

To: Board of Education

From: Sharon Raschke

Date: August 6, 2020

RE: Financial Results - Fiscal Year End 2019-20

The auditors completed fieldwork last week. However, we are not able to finalize the 2019-20 fiscal year. We anticipate several appropriation actions by the State of Michigan in August that will need to be included in our 2019-20 financial results. Anticipated changes include a proration (reduction) of foundation allowance and/or other State categoricals of approximately \$175 per student (\$635,000). The State's July 1 appropriation of the Federal CRF Funds (\$44,843) cannot be included in our 2019-20 revenue because GASB government accounting standards prohibit grants appropriated after June 30 to be accrued as a receivable. While the State has publicized a sizable Federal grant intended to plug the State shortfall for 2019-20, the revenue for the Federal funds cannot be recognized until 2020-21. Also, use of the Federal funds will be restricted to specific expenditures that have yet to be communicated.

In order to provide you with timely financial information, please find attached a summary of the estimated financial results for the General Fund. Included is a reconciliation of the operational results after considering expenditures the Board planned from Fund Balance. The major variances from budget are detailed.

If you have any questions, please ask.

Dexter Community Schools
2019-20 Projected Financial Results

Budget Analysis Operational vs. Audit	Budget			Actual	Variance*
	June 2019	November 2019	June 2020	2019-20	Favorable (Unfavorable)
Revenue	\$ 43,133,562	\$ 44,083,798	\$ 44,083,798	\$ 43,225,271	\$ (858,527) -1.9%
Expenses	\$ 42,711,232	\$ 44,315,286	\$ 44,642,286	\$ 42,511,786	\$ 1,803,500 4.0%
Revenue over (under) Expenses	\$ 422,330	\$ (231,488)	\$ (558,488)	\$ 713,485	\$ 944,973
Playground Repairs (to be paid by reserves)		\$ (110,000)		\$ (70,232)	
Painting Project (to be paid by reserves; balance in 20-21)				\$ (8,236)	
Technology Restitution to designate in Fund Balance				\$ (44,843)	
Teaching supply unspent (carryover into 20-21)				\$ (248,573)	
Revenue over Expenses (Operational)	\$ 422,330	\$ (341,488)	\$ (558,488)	\$ 341,601	
Anticipated August State Aid Changes (\$175 proration; Federal COVID move to 20-21 \$44,697)				\$ (679,506)	
Estimated final Revenue over Expenses (Operational)				\$ (337,905)	

* Variance to operating plan November budget revision

**Dexter Community Schools
2019-20 Projected Financial Results**

Variance Analysis	Variance- Favorable (Unfavorable)*	
Revenue over Expenses (Actual vs. Budget)	\$ 944,973	
COVID costs-General Fund (supplies, legal, extra compensation)	(106,219)	
Teachers on unpaid LOA (excludes FICA/Ret)	154,518	
Teacher Substitutes	112,605	
Special Education paras/para subs	110,788	
Other employees on unpaid LOA (excludes FICA/Ret)	17,300	
MPSERS/ORS Retirement rate Blended budget 39.97%; actual 39.69% ORS Wages \$24,105,174 Paid \$9,567,683 to MPSERS Received \$3,781,240 thru State Aid	67,494	\$ 5,786,443 Net MPSERS cost 24%
MPSERS/ORS Retirement on LOA/vacant positions	219,474	
FICA on employee pre-tax contributions (health, ORS HCF, Flex, HSA)	84,500	
Health Insurance on LOA/Terms	172,503	
Workers Comp (premium credit due to favorable experience)	120,273	
Teaching supplies unspent to carryforward	248,573	
Board of Education (reduced mgt consulting/ reduced unemployment costs / no election costs)	20,959	
Board of Education (legal fees) - \$69,068	(29,068)	
Executive Administration (excludes FICA/Ret)	42,606	
Business Office (excludes FICA/Ret)	2,245	
Business Services (tax refund interest/insurance claim deductible)	5,222	
Business Services (MAISL premium refund due to reduced claims)	6,212	**Electric usage:
Utilities water (savings from prior year credits/school closure)- \$96,186	38,525	Overall for the fiscal year, electric KWH usage down 6.9%, cost down 3.9% and per unit cost up 3.8%
Utilities trash (savings from recycling/school closure) - \$24,262	37,552	Savings due to the HS/Creekside Chillers being down KWH usage down 26.8%, cost down 14.6%
Utilities gas (savings from school closure) - \$176,072	24,588	Savings in other buildings closed due to covid down KWH usage down 17.1%, cost down 7.4%
Utilities electric (savings from school closure) ** - \$564,198	17,635	\$ 118,300 Total variance utilities
Liaison Officer Washtenaw County repurposed	40,163	
Building & Grounds (excludes Health/FICA/Ret)	204,931	
Transportation (mostly subs and field trips; excludes bus fuel Health/FICA/Ret)	54,893	
Bus Fuel (32,524 gallons * \$1.88 avg)-\$59,916	53,305	
Transfer from Food Services 10% - \$151,082	8,604	
Transfer from Community Ed 7.5% - \$119,039	(14,111)	
General Fund Subsidy transfer to Community Ed - \$212,956	(212,956)	\$ 93,917 Net subsidy to Community Ed
General Fund Subsidy transfer to Athletics - \$578,242	(46,264)	
Facility Usage (Facility/CPA/Pools) - Revenue \$100,180	(74,045)	
Facility Usage (Facility/CPA/Pools) - Expenses \$220,975	36,469	
Misc other revenue/expense variances	(474,301)	
Revenue over Expenses (Actual vs. Budget)	\$ 944,973	