and federal grants finance most of these activities.

### ***Reporting the School District's Most Significant Funds - Fund Financial Statements***

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Services and Athletics Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

Governmental funds - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending in future years. The accounting method used is called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is explained in the reconciliation statements.

### *The School District as Trustee - Reporting the School District's Fiduciary Responsibilities*

The School District is the trustee, or fiduciary, for its student activity and scholarship funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in net assets. These activities are excluded from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### The School District as a Whole

The statement of net assets provides the perspective of the School District as a whole. Table I provides a summary of the School District's net assets as of June 30, 2004 and 2003:

	Governmental Activities	
	2004	2003
	(in millions)	
<b>Assets</b>		
Current and other assets	\$ 963.9	\$ 1,281.1
Capital assets	1,355.0	1,113.3
Total assets	2,318.9	2,394.4
<b>Liabilities</b>		
Current liabilities	529.3	473.1
Long-term liabilities	1,742.3	1,762.1
Total liabilities	2,271.6	2,235.2
<b>Net Assets</b>		
Invested in property and equipment - Net of related debt	228.5	192.2
Restricted	4.7	28.5
Unrestricted - Net deficit	(185.9)	(61.5)
Total net assets	<u>\$ 47.3</u>	<u>\$ 159.2</u>



# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

The School District's net assets were \$47.3 million at June 30, 2004. Capital assets, net of related debt, were \$228.5 million. It also compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets of \$4.7 million are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The remaining deficit amount of net assets was (\$185.9 million).

The \$185.9 million deficit in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The unrestricted net assets deficit balance highlights the School District's potential inability to meet future operational needs as well as working capital and cash flow requirements. The operating results of the General Fund have a significant impact on the change in unrestricted net assets (deficit) from year to year.

The results of operations for the School District as a whole are reported in the statement of activities (see Table 2), which shows the changes in net assets for fiscal years June 30, 2004 and 2003:

TABLE 2 - Changes in Net Assets from Operating Results

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
	(in millions)	
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 7.6	\$ 9.2
Operating grants	525.2	502.0
General revenue:		
Property taxes	181.7	175.8
Unrestricted federal and state aid	932.4	992.6
Interest and investment earnings	7.9	9.7
Other	<u>10.7</u>	<u>(0.5)</u>
Total revenue	1,665.5	1,688.8

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

TABLE 2 - Changes in Net Assets from Operating Results (Continued)

	Governmental Activities	
	2004	2003
	(in millions)	
<b>Functions/Program Expenses</b>		
Instruction	\$ 959.1	\$ 913.3
Support services	674.6	667.7
Community services	6.9	5.9
Food services	49.6	46.9
Athletics	1.9	2.4
Other	7.1	1.7
Interest on long-term debt	72.9	54.9
Depreciation (unallocated)	5.3	3.1
Total functions/program expenses	<u>1,777.4</u>	<u>1,695.9</u>
<b>Excess of Expenditures Over Revenues - Before special item</b>	(111.9)	(7.1)
<b>Special Item - Gain on sale of assets</b>	<u>-</u>	<u>7.3</u>
<b>Increase (Decrease) in Net Assets</b>	(111.9)	0.2
<b>Net Assets - July 1, 2003</b>	<u>159.2</u>	<u>159.0</u>
<b>Net Assets - June 30, 2004</b>	<u><b>\$ 47.3</b></u>	<u><b>\$ 159.2</b></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$1,777.4 million. Certain activities were partially funded from those who benefited from the programs (\$7.6 million) or by the other governments and organizations that subsidized certain programs with grants and contributions (\$525.2 million). The remaining "public benefit" portion of our governmental activities was paid with \$181.7 million in taxes, \$932.4 million in unrestricted federal funds and foundation allowance, and with our other revenues, i.e., interest and general entitlements. The School District experienced a decrease in net assets of \$111.9 million, primarily because the General Fund incurred \$123 million of expenditures in excess of revenue for the fiscal year. Key reasons for this shortfall include:

- Declining enrollment resulted in the loss of \$47 million in state aid from the previous year.
- Part way through the school year, the State cut the foundation allowance for all students by \$74 per student, resulting in a loss of \$11 million to the School District.
- The basic foundation allowance did not increase from the fiscal year ended June 30, 2003 to June 30, 2004, while salaries, health care, and retirement expense increased.

# **Detroit Public Schools**

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

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of School District operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

### **The School District's Funds**

The School District uses funds to control and manage money for particular purposes. The School District maintains separate funds for general operations, athletics, food services, debt service, and capital projects. Each fund statement provides information about the current year's revenues and expenditures as well as overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$429.5 million, which is a decrease of \$366.4 million from last year. The primary reasons for the decrease are as follows:

In the General Fund, the School District's principal operating fund, the fund balance decreased approximately \$123.3 million to a deficit of \$48.7 million. The General Fund deficit must be eliminated in accordance with a State-approved deficit reduction plan currently in process. See General Fund budgetary highlights for additional explanation.

Overall, Special Revenue Funds remained stable from the prior years, showing a net increase of approximately \$675,000.

In the Debt Service Fund, the fund balance increased approximately \$14.7 million to \$43.3 million.

The combined Capital Projects Fund balance decreased by approximately \$258.5 million, resulting primarily from continued construction related to the building and site improvement bond series.

### **General Fund Budgetary Highlights**

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

- The (\$11.0 million) decrease from the estimated budget for other revenue was due to note proceeds being reclassified from the General Fund to the Food Service Fund. There were also anticipated funds which were expected that were not received this year.

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

- Declining enrollment and a mid-year State proration order that cut \$74 per student combined to reduce State Foundation Allowance funds by \$19.9 million from the projected budget.
- Unanticipated increases in employee health care costs
- A decrease of (\$15.1 million) in State sources from the estimated budget due to a change in recording revenues for Charter Schools. Only administrative fees are reflected in actual revenues.
- A reduction of the count in the number of free and reduced student meals and a change in the methodology for dispensing federal funds resulted in a reduction of federal funds from the revised budget of \$35.0 million.
- In total, there were no overexpenditures by function or by object compared to the revised budget except for instructional expenses of \$14.9 million. This was covered by under-expenditures in other areas.

### Capital Assets and Debt Administration

#### *Capital Assets*

As of June 30, 2004, the School District had \$1,355.0 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$242 million.

TABLE 3 - Capital Assets - Net of depreciation, in millions of dollars

	June 30, 2004	June 30, 2003	Percent Change
Land	\$ 55.4	\$ 16.0	246.25
Land improvements	63.4	25.9	144.79
Buildings	1,009.8	735.8	37.24
Machinery and equipment	166.1	53.6	209.89
Licensed vehicles	43.3	41.9	3.34
Construction in progress	432.50	621.3	(30.39)
	<hr/>	<hr/>	
Total capital assets	1,770.50	1,494.5	18.47
	<hr/>	<hr/>	
Less accumulated depreciation	415.40	381.4	8.91
	<hr/>	<hr/>	
Net capital assets	<u>\$ 1,355.0</u>	<u>\$ 1,113.1</u>	<u>9.55</u>

# Detroit Public Schools

## Management's Discussion and Analysis (Continued)

This year's additions of approximately \$277.1 million included building renovations, site improvements, playgrounds, and equipment. Bonded debt in previous years was issued for these additions, part of a major (\$1.5 billion) construction and renovation project that has been ongoing for several years.

### Debt

As of June 30, 2004, the School District had \$1.508 billion in bonds outstanding, plus \$45.7 million in unamortized bond premium, for a total of \$1,553.6 billion. This represents a decrease of 2.8 percent over the previous year.

TABLE 4 - Outstanding Debt (in millions of dollars)

	June 30, 2004	June 30, 2003	Percent Change
General obligation bonds	\$ 1,502.6	\$ 1,539.5	(2.4)
Unamortized bond premium	45.7	51.1	(10.6)
Other bonds	<u>5.3</u>	<u>8.3</u>	(36.1)
Total long-term debt	<u><b>\$ 1,553.6</b></u>	<u><b>\$ 1,598.9</b></u>	<u><b>(2.83)</b></u>

The School District's general obligation bond rating continues to be equivalent to the State's credit rating. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's only bonded indebtedness subject to the bonded debt limit is its Energy Conservation Bonds, Series 1999 in the outstanding principal amount of \$5.3 million, which is significantly below the statutorily imposed limit.

Other obligations include accrued vacation pay, sick leave, workers' compensation and health insurance claims, legal claims, and capital leases. More detailed information about the School District's long-term liabilities is provided in the notes to the financial statements.

# **Detroit Public Schools**

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

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

The School District's officials and administration consider many factors when setting the 2004-2005 fiscal year budget. Declining enrollment presents an especially difficult challenge to any district experiencing this situation. Often, the school year has begun before the decline is identified and, in any event, the loss of a student results in the loss of significant revenue (as discussed in the next few sentences) without the ability to significantly reduce costs since one student lost from a classroom means almost all operating costs will continue. The unrestricted foundation grant revenue comprises approximately 81 percent of the School District's total General Fund operating revenues. The state unrestricted foundation grant is determined by multiplying the blended student count by the foundation allowance per pupil. The blended formula for the 2005 fiscal year is 25 percent of the February 2004 student count and 75 percent of the September 2004 student count. The 2004-2005 budget was adopted in June 2004, based on a blended count of 144,538, which is 5,877 less than the 2003-2004 student membership count. The budget was developed on the assumption that foundation allowance per student count would remain at \$7,180. However, the State is currently predicting a possible shortfall in revenues. The impact of this could result in prorated per pupil reduction in the foundation allowance; in the 2003-2004 school year, the foundation allowance was cut by \$74 per pupil. Under State law, the School District cannot assess additional property tax revenue for general obligations.

Another significant factor impacting the School District's 2004-2005 budget is the increase in the retirement contribution rate. The Michigan Public School Employee Retirement rate is increasing nearly 14.5 percent, from 12.99 percent to 14.87 percent. The impact to the School District is over \$20 million.

Once the final student count and related per pupil funding is validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

In addition to the "normal" budget process outlined above, the School District will begin the fiscal year ending June 30, 2005 with an overall General Fund deficit of \$48.7 million. Under state law, the School District must develop a plan that meets the approval of the State Department of Education, which will eliminate this deficit by the end of fiscal year ending June 30, 2006. This deficit reduction planning process is in its initial phase and has not as yet been presented to the State Department of Education for approval. As noted earlier, declining enrollment, increased fringe benefit costs, and no increase (at best) in per student revenue for fiscal year ending June 30, 2005 will make this plan difficult to develop and implement.

# **Detroit Public Schools**

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

### **Contacting the School District's Financial Management**

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the business department at Detroit Public Schools, 301 I West Grand Blvd., Detroit, MI 48202.

# Detroit Public Schools

## Statement of Net Assets June 30, 2004

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents (Note 3)	\$ 8,903,480
Investments (Note 3)	82,612,840
Restricted assets (Note 8)	512,856,242
Receivables (Note 4)	354,318,191
Inventory	5,185,267
Capital assets (Note 5)	<u>1,355,041,718</u>
Total assets	2,318,917,738
<b>Liabilities</b>	
Accounts payable	99,335,397
Accrued salaries and benefits	91,520,268
Deferred revenue - Unexpended restricted funds (Note 4)	5,668,253
Due to student groups and other	161,350
Interest payable	14,680,116
Other	1,192,267
State aid anticipation and other notes payable (Note 11)	265,734,805
Long-term liabilities due within one year:	
Bonds payable	42,315,000
Compensated absences	2,325,877
Unamortized bond premium	5,440,823
Capital leases	893,483
Long-term liabilities due in more than one year (Note 7):	
Compensated absences	145,366,807
Workers' compensation and health insurance claims (Note 9)	50,834,699
Bonds payable	1,465,587,643
School bond loan payable	31,359,923
Unamortized bond premium	40,264,803
Capital leases	3,394,934
Legal reserve (Note 9)	<u>5,567,000</u>
Total liabilities	<u>2,271,643,448</u>
<b>Net Assets</b>	
Invested in capital assets - Net of related debt	228,472,107
Restricted net assets - Debt service	4,699,713
Unrestricted net deficit	<u>(185,897,530)</u>
Total net assets	<u><u>\$ 47,274,290</u></u>



# Detroit Public Schools

## Statement of Activities Year Ended June 30, 2004

	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and
				Changes in Net Assets
				Governmental Activities
Primary government - Governmental activities:				
Instruction	\$ 959,112,368	\$ 534,085	\$ 266,631,616	\$ (691,946,667)
Support services	674,621,870	1,968,685	209,934,501	(462,718,684)
Community services	6,879,983	194,357	6,144,452	(541,174)
Food services	49,633,030	4,883,122	42,444,896	(2,305,012)
Athletics	1,924,623	-	-	(1,924,623)
Other	7,095,885	-	-	(7,095,885)
Interest on long-term debt	72,829,444	-	-	(72,829,444)
Depreciation (unallocated)	5,305,674	-	-	(5,305,674)
 Total governmental activities	 <b><u>\$ 1,777,402,877</u></b>	 <b><u>\$ 7,580,249</u></b>	 <b><u>\$ 525,155,465</u></b>	 (1,244,667,163)
General revenue:				
Taxes:				
Property taxes, levied for general purposes				76,978,512
Property taxes, levied for debt services				104,758,050
Federal and State aid not restricted to specific purposes				932,399,129
Interest and investment earnings				7,896,070
Other				<u>10,675,608</u>
 Total general revenues				 <u>1,132,707,369</u>
 <b>Change in Net Assets</b>				 (111,959,794)
 <b>Net Assets - July 1, 2003</b>				 <u>159,234,084</u>
 <b>Net Assets - June 30, 2004</b>				 <b><u>\$ 47,274,290</u></b>

# Detroit Public Schools

## Governmental Funds Balance Sheet June 30, 2004

	General Fund	1994 Building Site Improvement Bonds Series IV Fund	1994 Building Site Improvement Bonds Series V Fund	Other Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash and cash equivalents (Note 3)	\$ 8,903,480	\$ -	\$ -	\$ -	\$ 8,903,480
Investments (Note 3)	85,263,548	133,482,095	340,844,632	35,878,807	595,469,082
Receivables (Note 4)	314,822,544	125,148	902,594	38,467,905	354,318,191
Due from other funds (Note 6)	6,667,706	60,102,771	-	106,111,756	172,882,233
Inventories	5,185,267	-	-	-	5,185,267
<b>Total assets</b>	<b>\$ 420,842,545</b>	<b>\$ 193,710,014</b>	<b>\$ 341,747,226</b>	<b>\$ 180,458,468</b>	<b>\$ 1,136,758,253</b>
<b>Liabilities and Fund Balances (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 44,085,980	\$ 16,310,295	\$ 30,648,619	\$ 8,290,503	\$ 99,335,397
Accrued salaries and benefits	93,846,145	-	-	-	93,846,145
Deferred revenue:					
Unexpended restricted funds (Note 4)	5,668,253	-	-	-	5,668,253
Delinquent property taxes (Note 4)	36,611,068	-	-	29,922,720	66,533,788
Due to fiduciary funds	161,350	-	-	-	161,350
Due to other funds (Note 6)	20,350,988	57,562,141	62,186,047	32,783,057	172,882,233
Notes payable (Note 11)	265,734,805	-	-	-	265,734,805
Interest payable (Note 11)	1,879,388	-	-	-	1,879,388
Other	1,191,917	-	-	350	1,192,267
<b>Total liabilities</b>	<b>469,529,894</b>	<b>73,872,436</b>	<b>92,834,666</b>	<b>70,996,630</b>	<b>707,233,626</b>
<b>Fund Balances (Deficit)</b>					
Reserved for:					
Inventories	5,185,267	-	-	-	5,185,267
Capital projects (bonded)	-	119,837,578	248,912,560	68,179,650	436,929,788
Debt service	-	-	-	43,257,651	43,257,651
Adult education	9,858,962	-	-	-	9,858,962
Unreserved - Undesignated, reported in:					
General Fund	(63,731,578)	-	-	-	(63,731,578)
Special Revenue Funds	-	-	-	(1,975,463)	(1,975,463)
<b>Total fund balances (deficit)</b>	<b>(48,687,349)</b>	<b>119,837,578</b>	<b>248,912,560</b>	<b>109,461,838</b>	<b>429,524,627</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 420,842,545</b>	<b>\$ 193,710,014</b>	<b>\$ 341,747,226</b>	<b>\$ 180,458,468</b>	<b>\$ 1,136,758,253</b>

# Detroit Public Schools

## Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets Year Ended June 30, 2004

<b>Fund Balance - Total Governmental Funds</b>	\$ 429,524,627
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported as assets in the funds:	
Cost of capital assets	\$ 1,770,473,729
Accumulated depreciation	<u>(415,432,011)</u>
Total	1,355,041,718
Other long-term assets not available to pay current period expenditures therefore deferred in the governmental funds	66,533,788
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds:	
Compensated absences	(145,366,807)
Workers' compensation and health insurance	(50,834,699)
Bonds payable	(1,507,902,643)
School bond loan payable	(31,359,923)
Unamortized bond premium	(45,705,626)
Capital leases	(4,288,417)
Legal	(5,567,000)
Accrued interest payable is not included as a liability in governmental funds	<u>(12,800,728)</u>
<b>Net Assets - Governmental Activities</b>	<b><u>\$ 47,274,290</u></b>

# Detroit Public Schools

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) Year Ended June 30, 2004

	General Fund	1994 Building Site Improvement Bonds Series IV Fund	1994 Building Site Improvement Bonds Series V Fund	Other Nonmajor Governmental Funds	Total
<b>Revenue</b>					
Local sources	\$ 150,653,121	\$ 2,831,301	\$ 3,677,391	\$ 109,897,645	\$ 267,059,458
State sources	1,119,522,326	-	-	2,888,851	1,122,411,177
Federal sources	240,881,118	-	-	39,584,832	280,465,950
<b>Total revenue</b>	<b>1,511,056,565</b>	<b>2,831,301</b>	<b>3,677,391</b>	<b>152,371,328</b>	<b>1,669,936,585</b>
<b>Expenditures</b>					
Current:					
Instruction	939,338,567	-	-	-	939,338,567
Support services	667,027,335	-	-	-	667,027,335
Community services	6,836,155	-	-	-	6,836,155
Food services	-	-	-	49,254,075	49,254,075
Athletics	-	-	-	1,916,975	1,916,975
Debt service:					
Principal retirement	3,030,000	-	-	37,305,939	40,335,939
Payment of interest	304,500	-	-	78,374,922	78,679,422
Capital outlay:					
Capitalized	13,553,798	137,506,297	89,887,205	36,148,838	277,096,138
Not capitalized	3,082,428	-	-	1,127,621	4,210,049
Other	51,210	-	-	6,901,842	6,953,052
<b>Total expenditures</b>	<b>1,633,223,993</b>	<b>137,506,297</b>	<b>89,887,205</b>	<b>211,030,212</b>	<b>2,071,647,707</b>
<b>Excess of Expenditures Over Revenue</b>	<b>(122,167,428)</b>	<b>(134,674,996)</b>	<b>(86,209,814)</b>	<b>(58,658,884)</b>	<b>(401,711,122)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	747,045	-	-	-	747,045
Transfers in	-	-	-	1,916,975	1,916,975
Transfers out	(1,916,975)	-	-	-	(1,916,975)
Proceeds from the sale of bonds	-	-	-	17,330,000	17,330,000
Payment to bond escrow agent	-	-	-	(17,092,833)	(17,092,833)
Proceeds from School Bond Loan Fund	-	-	-	31,205,494	31,205,494
Note proceeds	-	-	-	3,100,005	3,100,005
<b>Total other financing sources (uses)</b>	<b>(1,169,930)</b>	<b>-</b>	<b>-</b>	<b>36,459,641</b>	<b>35,289,711</b>
<b>Net Change in Fund Balances</b>	<b>(123,337,358)</b>	<b>(134,674,996)</b>	<b>(86,209,814)</b>	<b>(22,199,243)</b>	<b>(366,421,411)</b>
<b>Fund Balances - July 1, 2003</b>	<b>74,650,009</b>	<b>254,512,574</b>	<b>335,122,374</b>	<b>131,661,081</b>	<b>795,946,038</b>
<b>Fund Balances (Deficit) - June 30, 2004</b>	<b>\$ (48,687,349)</b>	<b>\$ 119,837,578</b>	<b>\$ 248,912,560</b>	<b>\$ 109,461,838</b>	<b>\$ 429,524,627</b>

# Detroit Public Schools

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities Year Ended June 30, 2004

**Net Change in Fund Balances - Total Governmental Funds** \$ (366,421,411)

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

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

Depreciation expense	(35,098,516)
Capital outlays	<u>277,096,138</u>

Total	241,997,622
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Long-term debt issuance, including a premium on the debt issuance, is reported as an other financing source in the governmental funds. Long-term debt is not a revenue in the statement of activities and is reported as a long-term liability in the statement of net assets (51,635,499)

School bond loan interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid (154,429)

Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid 563,584

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 40,335,939

Defeasance of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 16,950,000

Payments of capital leases are expenditures in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 300,201

Bond premium is amortized in the statement of activities over the specified amortization period; it is reported in governmental funds when received 5,440,823

In the statement of activities, only the gain on the sale of fixed assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net value of the assets sold (242,008)

# Detroit Public Schools

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## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities (Continued) Year Ended June 30, 2004

Changes in compensated absences are reported as expenditures when financial resources are used in the governmental funds	\$ 6,036,800
Because some operating grant monies will not be collected for several months after the School District's year end, they are not considered as "available" revenue in the governmental funds, and are instead counted as deferred revenue. They are, however, recorded as revenue in the statement of activities:	
Deferred amounts as of end of year	-
Deferred amounts as of beginning of year	(3,047,345)
Increase in taxes receivable. The monies will not be collected for several months after the School District's year end, so they are not considered as "available" revenue in the governmental funds, and are instead counted as deferred revenue	(1,951,194)
Legal obligations are recorded in the statement of activities when accrued; they are not reported in governmental funds until paid	11,438,993
Workers' compensation and health insurance are recorded in the statement of activities when incurred; they are not reported in governmental funds until paid	<u>(11,571,870)</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ (111,959,794)</u></b>

# Detroit Public Schools

## Fiduciary Funds Statement of Fiduciary Net Assets June 30, 2004

	Private-Purpose Trust	Agency Fund
	Scholarships	Student Activities
<b>Assets</b>		
Cash (Note 3)	\$ -	\$ 6,503,685
Investments (Note 3)	513,724	-
Due from other funds (Note 6)	116,098	45,252
Other	<u>1,507</u>	<u>37</u>
Total assets	631,329	<u><u>\$ 6,548,974</u></u>
<b>Liabilities</b> - Due to student groups and other	<u>23,821</u>	<u><u>\$ 6,548,974</u></u>
<b>Net Assets</b> - Reserved for scholarships	<u><u>\$ 607,508</u></u>	

# Detroit Public Schools

## Fiduciary Fund Statement of Changes in Fiduciary Net Assets Year Ended June 30, 2004

	<u>Scholarships</u>
<b>Additions</b>	
Private donations	\$ 195,885
Interest	<u>3,507</u>
Total additions	199,392
<b>Deductions</b>	
Scholarships awarded	211,006
Other	<u>45,357</u>
Total deductions	<u>256,363</u>
<b>Change in Net Assets</b>	(56,971)
<b>Net Assets - Beginning of year</b>	<u>664,479</u>
<b>Net Assets - End of year</b>	<u><u>\$ 607,508</u></u>



## **Note 1 - Summary of Significant Accounting Policies**

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

### **Reporting Entity**

Pursuant to amendments to Act 451, effective March 26, 1999 (the "Reform Legislation"), the mayor of the City of Detroit, Michigan appoints six members of the school reform board for the School District. The Reform Board consists of the six members appointed by the mayor for a period of five years after the effective date of the Reform Legislation and the superintendent of the public instruction of the State (or the superintendent's designee). The Reform Board replaced the School District's 11-member elected Board of Education. Currently one vacancy exists on the Reform Board. During the current fiscal year, the initial five-year term of the governor-appointed Board position expired. This seventh seat is now subject to appointment by the mayor. As of the date of this report, the Superintendent of Public Instruction of the State remains on the Reform Board.

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

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

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

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

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

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

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

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

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

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

**Special Items** - Transactions within the control of management that are either unusual in nature or infrequent in occurrence are reported as special items in the statement of activities.

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

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

Fiduciary fund statements also are reported using the accrual basis of accounting. The School District maintains a Student Activities Fund to record funds received and expended for student activities. It also maintains a private purpose trust fund, the Scholarship Fund, to record private donations and scholarships awarded from these donations. The private purpose trust fund uses the economic resources measurement focus.

The School District reports the following major governmental funds:

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

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

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

Additionally, the School District reports the following fund types:

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expend for specified purposes. The School District's Special Revenue Funds include the Food Services and Athletics Funds. Any operating deficit generated by these funds is the responsibility of the General Fund.

**Debt Service Funds** - Debt Service Funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt. The School District's Debt Service Funds include bond redemption, deficit funding bonds, and judgment levy.

**Capital Projects Funds** - Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement specifically designated for acquiring new school sites, buildings, equipment, and for remodeling. The fund operates until the purpose for which it was created is accomplished. The School District's Capital Projects Funds include the 1986 School Building Site Improvement Bonds, the 1994 School Building Site Improvement Bonds Series I, Series II, and Series III, and the Durant Bond.

**Student Activities Agency Fund** - The School District presents and maintains an Agency Fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in trust for the students.

**Scholarships Private-Purpose Trust Fund** - The Scholarships Private-Purpose Trust Fund is used to account for resources legally held in trust, including contributions received by the School District to be awarded in the form of scholarships.

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

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

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

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

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

**Inventories** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

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

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

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

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

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

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

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

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

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

**Comparative Data** - Comparative data is not included in the School District's financial statements.

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

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

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. There were no significant amendments during the year.

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

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

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

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

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

**Fund Deficit** - The School District has a General Fund deficit at June 30, 2004 of approximately \$49 million. State law will require the School District to establish a deficit reduction plan with the State Department of Education. As of the date of this report, this effort is in process and the formal deficit reduction plan has not received State Department of Education approval.

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

### Note 3 - Deposits and Investments

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

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

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash and cash equivalents	\$ 8,903,480	\$ 6,503,685	\$ 15,407,165
Investments	<u>595,469,082</u>	<u>513,724</u>	<u>595,982,806</u>
Total	<u>\$ 604,372,562</u>	<u>\$ 7,017,409</u>	<u>\$ 611,389,971</u>

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

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

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

Deposits (checking and savings accounts, certificates of deposit)	\$ 10,218,101
Investments in securities, mutual funds, and similar vehicles	<u>601,171,870</u>
Total	<u>\$ 611,389,971</u>

The bank deposits of the School District were reflected in the accounts of the financial institution at \$13,894,677, of which \$344,138 is covered by federal depository insurance and \$13,550,539 was uninsured and uncollateralized.

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

Investments are categorized into these three categories of credit risk:

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

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

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



# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

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

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

Description	Interest Rates	Date of Maturity	Carrying Amount	Category
<b>General Fund</b>				
Money market	Various	N/A	\$ 79,647,548	1
Repurchase agreement	1.00% - 1.20%	4/20/2005	<u>5,616,000</u>	1
Total			85,263,548	
<b>Capital Projects Funds</b>				
Commercial paper	1.03% - 1.80%	Various	3,861,503	1
Money market	Various	N/A	481,491,246	1
U.S. government agency	Various	Various	<u>854,487</u>	1
Total			486,207,236	
<b>Debt Service Fund - Money market</b>				
	Various	N/A	23,998,298	1
<b>Fiduciary Funds - Money market</b>				
	Various	N/A	<u>513,724</u>	2
Total investment balances			<u>\$ 595,982,806</u>	
Total by category:				
	Category 1		\$ 595,469,082	
	Category 2		513,724	

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

### Note 4 - Receivables

Receivables as of year end for the School District's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	1994 Building Site Improvement Bonds Series IV	1994 Building Site Improvement Bonds Series V	Nonmajor and Other Funds	Total
Receivables:					
Property taxes:					
Current	\$ 5,225,783	\$ -	\$ -	\$ 2,131,655	\$ 7,357,438
Delinquent - Net of allowance for uncollectible taxes of \$3,424,000	36,611,068	-	-	29,922,720	66,533,788
Intergovernmental	269,383,662	-	-	5,903,719	275,287,381
Other	3,602,031	125,148	902,594	509,811	5,139,584
Net receivables	<u>\$ 314,822,544</u>	<u>\$ 125,148</u>	<u>\$ 902,594</u>	<u>\$ 38,467,905</u>	<u>\$ 354,318,191</u>

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

	Unavailable	Unearned	Total
Delinquent property taxes	\$ 66,533,788	\$ -	\$ 66,533,788
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	5,668,253	5,668,253
Total	<u>\$ 66,533,788</u>	<u>\$ 5,668,253</u>	<u>\$ 72,202,041</u>

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

### Note 5 - Capital Assets

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

	Balance July 1, 2003	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2004
Assets not being depreciated:					
Land	\$ 16,029,722	\$ 39,408,081	\$ -	\$ (10,200)	\$ 55,427,603
Construction in progress	621,331,015	(456,222,486)	267,391,543	-	432,500,072
Capital assets being depreciated:					
Building and building improvements	735,829,867	270,011,814	5,000,455	(1,079,831)	1,009,762,305
Land improvements	25,932,533	37,523,052	64,359	(113,265)	63,406,679
Buses and other vehicles	41,885,339	-	1,428,099	-	43,313,438
Furniture and other equipment	53,633,799	109,279,539	3,211,681	(61,387)	166,063,632
Total capital assets being depreciated	857,281,538	416,814,405	9,704,594	(1,254,483)	1,282,546,054
Accumulated depreciation:					
Building and building improvements	325,284,364	-	15,133,199	(1,039,569)	339,377,994
Land improvements	9,050,585	-	1,877,300	(8,993)	10,918,892
Buses and other vehicles	24,108,917	-	3,063,182	-	27,172,099
Furniture and other equipment	22,912,305	-	15,024,835	25,886	37,963,026
Subtotal	381,356,171	-	35,098,516	(1,022,676)	415,432,011
Net capital assets being depreciated	475,925,367	416,814,405	(25,393,922)	(231,807)	867,114,043
Net capital assets	<u>\$ 1,113,286,104</u>	<u>\$ -</u>	<u>\$ 241,997,621</u>	<u>\$ (242,007)</u>	<u>\$ 1,355,041,718</u>

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

#### Governmental activities:

Instruction	\$ 15,152,078
Support services	14,437,655
Community services	3,865
Food services	193,672
Athletics	5,572
Unallocated	<u>5,305,674</u>
Total governmental activities	<u>\$ 35,098,516</u>

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

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

### Note 5 - Capital Assets (Continued)

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

	Spent to Date	Remaining Commitment
Series I 1996A	\$ 102,362,700	\$ 8,214,437
Series II 1998	221,617,746	14,983,094
Series III 2001A	445,747,566	32,748,232
Series IV 2002A	284,416,280	116,718,259
Series V 2003B	95,429,036	249,161,829
Total	<u>\$ 1,149,573,328</u>	<u>\$ 421,825,851</u>

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

The composition of interfund balances is as follows:

Fund Due To	Fund Due From			Total
	General Fund	1994 Building Site Improvement Bonds Series IV Fund	Other Nonmajor Governmental Funds	
General Fund	\$ -	\$ 324,753	\$ 20,026,235	\$ 20,350,988
1994 Building Site Improvement Bonds Series IV Fund	-	-	57,562,141	57,562,141
1994 Building Site Improvement Bonds Series V Fund	3,375,711	58,024,009	786,327	62,186,047
Other nonmajor governmental funds	3,291,995	1,754,009	27,737,053	32,783,057
Total	<u>\$ 6,667,706</u>	<u>\$ 60,102,771</u>	<u>\$ 106,111,756</u>	<u>\$ 172,882,233</u>

Interfund receivables and payables occur in the course of ordinary operations and reflect short-term transactions between funds, primarily transactions between Capital Projects and between the General Fund, Debt Service Funds, and Special Revenue Funds.

The General Fund accounts for a due to other funds balance of \$20,350,988 as of June 30, 2004, as noted above. This interfund balance includes approximately \$17,100,000 due to the Debt Service Funds related to property tax monies received in the General Fund not yet transferred as well as approximately \$3,200,000 due to Capital Projects Funds related to capital expenditures yet to be reimbursed by the General Fund. These amounts have been transferred subsequent to June 30, 2004.

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

### Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

#### Interfund Transfers

	Transfers Out - General Fund
Transfers in - Other nonmajor governmental funds - Athletics Fund	<u>\$ 1,916,975</u>

Transfers result from the General Fund support of Athletic Fund activities.

### Note 7 - Long-term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences, claims and judgments, termination benefits, and certain risk liabilities. In prior years, the General Fund has typically been used to liquidate nonbonded debt-related long-term liabilities. The current portion of compensated absences reported in the General Fund relates to the unpaid balance for terminated employees as of June 30, 2004.

# Detroit Public Schools

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

Long-term obligation activity can be summarized as follows:

Description	Effective Date of Issue	Year of Maturity	Serial Interest Rates of Debt	Amount of Original Issue
School Building and Site Improvement Bonds:				
Series XXI	08/06/87	2007	7.00%-7.25%	\$ 26,600,000
Series XXII	09/29/88	2009	9.350%-9.375%	20,000,000
Series 1993	10/01/93	2013	4.55%-5.125%	79,730,000
Series 1996A	03/01/96	2025	3.70%-6.50%	89,000,000
Series 1998A	11/01/98	2007	4.00%-4.30%	940,000
Series 1998B	11/01/98	2028	3.50%-3.75%	209,770,000
Series 1998C	11/01/98	2025	3.50%-5.25%	84,855,000
Series 1998 (Durant)	11/24/98	2013	4.76%	59,304,433
Series 2001A	10/30/01	2031	3.00%-6.00%	438,365,000
Series 2002A	10/29/02	2032	3.00%-6.00%	388,995,000
Series 2003A	02/04/03	2013	5.00%-5.25%	16,060,000
Series 2003B	04/28/03	2033	3.00%-6.00%	326,845,000
Series 2004A	05/13/04	2007	3.00%-5.00%	7,830,000
Series 2004B	05/13/04	2009	3.00%-5.00%	9,500,000
Total School Building and Improvement Bonds				1,757,794,433
Energy Conservation Bonds	03/10/99	2007	2.90-4.25%	21,210,000
Total bonds payable				<u>\$ 1,779,004,433</u>
Other liabilities:				
Compensated absences payable				
Workers' compensation and health insurance claims				
Capital leases and other notes payable				
Legal and other				
School Bond Loan Fund				
Unamortized bond premium				
Total other liabilities				
Total long-term obligations				

**Notes to Financial Statements**  
**June 30, 2004**

Balance at June 30, 2003	Additions	Retirements	Refunding	Balance at June 30, 2004	Current
\$ 10,000,000	\$ -	\$ (2,200,000)	\$ (7,800,000)	\$ -	\$ -
10,550,000	-	(1,400,000)	(9,150,000)	-	-
36,730,000	-	(4,890,000)	-	31,840,000	5,130,000
18,090,000	-	(1,805,000)	-	16,285,000	1,920,000
300,000	-	(10,000)	-	290,000	190,000
200,570,000	-	(2,790,000)	-	197,780,000	4,220,000
83,660,000	-	(2,040,000)	-	81,620,000	2,125,000
37,887,643	-	-	-	37,887,643	-
425,845,000	-	(9,160,000)	-	416,685,000	3,045,000
372,940,000	-	(7,470,000)	-	365,470,000	13,375,000
16,060,000	-	-	-	16,060,000	-
326,845,000	-	(5,500,000)	-	321,345,000	5,825,000
-	7,830,000	-	-	7,830,000	2,530,000
-	9,500,000	-	-	9,500,000	1,785,000
<u>1,539,477,643</u>	<u>17,330,000</u>	<u>(37,265,000)</u>	<u>(16,950,000)</u>	<u>1,502,592,643</u>	<u>40,145,000</u>
<u>8,340,000</u>	<u>-</u>	<u>(3,030,000)</u>	<u>-</u>	<u>5,310,000</u>	<u>2,170,000</u>
1,547,817,643	17,330,000	(40,295,000)	(16,950,000)	1,507,902,643	42,315,000
153,729,484	-	(6,036,800)	-	147,692,684	2,325,877
39,262,829	159,773,219	(148,201,349)	-	50,834,699	-
1,529,552	3,100,005	(341,140)	-	4,288,417	893,483
17,005,993	-	(11,438,993)	-	5,567,000	-
-	31,359,923	-	-	31,359,923	-
51,146,449	-	(5,440,823)	-	45,705,626	5,440,823
<u>262,674,307</u>	<u>194,233,147</u>	<u>(171,459,105)</u>	<u>-</u>	<u>285,448,349</u>	<u>8,660,183</u>
<u>\$ 1,810,491,950</u>	<u>\$ 211,563,147</u>	<u>\$ (211,754,105)</u>	<u>\$ (16,950,000)</u>	<u>\$ 1,793,350,992</u>	<u>\$ 50,975,183</u>

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

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

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

	School Building and Site Improvement Bonds			Special Purpose Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 40,145,000	\$ 75,714,494	\$ 115,859,494	\$ 2,170,000	\$ 192,145	\$ 2,362,145
2006	45,427,962	77,904,978	123,332,940	1,365,000	117,036	1,482,036
2007	48,106,222	75,990,930	124,097,152	1,425,000	60,104	1,485,104
2008	41,684,442	73,545,327	115,229,769	350,000	7,438	357,438
2009	44,326,234	71,395,172	115,721,406	-	-	-
2010-2014	217,832,783	286,602,676	504,435,459	-	-	-
2015-2019	189,195,000	260,123,451	449,318,451	-	-	-
2020-2024	184,770,000	208,054,906	392,824,906	-	-	-
2025-2029	463,905,000	155,059,793	618,964,793	-	-	-
2030-2033	227,200,000	24,980,500	252,180,500	-	-	-
Total	<u>\$ 1,502,592,643</u>	<u>\$ 1,309,372,226</u>	<u>\$ 2,811,964,869</u>	<u>\$ 5,310,000</u>	<u>\$ 376,723</u>	<u>\$ 5,686,723</u>

**Durant Non-Plaintiff Bond** - Included in governmental activities general obligation bonds is the Durant Non-Plaintiff Bond. Annual payments associated with this bond are funded by the State of Michigan via specifically appropriated State aid and will not require any School District debt levy or utilization of any other School District financial resources.

**School Bond Loan** - The school bond loan payable represents notes payable to the State of Michigan for loans made to the School District, as authorized by the 1963 State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the School District issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board. Interest is computed at the annual rate of 2.875 percent from July 1, 2003 to April 22, 2004 and at 2.625 percent from April 23, 2004 through June 30, 2004. Repayment is required when the millage rate necessary to cover the annual bonded debt service requirements falls below 7.0 mills. The School District is required to levy mills and repay the State any excess of the amount levied over the bonded debt service requirement. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the School District, no provision for repayment has been included in the above amortization schedule.



# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

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

**Advance Refundings** - During the year, the School District issued \$17,330,000 in general obligation bonds with an average interest rate of 4.00 percent. The proceeds of these bonds were used to advance refund \$7,800,000 of the Series XXI bonds with an average interest rate of 7.00 percent and \$9,150,000 of the Series XXII bonds with an average interest rate of 9.35 percent. The net proceeds of \$17,102,873 (after payment of \$237,127 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities and were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered defeased and the liability for the bonds has been removed from the School District's long-term obligations. The advance refunding reduced total debt service payments by \$1,504,964, which represents an economic gain (present value) of \$1,420,079.

In prior years, the School District defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2004, \$66,111,314 of bonds outstanding are considered defeased.

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

2005	\$ 1,089,001
2006	1,089,001
2007	1,089,001
2008	887,947
2009	637,496
	<hr/>
Total minimum lease payments	4,792,446
Less amount representing interest	504,029
	<hr/>
Present value of minimum lease payments	\$ 4,288,417

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

### Note 8 - Restricted Assets

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

The balances of the restricted asset accounts are as follows:

	<u>Governmental Activities</u>
Unspent bond proceeds and related interest	\$ 486,207,236
Unspent property taxes levied for debt service	23,998,298
Unspent Food Services Fund note proceeds	<u>2,650,708</u>
Total restricted assets	<u>\$ 512,856,242</u>

### Note 9 - Risk Management

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

The School District is also self-insured for workers' compensation and medical benefits. The total estimated liability for these claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported, totals \$50,834,699. These estimates are recorded in the district-wide statements. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2004</u>	<u>2003</u>
Estimated liability - Beginning of year	\$ 39,262,829	\$ 35,098,703
Estimated claims incurred, including changes in estimates	159,773,219	133,930,951
Claim payments	<u>(148,201,349)</u>	<u>(129,766,825)</u>
Estimated liability - End of year	<u>\$ 50,834,699</u>	<u>\$ 39,262,829</u>

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

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

Litigation is subject to many uncertainties, the ultimate outcome of which is not predictable; however, the School District's management believes the resulting liabilities from outstanding legal actions, proceedings, and claims will not have a material adverse effect upon the School District's financial position or results of operations. At June 30, 2004, the School District has recorded an estimated liability of approximately \$5,567,000 for pending litigation as a long-term obligation.

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

**Plan Description** - The School District participates in the Michigan Public School Employees' Retirement System (MPSERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The MPSERS provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the MPSERS. That report may be obtained by writing to the MPSERS at P.O. Box 30171, Lansing, MI 48909-7671.

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

The pension benefit rate totals 12.99 percent for the period from July 1, 2003 through June 30, 2004 of the covered payroll to the plan. Basic plan members make no contributions, but Member Investment Plan members contribute at rates ranging from 3.0 percent to 4.3 percent of gross wages. The School District's contributions to the MPSERS plan for the years ended June 30, 2004, 2003, and 2002 were \$148,499,000, \$139,287,767, and \$113,270,430, respectively.

# Detroit Public Schools

## Notes to Financial Statements June 30, 2004

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

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

### Note 11 - State Aid Anticipation and Other Short-term Notes

Short-term obligation activity of Detroit Public Schools can be summarized as follows:

Description	Effective Date of Issue	Maturity Date	Interest Rate	Balance at June 30, 2003	Additions	Retirements	Balance at June 30, 2004
State Aid Anticipation Note	8/21/2002	8/21/2003	1.40%	\$ 210,000,000	\$ -	\$ (210,000,000)	\$ -
State Aid Anticipation Note	8/20/2003	8/20/2004	1.02%	-	195,535,000	-	195,535,000
State Aid Anticipation Note	4/29/2004	8/24/2004	1.02%	-	70,000,000	-	70,000,000
Other notes payable	Various	Various	Various	391,406	-	(191,601)	199,805
Total				<u>\$ 210,391,406</u>	<u>\$ 265,535,000</u>	<u>\$ (210,191,601)</u>	<u>\$ 265,734,805</u>

Subsequent to year end, the School District repaid the \$195,535,000 and \$70,000,000 notes due August 2004 and borrowed \$210,000,000 at 1.55 percent annual interest on a new State Aid Anticipation Note. The note, plus interest, is due in August 2005. At June 30, 2004, Detroit Public Schools has accrued interest of \$1,879,388 on these notes.

### Note 12 - Subsequent Event - Governance

Pursuant to the original Reform Board legislation as described in Note 1 and House Bill 4508, the question of whether to retain the Reform Board and chief executive officer concept was presented to the electors of the School District on November 2, 2004. A majority of the electors in the School District voted not to keep the Reform Board and the chief executive officer concept. The Reform Board shall arrange for the election of an 11-member Board of Education. Effective on the next July 1 following such an election, the newly elected Board of Education shall serve as the governing body of the School District and the powers of the Reform Board and the chief executive officer shall cease and the provisions of the Reform Legislation shall no longer apply to the School District. Transition rules are in effect to maintain the current structure of government until such time as the newly elected Board can fulfill their obligations.

## **Note 13 - Funding Uncertainties**

The School District receives over 80 percent of its funding for regular operations from the State foundation allowance. This allowance is determined by the State and is paid on the basis of the number of students attending the School District. The base per pupil allowance has remained the same over the past two years, but payments to the School District have actually been reduced part way through each fiscal year due to a lack of sufficient funds at the State level. More importantly, the School District has experienced significant declines in enrollment (a substantial portion relates to students enrolling in charter schools located in Detroit and surrounding communities), which results in further reductions in State revenue. In addition to declining revenue, the School District has also been challenged by rising health care and pension costs, along with contractual salary increases for only the teacher bargaining group. The remaining 17 other bargaining groups received no increases. While the School District has taken steps to reduce staff and the number of facilities to accommodate the reduced number of students, significant additional steps must be taken to bring expenses in line with available revenue.

This situation has resulted in a General Fund deficit of approximately \$49 million at June 30, 2004. For the fiscal year ending June 30, 2005, the School District has experienced another significant drop in enrollment of approximately 10,000 students. This will result in a further reduction in State funding of approximately \$70 million. The current estimate (assuming no proration (reduction) in the base per pupil allowance for fiscal year 2005) is the School District will need additional operating cash flow of \$150 million to \$200 million during the 2005 fiscal year in order to continue funding operations at their current level.

As required by State law, the School District is in the process of working with the State Department of Education to develop a deficit elimination plan. As part of the deficit elimination plan, the School District will have to plan for appropriate expenditure reductions as well as the need for additional short- and long-term cash flow borrowing. The School District is currently in discussion with the State Department of Treasury to obtain additional cash flow funding consistent with the deficit elimination plan in order to meet the School District's obligations.

## **Required Supplemental Information**

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# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Property taxes	\$ 80,000,000	\$ 80,000,000	\$ 79,111,256	\$ (888,744)
Tuition	280,000	280,000	534,085	254,085
Earnings on investments	1,800,000	1,800,000	920,568	(879,432)
Special education millage	51,035,321	51,035,321	55,969,355	4,934,034
Other	6,183,497	28,620,810	14,117,857	(14,502,953)
Total local sources	139,298,818	161,736,131	150,653,121	(11,083,010)
<b>State Sources</b>				
State aid foundation	1,041,712,010	1,041,489,079	1,021,558,047	(19,931,032)
At risk	81,835,261	72,032,724	71,943,117	(89,607)
Other	39,761,260	41,124,506	26,021,162	(15,103,344)
Total state sources	1,163,308,531	1,154,646,309	1,119,522,326	(35,123,983)
<b>Federal Sources</b>				
Title I	140,316,404	156,854,445	134,011,715	(22,842,730)
Other	92,446,801	119,046,155	106,869,403	(12,176,752)
Total federal sources	232,763,205	275,900,600	240,881,118	(35,019,482)
Total revenue	1,535,370,554	1,592,283,040	1,511,056,565	(81,226,475)
<b>Expenditures</b>				
<b>Instruction</b>				
K-12:				
Salaries	349,005,445	332,515,051	364,696,110	32,181,059
Benefits	110,474,723	110,556,753	134,742,629	24,185,876
Purchased services	393,039	443,911	1,368,555	924,644
Supplies	32,000,496	37,703,781	32,396,753	(5,307,028)
Capital outlay	131,683	117,206	79,627	(37,579)
Other	209,798	9,687,691	955,041	(8,732,650)
Total K-12	492,215,184	491,024,393	534,238,715	43,214,322
Preschool:				
Salaries	24,005,985	23,058,838	25,322,013	2,263,175
Benefits	8,518,184	8,137,870	8,995,636	857,766
Purchased services	672,500	831,768	367,430	(464,338)
Supplies	418,069	586,638	308,318	(278,320)
Capital outlay	28,000	136,000	579,467	443,467
Other	115,638	157,560	172,780	15,220
Total preschool	33,758,376	32,908,674	35,745,644	2,836,970

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

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Instruction</b> (Continued)				
Summer school:				
Salaries	\$ 2,265,835	\$ 14,123,555	\$ 12,391,306	\$ (1,732,249)
Benefits	313,688	1,507,764	2,693,948	1,186,184
Purchased services	498,456	918,048	141,946	(776,102)
Supplies	2,009,399	2,764,767	3,633,152	868,385
Capital outlay	249	4,320	364	(3,956)
Other	2,651,740	190,790	2,667,882	2,477,092
Total summer school	7,739,367	19,509,244	21,528,598	2,019,354
Special education:				
Salaries	129,087,673	129,487,012	117,759,201	(11,727,811)
Benefits	43,755,085	44,367,745	40,861,853	(3,505,892)
Purchased services	4,005,692	5,554,118	3,392,992	(2,161,126)
Supplies	5,802,244	5,865,157	4,910,674	(954,483)
Capital outlay	432,338	517,742	293,104	(224,638)
Other	7,701	33,137	17,224	(15,913)
Total special education	183,090,733	185,824,911	167,235,048	(18,589,863)
Compensatory education:				
Salaries	81,681,294	79,167,344	85,281,708	6,114,364
Benefits	28,483,510	29,073,006	25,656,498	(3,416,508)
Purchased services	16,006,005	17,949,464	8,849,679	(9,099,785)
Supplies	32,478,467	25,332,561	17,671,142	(7,661,419)
Capital outlay	803,343	1,573,862	1,080,045	(493,817)
Other	1,886,181	4,590,215	1,189,356	(3,400,859)
Total compensatory education	161,338,800	157,686,452	139,728,428	(17,958,024)
Vocational education:				
Salaries	18,998,096	19,034,270	22,697,886	3,663,616
Benefits	6,504,536	6,376,356	8,154,884	1,778,528
Purchased services	1,702,849	1,891,517	1,501,217	(390,300)
Supplies	4,222,891	3,496,335	4,617,707	1,121,372
Capital outlay	363,939	2,752,227	2,360,249	(391,978)
Other	211,624	716,452	25,187	(691,265)
Total vocational education	32,003,935	34,267,157	39,357,130	5,089,973

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



# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Instruction</b> (Continued)				
Adult education:				
Salaries	\$ 7,135,332	\$ 5,212,828	\$ 4,040,560	\$ (1,172,268)
Benefits	2,405,888	1,667,494	1,243,234	(424,260)
Purchased services	392,632	389,554	467,035	77,481
Supplies	356,148	309,919	146,387	(163,532)
Capital outlay	249	10,881	561	(10,320)
Other	-	1,500	644	(856)
Total adult education	<u>10,290,249</u>	<u>7,592,176</u>	<u>5,898,421</u>	<u>(1,693,755)</u>
Total instruction	920,436,644	928,813,007	943,731,984	14,918,977
<b>Support Services</b>				
Pupil services:				
Salaries	47,257,998	60,049,546	66,999,927	6,950,381
Benefits	15,895,258	20,783,516	21,270,948	487,432
Purchased services	4,239,856	4,867,334	3,333,815	(1,533,519)
Supplies	2,187,138	1,373,141	1,967,173	594,032
Capital outlay	123,793	16,336	16,252	(84)
Other	729,999	562,798	506,604	(56,194)
Total pupil services	<u>70,434,042</u>	<u>87,652,671</u>	<u>94,094,719</u>	<u>6,442,048</u>
Instructional staff support:				
Salaries	21,497,527	20,766,923	20,538,214	(228,709)
Benefits	6,259,904	6,042,088	6,436,515	394,427
Purchased services	10,695,151	8,730,275	10,896,820	2,166,545
Supplies	5,089,766	2,682,369	2,382,183	(300,186)
Capital outlay	1,530,207	1,479,403	1,698,232	218,829
Other	<u>20,482,988</u>	<u>2,634,537</u>	<u>4,267,087</u>	<u>1,632,550</u>
Total instructional staff support	65,555,543	42,335,595	46,219,051	3,883,456
School administration:				
Salaries	105,621,593	102,409,263	96,363,497	(6,045,766)
Benefits	32,827,988	32,886,219	35,129,111	2,242,892
Purchased services	12,874,811	9,486,289	4,719,674	(4,766,615)
Supplies	342,494	735,219	428,374	(306,845)
Capital outlay	229,666	326,797	341,059	14,262
Other	<u>2,863,518</u>	<u>3,947,473</u>	<u>849,991</u>	<u>(3,097,482)</u>
Total school administration	154,760,070	149,791,260	137,831,706	(11,959,554)

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

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Support Services</b> (Continued)				
General administration:				
Salaries	\$ 5,890,772	\$ 9,350,315	\$ 8,144,776	\$ (1,205,539)
Benefits	1,677,861	2,620,187	2,563,855	(56,332)
Purchased services	3,834,356	5,481,044	4,636,876	(844,168)
Supplies	351,676	333,913	313,431	(20,482)
Capital outlay	191,609	72,187	35,888	(36,299)
Other	1,949,232	4,494,128	1,165,226	(3,328,902)
Total general administration	13,895,506	22,351,774	16,860,052	(5,491,722)
Business office:				
Salaries	15,733,700	15,338,588	16,015,561	676,973
Benefits	4,990,073	16,210,999	15,735,437	(475,562)
Purchased services	5,995,644	19,384,221	15,945,916	(3,438,305)
Supplies	339,208	1,015,457	528,358	(487,099)
Capital outlay	943,590	1,510,813	1,006,585	(504,228)
Other	62,971	548,645	3,146,386	2,597,741
Total business office	28,065,186	54,008,723	52,378,243	(1,630,480)
Operations and maintenance:				
Salaries	75,384,261	72,346,689	96,746,458	24,399,769
Benefits	29,895,285	29,805,285	30,101,131	295,846
Purchased services	54,475,395	56,203,269	46,170,100	(10,033,169)
Supplies	8,779,171	15,584,631	12,029,224	(3,555,407)
Capital outlay	48,323	868,563	457,791	(410,772)
Other	4,814,632	2,922,401	1,714,225	(1,208,176)
Total operations and maintenance	173,397,067	177,730,838	187,218,929	9,488,091
Transportation:				
Salaries	17,531,195	16,838,131	20,156,792	3,318,661
Benefits	7,972,843	7,948,839	10,101,692	2,152,853
Purchased services	27,013,941	29,891,621	21,399,837	(8,491,784)
Supplies	2,292,070	2,532,685	2,270,621	(262,064)
Capital outlay	8,037	139,392	1,325	(138,067)
Other	292,273	168,248	1,356,086	1,187,838
Total transportation	55,110,359	57,518,916	55,286,353	(2,232,563)

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

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Support Services</b> (Continued)				
Other support services:				
Salaries	\$ 13,819,255	\$ 14,667,666	\$ 14,480,265	\$ (187,401)
Benefits	4,589,182	4,836,610	6,080,224	1,243,614
Purchased services	53,857,018	56,475,435	53,106,138	(3,369,297)
Supplies	3,240,275	3,818,992	1,914,599	(1,904,393)
Capital outlay	3,459,226	13,555,937	8,599,699	(4,956,238)
Other	7,863,429	57,219,341	5,114,188	(52,105,153)
Total other support services	<u>86,828,385</u>	<u>150,573,981</u>	<u>89,295,113</u>	<u>(61,278,868)</u>
Total support services	648,046,158	741,963,758	679,184,166	(62,779,592)
<b>Community Service</b>				
Salaries	4,020,899	4,290,697	3,354,050	(936,647)
Benefits	934,359	999,672	902,855	(96,817)
Purchased services	782,660	874,921	2,245,324	1,370,403
Supplies	84,736	125,137	40,744	(84,393)
Capital outlay	20,610	141,902	85,978	(55,924)
Other	59,188	134,691	293,182	158,491
Total community service	5,902,452	6,567,020	6,922,133	355,113
<b>Miscellaneous</b>				
Salaries	100,990	100,990	37,468	(63,522)
Benefits	59,219	59,220	13,742	(45,478)
Supplies	-	244,709	-	(244,709)
Total miscellaneous	160,209	404,919	51,210	(353,709)
<b>Principal Retirement</b>	3,030,000	3,030,000	3,030,000	-
<b>Payment of Interest</b>	304,500	330,000	304,500	(25,500)
Total expenditures	<u>1,577,879,963</u>	<u>1,681,108,704</u>	<u>1,633,223,993</u>	<u>(47,884,711)</u>
<b>Excess of Expenditures Over Revenues</b>	(42,509,409)	(88,825,664)	(122,167,428)	(33,341,764)
<b>Other Financing Sources (Uses)</b>				
Transfers in	105,394,265	108,201,375	-	(108,201,375)
Transfers out	(115,466,596)	(92,290,149)	(1,916,975)	90,373,174
Proceeds from sale of capital assets	-	-	747,045	747,045
Total other financing sources (uses)	<u>(10,072,331)</u>	<u>15,911,226</u>	<u>(1,169,930)</u>	<u>(17,081,156)</u>

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

# Detroit Public Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>Net Change in Fund Balance</b>	\$ (52,581,740)	\$ (72,914,438)	\$ (123,337,358)	\$ (50,422,920)
<b>Fund Balance - July 1, 2003</b>	<u>74,650,009</u>	<u>74,650,009</u>	<u>74,650,009</u>	<u>-</u>
<b>Fund Balance (Deficit) - June 30, 2004</b>	<u><b>\$ 22,068,269</b></u>	<u><b>\$ 1,735,571</b></u>	<u><b>\$ (48,687,349)</b></u>	<u><b>\$ (50,422,920)</b></u>

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

## **Other Supplemental Information**

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# Detroit Public Schools

	Special Revenue Funds		Debt Service Funds	
	Food Services	Athletics	Bond Redemption	Judgment Levy
<b>Assets</b>				
Investments	\$ -	\$ -	\$ 23,998,298	\$ -
Receivables:				
Property taxes:				
Current	-	-	2,077,389	54,266
Delinquent - Net of allowance for uncollectible taxes of \$1,487,000	-	-	28,316,653	1,606,067
Due from other governmental units	5,903,719	-	-	-
Other	484,067	-	9,947	-
Due from other funds	-	46,824	15,801,589	1,316,162
<b>Total assets</b>	<b>\$ 6,387,786</b>	<b>\$ 46,824</b>	<b>\$ 70,203,876</b>	<b>\$ 2,976,495</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,491,173	\$ 46,824	\$ -	\$ -
Delinquent property taxes	-	-	28,316,653	1,606,067
Due to other funds	3,221,368	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>5,712,541</b>	<b>46,824</b>	<b>28,316,653</b>	<b>1,606,067</b>
<b>Fund Balances</b>				
Reserved for:				
Capital projects (bonded)	2,650,708	-	-	-
Debt service	-	-	41,887,223	1,370,428
Unreserved - Undesignated	(1,975,463)	-	-	-
<b>Total fund balances</b>	<b>675,245</b>	<b>-</b>	<b>41,887,223</b>	<b>1,370,428</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,387,786</b>	<b>\$ 46,824</b>	<b>\$ 70,203,876</b>	<b>\$ 2,976,495</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2004**

Capital Projects Funds					
1986 School Building Site Improvement Bonds	1994 School Building Site Improvement Bonds Series I	1994 School Building Site Improvement Bonds Series II	1994 School Building Site Improvement Bonds Series III	Durant Bond	Total
\$ 112,293	\$ 98,231	\$ 756,256	\$ 5,407,922	\$ 5,505,807	\$ 35,878,807
-	-	-	-	-	2,131,655
-	-	-	-	-	29,922,720
-	-	-	-	-	5,903,719
376	49	301	4,062	11,009	509,811
<u>29,082</u>	<u>11,464,721</u>	<u>16,520,806</u>	<u>60,932,572</u>	<u>-</u>	<u>106,111,756</u>
<b><u>\$ 141,751</u></b>	<b><u>\$ 11,563,001</u></b>	<b><u>\$ 17,277,363</u></b>	<b><u>\$ 66,344,556</u></b>	<b><u>\$ 5,516,816</u></b>	<b><u>\$ 180,458,468</u></b>
\$ -	\$ 73,740	\$ 1,738,116	\$ 3,793,955	\$ 146,695	\$ 8,290,503
-	-	-	-	-	29,922,720
-	2,762,233	80,703	26,702,830	15,923	32,783,057
-	-	-	350	-	350
-	2,835,973	1,818,819	30,497,135	162,618	70,996,630
141,751	8,727,028	15,458,544	35,847,421	5,354,198	68,179,650
-	-	-	-	-	43,257,651
-	-	-	-	-	(1,975,463)
<u>141,751</u>	<u>8,727,028</u>	<u>15,458,544</u>	<u>35,847,421</u>	<u>5,354,198</u>	<u>109,461,838</u>
<b><u>\$ 141,751</u></b>	<b><u>\$ 11,563,001</u></b>	<b><u>\$ 17,277,363</u></b>	<b><u>\$ 66,344,556</u></b>	<b><u>\$ 5,516,816</u></b>	<b><u>\$ 180,458,468</u></b>

# Detroit Public Schools

	Special Revenue Funds		Debt Service Funds	
	Food Services	Athletics	Bond Redemption	Judgment Levy
<b>Revenues</b>				
Local sources	\$ 4,854,335	\$ -	\$ 98,529,062	\$ 6,361,252
State sources	2,888,851	-	-	-
Federal sources	39,584,832	-	-	-
Total revenue	47,328,018	-	98,529,062	6,361,252
<b>Expenditures</b>				
Current:				
Food services	49,254,075	-	-	-
Athletics	-	1,916,975	-	-
Debt service:				
Principal retirement	40,939	-	37,265,000	-
Payment of interest	8,467	-	78,366,455	-
Capital outlay:				
Capitalized	-	-	-	-
Not capitalized	449,297	-	-	-
Other	-	-	294,742	5,693,635
Total expenditures	49,752,778	1,916,975	115,926,197	5,693,635
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,424,760)	(1,916,975)	(17,397,135)	667,617
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	1,916,975	-	-
Proceeds from the sale of bonds	-	-	17,330,000	-
Transfer to bond escrow agent	-	-	(17,092,833)	-
Proceeds from School Bond Loan Fund	-	-	31,205,494	-
Note proceeds	3,100,005	-	-	-
Total other financing sources (uses)	3,100,005	1,916,975	31,442,661	-
<b>Net Change in Fund Balances</b>	675,245	-	14,045,526	667,617
<b>Fund Balances - July 1, 2003</b>	-	-	27,841,697	702,811
<b>Fund Balances - June 30, 2004</b>	<b>\$ 675,245</b>	<b>\$ -</b>	<b>\$ 41,887,223</b>	<b>\$ 1,370,428</b>



**Other Supplemental Information  
Combining Statement of Revenue, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2004**

Capital Projects Funds					
1986 School Building Site Improvement Bonds	1994 School Building Site Improvement Bonds Series I	1994 School Building Site Improvement Bonds Series II	1994 School Building Site Improvement Bonds Series III	Durant Bond	Total
\$ 66,468	\$ -	\$ 1,666	\$ 41,875	\$ 42,987	\$ 109,897,645
-	-	-	-	-	2,888,851
-	-	-	-	-	39,584,832
66,468	-	1,666	41,875	42,987	152,371,328
-	-	-	-	-	49,254,075
-	-	-	-	-	1,916,975
-	-	-	-	-	37,305,939
-	-	-	-	-	78,374,922
11,700,000	677,646	7,031,439	16,739,753	-	36,148,838
-	-	-	-	678,324	1,127,621
426,078	6,302	-	-	481,085	6,901,842
12,126,078	683,948	7,031,439	16,739,753	1,159,409	211,030,212
(12,059,610)	(683,948)	(7,029,773)	(16,697,878)	(1,116,422)	(58,658,884)
-	-	-	-	-	1,916,975
-	-	-	-	-	17,330,000
-	-	-	-	-	(17,092,833)
-	-	-	-	-	31,205,494
-	-	-	-	-	3,100,005
-	-	-	-	-	36,459,641
(12,059,610)	(683,948)	(7,029,773)	(16,697,878)	(1,116,422)	(22,199,243)
12,201,361	9,410,976	22,488,317	52,545,299	6,470,620	131,661,081
<b>\$ 141,751</b>	<b>\$ 8,727,028</b>	<b>\$ 15,458,544</b>	<b>\$ 35,847,421</b>	<b>\$ 5,354,198</b>	<b>\$ 109,461,838</b>

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - General Purpose Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Property taxes	\$ 80,000,000	\$ 80,000,000	\$ 79,111,256	\$ (888,744)
Tuition	280,000	280,000	534,085	254,085
Earnings on investments	1,800,000	1,800,000	920,568	(879,432)
Other	1,635,000	24,255,625	11,770,571	(12,485,054)
Total local sources	83,715,000	106,335,625	92,336,480	(13,999,145)
<b>State Sources</b>				
State aid foundation	957,042,621	954,903,196	932,399,129	(22,504,067)
Other	17,258,780	20,160,385	9,507,778	(10,652,607)
Total state sources	974,301,401	975,063,581	941,906,907	(33,156,674)
<b>Federal Sources - Other</b>	19,381,384	16,573,384	8,773,848	(7,799,536)
Total revenues	1,077,397,785	1,097,972,590	1,043,017,235	(54,955,355)
<b>Expenditures</b>				
<b>Instruction</b>				
K-12:				
Salaries	347,367,224	330,366,636	361,501,159	31,134,523
Benefits	109,905,809	109,437,213	133,455,626	24,018,413
Purchased services	154,290	255,815	454,944	199,129
Supplies	31,813,902	28,700,438	24,979,162	(3,721,276)
Capital outlay	-	-	3,205	3,205
Other	124,697	63,894	44,220	(19,674)
Total K-12	489,365,922	468,823,996	520,438,316	51,614,320
Preschool:				
Salaries	3,419,092	3,061,612	2,850,717	(210,895)
Benefits	927,049	924,252	1,081,959	157,707
Supplies	7,269	7,200	176	(7,024)
Total preschool	4,353,410	3,993,064	3,932,852	(60,212)

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - General Purpose (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Instruction</b> (Continued)				
Summer school:				
Salaries	\$ 2,215,138	\$ 2,126,755	\$ 1,526,379	\$ (600,376)
Benefits	287,883	287,019	347,701	60,682
Purchased services	153,216	191,248	141,841	(49,407)
Supplies	8,359	8,680	2,075	(6,605)
Capital outlay	249	4,320	364	(3,956)
Total summer school	2,664,845	2,618,022	2,018,360	(599,662)
Special education:				
Salaries	870,846	964,289	122,743	(841,546)
Benefits	165,652	192,966	85,846	(107,120)
Total special education	1,036,498	1,157,255	208,589	(948,666)
Compensatory education:				
Salaries	11,684,496	11,203,787	9,869,908	(1,333,879)
Benefits	4,024,716	4,012,608	3,814,502	(198,106)
Purchased services	90,760	79,535	11,800	(67,735)
Supplies	418,605	677,863	281,590	(396,273)
Total compensatory education	16,218,577	15,973,793	13,977,800	(1,995,993)
Vocational education:				
Salaries	16,143,907	16,039,043	20,163,288	4,124,245
Benefits	5,337,537	5,369,841	7,277,051	1,907,210
Purchased services	1,157,808	1,181,346	1,254,122	72,776
Supplies	2,259,045	1,024,111	743,967	(280,144)
Capital outlay	30,636	742,236	442,925	(299,311)
Total vocational education	24,928,933	24,356,577	29,881,353	5,524,776

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - General Purpose (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Instruction</b> (Continued)				
Adult education:				
Salaries	\$ 973,647	\$ 934,798	\$ 737,384	\$ (197,414)
Benefits	298,544	297,646	207,930	(89,716)
Purchased services	132,728	117,010	27,284	(89,726)
Supplies	9,929	10,806	4,193	(6,613)
Capital outlay	249	4,881	561	(4,320)
Total adult education	1,415,097	1,365,141	977,352	(387,789)
Total instruction	539,983,282	518,287,848	571,434,622	53,146,774
<b>Support Services</b>				
Pupil services:				
Salaries	15,653,631	14,992,062	19,036,928	4,044,866
Benefits	4,981,644	4,966,661	6,392,558	1,425,897
Purchased services	1,342,571	1,180,526	1,009,537	(170,989)
Supplies	399,104	145,326	126,271	(19,055)
Other	2,668	1,892	1,203	(689)
Total pupil services	22,379,618	21,286,467	26,566,497	5,280,030
Instructional staff support:				
Salaries	11,818,415	12,096,729	14,088,961	1,992,232
Benefits	3,668,534	3,672,354	4,632,148	959,794
Purchased services	1,787,160	1,572,930	1,324,552	(248,378)
Supplies	1,041,336	870,666	1,067,270	196,604
Capital outlay	35,683	302,053	304,751	2,698
Other	3,597,829	-	7,440	7,440
Total instructional staff support	21,948,957	18,514,732	21,425,122	2,910,390
School administration:				
Salaries	84,053,931	79,783,083	79,390,608	(392,475)
Benefits	24,026,013	23,984,848	27,541,105	3,556,257
Purchased services	5,209,353	4,780,735	2,695,473	(2,085,262)
Supplies	7,269	58,458	45,291	(13,167)
Capital outlay	-	134,831	233,383	98,552
Other	2,698,373	1,803,121	716,691	(1,086,430)
Total school administration	115,994,939	110,545,076	110,622,551	77,475

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - General Purpose (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Support Services</b> (Continued)				
General administration:				
Salaries	\$ 4,822,450	\$ 5,230,035	\$ 5,748,695	\$ 518,660
Benefits	1,258,502	1,417,713	1,541,714	124,001
Purchased services	3,759,482	2,728,312	2,606,165	(122,147)
Supplies	337,076	217,426	213,542	(3,884)
Capital outlay	191,609	63,906	33,180	(30,726)
Other	1,949,232	3,918,956	804,146	(3,114,810)
Total general administration	12,318,351	13,576,348	10,947,442	(2,628,906)
Business office:				
Salaries	15,733,700	14,396,794	15,293,825	897,031
Benefits	4,990,073	4,975,050	5,270,770	295,720
Purchased services	5,995,644	5,679,918	4,790,346	(889,572)
Supplies	229,594	694,646	468,779	(225,867)
Capital outlay	67,604	594,059	92,160	(501,899)
Other	62,971	402,245	3,144,577	2,742,332
Total business office	27,079,586	26,742,712	29,060,457	2,317,745
Operations and maintenance:				
Salaries	75,380,161	72,342,589	96,746,458	24,403,869
Benefits	29,894,376	29,804,376	30,101,131	296,755
Purchased services	48,993,876	50,721,750	46,078,250	(4,643,500)
Supplies	8,779,171	15,584,631	12,029,224	(3,555,407)
Capital outlay	48,323	868,563	457,791	(410,772)
Other	4,814,632	2,921,808	1,713,631	(1,208,177)
Total operations and maintenance	167,910,539	172,243,717	187,126,485	14,882,768
Transportation:				
Salaries	17,531,195	16,831,704	20,156,792	3,325,088
Benefits	7,972,843	7,948,839	10,101,692	2,152,853
Purchased services	14,896,118	17,185,572	20,796,683	3,611,111
Supplies	2,291,570	2,532,185	2,270,621	(261,564)
Capital outlay	8,037	139,392	1,325	(138,067)
Other	279,709	155,684	1,356,086	1,200,402
Total transportation	42,979,472	44,793,376	54,683,199	9,889,823

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - General Purpose (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Support Services</b> (Continued)				
Other support service:				
Salaries	\$ 12,715,119	\$ 11,547,034	\$ 12,292,240	\$ 745,206
Benefits	4,169,804	4,357,247	3,989,056	(368,191)
Purchased services	53,401,714	55,843,698	52,708,794	(3,134,904)
Supplies	3,213,311	3,158,503	1,765,522	(1,392,981)
Capital outlay	3,447,226	13,549,937	8,588,354	(4,961,583)
Other	7,772,274	57,201,033	5,096,169	(52,104,864)
Total other support service	<u>84,719,448</u>	<u>145,657,452</u>	<u>84,440,135</u>	<u>(61,217,317)</u>
Total support services	495,330,910	553,359,880	524,871,888	(28,487,992)
<b>Community Service</b>				
Salaries	833,082	799,842	739,688	(60,154)
Benefits	265,705	264,902	253,189	(11,713)
Purchased services	201,283	209,019	103,677	(105,342)
Supplies	63,049	61,974	25,266	(36,708)
Capital outlay	3,547	99,839	84,478	(15,361)
Other	21,204	17,022	-	(17,022)
Total community service	1,387,870	1,452,598	1,206,298	(246,300)
<b>Principal Retirement</b>	3,030,000	3,030,000	3,030,000	-
<b>Payment of Interest</b>	304,500	330,000	304,500	(25,500)
Total expenditures	<u>1,040,036,562</u>	<u>1,076,460,326</u>	<u>1,100,847,308</u>	<u>24,386,982</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	37,361,223	21,512,264	(57,830,073)	(79,342,337)
<b>Other Financing Sources (Uses)</b>				
Transfers in	25,052,005	2,808,000	8,639,765	5,831,765
Transfers out	(108,694,968)	(90,989,372)	(77,627,917)	13,361,455
Proceeds from sale of capital assets	-	-	747,045	747,045
Total other financing sources (uses)	<u>(83,642,963)</u>	<u>(88,181,372)</u>	<u>(68,241,107)</u>	<u>19,940,265</u>
<b>Net Change in Fund Balance</b>	<u>\$ (46,281,740)</u>	<u>\$ (66,669,108)</u>	<u>\$ (126,071,180)</u>	<u>\$ (59,402,072)</u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Designated Special Purpose Grants Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b>				
<b>Local Sources - Other</b>	\$ 2,845,497	\$ 1,613,016	\$ 2,152,929	\$ 539,913
<b>State Sources</b>				
At risk	81,835,261	72,032,724	71,943,117	(89,607)
Other	15,257,627	16,877,978	12,166,820	(4,711,158)
Total state sources	97,092,888	88,910,702	84,109,937	(4,800,765)
<b>Federal Sources</b>				
Title I	140,316,404	156,854,445	134,011,715	(22,842,730)
Other	73,065,417	102,472,771	98,095,555	(4,377,216)
Total federal sources	213,381,821	259,327,216	232,107,270	(27,219,946)
Total revenues	313,320,206	349,850,934	318,370,136	(31,480,798)
<b>Expenditures</b>				
<b>Instruction</b>				
K-12:				
Salaries	1,638,221	2,148,415	3,194,951	1,046,536
Benefits	568,914	1,119,540	1,287,003	167,463
Purchased services	238,749	188,096	913,611	725,515
Supplies	186,594	9,003,343	5,759,580	(3,243,763)
Capital outlay	131,683	117,206	76,422	(40,784)
Other	85,101	56,480	910,821	854,341
Total K-12	2,849,262	12,633,080	12,142,388	(490,692)
Preschool:				
Salaries	20,586,893	19,997,226	22,471,296	2,474,070
Benefits	7,591,135	7,213,618	7,913,677	700,059
Purchased services	672,500	831,768	367,430	(464,338)
Supplies	410,800	579,438	308,142	(271,296)
Capital outlay	28,000	136,000	579,467	443,467
Other	115,638	157,560	172,780	15,220
Total preschool	29,404,966	28,915,610	31,812,792	2,897,182

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Designated Special Purpose Grants (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Instruction</b> (Continued)				
Summer school:				
Salaries	\$ 50,697	\$ 11,996,800	\$ 10,864,927	\$ (1,131,873)
Benefits	25,805	1,220,745	2,346,247	1,125,502
Purchased services	345,240	726,800	105	(726,695)
Supplies	2,001,040	2,756,087	3,631,077	874,990
Other	2,651,740	190,790	2,667,882	2,477,092
Total summer school	5,074,522	16,891,222	19,510,238	2,619,016
Special education:				
Salaries	11,463,018	12,851,285	10,507,168	(2,344,117)
Benefits	4,909,496	5,126,380	4,677,024	(449,356)
Purchased services	401,225	446,118	376,184	(69,934)
Supplies	2,185,016	2,772,741	2,830,083	57,342
Capital outlay	74,652	75,175	57,990	(17,185)
Other	7,201	-	-	-
Total special education	19,040,608	21,271,699	18,448,449	(2,823,250)
Compensatory education:				
Salaries	69,996,798	67,963,557	75,411,800	7,448,243
Benefits	24,458,794	25,060,398	21,841,996	(3,218,402)
Purchased services	15,915,245	17,869,929	8,837,879	(9,032,050)
Supplies	32,059,862	24,654,698	17,389,552	(7,265,146)
Capital outlay	803,343	1,573,862	1,080,045	(493,817)
Other	1,886,181	4,590,215	1,189,356	(3,400,859)
Total compensatory education	145,120,223	141,712,659	125,750,628	(15,962,031)
Vocational education:				
Salaries	2,854,189	2,995,227	2,534,598	(460,629)
Benefits	1,166,999	1,006,515	877,833	(128,682)
Purchased services	545,041	710,171	247,095	(463,076)
Supplies	1,963,846	2,472,224	3,873,740	1,401,516
Capital outlay	333,303	2,009,991	1,917,324	(92,667)
Other	211,624	716,452	25,187	(691,265)
Total vocational education	7,075,002	9,910,580	9,475,777	(434,803)

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



# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Designated Special Purpose Grants (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Instruction</b> (Continued)				
Adult education:				
Salaries	\$ 3,659,323	\$ 2,817,669	\$ 2,897,854	\$ 80,185
Benefits	1,209,583	946,567	908,984	(37,583)
Purchased services	239,404	270,826	436,087	165,261
Supplies	334,719	295,242	141,874	(153,368)
Capital outlay	-	6,000	-	(6,000)
Other	-	1,500	644	(856)
Total adult education	<u>5,443,029</u>	<u>4,337,804</u>	<u>4,385,443</u>	<u>47,639</u>
Total instruction	214,007,612	235,672,654	221,525,715	(14,146,939)
<b>Support Services</b>				
Pupil services:				
Salaries	12,330,287	26,458,700	29,873,832	3,415,132
Benefits	4,520,269	9,802,080	8,480,308	(1,321,772)
Purchased services	2,761,611	3,599,354	2,229,742	(1,369,612)
Supplies	1,503,497	930,515	1,542,887	612,372
Capital outlay	100,000	-	-	-
Other	706,081	540,826	485,936	(54,890)
Total pupil services	<u>21,921,745</u>	<u>41,331,475</u>	<u>42,612,705</u>	<u>1,281,230</u>
Instructional staff support:				
Salaries	9,610,509	8,601,591	6,449,253	(2,152,338)
Benefits	2,565,640	2,343,839	1,804,367	(539,472)
Purchased services	7,086,470	6,986,281	9,554,295	2,568,014
Supplies	3,998,380	1,762,335	1,314,913	(447,422)
Capital outlay	1,494,524	1,177,350	1,393,481	216,131
Other	16,872,971	2,621,606	4,246,870	1,625,264
Total instructional staff support	<u>41,628,494</u>	<u>23,493,002</u>	<u>24,763,179</u>	<u>1,270,177</u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Designated Special Purpose Grants (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Support Services</b> (Continued)				
School administration:				
Salaries	\$ 2,631,670	\$ 2,250,856	\$ 2,191,673	\$ (59,183)
Benefits	1,331,561	1,212,515	1,110,341	(102,174)
Purchased services	242,300	215,850	387,375	171,525
Supplies	10,000	267,168	197,024	(70,144)
Capital outlay	-	6,563	46,077	39,514
Other	117,290	101,872	103,257	1,385
Total school administration	4,332,821	4,054,824	4,035,747	(19,077)
General administration:				
Salaries	1,068,322	4,120,280	2,396,081	(1,724,199)
Benefits	419,359	1,202,474	1,022,141	(180,333)
Purchased services	74,874	2,752,732	2,030,711	(722,021)
Supplies	14,600	116,487	99,889	(16,598)
Capital outlay	-	8,281	2,708	(5,573)
Other	-	575,172	361,080	(214,092)
Total general administration	1,577,155	8,775,426	5,912,610	(2,862,816)
Business office:				
Salaries	-	531,405	50,813	(480,592)
Benefits	-	207,949	22,669	(185,280)
Supplies	109,614	109,614	219,228	109,614
Capital outlay	875,986	875,986	875,986	-
Total business office	985,600	1,724,954	1,168,696	(556,258)
Operations and maintenance:				
Salaries	4,100	4,100	-	(4,100)
Benefits	909	909	-	(909)
Purchased services	5,481,519	5,481,519	91,850	(5,389,669)
Total operations and maintenance	5,486,528	5,486,528	91,850	(5,394,678)

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Designated Special Purpose Grants (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Support Services</b> (Continued)				
Transportation:				
Salaries	\$ -	\$ 6,427	\$ -	\$ (6,427)
Purchased services	12,117,823	12,600,470	443,536	(12,156,934)
Supplies	500	500	-	(500)
Other	12,564	12,564	-	(12,564)
Total transportation	12,130,887	12,619,961	443,536	(12,176,425)
Other support services:				
Salaries	751,386	766,935	787,371	20,436
Benefits	276,636	339,347	52,873	(286,474)
Purchased services	455,304	598,170	396,041	(202,129)
Supplies	26,964	657,641	149,077	(508,564)
Capital outlay	12,000	6,000	11,345	5,345
Other	91,155	18,308	18,019	(289)
Total other support services	1,613,445	2,386,401	1,414,726	(971,675)
Total support services	89,676,675	99,872,571	80,443,049	(19,429,522)
<b>Community Service</b>				
Salaries	1,779,012	2,082,050	2,614,362	532,312
Benefits	550,443	616,559	649,666	33,107
Purchased services	515,127	599,652	2,141,647	1,541,995
Supplies	-	41,476	15,478	(25,998)
Capital outlay	-	25,000	1,500	(23,500)
Other	20,000	99,685	293,129	193,444
Total community service	2,864,582	3,464,422	5,715,782	2,251,360
<b>Miscellaneous</b>				
Benefits	59,219	59,220	13,742	(45,478)
Supplies	-	244,709	-	(244,709)
Total miscellaneous	59,219	303,929	13,742	(290,187)
Total expenditures	306,608,088	339,313,576	307,698,288	(31,615,288)

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Designated Special Purpose Grants (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Excess of Revenues Over Expenditures</b>	\$ 6,712,118	\$ 10,537,358	\$ 10,671,848	\$ 134,490
<b>Other Financing Sources (Uses)</b>				
Transfers in	160,500	159,610	-	(159,610)
Transfers out	<u>(6,771,628)</u>	<u>(10,868,094)</u>	<u>(8,639,765)</u>	<u>2,228,329</u>
Total other financing sources (uses)	<u>(6,611,128)</u>	<u>(10,708,484)</u>	<u>(8,639,765)</u>	<u>2,068,719</u>
<b>Net Change in Fund Balance</b>	<b><u>\$ 100,990</u></b>	<b><u>\$ (171,126)</u></b>	<b><u>\$ 2,032,083</u></b>	<b><u>\$ 2,203,209</u></b>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Adult Education Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b> - State sources - Other	\$ 7,244,853	\$ 4,086,143	\$ 4,346,564	\$ 260,421
<b>Expenditures</b>				
<b>Instruction - Adult education</b>				
Salaries	2,502,362	1,460,361	405,322	(1,055,039)
Benefits	897,761	423,281	126,320	(296,961)
Purchased services	20,500	1,718	3,664	1,946
Supplies	11,500	3,871	320	(3,551)
Total adult education	3,432,123	1,889,231	535,626	(1,353,605)
Total instruction	3,432,123	1,889,231	535,626	(1,353,605)
<b>Support Services</b>				
Pupil services:				
Salaries	42,029	-	16,864	16,864
Benefits	19,604	-	6,717	6,717
Total pupil services	61,633	-	23,581	23,581
Instructional staff support:				
Salaries	68,603	68,603	-	(68,603)
Benefits	25,730	25,730	-	(25,730)
Purchased services	5,000	5,000	948	(4,052)
Supplies	4,500	4,500	-	(4,500)
Total instructional staff support	103,833	103,833	948	(102,885)
School administration:				
Salaries	2,215,368	2,149,864	223,251	(1,926,613)
Benefits	781,308	721,601	153,704	(567,897)
Purchased services	6,910,088	3,325,108	1,189,686	(2,135,422)
Supplies	29,000	34,000	11,404	(22,596)
Capital outlay	5,000	5,000	2,258	(2,742)
Other	6,500	2,000,936	3,191	(1,997,745)
Total school administration	9,947,264	8,236,509	1,583,494	(6,653,015)
Total support services	10,112,730	8,340,342	1,608,023	(6,732,319)
Total expenditures	13,544,853	10,229,573	2,143,649	(8,085,924)
<b>Net Change in Fund Balance</b>	<b>\$ (6,300,000)</b>	<b>\$ (6,143,430)</b>	<b>\$ 2,202,915</b>	<b>\$ 8,346,345</b>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Special Education Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b>				
<b>Local Sources</b> - Special education millage	\$ 51,035,321	\$ 51,035,321	\$ 55,969,355	\$ 4,934,034
<b>State Sources</b> - State aid foundation	84,669,389	86,585,883	89,158,918	2,573,035
Total revenues	135,704,710	137,621,204	145,128,273	7,507,069
<b>Expenditures</b>				
<b>Instruction</b>				
Special education:				
Salaries	116,753,809	115,671,438	107,129,290	(8,542,148)
Benefits	38,679,937	39,048,399	36,098,983	(2,949,416)
Purchased services	3,604,467	5,108,000	3,016,808	(2,091,192)
Supplies	3,617,228	3,092,416	2,080,591	(1,011,825)
Capital outlay	357,686	442,567	235,114	(207,453)
Other	500	33,137	17,224	(15,913)
Total special education	163,013,627	163,395,957	148,578,010	(14,817,947)
Total instruction	163,013,627	163,395,957	148,578,010	(14,817,947)
<b>Support Services</b>				
Pupil services:				
Salaries	19,232,051	18,598,784	18,072,303	(526,481)
Benefits	6,373,741	6,014,775	6,391,365	376,590
Purchased services	135,674	87,454	94,536	7,082
Supplies	284,537	297,300	298,015	715
Capital outlay	23,793	16,336	16,252	(84)
Other	21,250	20,080	19,465	(615)
Total pupil services	26,071,046	25,034,729	24,891,936	(142,793)
Instructional staff support:				
Benefits	-	165	-	(165)
Purchased services	165,526	166,064	17,025	(149,039)
Supplies	45,550	44,868	-	(44,868)
Other	12,188	12,931	12,777	(154)
Total instructional staff support	223,264	224,028	29,802	(194,226)

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Special Education (Continued) Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b> (Continued)				
<b>Support Services</b> (Continued)				
School administration:				
Salaries	\$ 16,720,624	\$ 18,225,460	\$ 14,557,965	\$ (3,667,495)
Benefits	6,689,106	6,967,255	6,323,961	(643,294)
Purchased services	513,070	1,164,596	447,140	(717,456)
Supplies	296,225	375,593	174,655	(200,938)
Capital outlay	224,666	180,403	59,341	(121,062)
Other	41,355	41,544	26,852	(14,692)
Total school administration	24,485,046	26,954,851	21,589,914	(5,364,937)
Other support services:				
Salaries	352,750	353,096	356,629	3,533
Benefits	142,742	136,136	163,881	27,745
Total other support services	495,492	489,232	520,510	31,278
Total support services	51,274,848	52,809,012	47,192,374	5,616,638
Total expenditures	214,288,475	216,204,969	195,770,384	20,434,585
<b>Excess of Expenditures Over Revenues</b>	(78,583,765)	(78,583,765)	(50,642,111)	(27,941,654)
<b>Other Financing Sources</b> - Transfers in	78,583,765	78,583,765	50,642,111	(27,941,654)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule General Fund - Community Uses Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues - Local sources - Other</b>	\$ -	\$ -	\$ 194,357	\$ 194,357
<b>Expenditures - Community service</b>				
Salaries	1,408,805	1,408,805	-	(1,408,805)
Benefits	118,211	118,211	-	(118,211)
Purchased services	66,250	66,250	-	(66,250)
Supplies	21,687	21,687	-	(21,687)
Capital outlay	17,063	17,063	-	(17,063)
Other	17,984	17,984	53	(17,931)
Total expenditures	<u>1,650,000</u>	<u>1,650,000</u>	<u>53</u>	<u>(1,649,947)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,650,000)	(1,650,000)	194,304	(1,844,304)
<b>Other Financing Sources - Transfers in</b>	<u>1,650,000</u>	<u>1,650,000</u>	<u>-</u>	<u>(1,650,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,304</u>	<u>\$ 194,304</u>

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



# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule Athletics Fund Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Expenditures</b>				
Salaries	\$ 340,000	\$ 524,000	\$ 370,713	\$ (153,287)
Benefits	175,000	181,959	16,649	(165,310)
Purchased services	1,156,750	1,132,622	851,985	(280,637)
Supplies	936,450	769,619	677,628	(91,991)
Total expenditures	<u>2,608,200</u>	<u>2,608,200</u>	<u>1,916,975</u>	<u>(691,225)</u>
<b>Excess of Expenditures Over Revenues</b>	(2,608,200)	(2,608,200)	(1,916,975)	691,225
<b>Other Financing Sources - Transfers in</b>	<u>2,608,200</u>	<u>2,608,200</u>	<u>1,916,975</u>	<u>(691,225)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - July 1, 2003</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - June 30, 2004</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule Food Service Fund Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b>				
Local sources	\$ 6,718,213	\$ 6,718,204	\$ 4,883,122	\$ (1,835,082)
State sources	3,737,625	3,737,619	2,888,851	(848,768)
Federal sources	<u>36,403,803</u>	<u>36,403,793</u>	<u>39,556,045</u>	<u>3,152,252</u>
Total revenue	46,859,641	46,859,616	47,328,018	468,402
<b>Expenditures</b>				
Salaries	13,702,770	13,702,762	13,320,851	(381,911)
Benefits	6,169,806	6,169,811	5,328,554	(841,257)
Purchased services	25,634,964	25,545,012	27,809,588	2,264,576
Supplies	40,000	113,605	2,742,962	2,629,357
Other	12,101	28,451	52,120	23,669
Debt service:				
Payment of principal	-	-	40,939	40,939
Payment of interest	-	-	8,467	8,467
Capital outlay	<u>100,000</u>	<u>719,297</u>	<u>449,297</u>	<u>(270,000)</u>
Total expenditures	<u>45,659,641</u>	<u>46,278,938</u>	<u>49,752,778</u>	<u>3,473,840</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,200,000	580,678	(2,424,760)	(3,005,438)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,200,000)	(1,200,000)	-	1,200,000
Note proceeds	<u>-</u>	<u>3,100,005</u>	<u>3,100,005</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,200,000)</u>	<u>1,900,005</u>	<u>3,100,005</u>	<u>1,200,000</u>
<b>Net Change in Fund Balance</b>	-	2,480,683	675,245	(1,805,438)
<b>Fund Balance - July 1, 2003</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - June 30, 2004</b>	<u>\$ -</u>	<u>\$ 2,480,683</u>	<u>\$ 675,245</u>	<u>\$ (1,805,438)</u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule Bond Redemption Fund Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b>				
<b>Local Sources</b>				
Property taxes	\$ 84,098,443	\$ 84,098,443	\$ 98,215,248	\$ 14,116,805
Earnings on investments	500,000	500,000	313,814	(186,186)
Total local sources	84,598,443	84,598,443	98,529,062	13,930,619
<b>State Sources - State aid</b>	24,377,587	24,377,587	-	(24,377,587)
Total revenues	108,976,030	108,976,030	98,529,062	(10,446,968)
<b>Expenditures</b>				
Principal retirement	40,264,188	40,264,188	37,265,000	(2,999,188)
Payment of interest	68,711,842	68,711,842	78,366,455	9,654,613
Other	-	-	294,742	294,742
Total expenditures	108,976,030	108,976,030	115,926,197	6,950,167
<b>Excess of Expenditures Over Revenues</b>	-	-	(17,397,135)	(17,397,135)
<b>Other Financing Sources (Uses)</b>				
Transfers to bond escrow agent	-	-	(17,092,833)	(17,092,833)
Proceeds from the School Bond Loan Fund	-	-	31,205,494	31,205,494
Proceeds from the sale of bonds	-	-	17,330,000	17,330,000
Total other financing sources (uses)	-	-	31,442,661	31,442,661
<b>Net Change in Fund Balance</b>	-	-	14,045,526	14,045,526
<b>Fund Balance - July 1, 2003</b>	27,841,697	27,841,697	27,841,697	-
<b>Fund Balance - June 30, 2004</b>	<u>\$ 27,841,697</u>	<u>\$ 27,841,697</u>	<u>\$ 41,887,223</u>	<u>\$ 14,045,526</u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule Judgment Levy Fund Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues</b> - Local sources - Property taxes	\$ 5,220,270	\$ 5,220,270	\$ 6,361,252	\$ 1,140,982
<b>Expenditures</b> - Other expenditures	<u>5,220,270</u>	<u>5,220,270</u>	<u>5,693,635</u>	<u>473,365</u>
<b>Excess of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>667,617</u>	<u>667,617</u>
<b>Net Change in Fund Balance</b>	-	-	667,617	667,617
<b>Fund Balance</b> - July 1, 2003	<u>702,811</u>	<u>702,811</u>	<u>702,811</u>	<u>-</u>
<b>Fund Balance</b> - June 30, 2004	<u><b>\$ 702,811</b></u>	<u><b>\$ 702,811</b></u>	<u><b>\$ 1,370,428</b></u>	<u><b>\$ 667,617</b></u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule Durant Bond Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues - Local sources</b>				
Earnings on investments	\$ -	\$ -	\$ 42,987	\$ 42,987
Other	<u>3,405,342</u>	<u>3,405,342</u>	<u>-</u>	<u>(3,405,342)</u>
Total revenues	3,405,342	3,405,342	42,987	(3,362,355)
<b>Expenditures</b>				
Capital outlay	3,405,342	3,405,342	678,324	(2,727,018)
Other	<u>-</u>	<u>-</u>	<u>481,085</u>	<u>481,085</u>
Total expenditures	<u>3,405,342</u>	<u>3,405,342</u>	<u>1,159,409</u>	<u>(2,245,933)</u>
<b>Excess of Expenditures Over Revenues</b>	<u>-</u>	<u>-</u>	<u>(1,116,422)</u>	<u>(1,116,422)</u>
<b>Net Change in Fund Balance</b>	-	-	(1,116,422)	(1,116,422)
<b>Fund Balance - July 1, 2003</b>	<u>6,470,620</u>	<u>6,470,620</u>	<u>6,470,620</u>	<u>-</u>
<b>Fund Balance - June 30, 2004</b>	<u><b>\$ 6,470,620</b></u>	<u><b>\$ 6,470,620</b></u>	<u><b>\$ 5,354,198</b></u>	<u><b>\$ (1,116,422)</b></u>

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

# Detroit Public Schools

## Other Supplemental Information Budgetary Comparison Schedule 1986 Site Improvement Bond Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenues - Local sources</b>				
Earnings on investments	\$ -	\$ -	\$ 66,468	\$ 66,468
Other	12,154,324	12,154,324	-	(12,154,324)
Total revenues	12,154,324	12,154,324	66,468	(12,087,856)
<b>Expenditures</b>				
Capital outlay	12,154,324	12,154,324	11,700,000	(454,324)
Other	-	-	426,078	426,078
Total expenditures	12,154,324	12,154,324	12,126,078	(28,246)
<b>Excess of Expenditures Over Revenues</b>	-	-	(12,059,610)	(12,059,610)
<b>Net Change in Fund Balance</b>	-	-	(12,059,610)	(12,059,610)
<b>Fund Balance - July 1, 2003</b>	12,201,361	12,201,361	12,201,361	-
<b>Fund Balance - June 30, 2004</b>	<u>\$ 12,201,361</u>	<u>\$ 12,201,361</u>	<u>\$ 141,751</u>	<u>\$ (12,059,610)</u>

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

# Detroit Public Schools

Function	Land	Construction in Progress	Building and Building Improvements	Land Improvements
<b>Cost</b>				
Unallocated	\$ 35,622,341	\$ 432,500,072	\$ 267,482,206	\$ 19,690,499
Instruction	19,188,021	-	701,927,957	43,180,556
Support services	617,241	-	40,326,604	476,953
Community services	-	-	-	-
Food services	-	-	25,538	-
Athletics	-	-	-	58,671
Totals	55,427,603	432,500,072	1,009,762,305	63,406,679
<b>Accumulated Depreciation</b>				
Unallocated	-	-	114,790,315	3,609,308
Instruction	-	-	220,928,357	6,838,571
Support services	-	-	3,658,811	469,546
Community services	-	-	-	-
Food services	-	-	511	-
Athletics	-	-	-	1,467
Totals	-	-	339,377,994	10,918,892
<b>Net Book Value</b>				
Unallocated	35,622,341	432,500,072	152,691,891	16,081,191
Instruction	19,188,021	-	480,999,600	36,341,985
Support services	617,241	-	36,667,793	7,407
Community services	-	-	-	-
Food services	-	-	25,027	-
Athletics	-	-	-	57,204
Totals	<u>\$ 55,427,603</u>	<u>\$ 432,500,072</u>	<u>\$ 670,384,311</u>	<u>\$ 52,487,787</u>

**Other Supplemental Information**  
**Schedule of General Capital Assets by Function and Activity**  
**June 30, 2004**

Buses and Other Vehicles	Machinery and Equipment	Totals
\$ -	\$ 4,658,428	\$ 759,953,546
-	47,639,165	811,935,699
42,397,736	108,952,970	192,771,504
-	51,286	51,286
915,702	4,707,830	5,649,070
-	53,953	112,624
43,313,438	166,063,632	1,770,473,729
-	474,741	118,874,364
-	18,207,199	245,974,127
26,268,522	15,917,252	46,314,131
-	30,066	30,066
903,577	3,328,256	4,232,344
-	5,512	6,979
27,172,099	37,963,026	415,432,011
-	4,183,687	641,079,182
-	29,431,966	565,961,572
16,129,214	93,035,718	146,457,373
-	21,220	21,220
12,125	1,379,574	1,416,726
-	48,441	105,645
<b><u>\$ 16,141,339</u></b>	<b><u>\$ 128,100,606</u></b>	<b><u>\$ 1,355,041,718</u></b>



# Detroit Public Schools

Function	Cost				
	Balance July 1, 2003	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2004
<b>Unallocated:</b>					
Land	\$ 5,994,357	\$ 29,627,984	\$ -	\$ -	\$ 35,622,341
Construction in progress	621,331,015	(456,222,486)	267,391,543	-	432,500,072
Building and building improvements	185,096,635	82,077,567	308,004	-	267,482,206
Land improvements	3,503,551	16,186,948	-	-	19,690,499
Buses and other vehicles	-	-	-	-	-
Machinery and equipment	472,867	4,185,561	-	-	4,658,428
<b>Total</b>	<b>816,398,425</b>	<b>(324,144,426)</b>	<b>267,699,547</b>	<b>-</b>	<b>759,953,546</b>
<b>Instruction:</b>					
Land	9,418,124	9,780,097	-	(10,200)	19,188,021
Construction in progress	-	-	-	-	-
Building and building improvements	519,614,271	181,855,674	1,537,843	(1,079,831)	701,927,957
Land improvements	21,952,029	21,336,104	5,688	(113,265)	43,180,556
Buses and other vehicles	-	-	-	-	-
Machinery and equipment	38,068,086	7,936,120	1,696,347	(61,388)	47,639,165
<b>Total</b>	<b>589,052,510</b>	<b>220,907,995</b>	<b>3,239,878</b>	<b>(1,264,684)</b>	<b>811,935,699</b>
<b>Support services:</b>					
Land	617,241	-	-	-	617,241
Construction in progress	-	-	-	-	-
Building and building improvements	31,118,961	6,078,573	3,129,070	-	40,326,604
Land improvements	476,953	-	-	-	476,953
Buses and other vehicles	40,969,637	-	1,428,099	-	42,397,736
Machinery and equipment	11,109,851	96,696,993	1,146,126	-	108,952,970
<b>Total</b>	<b>84,292,643</b>	<b>102,775,566</b>	<b>5,703,295</b>	<b>-</b>	<b>192,771,504</b>
<b>Community services:</b>					
Land	-	-	-	-	-
Construction in progress	-	-	-	-	-
Building and building improvements	-	-	-	-	-
Land improvements	-	-	-	-	-
Buses and other vehicles	-	-	-	-	-
Machinery and equipment	41,786	-	9,500	-	51,286
<b>Total</b>	<b>41,786</b>	<b>-</b>	<b>9,500</b>	<b>-</b>	<b>51,286</b>
<b>Food services:</b>					
Land	-	-	-	-	-
Construction in progress	-	-	-	-	-
Building and building improvements	-	-	25,538	-	25,538
Land improvements	-	-	-	-	-
Buses and other vehicles	915,702	-	-	-	915,702
Machinery and equipment	3,941,209	406,912	359,709	-	4,707,830
<b>Total</b>	<b>4,856,911</b>	<b>406,912</b>	<b>385,247</b>	<b>-</b>	<b>5,649,070</b>
<b>Athletics:</b>					
Land	-	-	-	-	-
Construction in progress	-	-	-	-	-
Building and building improvements	-	-	-	-	-
Land improvements	-	-	58,671	-	58,671
Buses and other vehicles	-	-	-	-	-
Machinery and equipment	-	53,953	-	-	53,953
<b>Total</b>	<b>-</b>	<b>53,953</b>	<b>58,671</b>	<b>-</b>	<b>112,624</b>
<b>Total</b>	<b>\$ 1,494,642,275</b>	<b>\$ -</b>	<b>\$ 277,096,138</b>	<b>\$ (1,264,684)</b>	<b>\$ 1,770,473,729</b>
Land	\$ 16,029,722	\$ 39,408,081	\$ -	\$ (10,200)	\$ 55,427,603
Construction in progress	621,331,015	(456,222,486)	267,391,543	-	432,500,072
Building and building improvements	735,829,867	270,011,814	5,000,455	(1,079,831)	1,009,762,305
Land improvements	25,932,533	37,523,052	64,359	(113,265)	63,406,679
Buses and other vehicles	41,885,339	-	1,428,099	-	43,313,438
Machinery and equipment	53,633,799	109,279,539	3,211,682	(61,388)	166,063,632
<b>Total</b>	<b>\$ 1,494,642,275</b>	<b>\$ -</b>	<b>\$ 277,096,138</b>	<b>\$ (1,264,684)</b>	<b>\$ 1,770,473,729</b>

**Other Supplemental Information**  
**Schedule of Changes in General Capital Assets by Function and Activity**  
**June 30, 2004**

Accumulated Depreciation					Net Book
Balance July 1, 2003	Additions	Disposals and Adjustments	Balance June 30, 2004		Value June 30, 2004
\$ -	\$ -	\$ -	\$ -	\$ -	35,622,341
-	-	-	-	-	432,500,072
110,054,505	4,735,810	-	114,790,315	-	152,691,891
3,158,815	450,493	-	3,609,308	-	16,081,191
-	-	-	-	-	-
355,370	119,371	-	474,741	-	4,183,687
<u>113,568,690</u>	<u>5,305,674</u>	<u>-</u>	<u>118,874,364</u>	<u>-</u>	<u>641,079,182</u>
-	-	-	-	-	19,188,021
-	-	-	-	-	-
212,254,060	9,713,866	(1,039,569)	220,928,357	-	480,999,600
5,427,427	1,420,137	(8,993)	6,838,571	-	36,341,985
-	-	-	-	-	-
14,176,428	4,018,075	12,696	18,207,199	-	29,431,966
<u>231,857,915</u>	<u>15,152,078</u>	<u>(1,035,866)</u>	<u>245,974,127</u>	<u>-</u>	<u>565,961,572</u>
-	-	-	-	-	617,241
-	-	-	-	-	-
2,975,799	683,012	-	3,658,811	-	36,667,793
464,343	5,203	-	469,546	-	7,407
23,229,590	3,038,932	-	26,268,522	-	16,129,214
5,202,177	10,710,509	4,566	15,917,252	-	93,035,718
<u>31,871,909</u>	<u>14,437,656</u>	<u>4,566</u>	<u>46,314,131</u>	<u>-</u>	<u>146,457,373</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,201	3,865	-	30,066	-	21,220
<u>26,201</u>	<u>3,865</u>	<u>-</u>	<u>30,066</u>	<u>-</u>	<u>21,220</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	511	-	511	-	25,027
-	-	-	-	-	-
879,327	24,250	-	903,577	-	12,125
<u>3,152,129</u>	<u>168,910</u>	<u>7,217</u>	<u>3,328,256</u>	<u>-</u>	<u>1,379,574</u>
<u>4,031,456</u>	<u>193,671</u>	<u>7,217</u>	<u>4,232,344</u>	<u>-</u>	<u>1,416,726</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,467	-	1,467	-	57,204
-	-	-	-	-	-
-	4,105	1,407	5,512	-	48,441
<u>-</u>	<u>5,572</u>	<u>1,407</u>	<u>6,979</u>	<u>-</u>	<u>105,645</u>
<b>\$ 381,356,171</b>	<b>\$ 35,098,516</b>	<b>\$ (1,022,676)</b>	<b>\$ 415,432,011</b>	<b>\$ -</b>	<b>\$ 1,355,041,718</b>
\$ -	\$ -	\$ -	\$ -	\$ -	55,427,603
-	-	-	-	-	432,500,072
325,284,364	15,133,199	(1,039,569)	339,377,994	-	670,384,311
9,050,585	1,877,300	(8,993)	10,918,892	-	52,487,787
24,108,917	3,063,182	-	27,172,099	-	16,141,339
22,912,305	15,024,835	25,886	37,963,026	-	128,100,606
<b>\$ 381,356,171</b>	<b>\$ 35,098,516</b>	<b>\$ (1,022,676)</b>	<b>\$ 415,432,011</b>	<b>\$ -</b>	<b>\$ 1,355,041,718</b>

# Detroit Public Schools

Series 2001A						Series 2002A				
Year	Year #	Bond Premium	Amortization	Long-term Portion	Current Portion	Year #	Bond Premium	Amortization	Long-term Portion	Current Portion
		\$ 35,879,603					\$ 10,820,681			
2002	1	32,617,821	\$ 3,261,782	\$ 29,356,039	\$ 3,261,782	1	9,836,983	\$ 983,698	\$ 8,853,285	\$ 983,698
2003	2	29,356,039	3,261,782	26,094,257	3,261,782	2	8,853,285	983,699	7,869,586	983,699
2004	3	26,094,257	3,261,782	22,832,475	3,261,782	3	7,869,586	983,698	6,885,888	983,698
2005	4	22,832,475	3,261,782	19,570,693	3,261,782	4	6,885,888	983,698	5,902,190	983,698
2006	5	19,570,693	3,261,782	16,308,911	3,261,782	5	5,902,190	983,698	4,918,492	983,698
2007	6	16,308,911	3,261,783	13,047,128	3,261,783	6	4,918,492	983,699	3,934,793	983,699
2008	7	13,047,128	3,261,782	9,785,346	3,261,782	7	3,934,793	983,698	2,951,095	983,698
2009	8	9,785,346	3,261,782	6,523,564	3,261,782	8	2,951,095	983,698	1,967,397	983,698
2010	9	6,523,564	3,261,782	3,261,782	3,261,782	9	1,967,397	983,698	983,699	983,698
2011	10	3,261,782	3,261,782	-	3,261,782	10	983,699	983,699	-	983,699
2012	11	-	3,261,782	-	-	11	-	983,698	-	-
2013										
2014										
2015										
Total		\$ 35,879,603				\$ 10,820,681				

Note: With the exception of \$183,695,000 bonds maturing in 2029, the bonds are subject to redemption as of May 1, 2012. As such, the Bond Series is amortized through 2012. For simplicity of calculation, the premium is expensed straight-line for an equal amount for all of the years.

Series 2002A Bonds are largely subject to redemption as of May 1, 2013

**Other Supplemental Information**  
**Bond Premium**  
**June 30, 2004**

Year #	Series 2003B				Total			
	Bond Premium	Bond Premium Amortization	Long-term Portion	Current Portion	Bond Premium Amortization	Long-term Portion	Current Portion	Total
	\$ 13,148,770							
1	11,953,427	\$ 1,195,343	\$ 10,758,084	\$ 1,195,343	\$ 3,261,782	\$ 29,356,039	\$ 3,261,782	\$ 32,617,821
2	10,758,084	1,195,342	9,562,742	1,195,342	5,440,823	45,705,626	5,440,823	51,146,449
3	9,562,742	1,195,343	8,367,399	1,195,343	5,440,823	40,264,803	5,440,823	45,705,626
4	8,367,399	1,195,343	7,172,056	1,195,343	5,440,823	34,823,980	5,440,823	40,264,803
5	7,172,056	1,195,343	5,976,713	1,195,343	5,440,823	29,383,157	5,440,823	34,823,980
6	5,976,714	1,195,342	4,781,371	1,195,342	5,440,824	23,942,332	5,440,824	29,383,156
7	4,781,371	1,195,343	3,586,028	1,195,343	5,440,823	18,501,510	5,440,823	23,942,333
8	3,586,028	1,195,343	2,390,685	1,195,343	5,440,823	13,060,687	5,440,823	18,501,510
9	2,390,685	1,195,343	1,195,342	1,195,343	5,440,823	7,619,864	5,440,823	13,060,687
10	1,195,342	1,195,342	-	1,195,342	5,440,823	2,179,041	5,440,823	7,619,864
11	-	1,195,343	-	-	5,440,823	-	2,179,041	2,179,041
					2,179,041	-	-	-
		<b>\$ 13,148,770</b>			<b>\$ 59,849,054</b>			

Series 2003B Bonds are largely subject to redemption as of May 1, 2013

# Detroit Public Schools

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2003	Bonds Issued this Year	Bonds (Retired) this Year	Bonds (Defeased) this Year
<b>Series XXI</b>							
Amount of issue - \$26,000,000							
Due May 1:							
	2004	7.750	\$ 2,200,000	\$ 2,200,000	\$ -	\$ (2,200,000)	\$ -
	2005	7.750	2,400,000	2,400,000	-	-	(2,400,000)
	2006	7.750	2,600,000	2,600,000	-	-	(2,600,000)
	2007	7.750	2,800,000	2,800,000	-	-	(2,800,000)
Total Series XXI issue				10,000,000	-	(2,200,000)	(7,800,000)

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

<b>Series XXII</b>							
Amount of issue - \$20,000,000							
Due May 1:							
	2004	9.350	1,400,000	1,400,000	-	(1,400,000)	-
	2005	9.350	1,525,000	1,525,000	-	-	(1,525,000)
	2006	9.350	1,675,000	1,675,000	-	-	(1,675,000)
	2007	9.350	1,825,000	1,825,000	-	-	(1,825,000)
	2008	9.350	1,975,000	1,975,000	-	-	(1,975,000)
	2009	9.350	2,150,000	2,150,000	-	-	(2,150,000)
Total Series XXII issue				10,550,000	-	(1,400,000)	(9,150,000)

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

<b>Series 1993</b>							
Amount of issue - \$79,730,000							
Due May 1:							
	2004	4.850	4,890,000	4,890,000	-	(4,890,000)	-
	2005	4.950	5,130,000	5,130,000	-	-	-
	2006	5.050	5,395,000	5,395,000	-	-	-
	2007	5.125	5,680,000	5,680,000	-	-	-
	2008	5.125	4,000,000	4,000,000	-	-	-
	2009	5.125	4,180,000	4,180,000	-	-	-
	2010	5.125	4,375,000	4,375,000	-	-	-
	2011	5.125	3,080,000	3,080,000	-	-	-
	2012	5.125	-	-	-	-	-
	2013	5.125	-	-	-	-	-
Total Series 1993 issue				36,730,000	-	(4,890,000)	-

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



# Detroit Public Schools

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2003	Bonds Issued this Year	Bonds (Retired) this Year	Bonds (Defeased) this Year
<b>Series 1996A</b>							
Amount of issue - \$89,000,000							
Due May 1:							
	2004	6.250	\$ 1,805,000	\$ 1,805,000	\$ -	\$ (1,805,000)	\$ -
	2005	6.250	1,920,000	1,920,000	-	-	-
	2006	6.250	2,040,000	2,040,000	-	-	-
	2007	6.500	2,165,000	2,165,000	-	-	-
	2008	6.500	2,305,000	2,305,000	-	-	-
	2009	6.500	2,455,000	2,455,000	-	-	-
	2010	6.500	2,615,000	2,615,000	-	-	-
	2011	6.500	2,785,000	2,785,000	-	-	-
Total Series 1996A issue				18,090,000	-	(1,805,000)	-

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

<b>Series 1998A</b>							
Amount of issue - \$940,000							
Due May 1:							
	2004	4.100	10,000	10,000	-	(10,000)	-
	2005	4.200	190,000	190,000	-	-	-
	2006	4.250	50,000	50,000	-	-	-
	2007	4.300	50,000	50,000	-	-	-
Total Series 1998A issue				300,000	-	(10,000)	-

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

<b>Series 1998B</b>							
Amount of issue - \$209,770,000							
Due May 1:							
	2004	5.000	2,790,000	2,790,000	-	(2,790,000)	-
	2005	5.000	4,220,000	4,220,000	-	-	-
	2006	5.000	4,575,000	4,575,000	-	-	-
	2007	5.000	4,805,000	4,805,000	-	-	-
	2008	5.000	5,100,000	5,100,000	-	-	-
	2009	5.000	5,355,000	5,355,000	-	-	-
	2010	5.000	5,620,000	5,620,000	-	-	-
	2011	5.375	5,905,000	5,905,000	-	-	-
	2012	5.375	6,220,000	6,220,000	-	-	-
	2013	5.375	6,555,000	6,555,000	-	-	-
	2014	5.375	6,905,000	6,905,000	-	-	-
	2015	5.375	7,280,000	7,280,000	-	-	-
	2017	5.000	15,725,000	15,725,000	-	-	-
	2021	5.000	36,450,000	36,450,000	-	-	-
	2028	4.750	83,065,000	83,065,000	-	-	-
Total Series 1998B issue				200,570,000	-	(2,790,000)	-

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

**Other Supplemental Information  
Schedule of Bonded Indebtedness (Continued)  
Year Ended June 30, 2004**

Bonds Outstanding June 30, 2004	Current Portion
\$ -	\$ -
1,920,000	1,920,000
2,040,000	-
2,165,000	-
2,305,000	-
2,455,000	-
2,615,000	-
<u>2,785,000</u>	<u>-</u>
16,285,000	1,920,000
-	-
190,000	190,000
50,000	-
50,000	-
<u>290,000</u>	<u>190,000</u>
-	-
4,220,000	4,220,000
4,575,000	-
4,805,000	-
5,100,000	-
5,355,000	-
5,620,000	-
5,905,000	-
6,220,000	-
6,555,000	-
6,905,000	-
7,280,000	-
15,725,000	-
36,450,000	-
<u>83,065,000</u>	<u>-</u>
197,780,000	4,220,000



# Detroit Public Schools

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2003	Bonds Issued this Year	Bonds (Retired) this Year	Bonds (Defeased) this Year
<b>Series 1998C</b>							
Amount of issue - \$84,855,000							
Due May 1:							
	2004	4.000	\$ 2,040,000	\$ 2,040,000	\$ -	\$ (2,040,000)	\$ -
	2005	4.100	2,125,000	2,125,000	-	-	-
	2006	4.200	2,205,000	2,205,000	-	-	-
	2007	5.000	2,300,000	2,300,000	-	-	-
	2008	5.000	2,420,000	2,420,000	-	-	-
	2009	5.000	2,540,000	2,540,000	-	-	-
	2010	5.000	2,665,000	2,665,000	-	-	-
	2011	5.250	2,800,000	2,800,000	-	-	-
	2012	5.250	5,910,000	5,910,000	-	-	-
	2013	5.250	3,260,000	3,260,000	-	-	-
	2014	5.250	3,430,000	3,430,000	-	-	-
	2015	5.250	3,610,000	3,610,000	-	-	-
	2016	5.250	3,800,000	3,800,000	-	-	-
	2017	5.250	4,000,000	4,000,000	-	-	-
	2025	5.250	40,555,000	40,555,000	-	-	-
	Total Series 1998C issue			83,660,000	-	(2,040,000)	-

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

**Other Supplemental Information**  
**Schedule of Bonded Indebtedness (Continued)**  
**Year Ended June 30, 2004**

Bonds Outstanding June 30, 2004	Current Portion
\$ -	\$ -
2,125,000	2,125,000
2,205,000	-
2,300,000	-
2,420,000	-
2,540,000	-
2,665,000	-
2,800,000	-
5,910,000	-
3,260,000	-
3,430,000	-
3,610,000	-
3,800,000	-
4,000,000	-
<u>40,555,000</u>	<u>-</u>
81,620,000	2,125,000

# Detroit Public Schools

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2003	Bonds Issued this Year	Bonds (Retired) this Year	Bonds (Defeased) this Year
<b>Series 2001A</b>							
Amount of issue - \$438,365,000							
Due May 1:							
2004		3.000	\$ 1,325,000	\$ 1,325,000	\$ -	\$ (1,325,000)	\$ -
2004		5.000	7,835,000	7,835,000	-	(7,835,000)	-
2005		3.000	175,000	175,000	-	-	-
2005		5.000	2,870,000	2,870,000	-	-	-
2006		3.250	1,755,000	1,755,000	-	-	-
2006		5.500	1,730,000	1,730,000	-	-	-
2007		3.500	4,045,000	4,045,000	-	-	-
2008		3.500	1,600,000	1,600,000	-	-	-
2008		5.500	2,660,000	2,660,000	-	-	-
2009		3.750	285,000	285,000	-	-	-
2009		5.500	3,915,000	3,915,000	-	-	-
2010		3.900	350,000	350,000	-	-	-
2010		5.500	2,660,000	2,660,000	-	-	-
2011		4.000	550,000	550,000	-	-	-
2011		5.500	8,920,000	8,920,000	-	-	-
2012		4.000	1,000,000	1,000,000	-	-	-
2012		5.500	5,790,000	5,790,000	-	-	-
2013		4.125	300,000	300,000	-	-	-
2013		5.000	6,110,000	6,110,000	-	-	-
2014		4.250	390,000	390,000	-	-	-
2014		5.500	6,445,000	6,445,000	-	-	-
2015		5.500	17,175,000	17,175,000	-	-	-
2016		4.600	400,000	400,000	-	-	-
2016		5.500	7,185,000	7,185,000	-	-	-
2017		5.500	12,295,000	12,295,000	-	-	-
2018		5.500	11,565,000	11,565,000	-	-	-
2019		5.500	12,200,000	12,200,000	-	-	-
2020		5.500	12,875,000	12,875,000	-	-	-
2021		5.000	1,345,000	1,345,000	-	-	-
2021		5.500	12,240,000	12,240,000	-	-	-
2029		6.000	183,695,000	183,695,000	-	-	-
2031		5.125	94,160,000	94,160,000	-	-	-
Total Series 2001A issue				425,845,000	-	(9,160,000)	-

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

**Other Supplemental Information**  
**Schedule of Bonded Indebtedness (Continued)**  
**Year Ended June 30, 2004**

Bonds Outstanding June 30, 2004	Current Portion
\$ -	\$ -
-	-
175,000	175,000
2,870,000	2,870,000
1,755,000	-
1,730,000	-
4,045,000	-
1,600,000	-
2,660,000	-
285,000	-
3,915,000	-
350,000	-
2,660,000	-
550,000	-
8,920,000	-
1,000,000	-
5,790,000	-
300,000	-
6,110,000	-
390,000	-
6,445,000	-
17,175,000	-
400,000	-
7,185,000	-
12,295,000	-
11,565,000	-
12,200,000	-
12,875,000	-
1,345,000	-
12,240,000	-
183,695,000	-
94,160,000	-
416,685,000	3,045,000

# Detroit Public Schools

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2003	Bonds Issued this Year	Bonds (Retired) this Year	Bonds (Defeased) this Year
<b>Series 2002A</b>							
Amount of issue - \$388,995,000							
Due May 1:							
2004	3.000	\$	5,150,000	\$	5,150,000	\$	(5,150,000)
2004	5.000		2,320,000		2,320,000		(2,320,000)
2005	3.000		2,600,000		2,600,000		-
2005	5.000		10,775,000		10,775,000		-
2006	3.000		890,000		890,000		-
2006	5.000		13,105,000		13,105,000		-
2007	3.100		705,000		705,000		-
2007	5.000		13,975,000		13,975,000		-
2008	3.400		3,880,000		3,880,000		-
2008	5.000		5,010,000		5,010,000		-
2009	3.700		340,000		340,000		-
2009	4.000		6,815,000		6,815,000		-
2010	4.000		2,810,000		2,810,000		-
2010	5.000		4,635,000		4,635,000		-
2011	4.000		275,000		275,000		-
2011	5.000		7,510,000		7,510,000		-
2012	4.000		665,000		665,000		-
2012	5.000		7,505,000		7,505,000		-
2013	5.000		8,195,000		8,195,000		-
2014	4.300		150,000		150,000		-
2014	5.500		8,455,000		8,455,000		-
2015	5.500		9,075,000		9,075,000		-
2016	4.500		100,000		100,000		-
2016	5.500		9,475,000		9,475,000		-
2017	4.600		240,000		240,000		-
2017	5.500		9,860,000		9,860,000		-
2018	5.500		10,655,000		10,655,000		-
2019	6.000		11,240,000		11,240,000		-
2020	6.000		11,915,000		11,915,000		-
2021	6.000		12,630,000		12,630,000		-
2022	5.000		9,890,000		9,890,000		-
2022	5.150		3,500,000		3,500,000		-
2023	5.000		11,070,000		11,070,000		-
2023	5.150		3,000,000		3,000,000		-
2024	5.375		14,780,000		14,780,000		-
2025	5.250		15,575,000		15,575,000		-
2026	5.250		16,390,000		16,390,000		-
2027	5.250		17,250,000		17,250,000		-
2028	5.250		18,160,000		18,160,000		-
2029	5.000		19,110,000		19,110,000		-
2030	5.000		20,065,000		20,065,000		-
2031	5.000		21,070,000		21,070,000		-
2032	5.000		22,125,000		22,125,000		-
Total Series 2002A issue				372,940,000	-	(7,470,000)	-

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

**Other Supplemental Information  
Schedule of Bonded Indebtedness (Continued)  
Year Ended June 30, 2004**

Bonds Outstanding June 30, 2004	Current Portion
\$ -	\$ -
-	-
2,600,000	2,600,000
10,775,000	10,775,000
890,000	-
13,105,000	-
705,000	-
13,975,000	-
3,880,000	-
5,010,000	-
340,000	-
6,815,000	-
2,810,000	-
4,635,000	-
275,000	-
7,510,000	-
665,000	-
7,505,000	-
8,195,000	-
150,000	-
8,455,000	-
9,075,000	-
100,000	-
9,475,000	-
240,000	-
9,860,000	-
10,655,000	-
11,240,000	-
11,915,000	-
12,630,000	-
9,890,000	-
3,500,000	-
11,070,000	-
3,000,000	-
14,780,000	-
15,575,000	-
16,390,000	-
17,250,000	-
18,160,000	-
19,110,000	-
20,065,000	-
21,070,000	-
22,125,000	-
365,470,000	13,375,000

# Detroit Public Schools

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2003	Bonds Issued this Year	Bonds (Retired) this Year	Bonds (Defeased) this Year
<b>Series 2003A</b>							
Amount of issue - \$16,060,000							
Due May 1:							
	2008	5.000	\$ 2,360,000	\$ 2,360,000	\$ -	\$ -	\$ -
	2009	5.000	2,475,000	2,475,000	-	-	-
	2010	5.250	2,595,000	2,595,000	-	-	-
	2011	5.250	2,730,000	2,730,000	-	-	-
	2012	5.250	2,875,000	2,875,000	-	-	-
	2013	5.250	3,025,000	3,025,000	-	-	-
Total Series 2001A issue				16,060,000	-	-	-

The Bonds were issued for the purpose of refunding certain of the School District's Series 1993 bonds.

<b>Series 2003B</b>							
Amount of issue - \$326,845,000							
Due May 1:							
	2004	6.000	5,500,000	5,500,000	-	(5,500,000)	-
	2005	3.000	5,825,000	5,825,000	-	-	-
	2006	3.000	5,995,000	5,995,000	-	-	-
	2007	3.664	6,180,000	6,180,000	-	-	-
	2008	3.910	6,410,000	6,410,000	-	-	-
	2009	4.520	9,515,000	9,515,000	-	-	-
	2010	4.272	9,740,000	9,740,000	-	-	-
	2011	4.759	10,160,000	10,160,000	-	-	-
	2012	4.625	10,640,000	10,640,000	-	-	-
	2013	4.858	11,130,000	11,130,000	-	-	-
	2014	5.233	7,475,000	7,475,000	-	-	-
	2015	4.808	7,865,000	7,865,000	-	-	-
	2016	4.796	8,240,000	8,240,000	-	-	-
	2017	4.982	8,640,000	8,640,000	-	-	-
	2018	4.791	9,070,000	9,070,000	-	-	-
	2019	5.000	9,500,000	9,500,000	-	-	-
	2020	4.998	9,980,000	9,980,000	-	-	-
	2021	4.926	10,475,000	10,475,000	-	-	-
	2022	4.968	10,990,000	10,990,000	-	-	-
	2023	4.788	11,540,000	11,540,000	-	-	-
	2024	4.967	12,090,000	12,090,000	-	-	-
	2025	4.936	12,695,000	12,695,000	-	-	-
	2026	5.000	13,320,000	13,320,000	-	-	-
	2027	5.000	13,985,000	13,985,000	-	-	-
	2028	5.000	14,685,000	14,685,000	-	-	-
	2029	5.000	15,420,000	15,420,000	-	-	-
	2030	5.000	16,190,000	16,190,000	-	-	-
	2031	5.000	17,000,000	17,000,000	-	-	-
	2032	5.000	17,850,000	17,850,000	-	-	-
	2033	4.953	18,740,000	18,740,000	-	-	-
Total Series 2003B issue				326,845,000	-	(5,500,000)	-

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

**Other Supplemental Information**  
**Schedule of Bonded Indebtedness (Continued)**  
**Year Ended June 30, 2004**

Bonds Outstanding June 30, 2004	Current Portion
\$ 2,360,000	\$ -
2,475,000	-
2,595,000	-
2,730,000	-
2,875,000	-
3,025,000	-
<hr/>	
16,060,000	-
-	-
5,825,000	5,825,000
5,995,000	-
6,180,000	-
6,410,000	-
9,515,000	-
9,740,000	-
10,160,000	-
10,640,000	-
11,130,000	-
7,475,000	-
7,865,000	-
8,240,000	-
8,640,000	-
9,070,000	-
9,500,000	-
9,980,000	-
10,475,000	-
10,990,000	-
11,540,000	-
12,090,000	-
12,695,000	-
13,320,000	-
13,985,000	-
14,685,000	-
15,420,000	-
16,190,000	-
17,000,000	-
17,850,000	-
18,740,000	-
<hr/>	
321,345,000	5,825,000



# Detroit Public Schools

Description	Maturity Date	Interest Rate (Percent)	Maturing per Period	Bonds Outstanding July 1, 2003	Bonds Issued this Year	Bonds (Retired) this Year	Bonds (Defeased) this Year
<b>Series 2004A</b>							
Amount of issue - \$7,830,000							
Due May 1:							
	2005	3.00	\$ 2,530,000	\$ -	\$ 2,530,000	\$ -	\$ -
	2006	4.00	2,600,000	-	2,600,000	-	-
	2007	5.00	2,700,000	-	2,700,000	-	-
Total Series 2004A				-	7,830,000	-	-

The Bonds were issued for the purpose of refunding the School District's Series XXI bonds for achieving debt service savings.

<b>Series 2004B</b>							
Amount of issue - \$9,500,000							
Due May 1:							
	2005	3.00	1,785,000	-	1,785,000	-	-
	2006	4.00	1,815,000	-	1,815,000	-	-
	2007	5.00	1,890,000	-	1,890,000	-	-
	2008	5.00	1,955,000	-	1,955,000	-	-
	2009	5.00	2,055,000	-	2,055,000	-	-
Total Series 2004B				-	9,500,000	-	-

The Bonds were issued for the purpose of refunding the School District's Series XXII bonds for achieving debt service savings.

<b>Series 1998 (Durant)</b>							
Amount of issue - \$59,304,433							
Due May 15:							
	2006	4.761	3,272,962	3,272,962	-	-	-
	2007	4.761	3,611,222	3,611,222	-	-	-
	2008	4.761	3,984,442	3,984,442	-	-	-
	2009	4.761	4,396,234	4,396,234	-	-	-
	2010	4.761	4,850,585	4,850,585	-	-	-
	2011	4.761	5,351,893	5,351,893	-	-	-
	2012	4.761	5,905,011	5,905,011	-	-	-
	2013	4.761	6,515,294	6,515,294	-	-	-
Total Series 1998 (Durant)				37,887,643	-	-	-

<b>Energy Conservation</b>							
Amount of issue - \$21,210,000							
Due:							
	11/1/03	3.900	1,690,000	1,690,000	-	(1,690,000)	-
	05/1/04	4.000	1,340,000	1,340,000	-	(1,340,000)	-
	11/1/04	4.000	1,290,000	1,290,000	-	-	-
	05/1/05	4.050	880,000	880,000	-	-	-
	11/1/05	4.050	675,000	675,000	-	-	-
	05/1/06	4.150	690,000	690,000	-	-	-
	11/1/06	4.150	705,000	705,000	-	-	-
	05/1/07	4.250	720,000	720,000	-	-	-
	11/1/07	4.250	350,000	350,000	-	-	-
Total Energy Conservation				8,340,000	-	(3,030,000)	-
Total all issues				<u>\$ 1,547,817,643</u>	<u>\$ 17,330,000</u>	<u>\$ (40,295,000)</u>	<u>\$ (16,950,000)</u>

**Other Supplemental Information  
Schedule of Bonded Indebtedness (Continued)  
Year Ended June 30, 2004**

Bonds Outstanding June 30, 2004	Current Portion
\$ 2,530,000	\$ 2,530,000
2,600,000	-
2,700,000	-
7,830,000	2,530,000
1,785,000	1,785,000
1,815,000	-
1,890,000	-
1,955,000	-
2,055,000	-
9,500,000	1,785,000
3,272,962	-
3,611,222	-
3,984,442	-
4,396,234	-
4,850,585	-
5,351,893	-
5,905,011	-
6,515,294	-
37,887,643	-
-	-
-	-
1,290,000	1,290,000
880,000	880,000
675,000	-
690,000	-
705,000	-
720,000	-
350,000	-
5,310,000	2,170,000
<b>\$ 1,507,902,643</b>	<b>\$ 42,315,000</b>

# Detroit Public Schools

		\$79,730,000 Series 1993		\$89,000,000 Series 1996A		\$940,000 Series 1998A	
		Principal	Interest	Principal	Interest	Principal	Interest
	01		\$ 799,616		\$ 524,312		\$ 6,127
2005	2006 01	\$ 5,130,000	799,616	\$ 1,920,000	524,313	\$ 190,000	6,128
	Nov 01		672,649		464,312		2,137
2006	May 01	5,395,000	672,649	2,040,000	464,313	50,000	2,138
	May 15						
	Nov 01		536,425		400,562		1,075
2007	May 01	5,680,000	536,425	2,165,000	400,563	50,000	1,075
	May 15						
	Nov 01		390,875		330,200		
2008	May 01	4,000,000	390,875	2,305,000	330,200		
	May 15						
	Nov 01		290,875		255,287		
2009	May 01	4,180,000	290,875	2,455,000	255,288		
	May 15						
	Nov 01		186,375		175,500		
2010	May 01	4,375,000	186,375	2,615,000	175,500		
	May 15						
	Nov 01		77,000		90,512		
2011	May 01	3,080,000	77,000	2,785,000	90,513		
	May 15						
	Nov 01						
2012	May 01						
	May 15						
	Nov 01						
2013	May 01						
	May 15						
	Nov 01						
2014	May 01						
	Nov 01						
2015	May 01						
	Nov 01						
2016	May 01						
	Nov 01						
2017	May 01						
	Nov 01						
2018	May 01						
	Nov 01						
2019	May 01						
	Nov 01						
2020	May 01						
	Nov 01						
2021	May 01						

**Other Supplemental Information**  
**Schedule of Bond Principal and Interest**  
**Year Ended June 30, 2004**

\$209,770,000 Series 1998B		\$84,855,000 Series 1998C		\$438,365,000 Series 2001A		\$388,995,000 Series 2002A	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	\$ 4,902,291		\$ 2,106,324		\$ 11,629,387		\$ 9,422,354
\$ 4,220,000	4,902,291	\$ 2,125,000	2,106,324	\$ 3,045,000	11,629,388	\$ 13,375,000	9,422,354
	4,796,791		2,062,761		11,555,012		9,113,979
4,575,000	4,796,791	2,205,000	2,062,761	3,485,000	11,555,013	13,995,000	9,113,979
	4,682,416		2,016,456		11,478,918		8,773,004
4,805,000	4,682,416	2,300,000	2,016,456	4,045,000	11,478,919	14,680,000	8,773,004
	4,562,291		1,958,956		11,408,131		8,412,701
5,100,000	4,562,291	2,420,000	1,958,956	4,260,000	11,408,131	8,890,000	8,412,701
	4,434,791		1,898,456		11,306,981		8,221,491
5,355,000	4,434,791	2,540,000	1,898,456	4,200,000	11,306,981	7,155,000	8,221,491
	4,300,916		1,834,956		11,193,975		8,078,901
5,620,000	4,300,916	2,665,000	1,834,956	3,010,000	11,193,975	7,445,000	8,078,901
	4,160,416		1,768,331		11,114,000		7,906,826
5,905,000	4,160,416	2,800,000	1,768,331	9,470,000	11,114,000	7,785,000	7,906,826
	4,001,719		1,694,831		10,857,700		7,713,576
6,220,000	4,001,719	5,910,000	1,694,831	6,790,000	10,857,700	8,170,000	7,713,576
	3,834,556		1,539,694		10,678,475		7,512,651
6,555,000	3,834,556	3,260,000	1,539,694	6,410,000	10,678,475	8,195,000	7,512,651
	3,658,391		1,454,119		10,504,262		7,307,776
6,905,000	3,658,391	3,430,000	1,454,119	6,835,000	10,504,263	8,605,000	7,307,776
	3,472,819		1,364,081		10,318,737		7,072,039
7,280,000	3,472,819	3,610,000	1,364,081	17,175,000	10,318,738	9,075,000	7,072,039
	3,277,169		1,269,319		9,846,425		6,822,476
	3,277,169	3,800,000	1,269,318	7,585,000	9,846,425	9,575,000	6,822,476
	3,277,169		1,169,568		9,639,637		6,559,664
15,725,000	3,277,169	4,000,000	1,169,568	12,295,000	9,639,638	10,100,000	6,559,664
	2,884,044		1,064,569		9,301,525		6,282,994
	2,884,044		1,064,569	11,565,000	9,301,525	10,655,000	6,282,994
	2,884,044		1,064,569		8,983,488		5,989,981
	2,884,044		1,064,569	12,200,000	8,983,488	11,240,000	5,989,981
	2,884,044		1,064,569		8,647,988		5,652,781
	2,884,044		1,064,569	12,875,000	8,647,988	11,915,000	5,652,781
	2,884,044		1,064,569		8,293,925		5,295,331
36,450,000	2,884,044		1,064,569	13,585,000	8,293,925	12,630,000	5,295,331

# Detroit Public Schools

		\$79,730,000 Series 1993		\$89,000,000 Series 1996A		\$940,000 Series 1998A	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	Nov 01						
2022	May 01						
	Nov 01						
2023	May 01						
	Nov 01						
2024	May 01						
	Nov 01						
2025	May 01						
	Nov 01						
2026	May 01						
	Nov 01						
2027	May 01						
	Nov 01						
2028	May 01						
	Nov 01						
2029	May 01						
	Nov 01						
2030	May 01						
	Nov 01						
2031	May 01						
	Nov 01						
2032	May 01						
	Nov 01						
2033	May 01						
	Total interest		<u>\$ 5,907,630</u>		<u>\$ 4,481,375</u>		<u>\$ 18,680</u>
	Total principal	<u>\$ 31,840,000</u>		<u>\$ 16,285,000</u>		<u>\$ 290,000</u>	

**Other Supplemental Information**  
**Schedule of Bond Principal and Interest (Continued)**  
**Year Ended June 30, 2004**

\$209,770,000 Series 1998B		\$84,855,000 Series 1998C		\$438,365,000 Series 2001A		\$388,995,000 Series 2002A	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	\$ 1,972,793		\$ 1,064,569		\$ 7,923,700		\$ 4,916,431
	1,972,793		1,064,569		7,923,700	\$ 13,390,000	4,916,432
	1,972,793		1,064,569		7,923,700		4,579,056
	1,972,793		1,064,569		7,923,700	14,070,000	4,579,057
	1,972,793		1,064,569		7,923,700		4,225,056
	1,972,793		1,064,569		7,923,700	14,780,000	4,225,056
	1,972,793		1,064,569		7,923,700		3,827,844
	1,972,793	\$ 40,555,000	1,064,569		7,923,700	15,575,000	3,827,844
	1,972,793				7,923,700		3,419,000
	1,972,793				7,923,700	16,390,000	3,419,000
	1,972,793				7,923,700		2,988,763
	1,972,793				7,923,700	17,250,000	2,988,763
	1,972,793				7,923,700		2,535,950
\$ 83,065,000	1,972,793				7,923,700	18,160,000	2,535,950
					7,923,700		2,059,250
				\$ 183,695,000	7,923,700	19,110,000	2,059,250
					2,412,850		1,581,500
					2,412,850	20,065,000	1,581,500
					2,412,850		1,079,875
				94,160,000	2,412,850	21,070,000	1,079,875
							553,125
						22,125,000	553,125
	<u>\$ 157,414,924</u>		<u>\$ 61,308,807</u>		<u>\$ 489,947,738</u>		<u>\$ 315,808,752</u>
<u>\$ 197,780,000</u>		<u>\$ 81,620,000</u>		<u>\$ 416,685,000</u>		<u>\$ 365,470,000</u>	

# Detroit Public Schools

		\$16,060,000 Series 2003A		\$326,845,000 Series 2003B		\$7,830,000 Series 2004A	
		Principal	Interest	Principal	Interest	Principal	Interest
	01		\$ 415,531		\$ 7,695,546		\$ 146,953
2005	2006 01		415,532	\$ 5,825,000	7,695,547	\$ 2,530,000	157,450
	Nov 01		415,531		7,608,171		119,500
2006	May 01		415,532	5,995,000	7,608,171	2,600,000	119,500
	May 15						
	Nov 01		415,531		7,518,246		67,500
2007	May 01		415,531	6,180,000	7,518,247	2,700,000	67,500
	May 15						
	Nov 01		415,531		7,405,015		
2008	May 01	\$ 2,360,000	415,531	6,410,000	7,405,015		
	May 15						
	Nov 01		356,531		7,279,695		
2009	May 01	2,475,000	356,531	9,515,000	7,279,695		
	May 15						
	Nov 01		294,656		7,064,657		
2010	May 01	2,595,000	294,656	9,740,000	7,064,658		
	May 15						
	Nov 01		226,538		6,856,595		
2011	May 01	2,730,000	226,538	10,160,000	6,856,595		
	May 15						
	Nov 01		154,875		6,614,832		
2012	May 01	2,875,000	154,875	10,640,000	6,614,833		
	May 15						
	Nov 01		79,406		6,368,774		
2013	May 01	3,025,000	79,406	11,130,000	6,368,774		
	May 15						
	Nov 01				6,098,398		
2014	May 01			7,475,000	6,098,399		
	Nov 01				5,902,832		
2015	May 01			7,865,000	5,902,833		
	Nov 01				5,713,751		
2016	May 01			8,240,000	5,713,751		
	Nov 01				5,516,176		
2017	May 01			8,640,000	5,516,177		
	Nov 01				5,300,964		
2018	May 01			9,070,000	5,300,964		
	Nov 01				5,083,682		
2019	May 01			9,500,000	5,083,683		
	Nov 01				4,846,182		
2020	May 01			9,980,000	4,846,183		
	Nov 01				4,596,772		
2021	May 01			10,475,000	4,596,773		

**Other Supplemental Information**  
**Schedule of Bond Principal and Interest (Continued)**  
**Year Ended June 30, 2004**

\$9,500,000 Series 2004B		\$59,304,433 Series 1998 (Durant)		\$21,210,000 Energy Conservation	
Principal	Interest	Principal	Interest	Principal	Interest
	\$ 196,537			\$ 1,290,000	\$ 108,972
\$ 1,785,000	210,575			880,000	83,172
	183,800			675,000	65,352
1,815,000	183,800			690,000	51,684
	147,500	\$ 3,272,962	\$ 3,915,688	705,000	37,366
1,890,000	147,500			720,000	22,710
		3,611,222	3,915,688		
	100,250			350,000	7,438
1,955,000	100,250				
	51,375	3,984,442	3,577,427		
2,055,000	51,375				
		4,396,234	3,204,207		
		4,850,585	2,792,415		
		5,351,893	2,338,065		
		5,905,011	1,836,757		
		6,515,294	1,956,994		



# Detroit Public Schools

		\$16,060,000 Series 2003A		\$326,845,000 Series 2003B		\$7,830,000 Series 2004A	
		Principal	Interest	Principal	Interest	Principal	Interest
	Nov 01				\$ 4,338,797		
2022	May 01			\$ 10,990,000	4,338,798		
	Nov 01				4,065,797		
2023	May 01			11,540,000	4,065,798		
	Nov 01				3,788,922		
2024	May 01			12,090,000	3,788,923		
	Nov 01				3,488,672		
2025	May 01			12,695,000	3,488,673		
	Nov 01				3,175,387		
2026	May 01			13,320,000	3,175,388		
	Nov 01				2,842,387		
2027	May 01			13,985,000	2,842,388		
	Nov 01				2,492,762		
2028	May 01			14,685,000	2,492,763		
	Nov 01				2,125,637		
2029	May 01			15,420,000	2,125,638		
	Nov 01				1,740,137		
2030	May 01			16,190,000	1,740,138		
	Nov 01				1,335,387		
2031	May 01			17,000,000	1,335,388		
	Nov 01				910,387		
2032	May 01			17,850,000	910,388		
	Nov 01				464,137		
2033	May 01			18,740,000	464,138		
	Total interest		<u>\$ 5,548,262</u>		<u>\$ 276,477,416</u>		<u>\$ 678,403</u>
	Total principal	<u>\$ 16,060,000</u>		<u>\$ 321,345,000</u>		<u>\$ 7,830,000</u>	

**Other Supplemental Information**  
**Schedule of Bond Principal and Interest (Continued)**  
**Year Ended June 30, 2004**

\$9,500,000 Series 2004B		\$59,304,433 Series 1998 (Durant)		\$21,210,000 Energy Conservation	
Principal	Interest	Principal	Interest	Principal	Interest
<b>\$ 9,500,000</b>	<b>\$ 1,372,962</b>	<b>\$ 37,887,643</b>	<b>\$ 23,537,241</b>	<b>\$ 5,310,000</b>	<b>\$ 376,694</b>

# Detroit Public Schools

## Other Supplemental Information Schedule of Bond Principal and Interest (Continued) Year Ended June 30, 2004

		Total for All Bond Issues		
		Principal	Interest	Total
	01	\$ 1,290,000	\$ 37,953,949	\$ 39,243,949
2005	2006 01	41,025,000	37,952,689	78,977,689
	Nov 01	675,000	37,059,995	37,734,995
2006	May 01	42,845,000	37,046,331	79,891,331
	May 15	3,272,962	3,915,688	7,188,650
	Nov 01	705,000	36,074,999	36,779,999
2007	May 01	45,215,000	36,060,346	81,275,346
	May 15	3,611,222	3,915,688	7,526,910
	Nov 01	350,000	34,991,388	35,341,388
2008	May 01	37,700,000	34,983,950	72,683,950
	May 15	3,984,442	3,577,427	7,561,869
	Nov 01	-	34,095,482	34,095,482
2009	May 01	39,930,000	34,095,483	74,025,483
	May 15	4,396,234	3,204,207	7,600,441
	Nov 01	-	33,129,936	33,129,936
2010	May 01	38,065,000	33,129,937	71,194,937
	May 15	4,850,585	2,792,415	7,643,000
	Nov 01	-	32,200,218	32,200,218
2011	May 01	44,715,000	32,200,219	76,915,219
	May 15	5,351,893	2,338,065	7,689,958
	Nov 01	-	31,037,533	31,037,533
2012	May 01	40,605,000	31,037,534	71,642,534
	May 15	5,905,011	1,836,757	7,741,768
	Nov 01	-	30,013,556	30,013,556
2013	May 01	38,575,000	30,013,556	68,588,556
	May 15	6,515,294	1,956,994	8,472,288
	Nov 01	-	29,022,945	29,022,945
2014	May 01	33,250,000	29,022,947	62,272,947
	Nov 01	-	28,130,509	28,130,509
2015	May 01	45,005,000	28,130,511	73,135,511
	Nov 01	-	26,929,140	26,929,140
2016	May 01	29,200,000	26,929,139	56,129,139
	Nov 01	-	26,162,214	26,162,214
2017	May 01	50,760,000	26,162,216	76,922,216
	Nov 01	-	24,834,097	24,834,097
2018	May 01	31,290,000	24,834,097	56,124,097
	Nov 01	-	24,005,764	24,005,764
2019	May 01	32,940,000	24,005,765	56,945,765
	Nov 01	-	23,095,564	23,095,564
2020	May 01	34,770,000	23,095,565	57,865,565
	Nov 01	-	22,134,641	22,134,641
2021	May 01	73,140,000	22,134,642	95,274,642

# Detroit Public Schools

## Other Supplemental Information Schedule of Bond Principal and Interest (Continued) Year Ended June 30, 2004

		Total for All Bond Issues		
		Principal	Interest	Total
	Nov 01	\$ -	\$ 20,216,290	\$ 20,216,290
2022	May 01	24,380,000	20,216,292	44,596,292
	Nov 01	-	19,605,915	19,605,915
2023	May 01	25,610,000	19,605,917	45,215,917
	Nov 01	-	18,975,040	18,975,040
2024	May 01	26,870,000	18,975,041	45,845,041
	Nov 01	-	18,277,578	18,277,578
2025	May 01	68,825,000	18,277,579	87,102,579
	Nov 01	-	16,490,880	16,490,880
2026	May 01	29,710,000	16,490,881	46,200,881
	Nov 01	-	15,727,643	15,727,643
2027	May 01	31,235,000	15,727,644	46,962,644
	Nov 01	-	14,925,205	14,925,205
2028	May 01	115,910,000	14,925,206	130,835,206
	Nov 01	-	12,108,587	12,108,587
2029	May 01	218,225,000	12,108,588	230,333,588
	Nov 01	-	5,734,487	5,734,487
2030	May 01	36,255,000	5,734,488	41,989,488
	Nov 01	-	4,828,112	4,828,112
2031	May 01	132,230,000	4,828,113	137,058,113
	Nov 01	-	1,463,512	1,463,512
2032	May 01	39,975,000	1,463,513	41,438,513
	Nov 01	-	464,137	464,137
2033	May 01	18,740,000	464,138	19,204,138
			<b>\$ 1,342,878,884</b>	
Total interest			<b>\$ 1,342,878,884</b>	
Total principal		<b>\$ 1,507,902,643</b>		<b>\$ 2,850,781,527</b>

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

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# Detroit Public Schools

Total	Tax Year		
	2003	2002	2001
Estimated actual value of taxable property	<u>\$ 24,284,368,824</u>	<u>\$ 24,358,946,914</u>	<u>\$ 21,951,604,580</u>
State Equalized Valuation/Taxable Value of property assessed in the the City of Detroit	<u>\$ 7,844,209,593</u>	<u>\$ 7,976,048,523</u>	<u>\$ 7,639,805,282</u>
Nonhomestead valuation	<u>\$ 4,215,986,633</u>	<u>\$ 4,886,489,640</u>	<u>\$ 4,780,548,412</u>
Tax rate (mills):			
General Fund	18.00	18.00	18.00
School Building and Site Bonds Fund	13.00	12.99	8.37
Deficit Funding Bonds Fund	-	-	-
Judgment Levy Fund	<u>0.20</u>	<u>0.20</u>	<u>2.13</u>
Total tax rate (mills)	<u><b>31.20</b></u>	<u><b>31.19</b></u>	<u><b>28.50</b></u>
General Fund:			
Prior years:			
Levy	\$ -	\$ 87,956,813	\$ 86,049,872
Collections, write-offs, and adjustments	-	(70,396,320)	(78,184,959)
July 1, 2003 tax receivable	\$ 38,743,812	-	17,560,493
Current year:			
Levy	81,838,156	81,838,156	-
Collections, write-offs, and adjustments	(83,970,900)	(77,380,712)	(4,274,204)
June 30, 2004 tax receivable	<u>\$ 36,611,068</u>	<u>\$ 4,457,444</u>	<u>\$ 13,286,289</u>
School Building and Site Bonds Fund:			
Prior years:			
Levy	\$ -	\$ 103,608,870	\$ 63,945,170
Collections, write-offs, and adjustments	-	(87,646,871)	(58,100,614)
July 1, 2003 tax receivable	\$ 29,538,712	-	15,961,999
Current year:			
Levy - Regular	103,860,734	103,860,734	-
Collections, write-offs, and adjustments	(105,082,793)	(98,203,796)	(5,028,851)
June 30, 2004 tax receivable	<u>\$ 28,316,653</u>	<u>\$ 5,656,938</u>	<u>\$ 10,933,148</u>
Judgment Levy Fund:			
Prior years:			
Levy	\$ -	\$ 1,575,209	\$ 16,272,785
Collections, write-offs, and adjustments	-	(1,353,478)	(14,726,734)
July 1, 2003 tax receivable	\$ 1,767,782	-	221,731
Current year:			
Levy - Regular	6,391,421	6,391,421	-
Collections, write-offs, and adjustments	(6,553,136)	(6,043,303)	(122,016)
June 30, 2004 tax receivable	<u>\$ 1,606,067</u>	<u>\$ 348,118</u>	<u>\$ 99,715</u>
		<u>\$ 1,158,234</u>	

**Statistical and Other Information (Unaudited)**  
**Summary of Property Tax Data**  
**Year Ended June 30, 2004**

		Tax Year					
2000	1999	1998	1997	1996	1995	1994	
<u>\$ 19,648,594,740</u>	<u>\$ 17,256,887,876</u>	<u>\$ 15,133,571,800</u>	<u>\$ 13,910,430,300</u>	<u>\$ 12,774,419,760</u>	<u>\$ 11,824,374,100</u>	<u>\$ 11,791,552,580</u>	
<u>\$ 7,204,381,124</u>	<u>\$ 6,856,681,901</u>	<u>\$ 6,631,616,310</u>	<u>\$ 6,450,576,199</u>	<u>\$ 6,147,617,878</u>	<u>\$ 5,887,323,624</u>	<u>\$ 5,815,411,585</u>	
<u>\$ 4,575,423,804</u>	<u>\$ 4,379,265,443</u>	<u>\$ 4,241,051,460</u>	<u>\$ 4,109,637,345</u>	<u>\$ 3,920,774,022</u>	<u>\$ 3,707,212,591</u>	<u>\$ 3,770,014,444</u>	
18.00	18.00	18.00	18.00	18.00	18.00	18.00	
7.00	5.90	4.96	5.54	5.30	5.00	2.62	
-	-	1.49	2.05	2.20	2.04	2.04	
-	-	-	-	-	-	-	
<u>25.00</u>	<u>23.90</u>	<u>24.45</u>	<u>25.59</u>	<u>25.50</u>	<u>25.04</u>	<u>22.66</u>	
<u>\$ 82,357,628</u>	<u>\$ 78,826,777</u>	<u>\$ 83,359,074</u>	<u>\$ 75,039,414</u>	<u>\$ 70,220,814</u>	<u>\$ 66,729,828</u>	<u>\$ 67,860,260</u>	
<u>(78,800,608)</u>	<u>(75,768,590)</u>	<u>(81,115,538)</u>	<u>(73,556,600)</u>	<u>(69,018,826)</u>	<u>(65,803,490)</u>	<u>(67,011,737)</u>	
3,557,020	3,058,187	2,243,536	1,482,814	1,201,988	926,338	848,523	
-	-	-	-	-	-	-	
<u>1,358,285</u>	<u>(512,163)</u>	<u>(424,894)</u>	<u>(313,573)</u>	<u>(258,494)</u>	<u>(233,733)</u>	<u>(191,197)</u>	
<u>\$ 4,915,305</u>	<u>\$ 2,546,024</u>	<u>\$ 1,818,642</u>	<u>\$ 1,169,241</u>	<u>\$ 943,494</u>	<u>\$ 692,605</u>	<u>\$ 657,326</u>	
<u>\$ 50,430,668</u>	<u>\$ 35,000,344</u>	<u>\$ 27,494,377</u>	<u>\$ 35,736,192</u>	<u>\$ 32,582,375</u>	<u>\$ 29,436,618</u>	<u>\$ 15,446,934</u>	
<u>(46,873,648)</u>	<u>(33,430,863)</u>	<u>(26,754,390)</u>	<u>(35,030,028)</u>	<u>(32,024,654)</u>	<u>(29,027,982)</u>	<u>(15,253,786)</u>	
3,557,020	1,569,481	739,987	706,164	557,721	408,636	193,148	
-	-	-	-	-	-	-	
<u>(547,193)</u>	<u>(262,845)</u>	<u>40,052</u>	<u>56,714</u>	<u>61,779</u>	<u>21,550</u>	<u>72,981</u>	
<u>\$ 3,009,827</u>	<u>\$ 1,306,636</u>	<u>\$ 780,039</u>	<u>\$ 762,878</u>	<u>\$ 619,500</u>	<u>\$ 430,186</u>	<u>\$ 266,129</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Summary of Property Tax Rates Year Ended June 30, 2004

Fiscal Year	School Operating	School Debt	Judgment Levy	State Education Tax	Library	City of Detroit	Wayne County	Wayne Regional Education Service Agency	Wayne County Community College	Total
1995	18.0000	4.6600	-	6.0000	2.6400	30.8270	7.9200	2.0000	1.2800	73.3270
1996	18.0000	7.0400	-	6.0000	2.6400	31.5060	7.9200	2.0000	1.2800	76.3860
1997	18.0000	7.5000	-	6.0000	2.6400	31.2830	8.1530	1.9970	1.2020	76.7750
1998	18.0000	7.5900	-	6.0000	2.6400	31.2380	8.1530	2.0000	1.1910	76.8120
1999	18.0000	6.4500	-	6.0000	2.6400	33.8150	8.1700	2.0000	1.1500	78.2250
2000	18.0000	5.9000	-	6.0000	2.6400	31.0950	8.1284	1.9914	1.0190	74.7738
2001	18.0000	7.0000	-	6.0000	3.6331	31.6783	8.0776	1.9789	1.0000	77.3679
2002	18.0000	8.3700	2.1300	6.0000	3.6331	31.9000	8.0650	1.9750	2.5000	82.5731
2003	18.0000	12.9900	0.2000	6.0000	3.6331	30.8780	8.0390	3.4643	2.4862	85.6906
2004	18.0000	13.0000	0.8000	6.0000	3.6331	30.4359	8.0381	3.4643	2.4862	85.8576

Source: City of Detroit Finance Department



# Detroit Public Schools

## Statistical and Other Information (Unaudited) Assessed Valuation Data - Property Type Year Ended June 30, 2004

Type of Property	Assessed Value at December 31, 2002*	Percent of Total Real Property	Percent of Total Roll
Commercial property	\$ 1,546,469,837	23.90	19.71
Industrial property	594,528,288	9.19	7.58
Residential property	4,329,989,057	66.91	55.20
Total real property	6,470,987,182	<b>100.00</b>	82.49
Personal property	1,373,222,411		17.51
Total property	<b>\$ 7,844,209,593</b>		<b>100.00</b>

\* The December 31, 2002 assessed valuations are used for the 2003 tax year levy, which are the source of revenue for the School District's 2004 fiscal year. Therefore, this is the latest information available.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Assessed Valuation Data - Ten Largest Taxpayers Year Ended June 30, 2004

Principal Taxpayers	Assessed Valuation at December 31, 2002*			
	Real Property	Personal Property	Total	Percent of Total
DaimlerChrysler Corporation	\$ 140,792,438	\$ 618,056,000	\$ 758,848,438	9.67
DTE: Edison	51,684,069	302,767,779	354,451,848	4.52
General Motors Corporation	54,096,525	137,317,540	191,414,065	2.44
DTE: Michcon	1,618,262	152,898,365	154,516,627	1.97
General Motors Riverfront Holdings	121,819,245	-	121,819,245	1.55
American Axle	29,109,335	62,040,510	91,149,845	1.16
One Detroit Center	59,880,105	112,570	59,992,675	0.76
Kewadin Greektown Casino	29,672,503	11,695,660	41,368,163	0.53
International Transmission	162,832	38,429,570	38,592,402	0.49
MGM Grand	24,097,656	11,238,890	35,336,546	0.45
Balance of Detroit City Valuations	<u>5,958,054,212</u>	<u>38,665,527</u>	<u>5,996,719,739</u>	<u>76.46</u>
Total	<u><b>\$ 6,470,987,182</b></u>	<u><b>\$ 1,373,222,411</b></u>	<u><b>\$ 7,844,209,593</b></u>	<u><b>100.00</b></u>

\* The December 31, 2002 valuations, used for the 2003 tax year levy, are the basis of the School District's fiscal year revenue.

Source: City of Detroit Finance Department, Assessments Division

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Construction and Property Values Year Ended June 30, 2004

Fiscal Year	Annual Construction by Category							
	New Construction				Alterations/Additions			
	Residential		Non-Residential		Residential		Non-Residential	
	No. of Permits	Value (millions)	No. of Permits	Value (millions)	No. of Permits	Value (millions)	No. of Permits	Value (millions)
1994	51	\$ 22.10	313	\$ 52.6	1,649	\$ 16.3	590	\$ 108.4
1995	84	29.42	364	169.6	1,672	17.7	814	163.9
1996	53	17.40	313	237.9	2,119	37.7	685	255.5
1997	69	7.99	370	223.1	3,416	91.5	890	253.5
1998	90	33.32	343	256.2	4,093	77.0	815	431.9
1999	129	47.00	370	287.6	4,726	53.5	823	391.7
2000	140	29.78	331	475.4	5,593	91.2	864	592.4
2001	116	34.31	292	336.6	5,126	122.9	884	575.3
2002	84	10.63	340	385.8	5,087	75.9	1,053	622.2
2003	244	55.18	290	339.8	5,516	86.9	1,141	467.4

Source: City of Detroit Department of Buildings and Safety Engineering

### Aggregate Property Value by Category

Fiscal Year	SEV			Taxable		
	Commercial and Industrial	Residential	Total	Commercial and Industrial	Residential	Total
	1994	\$ 1,460,638,705	\$ 3,094,029,920	\$ 4,554,668,625	\$ 1,460,638,705	\$ 3,094,029,920
1995	1,455,850,850	3,109,589,050	4,565,439,900	1,455,850,850	3,109,589,050	4,565,439,900
1996	1,502,521,950	3,128,599,950	4,631,121,900	1,487,622,131	3,118,636,343	4,606,258,474
1997	1,590,010,250	3,353,216,350	4,943,226,600	1,558,602,704	3,145,031,894	4,703,634,598
1998	1,682,952,850	3,668,921,700	5,351,874,550	1,609,751,447	3,237,484,252	4,847,235,699
1999	1,847,303,951	4,092,896,600	5,940,200,551	1,677,497,435	3,327,533,525	5,005,030,960
2000	2,007,416,628	4,983,545,650	6,990,962,278	1,779,546,264	3,439,653,975	5,219,200,239
2001	2,182,054,100	5,924,124,350	8,106,178,450	1,881,972,270	3,604,289,934	5,486,262,204
2002	2,404,326,050	6,915,038,250	9,319,364,300	2,058,034,175	3,925,333,117	5,983,367,292
2003	2,385,772,800	7,912,571,400	10,298,344,200	2,028,477,697	4,197,587,616	6,226,065,313

Source: City of Detroit Assessor's Office; Wayne County Equalization Report (for 2003)

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Comparison of Debt Service Funds to General Fund Expenditures and Other Uses Year Ended June 30, 2004

Fiscal Year	Total Expenditures and Other Uses		Ratio of Debt Service to General Fund Expenditures and Other Uses
	Debt Service Funds	General Fund	
1995	\$ 46,050,917	\$ 1,240,484,828 *	3.71
1996	45,890,550	1,357,565,784 *	3.38
1997	51,147,305	1,313,296,268 *	3.89
1998	51,625,860	1,328,502,459 *	3.89
1999	66,783,644	1,424,344,728 *	4.69
2000	55,411,883	1,478,743,301 *	3.75
2001	39,860,055	1,491,006,820	2.67
2002	70,970,340	1,584,054,314	4.48
2003	94,153,642	1,631,576,025	5.77
2004	90,177,171	1,634,393,923	5.52

\* Includes Food Services and Athletic Fund expenditures

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Comparison of Bonded Debt to Taxable Value and Population Year Ended June 30, 2004

Fiscal Year	Bonded Debt	Tax Year	Taxable Value*	Percent of Bonded Debt to Taxable Value	Population	Per Capita Bonded Debt
1995	\$ 267,099,422	1994	\$ 5,895,776,290	4.53%	1,008,430	265
1996	325,718,700	1995	5,887,332,624	5.53%	1,003,701	325
1997	295,442,900	1996	6,147,617,879	4.81%	995,233	297
1998	262,127,600	1997	6,450,576,199	4.06%	975,477	269
1999	510,705,076	1998	6,631,616,310	7.70%	967,360	528
2000	478,006,512	1999	6,856,681,901	6.97%	965,084	495
2001	459,382,580	2000	7,204,381,125	6.38%	951,270	483
2002	874,182,643	2001	7,639,805,282	11.44%	931,413	939
2003	1,547,817,643	2002	7,976,048,000	19.41%	921,312	1,680
2004	1,507,902,643	2003	7,844,209,593	19.22%	900,863	1,674

\* Taxable values for a tax year are valuations as of December 31 of the previous year.

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

# Detroit Public Schools

	2004	2003	2002	2001
<b>Revenues</b>				
Local sources	\$ 150,653,121	\$ 135,938,289	\$ 149,442,586	\$ -
State sources	1,119,522,326	1,191,449,831	1,204,706,629	-
Federal sources	240,881,118	206,786,862	199,031,889	-
General operations	-	-	-	1,194,787,276
Special program operations	-	-	-	255,221,129
Auxiliary operations	-	-	-	881,474
<b>Other Financing Sources</b>				
Note proceeds	-	-	-	-
Transfers in	-	59,376,611	53,667,403	4,578,791
Proceeds from sale of capital assets	747,045	9,071,440	-	-
Capital lease acquisition	-	-	-	-
Total revenues, other financing sources, and special items	<u>\$ 1,511,803,610</u>	<u>\$ 1,602,623,033</u>	<u>\$ 1,606,848,507</u>	<u>\$ 1,455,468,670</u>
<b>Expenditures</b>				
Instruction	\$ 939,338,567	\$ 891,894,493	\$ 875,700,585	\$ 698,251,247
Special program operations	-	-	-	269,979,428
Supporting services	667,027,335	651,198,490	626,045,607	516,718,280
Auxiliary operations	-	-	-	999,459
Community services	6,836,155	5,790,337	5,205,218	-
Other expenditures	51,210	935,463	-	2,988,144
Principal retirement	3,030,000	3,280,000	3,449,640	-
Payment of interest	304,500	555,141	617,178	-
Capital outlay	16,636,226	17,764,439	16,562,955	-
<b>Other Uses - Transfers out</b>	<u>1,916,975</u>	<u>60,157,662</u>	<u>56,473,131</u>	<u>2,070,262</u>
Total expenditures and other uses	<u>\$ 1,635,140,968</u>	<u>\$ 1,631,576,025</u>	<u>\$ 1,584,054,314</u>	<u>\$ 1,491,006,820</u>
<b>Percent Change in Expenditures</b>	3.23%	3.00%	6.24%	0.83%
<b>Student Enrollment</b>	150,415	157,003	159,694	162,693
<b>Expenditures per Student</b>	\$ 10,871	\$ 10,392	\$ 9,919	\$ 9,165
<b>Percent Change in Expenditures Per Student</b>	9.59%	4.77%	8.24%	4.25%

Notes:

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

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

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

**Statistical and Other Information (Unaudited)**  
**Ten-year Summary of General Fund**  
**Revenue and Expenditures**  
**Year Ended June 30, 2004**

2000	1999	1998	1997	1996	1995
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,212,541,532	1,185,131,779	1,145,958,397	1,102,696,745	1,095,822,978	1,075,258,161
218,468,270	221,178,900	213,762,637	219,852,486	195,046,806	121,119,177
37,102,162	35,134,044	36,347,857	36,069,451	33,724,815	34,924,172
-	2,182,724	-	-	7,180,120	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,613,195	-	-	-	-
<b><u>\$ 1,468,111,964</u></b>	<b><u>\$ 1,446,240,642</u></b>	<b><u>\$ 1,396,068,891</u></b>	<b><u>\$ 1,358,618,682</u></b>	<b><u>\$ 1,331,774,719</u></b>	<b><u>\$ 1,231,301,510</u></b>
\$ 537,667,895	\$ 508,180,769	\$ 467,509,867	\$ 457,263,214	\$ 483,432,263	\$ 576,843,132
171,554,877	174,481,214	169,495,717	169,301,905	164,731,030	-
427,692,759	417,625,780	374,221,979	352,132,566	372,800,759	355,649,270
34,606,544	33,237,398	31,764,690	31,553,702	31,425,740	30,975,522
-	-	-	-	-	-
282,249,591	261,915,317	260,085,839	278,241,439	281,996,529	254,566,644
-	-	-	-	-	-
-	-	-	-	-	-
24,971,635	17,362,491	13,881,097	13,312,662	11,893,677	11,324,972
-	11,541,759	11,543,270	11,490,780	11,285,786	11,125,288
<b><u>\$ 1,478,743,301</u></b>	<b><u>\$ 1,424,344,728</u></b>	<b><u>\$ 1,328,502,459</u></b>	<b><u>\$ 1,313,296,268</u></b>	<b><u>\$ 1,357,565,784</u></b>	<b><u>\$ 1,240,484,828</u></b>
3.82%	7.21%	1.16%	(3.26%)	9.44%	8.58%
168,213	173,848	173,871	173,080	169,996	167,551
\$ 8,791	\$ 8,193	\$ 7,641	\$ 7,588	\$ 7,986	\$ 7,404
7.30%	7.23%	0.70%	(4.98%)	7.86%	8.31%

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Ten-year Comparison of Unreserved Fund Balance (Deficit) to Expenditures and Other Uses Year Ended June 30, 2004

Fiscal Year	Undesignated Fund Balance (Deficit)	Expenditures and Other Uses	Fund Balance (Deficit) as a Percentage of Expenditures and Other Uses
1995	\$ -	\$ 1,240,484,828	-
1996	(19,825,406)	1,357,565,784	(1.46)
1997	-	1,313,296,268	-
1998	-	1,328,502,459	-
1999	-	1,424,344,728	-
2000	30,280,114	1,478,743,301	2.05
2001	22,671,885	1,491,006,820	1.52
2002	62,396,978	1,584,054,314	3.94
2003	28,819,960	1,631,576,025	1.77
2004	(63,731,578)	1,635,140,968	(3.90)



# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Direct and Overlapping Debt Year Ended June 30, 2004

Bonded Indebtedness	Date Issued	Original Principal Amount	Principal Amount Outstanding
<b>School District Direct Debt</b>			
Building & Site Bonds, Series 1987	08/01/87	\$ 26,600,000	\$ -
Building & Site Bonds, Series 1988	09/01/88	20,000,000	-
Building & Site & Refunding Bonds, Series 1993	10/01/93	79,730,000	31,840,000
Building & Site Bonds, Series 1996A	03/01/96	89,000,000	16,285,000
Building & Site Bonds, Series 1998A	11/01/98	940,000	290,000
Building & Site Bonds, Series 1998B	11/01/98	209,770,000	197,780,000
Building & Site & Refunding Bonds, Series 1998C	11/01/98	84,855,000	81,620,000
Durant Bonds, Series 1998*	11/24/98	59,304,433	37,887,643
Energy Conservation Bonds, Series 1999*	03/10/99	21,210,000	5,310,000
Building & Site Bonds, Series 2001A	10/01/01	438,365,000	416,685,000
Building & Site Bonds, Series 2002A	10/29/02	388,995,000	365,470,000
Building & Site Bonds, Series 2003A	10/23/02	16,060,000	16,060,000
Building & Site Bonds, Series 2003B	04/23/03	326,845,000	321,345,000
Building & Site Bonds, Series 2004A		7,830,000	7,830,000
Building & Site Bonds, Series 2004B		9,500,000	9,500,000
		<u>\$ 1,779,004,433</u>	<u>\$ 1,507,902,643</u>
Direct bonded indebtedness			

\* Not qualified for participation in Michigan School Bond Loan Fund

Source: The School District

### Overlapping General Obligation Bonded Indebtedness

100.00% of City of Detroit	\$ 1,086,800,000
19.03% of County of Wayne	22,177,205
18.77% of Intermediate School District	-
30.19% of Wayne County Community College	21,971,514
Total overlapping debt	<u>\$ 1,130,948,719</u>

Source: Municipal Advisory Council of Michigan

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Legal Debt Margin Year Ended June 30, 2004

### Summary of Bonded Indebtedness

2004 Actual Valuation (True Cash Value)	\$	24,120,392,000
2004 SEV (50% of True Cash Value)	\$	12,060,196,000
2004 Taxable Value	\$	7,844,209,593
Direct Bonded Indebtedness	\$	1,507,902,643
Percentage of Direct Bonded Indebtedness to Actual Valuation		6.25%
Percentage of Direct Bonded Indebtedness to Taxable Valuation		19.22%
Population census (calendar 2003)		900,863
Per Capita Direct Bonded Indebtedness	\$	1,674
Overlapping Bonded Indebtedness	\$	1,130,948,719
Combined Direct and Overlapping Bonded Indebtedness	\$	2,638,851,362
Percentage of Direct and Overlapping Bonded Indebtedness to Actual Valuation		10.94%
Percentage of Direct and Overlapping Bonded Indebtedness to Taxable Value		33.64%
Per Capita Direct and Overlapping Bonded Indebtedness	\$	2,929

Source: City of Detroit Finance Department

### Bonded Debt Limit

The bonded debt limit of the School District is equal to 15% of its taxable value (the "Bonded Debt Limit"). This limit is calculated by the School District to be \$1,176,631,439, based on the taxable value for the fiscal year ended June 30, 2004. The Bonded Debt Limit does not include deficit bonds, school bus purchase notes, and bonds qualified for participation in the Michigan School Bond Loan Fund, a program established pursuant to the provisions of Section 16 ("qualified bonds"). The School District's only bonded indebtedness subject to the Bonded Debt Limit is its Energy Conservation Bonds, Series 1999 in the outstanding principal amount of \$5,310,000.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Investments Year Ended June 30, 2004

Type of Investment	Fund Group	Interest Rate	Date of Purchase	Date of Maturity	Carrying Value
<b>Governmental Funds</b>					
Money Market (1)	General	Various	N/A	N/A	\$ 76,615,074
Money Market (4)	General	0.75	8/1/2001	N/A	1,038,017
Repurchase Agreement (2)	General	1.0-1.20	4/20/2004	4/20/2005	5,616,001
Money Market (1)	Debt Service	Various	N/A	N/A	23,998,298
Money Market (1)	Capital Projects	Various	N/A	N/A	402,861,756
Commercial Paper - Atlantis One Funding (5)	Capital Projects	1.43	5/18/2004	11/3/2004	249,315
Commercial Paper - Beethoven Funding (5)	Capital Projects	1.47	6/30/2004	7/1/2004	670,973
Commercial Paper - Beethoven Funding (5)	Capital Projects	1.33	6/25/2004	8/3/2004	249,640
Commercial Paper - CATDA (5)	Capital Projects	1.27	4/26/2004	10/18/2004	198,765
Commercial Paper - Coca-Cola Corp. (5)	Capital Projects	1.03	4/15/2004	7/30/2004	199,393
Commercial Paper - Dealers Cap Account. (5)	Capital Projects	1.09	2/26/2004	7/16/2004	199,146
Commercial Paper - Dealers Cap Account. (5)	Capital Projects	1.80	6/24/2004	12/3/2004	148,785
Commercial Paper - Edison Asset Sec. (5)	Capital Projects	1.03	3/12/2004	8/2/2004	248,977
Commercial Paper - Eminent Funding (5)	Capital Projects	1.09	4/16/2004	7/14/2004	352,049
Commercial Paper - Fairway Finance (5)	Capital Projects	1.47	5/5/2004	11/9/2004	248,285
Commercial Paper - GE Capital Co. (5)	Capital Projects	1.45	6/23/2004	9/8/2004	99,690
Commercial Paper - Superior Funding (5)	Capital Projects	1.16	5/10/2004	7/28/2004	249,363
Commercial Paper - Sydney Capital Corp. (5)	Capital Projects	1.11	5/6/2004	8/6/2004	249,291
Commercial Paper - Sydney Capital Corp. (5)	Capital Projects	1.31	5/27/2004	9/20/2004	248,936
Commercial Paper - Three Crowns Funding Corp. (5)	Capital Projects	1.04	3/16/2004	8/16/2004	248,895
Bonds - Federal Home Loan Banks (1)	Capital Projects	4.625	8/15/2001	8/13/2004	2,323,847
Bonds - Federal National Mtg. Assn. (1)	Capital Projects	6.50	8/6/1999	8/15/2004	17,862,658
Bonds - Federal National Mtg. Assn. (1)	Capital Projects	Various	1/21/2004	2/14/2005	10,000,000
Bonds - Federal Home Loan Banks (1)	Capital Projects	1.50	2/4/2004	3/21/2005	10,000,000
Bonds - Federal Home Loan Banks (1)	Capital Projects	1.25	3/3/2004	3/29/2005	10,000,000
Bonds - Federal Home Loan Banks Cons Bd (1)	Capital Projects	1.26	3/15/2004	4/8/2005	9,937,441
Bonds - Federal National Mtg. Assn. (1)	Capital Projects	1.55	4/7/2004	5/4/2005	10,000,000
Bonds - Federal Home Loan Banks (1)	Capital Projects	1.65	4/21/2004	5/17/2005	10,500,000
Government - Dreyfus Government (5)	Capital Projects	0.54	N/A	N/A	854,487
Total Governmental Funds					<u>\$ 595,469,082</u>
<b>Fiduciary Funds - Money Market (1)</b>	Fiduciary	Various	N/A	N/A	<u>\$ 513,724</u>

(1) Held by Bank One

(2) Held by First Independence

(3) Held by Health One Credit Union

(4) Held by Michigan Liquid Asset Fund Plus

(5) Held by Standard Federal Bank

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Major Insurance Coverage Year Ended June 30, 2004

Policy Coverage	Company/Policy Number	Policy Period	Details of Coverage
Property	<b>Royal Insurance</b> 331723	10/1/03 - 10/01/04	\$500,000,000 per occurrence - Real and personal owned/leased or rented including: Building ordinance/increased cost of construction, business income and extra expense, accounts payable, and valuable paper. Newly acquired real property \$5,000,000. Newly acquired personal property \$500,000. Deductible; \$1,000,000; except \$25,000 transit.
Student Travel	<b>AIG</b> SRG0009101280	4/8/04 - 4/8/05	Accidental death benefit maximum benefit \$10,000; Accidental dismemberment benefit maximum \$10,000; Accident medical expense benefit maximum \$25,000. Deductible: \$50 per accident; dental maximum: \$250 per tooth per accident.
Auto Coverage Service Fleet	<b>Citizens</b> AHB7224875	07/01/03-07/01/04	\$1,000,000 combined single limit; \$1,000,000 uninsured motorist. Deductible \$500 collision and \$250 other than collision. For service fleet.
Excess Service Fleet	<b>Interstate Indemnity</b> FFX6100041	7/16/03-7/16/04	\$3,000,000 excess automobile liability per occurrence/aggregate.
Excess Auto - Bus and Service Fleet	<b>GENSTAR</b> IXG369326D	07/16/03-07/16/04	\$3,000,000 per occurrence/aggregate. For bus fleet.
EDP	<b>Chubb</b> 0662-37-28	07/01/03-07/01/04	\$51,297,663 limits equipment owned. Newly acquired EDP \$500,000. Equipment in transit \$50,000. Flood coverage. Deductible \$5,000, except \$50,000 applies to transit. For electronic data processing.
Inland Marine	<b>Citizens</b> IMC0071037	07/01/03-07/01/04	\$654,602 limits, coinsurance percentage 80%. Owned or leased property. Property of others in our care, custody, or control. Deductible \$1,000 per claim.
Primary Bus Fleet Liability	<b>Amerisure Mutual</b> CA1133297	07/16/03-07/16/04	Bus fleet. \$1,000,000 per occurrence - Bodily injury and property damage liability. Statutory - No-fault personal injury and property protection. Uninsured motorists. Hired/nonowned liability mini-tort \$500.
Bus Physical Damage	<b>Citizens</b> CAOO76673	07/16/03-07/16/04	Bus fleet. Comprehensive and collision damage including hired/nonowned physical damage. Deductible \$500. Comprehensive \$1,000 collision damage.
Building, Contents, and Liability	<b>Chubb</b> 35383907	11/12/03-11/12/04	Children's museum. Commercial package policy. \$10,000,000 fine arts, \$2,600,000 real property, \$300,000 personal property. \$2,500 deductible.
Excess Liability	<b>Chubb</b> 79792758	11/12/03-11/12/04	Children's museum. \$5,000,000 aggregate limit.
Catastrophic Athletic	<b>Mutual of Omaha</b> 8056011	08/01/03-08/01/04	Aggregate limit \$5,000,000. Lump-sum payment \$100,000 Benefit payment amt. \$40,000 yr.; Maximum benefit period \$50,000; Maximum benefit period 10 yrs; accidental death \$10,000; accidental dismemberment \$20,000. Covered accidental deductible \$25,000.
Aircraft Hull and Liability	<b>Old Republic Insurance</b> AVC87003	10/29/03-10/29/04	Liability coverages bodily injury, including passengers and property damage; \$1,000,000 each occurrence. Passenger liability limited to \$100,000. Liability \$200,000 for each aircraft. Deductible \$1,500 spare engine/parts; \$250 physical damage in motion / \$1,000 not in motion. For Davis Aerospace Technical High School.
Commercial General Liability	<b>Lexington Insurance</b> 1322216	1/8/04-1/8/05	\$5,000,000 each occurrence limit. \$1,000,000 damage to premises rented to you. Limit \$5,000,000 personal advertising injury limit. \$10,000,000 general aggregate limit, \$5,000,000 product.

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Schedule of Major Insurance Coverage (Continued) Year Ended June 30, 2004

Policy Coverage	Company/Policy Number	Policy Period	Details of Coverage
Boiler and Machinery Policy	<b>Chubb Group</b> 7835-96-45	1/2/04 - 1/2/05	\$1,000,000,000 property damage, extra expense \$1,000,000. Consequential damage \$250,000 demolition and increased cost of construction \$250,000. Deductible \$100,000.
Pollution Legal Liability	<b>AIG</b> PLS1231422	1/14/04 - 1/14/05	\$25,000,000 coverage section aggregate limit. \$25,000,000 each incident limit. Deductible each incident \$500,000.
Educator's Legal Liability - School Leaders Error and Omissions Insurance	<b>National Union</b> 3263456	3/24/04 - 3/24/05	\$5,000,000 aggregate limit; deductible \$1,000,000.
Commercial Crime Policy	<b>FDIC</b>	4/1/04 - 4/1/07	\$100,000 employee theft, \$1,000 deductible per occurrence.

Source: Office of Risk Management

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites Year Ended June 30, 2004

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Elementary Schools</b>					
Academy of the Americas Elementary	806	695	695	200,000	200,000
Angelou Elementary	410	-	-	46,700	46,700
Atkinson Elementary	379	360	360	41,516	41,516
Barbara Jordan Academy	741	140	140	172,450	172,450
Bagley Elementary	606	540	540	60,638	60,638
Barton Elementary	540	360	360	38,848	38,848
Beard Early Childhood Center	208	80	80	32,260	32,260
Beckham Elem. (old Goodale Elem.)	1,404	560	560	86,000	86,000
Bellevue Elementary	198	225	225	53,703	53,703
Bennett Elementary	621	515	515	63,322	63,322
Berry Elementary	262	-	-	31,600	31,600
Biddle Elementary	271	225	225	39,800	39,800
Birney Elementary	413	245	245	55,001	55,001
Bow Elementary	649	470	470	53,250	53,250
Brady Elementary	496	290	290	82,852	82,852
Brewer Elementary	672	360	360	57,894	57,894
Bunche Elementary	301	470	470	56,488	56,488
Burns Elementary	550	495	495	72,704	72,704
Burt Elementary	404	245	245	54,887	54,887
Campbell Elementary	300	270	270	51,026	51,026
Carleton Elementary	658	540	540	48,312	48,312
Carstens Elementary	427	585	585	82,536	82,536
Chandler Elementary	338	270	270	46,433	46,433
Charles Wright Academy	653	560	560	94,911	94,911
Chrysler Elementary	166	180	180	18,983	18,983
Clark Elementary	603	470	470	71,916	71,916
Clinton Elementary	479	380	380	62,740	62,740
Cooke Elementary	419	405	405	45,184	45,184
Coolidge Elementary	653	675	675	57,528	57,528
Cooper Elementary	630	765	765	102,352	102,352
Courville Elementary	768	675	675	126,136	126,136
Crary Elementary	479	405	405	57,104	57,104
Davison Elementary	921	560	560	91,475	91,475
Dossin Elementary	397	405	405	48,808	48,808
Duffield Elementary	808	470	470	139,500	70,000
Edison Elementary	344	605	605	54,184	54,184
Edmonson Elementary	337	155	155	54,400	54,400
Fairbanks Elementary	255	225	225	31,136	31,136
Family Place Headstart	16	-	-	728	728
Far West Early Learning Center	149	80	80	14,400	14,400
Ferry Elementary	342	470	470	62,270	62,270
Fitzgerald Elementary	756	630	630	66,586	66,586
Fleming Elementary	623	540	540	55,940	55,940
Ford Elementary	299	360	360	53,408	53,408
Foreign Language Immersion & Cultural	387	-	-	42,336	42,336
Fox Elementary	113	60	60	6,060	6,060

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2004

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Elementary Schools (Continued)</b>					
Garvey ES/MS (old Scripps Elem.)	316	-	-	44,538	44,538
GENESIS Elementary School	470	275	275	36,000	36,000
Glazer Elementary	352	335	335	48,000	48,000
Gompers Elementary	300	135	135	34,801	34,801
Grayling Elementary	273	315	315	53,935	53,935
Greenfield Park Elementary	398	315	315	78,654	78,654
Guyton Elementary	362	-	-	47,264	47,264
Hamilton Elementary	406	495	495	83,675	83,675
Hanneman Elementary	503	110	110	45,968	45,968
Hanstein Elementary	391	180	180	23,632	23,632
Harding Elementary	588	495	495	71,600	71,600
Harms Elementary	499	450	450	41,477	41,477
Healy Elementary	234	180	180	15,872	15,872
Heilmann ES	828	-	-	95,098	95,098
Herman Rogers Academy	655	740	740	81,024	81,024
Higgins Elementary	412	405	405	45,548	45,548
Holcomb Elementary	473	380	380	52,500	52,500
Holmes, A.L. Elementary	625	830	830	90,293	90,293
Hosmer Elementary	404	450	450	61,688	61,688
Houghten Elementary	457	450	450	58,368	58,368
Howe Elementary	604	560	560	98,174	98,174
Hubert Elementary	397	-	-	72,770	72,770
Hughes Academy (Dow Elem.)	440	335	335	55,360	55,360
Hutchinson Elementary	361	405	405	60,088	60,088
Jamieson Elementary	531	650	650	64,300	64,300
Jemison Elementary	300	180	180	36,776	36,776
Joyce Elementary	460	380	380	42,564	42,564
Keidan Elementary	429	630	630	69,088	69,088
Keith Elementary	440	335	335	49,341	49,341
King Elementary	603	425	425	52,100	52,100
Kosciusko Elementary	365	245	245	58,968	58,968
Larned Elementary	157	200	200	19,372	19,372
Law Elementary	872	560	560	86,000	86,000
Lodge Elementary	161	-	-	21,514	21,514
Logan Elementary	609	405	405	49,280	49,280
Loving Elementary	431	290	290	49,200	49,200
Lynch Elementary	340	135	135	39,330	39,330
MAAT IMHOTEP	518	405	405	56,000	56,000
MacCulloch Elementary	519	630	630	71,350	71,350
MacDowell Elementary	558	335	335	51,288	51,288
Macomb Elementary	419	135	135	25,189	25,189
Mann Elementary	403	405	405	48,378	48,378
Mark Twain Elementary	457	495	495	45,670	45,670
Marsh Elementary	215	155	155	23,296	23,296
Marshall, John Elementary	734	560	560	64,880	64,880
Marshall, Thurgood Elementary	671	630	630	80,192	80,192

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2004

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Elementary Schools (Continued)</b>					
Mason Elementary	576	495	495	52,900	52,900
Maybury Elementary	625	380	380	40,766	40,766
McColl Elementary	430	225	225	38,348	38,348
McFarlane Elementary	409	360	360	54,208	54,208
McGregor Elementary	525	340	340	32,464	32,464
McKenny Elementary	511	380	380	59,940	59,940
Monnier Elementary	439	675	675	74,200	74,200
Neinas Elementary	489	380	380	64,250	64,250
Newberry Elementary	343	450	450	47,700	47,700
Nichols Elementary	301	405	405	51,904	51,904
Northwest Early Learning Center	98	40	40	14,400	14,400
O. W. Holmes Elementary	533	495	495	70,470	70,470
Oakman Elementary	290	290	290	46,464	46,464
Owen Elementary	338	155	155	51,510	51,510
Parker Elementary	650	650	650	82,688	82,688
Parkman Elementary	424	335	335	46,592	46,592
Pasteur Elementary	528	470	470	62,416	62,416
Pitcher Elementary	406	360	360	41,224	41,224
Pulaski Elementary	750	650	650	57,366	57,366
Richard Elementary	606	450	450	40,064	40,064
Roberto Clemente (formerly Beard)	779			86,000	86,000
Ron Brown Academy	1,147	560	560	85,000	85,000
Rose Elementary	276	-	-	45,740	45,740
Rutherford Elementary	446	-	-	51,356	51,356
Sanders Elementary	420	560	560	48,000	48,000
Schulze Elementary	629	560	560	94,991	94,991
St. Philip Headstart	31	-	-	1,715	1,715
Stark Elementary	307	-	-	62,240	62,240
Stewart Elementary	363	335	335	58,800	58,800
Thirkell Elementary	595	110	110	57,000	57,000
Trix Elementary	502	360	360	40,451	40,451
Van Zile Elementary	581	605	605	46,368	46,368
Vandenberg Elementary	259	200	200	39,104	39,104
Vernor Elementary	476	360	360	53,300	53,300
Von Steuben ES / MS	552	605	605	52,768	52,768
Wayne Elementary	516	405	405	43,470	43,470
Weatherby Elementary	207	135	135	33,344	33,344
Webster Elementary	344	360	360	44,358	44,358
Westside Multicultural (Columbian Primary)	461	405	405	56,270	56,270
White Elementary	919	923	923	112,912	112,912
Wilkins Elementary	714	560	560	52,496	52,496
Woodward Elementary	437	315	315	44,608	44,608
Yost Academy	216	155	155	29,824	29,824
Young, C. Elementary	700	315	315	67,805	67,805



# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2004

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Middle Schools</b>					
Ann Arbor Trail Middle School	528	495	495	45,343	45,343
Arthur (formerly Fisher)	408	270	270	37,472	37,472
Barbour Middle School	1,182	1,058	1,058	203,228	203,228
Bates Academy	760	585	585	100,300	100,300
Beaubien Middle School	873	808	808	178,816	178,816
Blackwell Middle School	721	-	-	57,044	57,044
Boynton Middle School	569	900	900	120,135	120,135
Brenda Scott Middle School	1,067	1,042	1,042	147,620	147,620
Brooks Middle School	715	540	540	109,000	109,000
Fisher (formerly Burbank)	603	473	473	91,020	91,020
Burton Middle School	600	-	-	59,136	59,136
Butzel Middle School	633	360	360	135,600	135,600
Cadillac Middle School	684	675	675	48,192	48,192
Carver Middle School	594	473	473	41,104	51,104
Cervený Middle School	698	675	675	187,488	187,488
Cleveland Middle School	1,012	563	563	102,352	102,352
Clippert Middle School	376	338	338	28,762	28,762
Coffey Middle School	526	405	405	56,559	56,559
Columbus Middle School	796	518	518	52,224	52,224
Courtis Middle School	622	675	675	74,048	74,048
Detroit Math and Science Academy	188	270	270	42,800	42,800
Detroit Open Middle School	308	315	315	33,500	33,500
Dewey Middle School	618	765	765	78,850	78,850
Dixon Middle School	759	675	675	60,544	60,544
Drew Middle School	861	878	878	139,000	139,000
Durfee Middle School	806	630	630	130,500	130,500
Earhart Middle School	695	540	540	111,396	111,396
Elmdale Conservatory	267	-	-	32,698	32,698
Emerson ES/MS	1,200	743	1,148	50,432	94,342
Far West Alternative Middle School	82	-	-	11,570	11,570
Farwell Middle School	774	720	720	96,304	96,304
Fine and Perf. Arts East	434	-	-	46,789	46,789
Golightly Education Center	876	518	518	61,256	105,166
Grant Middle School	670	473	473	48,096	48,096
Greenfield Union ES/MS	807	628	628	82,770	82,770
Guest Middle School	878	675	675	80,448	80,448
Hally Middle School	620	495	495	48,500	48,500
Hancock Preparatory (Alternative)	80	-	-	12,412	12,412
Heilmann Middle School	1,091	1,042	1,042	147,620	147,620
Henderson ES/MS	409	383	383	139,191	139,191
Hutchins Middle School	588	945	945	111,465	138,056
Jones Middle School	330	-	-	48,141	48,141
Joy Middle School	903	968	968	130,688	130,688
Lessenger Middle School	772	518	518	93,258	93,258
Lions Alternative Middle School	120	-	-	32,241	32,241
Longfellow Middle School	552	675	675	197,500	197,500
Ludington Middle School	639	450	450	53,632	53,632

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2004

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Middle Schools (Continued)</b>					
Malcolm X Middle School	375	473	473	37,700	37,700
Marquette ES / MS	908	990	990	48,016	91,926
McMichael Middle School	468	653	653	55,070	55,070
McNair Middle School	884	743	743	152,000	152,000
Miller Middle School	677	824	824	134,252	134,252
Munger Middle School	690	945	945	103,612	103,612
Murphy Middle School	720	540	540	102,102	102,102
Noble Middle School	669	945	945	116,248	116,248
Nolan Middle School	795	968	968	137,496	137,496
Parks Middle School	687	630	630	41,056	41,056
Phoenix Middle School	551	833	833	105,173	105,173
Post Middle School	735	585	585	106,586	106,586
Priest ES/MS	1,045	630	1,035	72,900	117,750
Robeson Academy	941	1,013	1,013	164,662	164,662
Robinson Middle School	644	-	-	128,000	128,000
Ruddiman Middle School	542	608	608	99,440	99,440
Sampson Middle School	519	653	653	81,684	81,684
Sherrard Middle School	530	900	900	143,510	143,510
Sherrill Middle School	608	653	653	73,000	73,000
Spain Elementary/Middle School	888	788	788	148,787	148,787
Stephens Middle School	580	653	653	83,400	83,400
Taft Middle School	744	383	383	95,594	95,594
University Middle School (formerly Pelham)	686	-	-	114,200	114,200
Vetal Middle School	775	338	338	65,800	65,800
Webber Middle School	631	765	765	120,438	120,438
Winship Middle School	564	675	675	67,012	67,012
Winterhalter Middle School	997	945	945	125,504	125,504
<b>High Schools</b>					
Barsamian Alternative Preparatory School	75	297	297	22,200	22,200
Boykin Alternative High School	129	-	-	64,502	64,502
Breithaupt Voc High School	5	714	714	166,247	166,247
Cass Technical High School	2,154	-	-	831,000	831,000
Central High School	976	170	1,254	62,614	268,914
Chadsey High School	764	850	850	163,842	163,842
Cody High School	1,566	1,658	1,658	338,949	338,949
Comm/Media Arts High School	482	531	531	79,450	79,450
Commerce High School	284	-	-	50,209	50,209
Cooley High School	1,423	999	999	321,024	321,024
Crockett Career and Tech. Center	553	765	765	98,270	98,270
Crosman Alternative High School	288	-	-	77,049	77,049
Davis Aerospace High School	245	425	425	49,400	49,400
Denby High School	1,922	1,530	1,530	180,266	180,266
Detroit City High School	291	361	361	42,972	42,972

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2004

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>High Schools (Continued)</b>					
Detroit High School for Fine Arts	506	-	-	91,488	91,488
Douglas Alternative High School	244	-	-	81,915	81,915
Ferguson Alternative MS/HS	291	383	383	67,270	67,270
Finney High School	1,493	1,862	1,862	257,392	257,392
Ford High School	1,497	1,122	1,122	270,218	270,218
Golightly Vocational Tech. Center	8	816	816	61,256	61,256
Kettering High School	1,529	867	867	165,362	215,632
King, Martin Luther High School	1,629	1,530	1,530	293,752	293,752
Mackenzie High School	1,323	1,275	1,275	223,960	223,960
Millenium Alternative High School (@ African Heritage)	191	-	-	22,240	22,240
Mumford High School	1,864	1,403	1,403	240,273	240,273
Murray-Wright High School	1,204	1,734	1,734	232,817	232,817
North End Alternative Ed.	54	-	-	48,092	48,092
Northern High School	1,001	714	714	154,496	154,496
Northwestern High School	1,104	1,190	1,190	356,776	356,776
Osborn High School	1,828	1,377	1,377	258,595	258,595
Pershing High School	1,856	1,683	1,683	209,328	230,328
Randolph Career and Tech. Center	23	425	425	70,125	70,125
Redford High School	1,562	1,377	1,377	254,936	254,936
Renaissance High School	890	765	765	91,410	91,410
Southeastern High School (@ Foch)	1,578	-	1,275	-	318,146
Southwestern High School	716	1,063	1,063	223,700	223,700
Trombly Alternative High School	324	332	332	71,866	71,866
West Side Alt. High School	251	383	383	28,500	28,500
Western High School	1,296	1,063	1,063	214,412	214,412
New Cass Technical High School	-	-	2,244	-	402,484
New HS for Fine/Performing Arts	-	-	1,199	-	305,634
New Renaissance High School	-	-	999	-	295,523
<b>Special Education Centers</b>					
Deiter Trainable Center	188	-	-	47,712	47,712
Field Learning Center	257	-	-	51,582	51,582
Field, Moses Center	180	-	-	53,742	53,742
Poe Developmental Center	163	-	-	26,416	26,416
School for the Deaf	77	-	-	61,152	61,152
Washington Careers Center	329	-	-	86,400	86,400
Wingert Vocational Pre-Center	168	-	-	42,240	42,240

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Summary of Buildings and Sites (Continued) Year Ended June 30, 2004

School	Enrollment	Existing Capacity	Planned Capacity	Existing Sq. Ft.	Planned Sq. Ft.
<b>Noninstructional Sites</b>					
African Heritage Ctr./Staff Dev. Ctr.	N/A	N/A	N/A	-	9,000
Canfield Audio/Visual	N/A	N/A	N/A	30,216	30,216
Central Administration Building	N/A	N/A	N/A		137,700
Central Distribution Center	N/A	N/A	N/A	316,578	316,578
Central Distribution Center	N/A	N/A	N/A	169,000	169,000
Central Maintenance Hub	N/A	N/A	N/A	44,000	44,000
Childrens' Museum	N/A	N/A	N/A	-	11,100
District Site Management	N/A	N/A	N/A	9,000	9,000
East Maintenance Hub	N/A	N/A	N/A	-	44,000
Eastside Bus Terminal	N/A	N/A	N/A	44,784	44,784
Edison Garage	N/A	N/A	N/A	3,464	3,464
Harris 21st Century Comm.	N/A	N/A	N/A	-	-
International Institute	N/A	N/A	N/A	-	-
Jessie Kennedy Institute	N/A	N/A	N/A	-	-
Lawton Building	N/A	N/A	N/A	-	-
Longfellow Annex Center	N/A	N/A	N/A	-	-
Marseilles Attendance	N/A	N/A	N/A	-	-
Northern Annex	N/A	N/A	N/A	10,500	10,500
Puritan Attendance	N/A	N/A	N/A	-	-
Sinai Site	N/A	N/A	N/A	-	10,000
Site Vehicle Maintenance Center	N/A	N/A	N/A	28,000	28,000
West Maintenance Hub	N/A	N/A	N/A	-	24,000
Westside Bus Terminal	N/A	N/A	N/A	38,979	38,979
Willis Warehouse	N/A	N/A	N/A	170,688	170,688
Elementary - Total	64,338	48,853	48,853	7,724,502	7,655,002
Middle School - Total	49,146	42,278	43,088	6,720,286	6,933,457
High School - Total	35,421	29,660	32,019	6,538,173	7,133,889
Special Education - Total	1,362	-	-	369,244	369,244
Noninstructional - Total	-	-	-	865,209	1,101,009
District-wide grand total	<b>150,267</b>	<b>120,791</b>	<b>123,960</b>	<b>22,217,414</b>	<b>23,192,601</b>

Source: Michigan Department of Treasury Form SBL-101-4P, *Summary of Existing and Proposed School Facilities*, submitted to the State by Detroit Public Schools Program Management Team in conjunction with Bond Series 2003B, as of March 15, 2003

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

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Graduate Information Year Ended June 30, 2004

School Year	High School	Adult High School Completion	GED Graduates
1989-90	6,637	N/A	N/A
1990-91	5,731	525	1,870
1991-92	5,674	567	1,592
1992-93	6,129	518	1,804
1993-94	5,777	445	1,784
1994-95	6,063	399	1,956
1995-96	5,957	477	1,418
1996-97	6,286	292	226
1997-98	6,549	274	339
1998-99	6,317	26	342
1999-00	6,332	77	230
2000-01	5,964	84	396
2001-02	5,382	106	247
2002-03	5,852	79	134
2003-04	5,888	N/A	76

N/A - Not available

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

# Detroit Public Schools

	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Charge per lunch to students:					
Paid - Elementary	\$1.10	\$1.10	\$1.10	\$0.90	\$0.90
Paid - Secondary	\$1.20	\$1.20	\$1.20	\$1.00	\$1.00
Paid - High School	\$1.20	\$1.20	\$1.20	\$1.00	\$1.00
Reduced	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Charge per lunch to adults	a la carte	a la carte	a la carte	a la carte	a la carte
Number of days served	176	176	168	168	175
Number of free lunches served	11,272,821	10,988,855	11,902,270	11,614,288	12,438,594
Percent of total lunches served	82.67%	80.74%	84.72%	85.59%	85.74%
Average number of free lunches served daily	64,050	62,437	70,847	69,133	71,078
Number of paid lunches served at reduced price	433,173	394,595	406,774	428,282	497,624
Percent of total lunches served	3.18%	2.90%	2.90%	3.16%	3.43%
Number of paid lunches served at regular price	1,930,752	2,224,904	1,739,831	1,526,922	1,570,529
Percent of total lunches served	14.16%	16.35%	12.38%	11.25%	10.83%
Average number of paid lunches served daily:					
At reduced price	2,461	2,242	2,421	2,549	2,844
At regular price	10,970	12,641	10,356	9,089	8,974
Total number of lunches served	13,636,746	13,609,353	14,048,875	13,569,492	14,506,747
Average number of lunches served daily	77,482	77,326	73,624	80,771	82,896
Total number of students	150,415	157,003	159,694	162,693	168,213

Source: Food Services Department

Note: Unlicensed Child and Adult Care Feeding Program (CACFP) numbers are not included in the figures.

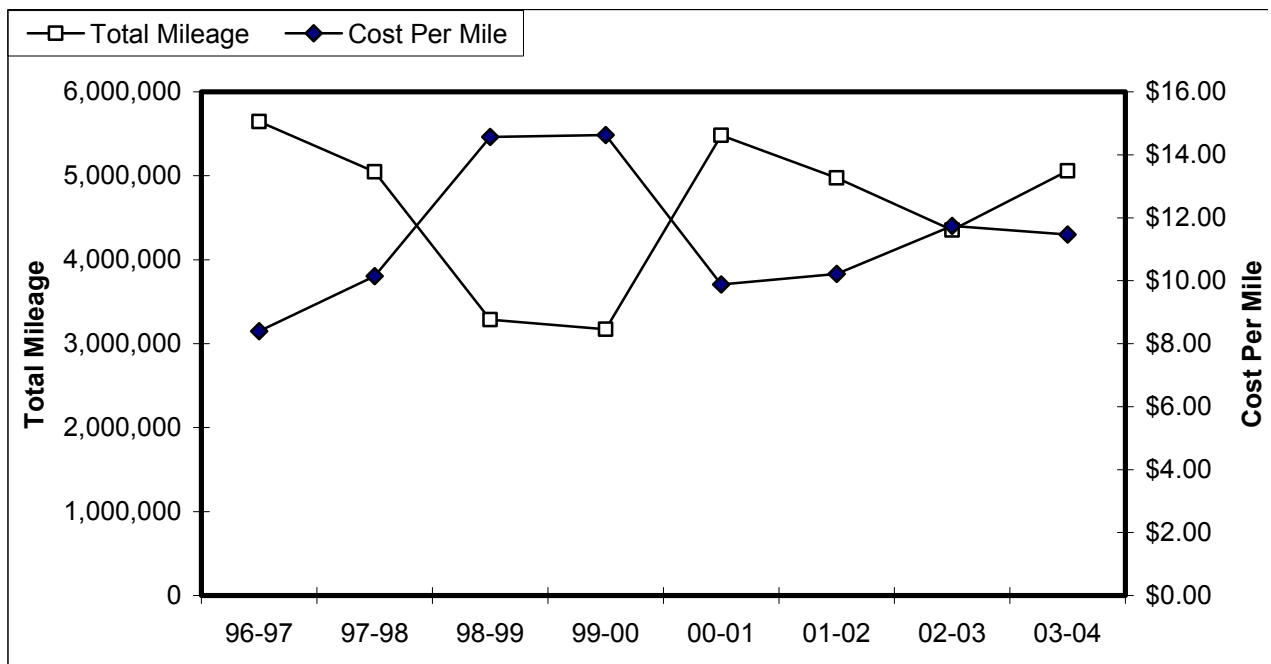
**Statistical and Other Information (Unaudited)**  
**School Lunch Program**  
**Year Ended June 30, 2004**

<u>1998-1999</u>	<u>1997-1998</u>	<u>1996-1997</u>	<u>1995-1996</u>
\$0.90	\$0.90	\$0.90	\$0.90
\$1.00	\$1.00	\$1.00	\$1.00
\$1.00	\$1.00	\$1.00	\$1.00
\$0.40	\$0.40	\$0.40	\$0.40
a la carte	a la carte	a la carte	a la carte
168	172	168	168
12,313,009	13,000,927	12,985,513	12,593,798
86.58%	87.97%	87.31%	86.41%
73,292	75,587	77,295	74,963
445,001	393,422	309,083	312,087
3.13%	2.66%	2.08%	2.14%
1,463,297	1,384,498	1,577,691	1,668,323
10.29%	9.37%	10.61%	11.45%
2,649	2,287	1,840	1,858
8,710	8,049	9,391	9,930
14,221,307	14,778,847	14,872,287	14,574,208
84,651	85,924	88,526	86,751
173,848	173,871	173,080	169,996

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Pupil Transportation Data Year Ended June 30, 2004

School Year	Regular Pupil Transportation Mileage*	Total Current Operating Expenditures	Average Cost Per Mile
1993-1994	N/A*	N/A*	\$ -
1994-1995	N/A*	N/A*	-
1995-1996	N/A*	N/A*	-
1996-1997	5,645,366	47,385,525	8.39
1997-1998	5,046,496	51,186,310	10.14
1998-1999	3,286,598	47,874,247	14.57
1999-2000	3,172,568	46,397,180	14.62
2000-2001	5,480,808	54,167,982	9.88
2001-2002	4,976,315	50,849,335	10.22
2002-2003	4,353,621	51,097,194	11.74
2003-2004	5,058,712	58,030,337	11.47



\* N/A - Information is not available.

Source: Form SE-4094



# Detroit Public Schools

## Statistical and Other Information (Unaudited) Demographic Statistics - City of Detroit Year Ended June 30, 2004

Year	School Year	Population	School Enrollment*	Average Daily Attendance	Unemployment Percentage Rate
1994	1994-1995	1,008,430	167,551	91%	10.80%
1995	1995-1996	1,003,701	169,996	92%	10.00%
1996	1996-1997	995,233	173,080	90%	9.10%
1997	1997-1998	975,477	173,871	90%	7.90%
1998	1998-1999	967,360	173,848	90%	7.20%
1999	1999-2000	965,084	168,213	N/A	7.60%
2000	2000-2001	951,270	162,693	90%	6.60%
2001	2001-2002	931,413	159,694	89%	5.10%
2002	2002-2003	921,312	157,003	91%	6.20%
2003	2003-2004	900,863	150,415	91%	7.30%

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

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Largest Employers - City of Detroit Year Ended June 30, 2004

Company	Type of Business	Number of Employees
Detroit Public Schools	Public school system	23,597
City of Detroit	City government	19,833
Detroit Medical Center	Health care system	11,653
U.S. government	Federal government	10,957
DaimlerChrysler Corp.	Automobile manufacturer	10,172
Henry Ford Health System	Health care system	6,912
General Motors Corp.	Automobile manufacturer	6,226
St. John Health	Health care system	5,941
State of Michigan	State government	5,324
Wayne State University	Public university	5,021

Source: Crain's List, June 28, 2004

# Detroit Public Schools

## Statistical and Other Information (Unaudited) District Staffing Year Ended June 30, 2004

Staff	Number of Employees*
Officials, administrators, managers	263
Principals	266
Assistant principals	213
Classroom teachers	9,412
Guidance	319
Psychological	100
Librarians/Audio-Visual staff	55
Consultants/Supervisors of instruction	336
Other professional staff	645
Teacher aides	2,214
Technicians	30
Clerical/Secretarial staff	1,107
Service workers	2,847
Skilled crafts	746
Laborers - Unskilled	110
Total	<u>18,663</u>
Part-time staff	3,092
Substitute staff:	
Instructional	654
Noninstructional support	1,188
Grand total	<u><u>\$ 23,597</u></u>

\* Head count - NOT FTE

# Detroit Public Schools

	2004	2003	2002	2001
<b>Local Sources</b>				
Property taxes	\$ 79,111,256	\$ 74,715,066	\$ 81,327,181	\$ 75,463,886
Earnings on investments	920,568	1,849,862	4,273,293	7,337,357
Special education millage	55,969,355	55,166,068	46,785,273	45,027,284
Other local	14,651,942	4,207,293	17,056,839	-
<b>Total Local Revenue</b>	<b>150,653,121</b>	<b>135,938,289</b>	<b>149,442,586</b>	<b>127,828,527</b>
<b>% of Revenue from Local Revenue</b>	<b>9.97%</b>	<b>8.86%</b>	<b>9.62%</b>	<b>8.81%</b>
<b>% Change in Local Revenue</b>	<b>0.81%</b>	<b>-9.04%</b>	<b>16.91%</b>	<b>-3.43%</b>
<b>State Sources</b>				
State aid	\$ 1,021,558,047	\$ 1,083,956,145	\$ 1,071,667,196	\$ 1,056,977,769
At-risk	71,943,117	79,509,349	94,425,757	91,911,168
Other state sources	26,021,162	27,984,337	38,613,676	-
<b>Total State Revenue</b>	<b>\$ 1,119,522,326</b>	<b>\$ 1,191,449,831</b>	<b>\$ 1,204,706,629</b>	<b>\$ 1,148,888,937</b>
<b>% of Revenue from State Revenue</b>	<b>74.09%</b>	<b>77.66%</b>	<b>77.56%</b>	<b>79.18%</b>
<b>% Change in State Revenue</b>	<b>-7.07%</b>	<b>-1.10%</b>	<b>4.86%</b>	<b>2.32%</b>
<b>Federal Sources</b>				
Education Consolidation and Improvements Act I	\$ 134,011,715	\$ 112,355,738	\$ 100,300,918	\$ 97,195,687
Other federal sources	106,869,403	94,431,124	98,730,971	-
<b>Total Federal Revenue</b>	<b>\$ 240,881,118</b>	<b>\$ 206,786,862</b>	<b>\$ 199,031,889</b>	<b>\$ 97,195,687</b>
<b>% of Revenue from Federal Revenue</b>	<b>15.94%</b>	<b>13.48%</b>	<b>12.82%</b>	<b>6.70%</b>
<b>% Change in Federal Revenue</b>	<b>21.03%</b>	<b>3.90%</b>	<b>104.77%</b>	<b>15.41%</b>
<b>Other General Operations</b>				<b>\$ 9,980,980</b>
<b>% of Revenue from Other General Operations</b>	-	-	-	<b>0.69%</b>
<b>% Change in Other General Operations</b>	-	-	-	<b>-69.98%</b>
<b>Other Special Program Operations</b>				<b>\$ 66,114,274</b>
<b>% of Revenue from Other Special Program Operations</b>	-	-	-	<b>4.56%</b>
<b>% Change in Other Special Program Operations</b>	-	-	-	<b>13.26%</b>
<b>Auxilliary Operations</b>				<b>\$ 881,474</b>
<b>% of Revenue from Auxilliary Operations</b>	-	-	-	<b>0.06%</b>
<b>% Change in Auxilliary Operations</b>	-	-	-	<b>-0.98%</b>
<b>Total Revenue</b>	<b>\$ 1,511,056,565</b>	<b>\$ 1,534,174,982</b>	<b>\$ 1,553,181,104</b>	<b>\$ 1,450,889,879</b>
<b>% Change in Total Revenues</b>	<b>-2.71%</b>	<b>-1.22%</b>	<b>7.05%</b>	<b>-1.17%</b>
<b>Student Enrollment</b>	150,415	157,003	159,694	162,693
<b>% Change in Student Enrollment</b>	<b>-5.81%</b>	<b>-1.69%</b>	<b>-1.84%</b>	<b>-3.28%</b>
<b>Total Revenue Per Student</b>	<b>\$ 10,046</b>	<b>\$ 9,772</b>	<b>\$ 9,726</b>	<b>\$ 8,918</b>
<b>% Change in Total Revenue Per Student</b>	<b>2.80%</b>	<b>0.47%</b>	<b>9.06%</b>	<b>2.18%</b>

**Notes:**

Prior to 2001, auxiliary operations included Food Service and Athletics.  
 In 2002, revenue classifications were modified to conform with GASB No. 34.

**Statistical and Other Information (Unaudited)**  
**General Fund Revenue by Source**  
**Year Ended June 30, 2004**

	2000	1999	1998	1997	1996	1995
\$	71,925,327	\$ 76,616,502	74,291,346	\$ 74,338,605	\$ 65,206,513	\$ 57,541,160
	7,140,951	7,956,383	9,121,264	7,967,874	5,432,661	4,619,552
	53,305,293	46,233,973	33,851,192	25,789,013	45,019,568	30,578,513
	-	-	-	-	-	-
	132,371,571	130,806,858	117,263,802	\$ 108,095,492	\$ 115,658,742	\$ 92,739,225
	9.02%	9.07%	8.40%	7.96%	8.73%	7.53%
	1.20%	11.55%	8.48%	-6.54%	24.71%	-63.50%
\$	1,046,920,520	\$ 1,034,589,767	\$ 1,016,706,222	\$ 983,466,283	\$ 972,614,955	\$ 979,752,119
	75,877,780	79,661,241	75,078,955	73,229,079	60,881,361	-
	-	-	-	-	-	-
\$	1,122,798,300	\$ 1,114,251,008	\$ 1,091,785,177	\$ 1,056,695,362	\$ 1,033,496,316	\$ 979,752,119
	76.48%	77.30%	78.20%	77.78%	78.02%	79.57%
	0.77%	2.06%	3.32%	2.24%	5.49%	43.56%
\$	84,218,687	\$ 92,128,414	\$ 94,574,532	\$ 97,782,027	\$ 91,694,819	\$ 77,750,084
	-	-	-	-	-	-
\$	84,218,687	\$ 92,128,414	94,574,532	\$ 97,782,027	\$ 91,694,819	\$ 77,750,084
	5.74%	6.39%	6.77%	7.20%	6.92%	6.31%
	-8.59%	-2.59%	-3.28%	6.64%	17.94%	-7.57%
\$	33,249,441	\$ 19,735,154	\$ 11,988,373	\$ 11,134,970	\$ 7,549,281	\$ 2,766,817
	2.26%	1.37%	0.86%	0.82%	0.57%	0.22%
	68.48%	64.62%	7.66%	47.50%	172.85%	-66.83%
\$	58,371,803	\$ 49,389,245	\$ 44,109,150	\$ 48,841,380	\$ 42,470,626	\$ 43,369,093
	3.97%	3.43%	3.16%	3.59%	3.21%	3.52%
	18.19%	11.97%	-9.69%	15.00%	-2.07%	-24.59%
\$	37,102,162	\$ 35,134,044	\$ 36,347,857	\$ 36,069,451	\$ 33,724,815	\$ 34,924,172
	2.53%	2.44%	2.61%	2.65%	2.55%	2.85%
	5.60%	-3.34%	0.77%	6.95%	-3.43%	14.26%
<b>\$</b>	<b>1,468,111,964</b>	<b>\$ 1,441,444,723</b>	<b>\$ 1,396,068,891</b>	<b>\$ 1,358,618,682</b>	<b>\$ 1,324,594,599</b>	<b>\$ 1,231,301,510</b>
	1.85%	3.25%	2.76%	2.57%	7.58%	10.23%
	168,213	173,848	173,871	173,080	169,996	167,551
	-3.24%	-0.01%	0.46%	1.81%	1.46%	0.25%
\$	8,728	\$ 8,291	\$ 8,029	\$ 7,850	\$ 7,792	\$ 7,349
	5.27%	3.26%	2.28%	0.81%	6.03%	9.95%

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Government-wide Revenue by Source Year Ended June 30, 2004

	2004	2003	2002
<b>Charges for Services</b>			
Instruction	\$ 534,085	\$ 707,441	\$ 1,218,449
Support services	1,968,685	406,495	374,227
Community services	194,357	396,375	592,194
Food services	4,883,122	7,684,584	4,009,284
<b>Total Charges for Services</b>	<b>\$ 7,580,249</b>	<b>\$ 9,194,895</b>	<b>\$ 6,194,154</b>
<b>% of Revenue from Charges for Services</b>	<b>0.46%</b>	<b>0.55%</b>	<b>0.37%</b>
<b>% Change in Local Revenue</b>	<b>-17.56%</b>	<b>48.44%</b>	<b>N/A</b>
<b>Operating Grants and Contributions</b>			
Instruction	\$ 266,631,616	\$ 309,671,019	\$ 342,960,178
Support services	209,934,501	146,685,822	142,629,745
Community services	6,144,452	4,901,034	4,385,874
Food services	42,444,896	40,815,001	40,309,610
Interest on long-term debt	-	-	7,408,631
<b>Total Operating Grants and Contributions</b>	<b>\$ 525,155,465</b>	<b>\$ 502,072,876</b>	<b>\$ 537,694,038</b>
<b>% of Revenue from Operating Grants and Contributions</b>	<b>31.53%</b>	<b>29.73%</b>	<b>32.30%</b>
<b>% Change in Operating Grants and Contributions</b>	<b>4.60%</b>	<b>-6.62%</b>	<b>N/A</b>
<b>General Revenue</b>			
Property taxes, levied for general purposes	\$ 76,978,512	\$ 77,463,860	\$ 70,361,823
Property taxes, levied for debt services	104,758,050	98,349,902	70,961,394
Federal and State aid not restricted to specific purposes	932,399,129	992,568,740	961,331,404
Interest and investment earnings	7,896,070	9,711,711	14,236,252
Other sources	10,675,608	(460,619)	3,951,144
<b>Total Federal Revenue</b>	<b>\$ 1,132,707,369</b>	<b>\$ 1,177,633,594</b>	<b>\$ 1,120,842,017</b>
<b>% of Revenue from Federal Revenue</b>	<b>68.01%</b>	<b>70.71%</b>	<b>67.33%</b>
<b>% Change in Federal Revenue</b>	<b>-3.81%</b>	<b>5.07%</b>	<b>N/A</b>
<b>Total Revenue</b>	<b><u>\$ 1,665,443,083</u></b>	<b><u>\$ 1,688,901,365</u></b>	<b><u>\$ 1,664,730,209</u></b>
<b>% Change in Total Revenues</b>	<b>-1.39%</b>	<b>1.45%</b>	<b>N/A</b>
<b>Student Enrollment</b>	<b>150,415</b>	<b>157,003</b>	<b>159,694</b>
<b>% Change in Student Enrollment</b>	<b>-4.20%</b>	<b>-1.69%</b>	<b>-1.84%</b>
<b>Total Revenue Per Student</b>	<b>\$ 11,072</b>	<b>\$ 10,757</b>	<b>\$ 10,425</b>
<b>% Change in Total Revenue Per Student</b>	<b>2.93%</b>	<b>3.19%</b>	<b>N/A</b>

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Government-wide Expenditures by Function Year Ended June 30, 2004

	2004	2003	2002
<b>Expenditures</b>			
Instruction	\$ 959,112,368	\$ 913,338,397	\$ 873,005,864
Support services	674,621,870	667,692,121	635,819,619
Community services	6,879,983	5,871,252	5,231,880
Food services	49,633,030	46,935,550	44,332,443
Athletics	1,924,623	1,718,693	2,231,664
Other	7,095,885	2,361,721	-
Interest on long-term debt	72,829,444	54,913,134	37,118,827
Depreciation (unallocated)	5,305,674	3,163,708	8,702,961
	<u>\$ 1,777,402,877</u>	<u>\$ 1,695,994,576</u>	<u>\$ 1,606,443,258</u>
<b>Total expenditures</b>			
	<u>\$ 1,777,402,877</u>	<u>\$ 1,695,994,576</u>	<u>\$ 1,606,443,258</u>
<b>Percent Change in Expenditure</b>	4.80%	5.57%	N/A
<b>Student Enrollment</b>	150,415	157,003	159,694
<b>Expenditures per Student</b>	\$ 11,817	\$ 10,802	\$ 10,060
<b>Percent Change in Expenditure Per Student</b>	9.39%	7.38%	N/A

# Detroit Public Schools

## Statistical and Other Information (Unaudited) Certified Staff Data Year Ended June 30, 2004

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

Michigan Teaching Certificate requirements include:

### Provisional, valid for six years

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

### Professional, valid for five years

- Three years successful teaching at the level of the certificate and in a certificate endorsement area
- Minimum of 18 graduate hours of coursework in a planned program

### Professional - Renewal, valid for five years

For each renewal, completion of six hours of coursework or 18 continuing education units

The School District's current certified staff averages 16.74 years of in-district experience with the following educational level distribution:

#### Bachelor's Degree

36.35%

#### Master's Degree

62.76%

#### Doctorate Degree

.89%