



# SEE IT BELIEVE IT

## DETROIT PUBLIC SCHOOLS

TO: The Detroit Public Schools Community District Board of Education

FROM: Marios Demetriou, Deputy Superintendent of Finance

SUBJECT: Fiscal Year 2018 Preliminary Budget

DATE: June 6, 2017

CC: Dr. Nikolai Vitti, Superintendent

Alycia Meriweather, Senior Advisor to the Superintendent

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The Fiscal Year 2017-2018 (FY 2018) Detroit Public Schools (DPS) Preliminary 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 Preliminary Budget includes the following revenues:

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

### **EXPENSES**

The FY 2018 Preliminary Budget includes the following expenses:

1. Debt Service - \$40.9 million
  - a. SAN Debt Service – \$36.9 million
  - b. Deferred MPSERS Interest – 2.0 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) as a reimbursement for pension contributions made in FY 2017 in accordance with legislation. Additionally, the District anticipates a \$2.7 million transfer to WRESA related to an overpayment to DPS of Act 18 from 2014-2015.

DPS anticipates having a \$5,818,675 surplus for FY 2018.



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	<b>FY 2018 - PRELIMINARY</b>
<b>Revenue:</b>	
Local sources	
Property Taxes	58,600,000
Total local sources	<u>58,600,000</u>
State sources	4,339,880
Federal sources	-
<b>Total Revenue</b>	<b><u>62,939,880</u></b>
<b>Expenditures:</b>	
Instruction	-
Support services	
Pupil services	-
Instructional staff support	-
General administration	150,000
School administration	-
Business office	250,000
Operations & maintenance	-
Transportation	-
Central support service	-
Other support service	-
Total support services	<u>400,000</u>
Community service	-
Facilities acquisitions and improvement	-
Debt service	
SAN Debt Service	36,956,205
Deferred MPERS Interest	2,000,000
Emergency Loan Debt Service	1,965,000
Total Debt service	<u>40,921,205</u>
<b>Total Expenditures</b>	<b><u>41,321,205</u></b>
<b>Other Financial Sources (Uses)</b>	
<b>Uses</b>	
Transfer to DPSCD General Fund - Transition Operating Costs	-
Transfer to DPSCD General Fund - Other	(13,100,000)
Transfer to WRESA	<u>(2,700,000)</u>
<b>Total Uses</b>	<b><u>(15,800,000)</u></b>
<b>Total Other Financial Sources (Uses)</b>	<b><u>(15,800,000)</u></b>
<b>Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b><u>5,818,675</u></b>
<b>Beginning Fund Balance</b>	<b>(166,562,357)</b>
<b>Ending Fund Balance</b>	<b><u>\$ (160,743,682)</u></b>