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DETROIT PUBLIC SCHOOLS

TO: The Detroit Public Schools Community District Board of Education

FROM: Marios Demetriou, Deputy Superintendent of Finance and Operations

SUBJECT: Fiscal Year 2018 Adopted Budget

DATE: June 6, 2017

CC: Dr. Nikolai Vitti, General Superintendent
Delores Brown, Executive Director, Finance
Michael Bridges, Deputy Executive Director, Finance
Marc Ingram, Deputy Executive Director, Finance

The Fiscal Year 2017-2018 (FY 2018) Detroit Public Schools (DPS) Adopted Budget is based on a comprehensive review of actual and projected financial data and analysis. The following is a brief narrative of the anticipated revenues, expenses and financing uses.

REVENUES

The FY 2018 Adopted Budget includes the following revenues:

1. Property Taxes - \$58.6 million
2. Renaissance Zone – \$4.3 million

EXPENSES

The FY 2018 Adopted Budget includes the following expenses:

1. Debt Service - \$49.4 million
 - a. SAN Debt Service – \$36.9 million
 - b. Deferred MPSERS Interest – 10.5 million
 - c. Emergency Debt Service – \$2.0 million
2. Audit - \$250,000
3. Legal expenses - \$150,000

FINANCING USES

DPS anticipates transferring \$13.1 million in remaining cash to the Detroit Public Schools Community District (DPSCD).



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DPS anticipates having a \$16,538 surplus for FY 2018.



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DETROIT PUBLIC SCHOOLS GENERAL FUND ADOPTED BUDGET THROUGH THE YEAR ENDING JUNE 30, 2018

	FY 2016 - Actual	FY 2017 - Final Budget	FY 2018 - Adopted	FY 2018 - Adopted Budget Increase (Decrease) Over FY 2017 - Final Budget
Revenue:				
Local sources				
Special education millage	\$ 30,811,974	\$ -	\$ -	\$ -
Property Taxes	63,077,447	58,100,000	58,600,000	500,000
Other	11,690,785	-	-	-
Total local sources	105,580,206	58,100,000	58,600,000	500,000
State sources	432,186,034	4,339,880	4,339,880	-
Federal sources	137,795,737	35,160,478	-	(35,160,478)
Total Revenue	675,561,977	97,600,358	62,939,880	(34,660,478)
Expenditures:				
Instruction	318,787,616	8,070,275	-	(8,070,275)
Support services				
Pupil services	53,121,893	1,488,538	-	(1,488,538)
Instructional staff support	59,512,242	1,436,258	-	(1,436,258)
General administration	3,989,909	341,120	150,000	(191,120)
School administration	34,936,528	262,366	-	(262,366)
Business office	34,263,027	3,028,042	250,000	(2,778,042)
Operations & maintenance	91,646,321	7,746,640	-	(7,746,640)
Transportation	32,098,680	2,308,425	-	(2,308,425)
Central support service	34,157,082	3,032,933	-	(3,032,933)
Other support service	1,988,296	86,750	-	(86,750)
Total support services	345,713,978	19,731,072	400,000	(19,331,072)
Community service	5,123,901	181,442	-	(181,442)
Facilities acquisitions and improvement	-	2,417	-	(2,417)
Debt service				
2011 Revenue Bonds	32,255,426	-	-	-
2012 Revenue Bonds	20,746,668	-	-	-
SAN Debt Service	-	34,285,117	36,956,205	2,671,088
Deferred MPERS Interest	-	5,500,000	10,502,137	5,002,137
Emergency Loan Debt Service	-	1,211,750	1,965,000	753,250
Total Debt service	53,002,094	40,996,867	49,423,342	8,426,475
Total Expenditures	722,627,589	68,982,073	49,823,342	(19,158,731)
Other Financial Sources (Uses)				
Sources				
Proceeds from sale of capital assets	1,980,874	-	-	-
Transfers In	2,370,967	-	-	-
State Transition Funding	-	150,000,000	-	(150,000,000)
Total Sources	4,351,841	150,000,000	-	(150,000,000)
Uses				
Transfers Out	(1,295,580)	-	-	-
Transfer to DPSCD General Fund - Transition Operating Costs	-	(25,000,000)	-	25,000,000
Transfer to DPSCD General Fund - Other	-	(15,696,275)	(13,100,000)	2,596,275
Transfer to DPSCD Food Service Surplus	-	(4,458,220)	-	4,458,220
Transfer to DPSCD Internal Service Fund and Agency Fund (TIP/WC/Legal)	-	(48,438,893)	-	48,438,893
Total Uses	(1,295,580)	(93,593,388)	(13,100,000)	80,493,388
Total Other Financial Sources (Uses)	3,056,261	56,406,612	(13,100,000)	(69,506,612)
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(44,009,351)	85,024,897	16,538	(85,008,359)
Beginning Fund Balance	(207,577,903)	(251,587,254)	(166,562,357)	
Ending Fund Balance	\$ (251,587,254)	\$ (166,562,357)	\$ (166,545,819)	