



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

RICK SNYDER  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

August 7, 2012

Dr. Donald Weatherspoon, Emergency Manager  
Muskegon Heights School District  
2603 Leahy Street  
Muskegon, MI 49444

Dear Dr. Weatherspoon:

As the State Financial Authority under Section 18(3) of the Local Government and School District Fiscal Accountability Act (P.A. 4 of 2011), I am approving the Financial and Operating Plan as submitted on August 6, 2012 to serve as the Deficit Elimination Plan (DEP) for Muskegon Heights School District. MCL 388.1702 requires that I, as Superintendent of Public Instruction, approve a district's Deficit Elimination Plan (DEP). Therefore, I am granting contingent approval of the district's DEP with the following contingencies:

- For as long as the district is in deficit, the district must submit to MDE no less than annually an operating budget in accordance with the Uniform Budgeting and Accounting Act (MCL 141.434-141.438). The first operating budget must be submitted to MDE within thirty (30) days of the date of this letter.
- For as long as the district is in deficit, the district must submit to MDE no less than annually the financial detail to the DEP. The financial detail shall be in a form prescribed by MDE (attached as Schedule A). The first financial detail must be submitted to MDE within thirty (30) days of the date of this letter.
- The district is required to submit Monthly Budgetary Control Reports to MDE (attached as Schedule B).

Please notify us if significant changes occur which would invalidate the DEP as approved. The contingency requirements should be submitted to Dan Hanrahan, State Aid and School Finance Director, at [hanrahand@michigan.gov](mailto:hanrahand@michigan.gov). Dan can also be reached at 517-335-0521.

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Donald Weatherspoon  
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I look forward to your submissions and continued cooperation.

Sincerely,



Mike Flanagan  
Superintendent of Public Instruction

Attachments

cc: Carol Wolenberg, Deputy Superintendent  
Dan Hanrahan, Director, Office of State Aid and School Finance  
Jeff Kolb, Financial Analyst, Office of State Aid and School Finance  
Tom Saxton, Deputy State Treasurer  
Local Audits Unit  
David Sipka, Superintendent, Muskegon Area Intermediate School District (ISD)  
Marios Demetriou, Deputy Superintendent, Muskegon Area ISD

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Schedule A

Account	Beginning Fund Equity:	Preliminary Actual 2011-12	Board Adopted Budget 2012-13	Yearly Increase (Decrease)	% Increase (Decrease)	Target Budget 2013-14	Yearly Increase (Decrease)	% Increase (Decrease)
1		\$0	\$0			\$0		
2	Add: Revenues							
3 11x, 12x	Local Sources	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
4 51x	Local Rec'd Thru Another Public Sch.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
5 2xx	Other Political Sub.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
6 3xx	State Sources	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
7 4xx	Federal Sources	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
8 52x-6xx	Incoming Transfers & Other	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
9	TOTAL REVENUES, ETC.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
10	TOTAL RESOURCES AVAILABLE	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
11	Less: Expenditures							
12 1xx	Classroom Inst.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
13	Support Services:							
14 21x	Pupil	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
15 22x	Inst. Staff	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
16 23x	Gen. Adm.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
17 24x	Sch. Adm.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
18 25x	Business	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
19 26x	Operation & Maintenance	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
20 27x	Transportation	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
21 28x	Central	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
22 29x	Other	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
23 3xx	Community Services	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
24 41, 42, 43	Outgoing Transfers	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
25 45x	Facilities Acq	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
26 51x	Debt Service	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
27 6xx	Fund Modifications	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
28	TOTAL EXP. & OUTGOING TRANSFE	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
29	ENDING FUND BALANCE	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%

Notes:

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**SCHOOL DISTRICT NAME: \_\_\_\_\_**  
**SUMMARY MONTHLY DEP RECONCILIATION REPORT**  
**FOR THE MONTH ENDING \_\_\_\_\_**

Acct Codes	A DEFICIT ELIMINATION PLAN 2012-2013	B ACTUAL Year-to Date	C PROJECTED To-Year-End	D(B+C) TOTAL PROJECTED	E(D-A) VARIANCE	F(E/A) % VARIANCE	Variance Explanation
1		\$0		\$0	\$0	0.00%	
2	Beginning Fund Equity						
3	Add: Revenues						
3 11X	Local Sources	\$0	\$0	\$0	\$0	0.00%	
4 51X	Local Rec'd Thru Other Public Schl	\$0	\$0	\$0	\$0	0.00%	
5 2xx	Local Thru Other Political Sub	\$0	\$0	\$0	\$0	0.00%	
6 3xx	State Sources	\$0	\$0	\$0	\$0	0.00%	
7 4xx	Federal Sources	\$0	\$0	\$0	\$0	0.00%	
8 52x-6xx	Incoming Transfers & Other	\$0	\$0	\$0	\$0	0.00%	
9	Total Current Year Revenues	\$0	\$0	\$0	\$0	0.00%	
10	<b>TOTAL RESOURCES AVAILABLE</b>	\$0		\$0	\$0	0.00%	
11	Less: Expenditures						
12 1xx	Classroom Instruction	\$0	\$0	\$0	\$0	0.00%	
13	Support Services:						
14 21x	Pupil Support	\$0	\$0	\$0	\$0	0.00%	
15 22x	Instructional Staff Supp	\$0	\$0	\$0	\$0	0.00%	
16 23x	General Admin.	\$0	\$0	\$0	\$0	0.00%	
17 24x	School Admin.	\$0	\$0	\$0	\$0	0.00%	
18 25x	Business Admin.	\$0	\$0	\$0	\$0	0.00%	
19 26x	Oper/Maintenance	\$0	\$0	\$0	\$0	0.00%	
20 27x	Transportation	\$0	\$0	\$0	\$0	0.00%	
21 28x	Central Admin.	\$0	\$0	\$0	\$0	0.00%	
22 29x	Other	\$0	\$0	\$0	\$0	0.00%	
23 3xx	Community Services	\$0	\$0	\$0	\$0	0.00%	
24 41,42,43	Outgoing Transfers	\$0	\$0	\$0	\$0	0.00%	
25 45x	Facilities Acquisition	\$0	\$0	\$0	\$0	0.00%	
26 51x	Debt Service	\$0	\$0	\$0	\$0	0.00%	
27 6xx	Fund Modifications	\$0	\$0	\$0	\$0	0.00%	
28	<b>TOTAL EXPEND. &amp; OUTGOING TRNSFRS</b>	\$0	\$0	\$0	\$0	0.00%	
29	<b>ENDING FUND BALANCE</b>	\$0		\$0	\$0		

Notes: