

MEMORANDUM

**I.4. Approve 2017/2018 Appropriation Act for General and Special Revenue Funds
Mr. Sederlund**

RECOMMENDED MOTION: “That the following resolution be adopted by the Board of Education to approve the General Fund, Food Service Fund, and Macomb International Academy budgets for the 2017/2018 fiscal year. Further request that the reading of the resolution be waived.”

RESOLVED, that this resolution shall be the General Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2017/2018 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the General Fund of the Chippewa Valley Schools for the fiscal year 2017/2018 originally adopted June 19, 2017 be amended as follows:

| | |
|--------------------------------|---------------|
| Revenue | |
| Local | \$19,312,516 |
| State | 132,153,202 |
| Federal | 5,596,274 |
| Transfers & Others | 1,033,448 |
| Total Revenue | \$158,095,440 |
| | |
| Fund Balance July 1, 2017 | \$26,542,240 |
| | |
| Total Available to Appropriate | \$184,637,680 |

BE IT FURTHER RESOLVED, that \$157,596,583 of the total available to appropriate in the General Fund is hereby appropriated in the amounts and for the purposes set forth below:

| | |
|--------------------------------|--------------|
| Expenditures | |
| Instruction | |
| Basic Programs | \$80,808,087 |
| Added Needs | 17,640,251 |
| Adult and Continuing Education | 163,643 |

| | |
|--------------------------------|---------------|
| Support Services | |
| Pupil | 15,080,658 |
| Instructional Staff | 6,274,194 |
| General Administration | 795,616 |
| School Administration | 9,827,387 |
| Business | 2,164,108 |
| Operations & Maintenance | 11,527,127 |
| Transportation | 4,719,592 |
| Central | 4,222,832 |
| Other Support (Athletics, CTE) | 2,293,118 |
| Community Services | 1,117,978 |
| Outgoing Transfers & Other | 961,992 |
| Total Appropriated | \$157,596,583 |

Estimated Fund Balance June 30, 2018 \$27,041,097

BE IT FURTHER RESOLVED, that the revenue from the millage levy of 18.000 mills on non-homestead and non-qualified agricultural property be certified and be used towards the District's 2017/2018 operating expenditures. As provided by in the Act related to the Michigan Business Tax, Personal Industrial Property is exempt from the 18 mills and Personal Commercial Property is exempt from 12 of the 18 mills.

RESOLVED, that this resolution shall be the Food Service Appropriation Act of Chippewa Valley Schools for fiscal year 2017/2018 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the Food Service Fund of the Chippewa Valley Schools for the fiscal year 2017/2018 originally adopted June 19, 2017 be amended as follows:

| | |
|--------------------------------|-------------|
| Revenue | |
| Local | \$2,159,100 |
| State | 130,000 |
| Federal | 1,900,000 |
| Transfers & Other | 0 |
| Total Revenue | \$4,189,100 |
| Fund Balance July 1, 2017 | \$1,391,394 |
| Total Available to Appropriate | \$5,580,494 |

BE IT FURTHER RESOLVED, that \$4,369,500 of the total available to appropriate in the Food Service Fund is hereby appropriated in the amounts and for the purposes set forth below:

| | |
|--------------|-------------|
| Expenditures | |
| Wages | \$1,241,000 |

| | |
|--------------------|-------------|
| Employee Benefits | 722,000 |
| Food Purchases | 1,670,000 |
| Other | 366,500 |
| Capital Outlay | 150,000 |
| Outgoing Transfers | 220,000 |
| Total Appropriated | \$4,369,500 |

Estimated Fund Balance June 30, 2018 \$1,210,994

RESOLVED, that this resolution shall be the Building Activities Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2017/2018 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2017/2018 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the International Academy of Macomb Fund of the Chippewa Valley Schools for the fiscal year 2017/2018 originally adopted June 19, 2017 be amended as follows:

| | |
|---|-------------|
| Revenue | |
| Local | \$0 |
| State | 0 |
| Federal | 0 |
| Incoming Transfers & Fund Modifications | \$4,178,204 |
| Total Revenue | \$4,178,204 |
| Fund Balance July 1, 2017 | \$719,144 |
| Total Available to Appropriate | \$4,897,348 |

BE IT FURTHER RESOLVED that \$4,184,311 of the total available to appropriate in the International Academy of Macomb Fund is hereby appropriated in the amounts and for the purposes set forth below:

| | |
|---------------------------|-------------|
| Expenditures | |
| Basic Instruction | \$277,000 |
| Support Services | 276,400 |
| Payments to Other Schools | 2,817,463 |
| Fund Modifications | 813,448 |
| Total Appropriated | \$4,184,311 |

Estimated Fund Balance June 30, 2018 \$713,037

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to

appropriations made by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board. Changes in the amount appropriated by the Board shall require approval by the Board.

BE IT FURTHER RESOLVED, that the Superintendent and his designee are hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the department heads responsible for performance of their responsibilities within the amount appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

BE IT FURTHER RESOLVED, that 8.64 mills be certified for levy on all property in the district for the purpose of retiring principal and interest on the voted debt of the district.

This appropriation act resolution is to take effect upon approval.

RATIONALE: The administration has reviewed the entire budget and updated the budgets for the General Fund, Food Service Fund, and International Academy of Macomb Fund reflecting the most current information. Adjustments are often needed to be in compliance with the Uniform Budgeting and Accounting Act which governs the budget process and prohibits deviations exceeding adopted appropriations. Changes having the greatest impact on the General Fund are further detailed in the following summaries.

Projected revenue for the General Fund increased \$4.8 million from \$153.3 million to \$158.1 million. Majority of the increase in revenues relates to increases in:

- Budgeted enrollment (\$1.4 million)
- Per pupil foundation allowance higher than budgeted (\$325,000)
- Special education funding (\$446,000)
- Grant funding (\$300,000)
- Retirement cost offset revenue (\$2.3 million)

Total revenues increased by 3.13% from the Original Budget, adopted in June 2017.

Projected expenditures for the General Fund increased almost \$4.1 million from \$153.5 million to \$157.6 million. Significant changes from the Original Budget resulted from:

- Negotiated formula distribution increase (\$850,000)
- Increase in contracted service cost (\$373,000)
- Technology licenses and contracts (\$124,000)
- Grant funding changes (\$300,000)
- Retirement cost offset revenue (\$2.3 million)

Total expenditures increased by 2.64% from the Original Budget.

These changes produce a projected revenues greater than expenditures of a \$500,000 in the 1st Amended Budget. The Original Budget estimated expenditures exceeding revenues by (\$300,000). The budget modifications result in a projected June 30, 2018 fund balance of \$27.0 million.

CHIPPEWA VALLEY SCHOOLS
 2017-2018 1ST AMENDED BUDGET
 GENERAL FUND BUDGET

| | 2015-16 Audited <u>Actual</u> | 2016-17 Audited <u>Actual</u> | 2017-18 Original <u>Budget</u> June 19, 2017 | 2017-18 1st Amended <u>Budget</u> January 8, 2018 | 2017-18 1st Amended 2017-18 Original <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|---|--|--|
| Revenue | | | | | |
| Local (1) | \$ 19,277,701 | \$ 18,831,467 | \$ 19,199,990 | \$ 19,312,516 | \$ 112,526 |
| State | \$ 124,960,120 | \$ 126,481,193 | \$ 127,186,093 | \$ 132,153,202 | \$ 4,967,109 |
| Federal | \$ 5,156,197 | \$ 5,519,015 | \$ 5,893,108 | \$ 5,596,274 | \$ (296,834) |
| Incoming Transfers & Other | \$ 798,755 | \$ 1,024,304 | \$ 1,007,548 | \$ 1,033,448 | \$ 25,900 |
| Total Revenue | \$ 150,192,773 | \$ 151,855,979 | \$ 153,286,739 | \$ 158,095,440 | \$ 4,808,701 |
| Expenditures | | | | | |
| Basic Programs | \$ 78,692,379 | \$ 80,665,139 | \$ 79,725,541 | \$ 80,808,087 | \$ 1,082,546 |
| Added Needs | \$ 15,808,118 | \$ 16,290,150 | \$ 16,982,649 | \$ 17,640,251 | \$ 657,602 |
| Adult & Community Ed | \$ 157,255 | \$ 161,356 | \$ 174,510 | \$ 163,643 | \$ (10,867) |
| Total Instructional | \$ 94,657,752 | \$ 97,116,645 | \$ 96,882,700 | \$ 98,611,981 | \$ 1,729,281 |
| Pupil Services | | | | | |
| Instructional Staff Services | \$ 4,494,092 | \$ 5,001,950 | \$ 5,304,987 | \$ 6,274,194 | \$ 969,207 |
| General Administration | \$ 675,642 | \$ 784,285 | \$ 779,495 | \$ 795,616 | \$ 16,121 |
| School Administration | \$ 9,432,244 | \$ 9,462,959 | \$ 9,686,859 | \$ 9,827,387 | \$ 140,528 |
| Business Administration | \$ 2,042,816 | \$ 1,986,161 | \$ 2,157,005 | \$ 2,164,108 | \$ 7,103 |
| Operations & Maintenance | \$ 10,297,829 | \$ 10,759,290 | \$ 11,698,703 | \$ 11,527,127 | \$ (171,576) |
| Transportation | \$ 4,239,423 | \$ 4,289,685 | \$ 4,577,981 | \$ 4,719,592 | \$ 141,611 |
| Other Central Services | \$ 3,262,139 | \$ 3,507,565 | \$ 3,828,273 | \$ 4,222,832 | \$ 394,559 |
| Other Support (Portion Athletics, CTE) | \$ 2,156,020 | \$ 2,131,894 | \$ 2,221,176 | \$ 2,293,118 | \$ 71,942 |
| Total Supporting Services | \$ 50,073,359 | \$ 51,797,786 | \$ 54,610,456 | \$ 56,904,632 | \$ 2,294,176 |
| Total Community Services | \$ 974,322 | \$ 973,759 | \$ 1,106,565 | \$ 1,117,978 | \$ 11,413 |
| Outgoing Transfers & Other | \$ 977,627 | \$ 925,074 | \$ 944,592 | \$ 961,992 | \$ 17,400 |
| Total Expenditures | \$ 146,683,060 | \$ 150,813,264 | \$ 153,544,313 | \$ 157,596,583 | \$ 4,052,270 |
| Total Revenues Over/<Under> Expenditures | \$ 3,509,713 | \$ 1,042,715 | \$ (257,574) | \$ 498,857 | \$ 756,431 |
| Beginning Fund Equity | 21,989,812 | 25,499,525 | 25,076,686 | 26,542,240 | |
| Ending Fund Equity | \$ 25,499,525 | \$ 26,542,240 | \$ 24,819,112 | \$ 27,041,097 | |

(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

2017-2018 SPECIAL REVENUE FUND FOOD SERVICE 1ST AMENDED BUDGET

| | 2015-16 | 2016-17 | 2017-18 | 2017-18 | 2017-18 1st Amended |
|--|--------------|--------------|--------------------|-----------------------|--------------------------------|
| | Actual | Actual | Original Budget | 1st Amended Budget | 2017-18 Original Difference |
| | | | June 19, 2017 | January 8, 2018 | |
| Revenue | | | | | |
| Local | \$ 2,035,439 | \$ 2,110,039 | \$ 2,004,100 | \$ 2,159,100 | \$ 155,000 |
| State | \$ 120,611 | \$ 140,842 | \$ 120,000 | \$ 130,000 | \$ 10,000 |
| Federal | \$ 1,837,091 | \$ 1,901,864 | \$ 1,840,000 | \$ 1,900,000 | \$ 60,000 |
| Incoming Transfers & Other | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ 3,993,141 | \$ 4,152,745 | \$ 3,964,100 | \$ 4,189,100 | \$ 225,000 |
| Expenditures | | | | | |
| Wages | \$ 1,084,419 | \$ 1,106,910 | \$ 1,170,000 | \$ 1,241,000 | \$ 71,000 |
| Employee Benefits | \$ 672,090 | \$ 644,632 | \$ 728,500 | \$ 722,000 | \$ (6,500) |
| Food Purchases | \$ 1,496,113 | \$ 1,574,977 | \$ 1,550,000 | \$ 1,670,000 | \$ 120,000 |
| Other | \$ 247,071 | \$ 312,003 | \$ 381,500 | \$ 366,500 | \$ (15,000) |
| Capital Outlay | \$ 145,089 | \$ 38,598 | \$ 50,000 | \$ 150,000 | \$ 100,000 |
| Outgoing Transfers | \$ 160,000 | \$ 220,000 | \$ 200,000 | \$ 220,000 | \$ 20,000 |
| Total Food Service | \$ 3,804,783 | \$ 3,897,120 | \$ 4,080,000 | \$ 4,369,500 | \$ 289,500 |
| Total Revenues Over/<Under> Expenditures | \$ 188,358 | \$ 255,625 | \$ (115,900) | \$ (180,400) | |
| Beginning Fund Equity | \$ 947,411 | \$ 1,135,769 | \$ 1,044,869 | \$ 1,391,394 | |
| Ending Fund Equity | \$ 1,135,769 | \$ 1,391,394 | \$ 928,969 | \$ 1,210,994 | |

2017-2018 SPECIAL REVENUE FUND 1ST AMENDED MACOMB INTERNATIONAL ACADEMY BUDGET

| | 2015-16 | 2016-17 | 2017-18 | 2017-18 | 2017-18 1st Amended |
|---|---------------------|---------------------|---------------------|---------------------|-------------------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Original</u> | <u>1st Amended</u> | <u>2017-18 Original</u> |
| | | | <u>Budget</u> | <u>Budget</u> | <u>Difference</u> |
| | | | June 19, 2017 | January 8, 2018 | |
| Revenue | | | | | |
| Tuition Schools | \$ 3,012,365 | \$ 3,086,443 | \$ 3,197,004 | \$ 3,231,212 | \$ 34,208 |
| Other Revenue | \$ 4,000 | \$ - | \$ - | \$ - | \$ - |
| Fund Modifications | \$ 977,627 | \$ 925,075 | \$ 929,592 | \$ 946,992 | \$ 17,400 |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ 3,993,992 | \$ 4,011,518 | \$ 4,126,596 | \$ 4,178,204 | \$ 51,608 |
| Expenditures | | | | | |
| Instruction | \$ 250,574 | \$ 269,091 | \$ 304,000 | \$ 277,000 | \$ (27,000) |
| Support Services | \$ 327,892 | \$ 294,790 | \$ 283,400 | \$ 276,400 | \$ (7,000) |
| Payments to Other Schools | \$ 2,844,943 | \$ 2,710,485 | \$ 2,721,453 | \$ 2,817,463 | \$ 96,010 |
| Fund Modifications | \$ 638,755 | \$ 804,304 | \$ 807,548 | \$ 813,448 | \$ 5,900 |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Macomb International Academy | \$ 4,062,163 | \$ 4,078,670 | \$ 4,116,401 | \$ 4,184,311 | \$ 67,910 |
| Total Revenues Over/<Under> Expenditures | \$ (68,171) | \$ (67,152) | \$ 10,195 | \$ (6,107) | |
| Beginning Fund Equity | \$ 854,467 | \$ 786,296 | \$ 720,054 | \$ 719,144 | |
| Ending Fund Equity | \$ 786,296 | \$ 719,144 | \$ 730,249 | \$ 713,037 | |