



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**

**SCHOOL DISTRICT RESOLUTION 2020-10**

**APPROVING THE COMMUNITY DISTRICT'S FY 20 BUDGET  
AMENDMENT NO. 1 FOOD SERVICE FUND REQUESTS**

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, Section 6(3) of the Act further requires the Commission to ensure that the Community District complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the Community District from deviating from its original general appropriations act without amending it and requires the Community District to amend its general appropriations act as soon as it becomes apparent that a

deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; and

WHEREAS, at the Commission meeting on June 29, 2020, the Community District presented budget amendment requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

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

1. That the Community District's June 2020 budget amendment requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments a majority of Commission members present has agreed to exclude as noted in the minutes, are 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 Budget Amendment No. 1 – Food Service Revenue and Expenditures

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT  
FOOD SERVICE FUND  
FY 2020 PROPOSED BUDGET AMENDMENT #1

	FY 2019 Actuals	FY20 Adopted Budget	Proposed FY20 Budget Amendment #1	Variance from FY20 Adopted Budget
<b>Revenue:</b>				
Local sources	\$ 423,863	\$ 636,272	\$ 850,000	\$ 213,728
<b>Total local sources</b>	<b>423,863</b>	<b>636,272</b>	<b>850,000</b>	<b>213,728</b>
State sources	2,813,908	1,863,114	1,472,492	(390,622)
Federal sources	41,927,073	47,501,752	31,000,000	(16,501,752)
<b>Total Revenue</b>	<b>45,164,844</b>	<b>50,001,138</b>	<b>33,322,492</b>	<b>(16,678,646)</b>
<b>Expenditures:</b>				
Support Services				
Salaries Personnel	14,586,556	19,644,227	15,500,000	(4,144,227)
Purchased Services	686,703	1,071,239	3,717,500	2,646,261
Supplies	24,411,251	27,126,203	20,000,000	(7,126,203)
Equipment & Capital	1,630,816	12,147,515	3,500,000	(8,647,515)
Utilities	-	341,954	-	(341,954)
<b>Total Expenditures</b>	<b>41,315,326</b>	<b>60,331,138</b>	<b>42,717,500</b>	<b>(17,613,638)</b>
<b>Excess (deficiency) of Revenue Over (Under) Expenditures</b>	<b>3,849,518</b>	<b>(10,330,000)</b>	<b>(9,395,008)</b>	<b>934,992</b>
<b>Other Sources (Uses):</b>				
Transfers in	2,000	-	-	
Transfers out	(1,580,445)	(2,000,000)	(1,500,000)	500,000
<b>Total Sources (Uses)</b>	<b>(1,578,445)</b>	<b>(2,000,000)</b>	<b>(1,500,000)</b>	<b>500,000</b>
<b>Total Other Financial Sources (Uses)</b>	<b>(1,578,445)</b>	<b>(2,000,000)</b>	<b>(1,500,000)</b>	<b>500,000</b>
Beginning Fund Balance	22,120,635	26,120,635	24,391,708	(1,728,927)
<b>Ending Fund Balance</b>	<b>\$ 24,391,708</b>	<b>\$ 13,790,635</b>	<b>\$ 13,496,700</b>	<b>\$ (293,935)</b>

## School Nutrition Budget Amendment No. 1

The District is proposing an amendment to the adopted Food Service Budget, largely driven by the current public health crisis.

### Revenue

- ✓ Federal revenue is projected to decrease by just over 30% as a result of reimbursements for fewer meals served due to school closures in response to the COVID-19 Pandemic and subsequent Executive orders.

### Expenses

- ✓ While continuing to serve breakfast and lunch at 17 District sites throughout the Pandemic, expenses for food supplies will be lower than expected due to the types of food offerings provided.
- ✓ The District has continued with projects and expenditures consistent with 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.

