



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2020-11

**APPROVING THE DETROIT PUBLIC SCHOOLS COMMUNITY
DISTRICT'S STUDENT ACTIVITY BUDGET FOR FISCAL YEAR 2020**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the “Community District”) beginning on June 21, 2016; and

WHEREAS, Section 7(c) of the Act provides that during the period of oversight, the Commission review, modify, and approve the Community District’s proposed and amended operational budgets and that a proposed budget or budget amendment does not take effect unless approved by the Commission; and

WHEREAS, the Community District presented its budget for the fiscal year ending June 30, 2021 (“fiscal year 2021”) to the Commission at its meeting on June 29, 2020 for the Commission’s review and consideration.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's budget for fiscal year 2021 (the "Budget"), as presented to the Commission on June 29, 2020, is hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

FY 20 School Activity Account Revenues and Expenditures Comparison

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT STUDENT ACTIVITIES FUND

FY 2020 DRAFT BUDGET FOR THE YEAR ENDING JUNE 30, 2020

	FY 2020 Proposed Budget
Revenue:	
Local Sources	\$ 2,500,000
Total Revenue	<u>2,500,000</u>
Expenditures:	
Community Service	<u>2,500,000</u>
Total Support Services	<u>2,500,000</u>
Excess of Revenue over Expenditures	-
Beginning Fund Balance	1,666,433
Ending Fund Balance	<u>\$ 1,666,433</u>

School Activity Account Budget

Prior to FY20, Student Activity Funds were accounted for under fiduciary activity. The District was not required to adopt a budget.

In 2019, the Governmental Accounting Standards Board (GASB) established a new criteria for identifying fiduciary activity (Student Activity Accounts).

Due to the District's direct administrative involvement in Student Activity Accounts, funds must be classified as Special Revenue, reported in the Governmental Funds during the annual financial audit, and a budget must be adopted.

Revenue

- ✓ Revenue consist of school fundraisers, student activity fees, and donations of less than 10k.

Expenses

- ✓ Expenditures consist of field trips, student events, and fundraiser expenses.