



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2020-14

**APPROVING THE DETROIT PUBLIC SCHOOLS COMMUNITY
DISTRICT'S FOOD SERVICE BUDGET FOR FISCAL YEAR 2021**

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 21 Food Service Budget Revenues and Expenditures Comparison

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT
FOOD SERVICE FUND
FY 2021 PROPOSED BUDGET

	FY 2019 Actuals	Proposed FY20 Budget Amendment #1	Proposed FY21 Budget	Variance from FY20 BA #1
Revenue:				
Local sources	\$ 423,863	\$ 850,000	\$ 830,000	\$ (20,000)
Total local sources	423,863	850,000	830,000	(20,000)
State sources	2,813,908	1,472,492	1,295,000	(177,492)
Federal sources	41,927,073	31,000,000	44,921,670	13,921,670
Total Revenue	45,164,844	33,322,492	47,046,670	13,724,178
Expenditures				
Support Services				
Salaries Personnel	14,586,556	15,500,000	16,338,656	838,656
Purchased Services	686,703	3,717,500	3,760,742	43,242
Supplies	24,411,251	20,000,000	27,992,500	7,992,500
Equipment & Capital	1,630,816	3,500,000	1,503,000	(1,997,000)
Total Expenditures	41,315,326	42,717,500	49,594,898	6,877,398
Excess (deficiency) of Revenue Over (Under) Expenditures	3,849,518.00	(9,395,008)	(2,548,228)	6,846,780
Other Sources (Uses)				
Transfers in	2,000.00	-	-	
Transfers out	(1,580,445)	(1,500,000)	(1,500,000)	-
Total Sources (Uses)	(1,578,445)	(1,500,000)	(1,500,000)	-
Total Other Financial Sources (Uses)	(1,578,445)	(1,500,000)	(1,500,000)	-
Beginning Fund Balance	22,120,635	24,391,708	13,496,700	(10,895,008)
Ending Fund Balance	\$ 24,391,708	\$ 13,496,700	\$ 9,448,472	\$ (4,048,228)

FY 21 Budget Takeaways

Revenue

- ✓ Revenue is expected to increase to pre COVID-19 levels based on a resumption of in-person instruction at District campuses.

Expenses

- ✓ Student enrollment is expected to remain constant from FY20 levels.
- ✓ Personnel expenses are expected to increased based on the addition of more resources to serve students to maintain and adhere to social distancing requirements.
- ✓ The District will continue to make one-time purchases for the purchase and installation of Equipment & Capital consistent with continued implementation of the Food Surplus Spend Down plan approved by MDE.
- ✓ The fund balance is targeted to be 3 months of average expenditures, or between \$7M to \$10M.

