

MEMORANDUM

G.4 Approve 2020/2021 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, Community Services Childcare Fund, Macomb International Academy Fund, and Student/School Activity Fund budgets for the 2020/2021 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 2020/2021 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 2020/2021, originally adopted on June 15, 2020, be amended as follows:

Revenue	
Local	\$25,997,267
State	138,009,548
Federal	13,942,529
Transfers & Others	903,953
Total Revenue	\$178,853,297
Fund Balance July 1, 2020	\$29,982,287
Total Available to Appropriate	\$208,835,584

BE IT FURTHER RESOLVED, that \$178,759,372 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	\$85,322,629
Added Needs	22,893,600
Adult and Continuing Education	168,672

Expenditures	
Wages	\$1,264,553
Employee Benefits	629,118
Food Purchases	775,000
Other	231,000
Outgoing Transfers	0
Total Appropriated	\$2,899,671
Estimated Fund Balance June 30, 2021	\$1,140,514

RESOLVED, that this resolution shall be the Community Services Childcare Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 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 Community Services Childcare Fund of the Chippewa Valley Schools for the fiscal year 2020/2021, originally adopted June 15, 2020, be amended as follows:

Revenue	
Local	\$93,020
State	0
Federal	0
Transfers & Other	323,600
Total Revenue	\$416,620
Fund Balance July 1, 2020	\$0
Total Available to Appropriate	\$416,620

BE IT FURTHER RESOLVED that \$416,620 of the total available to appropriate in the Community Services Childcare Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Childcare	\$416,620
Total Appropriated	\$416,620
Estimated Fund Balance June 30, 2021	\$0

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 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 2020/2021, originally adopted June 15, 2020, be amended as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,408,205
Total Revenue	\$4,408,205
Fund Balance July 1, 2020	\$774,616
Total Available to Appropriate	\$5,182,821

BE IT FURTHER RESOLVED that \$4,400,841 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	\$241,000
Support Services	362,752
Payments to Other Schools	2,893,136
Fund Modifications	903,953
Total Appropriated	\$4,400,841
Estimated Fund Balance June 30, 2021	\$781,980

RESOLVED, that this resolution shall be the Student/School Activity Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 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 Student/School Activity Fund of the Chippewa Valley Schools for the fiscal year 2020/2021, originally adopted June 15, 2020, be amended as follows:

Revenue	
Revenue	\$3,000,000
Total Revenue	\$3,000,000
Fund Balance July 1, 2020	\$2,317,309
Total Available to Appropriate	\$5,317,309

BE IT FURTHER RESOLVED that \$3,500,000 of the total available to appropriate in the Student/School Activity Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Expenditures	\$3,500,000
Total Appropriated	\$3,500,000
Estimated Fund Balance June 30, 2021	\$1,817,309

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, Community Services Childcare Fund, International Academy of Macomb, and Student/School Activity 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 by just over \$16 million from \$162.8 million to \$178.9 million. The increase in revenue is a result of the following updates:

- Per pupil foundation restoration of \$650 per pupil (+\$9,600,000)
- Net increase due to “super blend” pupil funding formula with 72.4 FTE higher than the Original Budget (+\$587,000)
- One-time funding increase of \$65 per pupil (+\$1,000,000)
- Reduction in fee for service revenues due to COVID-19 (-\$1,900,000)
- Increase in revenue due to various new CARES Act grant sources and carryover (+\$6,600,000)
- Review and adjustments of other revenue sources as necessary

Total revenues increased by 9.8% from the Original Budget, adopted in June 2020.

Projected expenditures for the General Fund increased by just under \$12.7 million from \$166.1 million to \$178.8 million. Significant changes from the Original Budget resulted from:

- Net cost increases due to impact of negotiated labor agreement contracts for 2020-2021, leaves, and staffing changes (+\$3,600,000)
- Associated increased cost adjustments to retirement and FICA (+\$1,800,000)
- Increased cost largely associated with CARES Act grant spending, includes one-to-one student laptops and PPE expenditures (+\$6,600,000)
- Impact of health insurance rates and increased hard cap limit under PA 152 for health insurance benefits and cash in lieu of health, decrease (-\$388,000)
- Transfers to Special Revenue Funds, net cost increase (+\$1,200,000)
- Review and adjustments of other expenditure items as appropriate.

Total expenditures increased by 7.6% from the Original Budget adopted in June 2020. The changes identified produce a projected revenue greater than expenditures of just under \$94,000 in the 1st Amended Budget. The Original Budget estimated expenditures exceeding revenue by \$3.3 million. The budget modifications presented above result in a projected June 30, 2021 ending fund balance of \$30.1 million (or 16.8% of budgeted expenditures).

CHIPPEWA VALLEY SCHOOLS
2020-2021 1st AMENDED
GENERAL FUND BUDGET

	2018-19 Audited Actual	2019-20 Audited Actual	2020-21 Original Budget June 15, 2020	2020-21 1st Amended Budget January 11, 2021	2020-21 1st Amended 2020-21 Original Difference
Revenue					
Local (1)	\$ 24,089,131	\$ 19,475,737	\$ 28,066,776	\$ 25,997,267	\$ (2,069,509)
State	\$ 133,965,950	\$ 134,499,345	\$ 126,583,579	\$ 138,009,548	\$ 11,425,969
Federal	\$ 5,189,709	\$ 5,367,258	\$ 7,061,342	\$ 13,942,529	\$ 6,881,187
Incoming Transfers & Other	\$ 1,185,623	\$ 1,107,673	\$ 1,108,715	\$ 903,953	\$ (204,762)
Total Revenue	\$ 164,430,413	\$ 160,450,013	\$ 162,820,412	\$ 178,853,297	\$ 16,032,885
Expenditures					
Basic Programs	\$ 81,389,727	\$ 81,063,105	\$ 81,814,095	\$ 85,322,629	\$ 3,508,534
Added Needs	\$ 18,784,438	\$ 20,540,511	\$ 21,447,950	\$ 22,893,600	\$ 1,445,650
Adult & Community Ed	\$ 176,862	\$ 153,328	\$ 178,222	\$ 168,672	\$ (9,550)
Total Instructional	\$ 100,351,027	\$ 101,756,944	\$ 103,440,267	\$ 108,384,901	\$ 4,944,634
Pupil Services	\$ 15,928,258	\$ 16,108,756	\$ 16,501,536	\$ 16,707,004	\$ 205,468
Instructional Staff Services	\$ 5,566,243	\$ 5,914,331	\$ 6,923,417	\$ 14,288,801	\$ 7,365,384
General Administration	\$ 799,346	\$ 753,945	\$ 855,199	\$ 889,652	\$ 34,453
School Administration	\$ 9,908,537	\$ 10,038,633	\$ 10,290,500	\$ 10,350,450	\$ 59,950
Business Administration	\$ 2,321,741	\$ 2,187,290	\$ 2,290,750	\$ 2,402,477	\$ 111,727
Operations & Maintenance	\$ 11,338,714	\$ 11,110,694	\$ 12,193,044	\$ 11,827,812	\$ (365,232)
Transportation	\$ 4,728,457	\$ 4,562,237	\$ 5,131,338	\$ 4,409,019	\$ (722,319)
Other Central Services	\$ 3,880,453	\$ 3,809,642	\$ 4,004,509	\$ 4,240,198	\$ 235,689
Other Support (Portion Athletics, CTE)	\$ 2,320,002	\$ 2,123,416	\$ 2,389,534	\$ 2,342,218	\$ (47,316)
Total Supporting Services	\$ 56,791,751	\$ 56,608,944	\$ 60,579,827	\$ 67,457,631	\$ 6,877,804
Total Community Services	\$ 902,397	\$ 782,844	\$ 1,001,586	\$ 638,259	\$ (363,327)
Outgoing Transfers & Other	\$ 5,155,517	\$ 1,025,979	\$ 1,082,158	\$ 2,278,581	\$ 1,196,423
Total Expenditures	\$ 163,200,692	\$ 160,174,711	\$ 166,103,838	\$ 178,759,372	\$ 12,655,534
Total Revenues Over/<Under> Expenditures	\$ 1,229,721	\$ 275,302	\$ (3,283,426)	\$ 93,925	\$ 3,377,351
Beginning Fund Equity	\$ 28,477,264	\$ 29,706,985	\$ 29,982,287	\$ 29,982,287	
Ending Fund Equity	\$ 29,706,985	\$ 29,982,287	\$ 26,698,861	\$ 30,076,212	

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

CHIPPEWA VALLEY SCHOOLS
 2020-2021 1st AMENDED
 SPECIAL REVENUE FUND
 FOOD SERVICES BUDGET

	2018-19 Audited Actual	2019-20 Audited Actual	2020-21 Original Budget June 15, 2020	2020-21 1st Amended Budget January 11, 2021	2020-21 1st Amended 2020-21 Original Difference
Revenue					
Local	\$ 2,167,203	\$ 1,481,440	\$ 2,166,100	\$ 227,900	\$ (1,938,200)
State	\$ 139,029	\$ 135,907	\$ 130,850	\$ 132,550	\$ 1,700
Federal	\$ 2,116,183	\$ 2,047,023	\$ 2,170,000	\$ 1,668,325	\$ (501,675)
Incoming Transfers & Other	\$ -			\$ 870,896	
Total Revenue	\$ 4,422,415	\$ 3,664,370	\$ 4,466,950	\$ 2,899,671	\$ (2,438,175)
Expenditures					
Wages	\$ 1,265,139	\$ 1,294,922	\$ 1,359,785	\$ 1,264,553	\$ (95,232)
Employee Benefits	\$ 726,842	\$ 756,168	\$ 854,935	\$ 629,118	\$ (225,817)
Food Purchases	\$ 1,773,498	\$ 1,436,461	\$ 1,806,000	\$ 775,000	\$ (1,031,000)
Other	\$ 287,240	\$ 226,609	\$ 389,000	\$ 231,000	\$ (158,000)
Capital Outlay	\$ 54,523	\$ 84,710	\$ -	\$ -	\$ -
Outgoing Transfers	\$ 220,000	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Total Food Service	\$ 4,327,242	\$ 4,048,870	\$ 4,659,720	\$ 2,899,671	\$ (1,760,049)
Total Revenues Over/<Under> Expenditures	\$ 95,173	\$ (384,500)	\$ (192,770)	\$ -	\$ (678,126)
Beginning Fund Equity	\$ 1,429,841	\$ 1,525,014	\$ 724,183	\$ 1,140,514	
Ending Fund Equity	\$ 1,525,014	\$ 1,140,514	\$ 531,413	\$ 1,140,514	

CHIPPEWA VLLY SCHOOLS
 2020-2021 1st AMENDED
 SPECIAL REVENUE FUND
 COMMUNITY SERVICES CHILDCARE
 BUDGET (FORMERLY BUILDING
 ACTIVITIES)

	See 1 below 2018-19 Audited Actual	See 2 & 3 below 2019-20 Audited Actual	2021-21 Original Budget June 15, 2020	2021-21 1st Amended Budget January 11, 2021	2020-21 1st Amended 2020-21 Original Difference
Revenue					
Local	\$ 1,837,652	\$ 1,167,087	\$ 1,249,000	\$ 93,020	\$ (1,155,980)
Incoming Transfers & Other	\$ -	\$ 59,819	\$ -	\$ 323,600	\$ 323,600
Total Revenue	\$ 1,837,652	\$ 1,226,906	\$ 1,249,000	\$ 416,620	\$ (832,380)
Expenditures					
Wages/Purchased Services/Supplies,Materials	\$ 1,863,219	\$ 1,218,283	\$ 1,249,000	\$ 416,620	\$ (832,380)
	\$ 1,863,219	\$ 1,218,283	\$ 1,249,000	\$ 416,620	\$ (832,380)
Outgoing Transfers & Other	\$ -	\$ 447,477	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,863,219	\$ 1,665,760	\$ 1,249,000	\$ 416,620	\$ (832,380)
Total Revenues Over/<Under> Expenditures	\$ (25,567)	\$ (438,854)	\$ -	\$ -	\$ -
Beginning Fund Equity	\$ 464,421	\$ 438,854	\$ -	\$ -	
Ending Fund Equity	\$ 438,854	\$ -	\$ -	\$ -	

Footnote 1 Includes both Childcare and District Building Activities (District Building Activities included in Student/School Activity Fund beginning in 2019-20)

Footnote 2 Includes only Childcare, beginning in 2019-20 and future years

Footnote 3 Outgoing transfer of \$447,477 in 2019-20 relates to GASB 84 implementation

CHIPPEWA VALLEY SCHOOLS
 2020-2021 1st AMENDED
 SPECIAL REVENUE FUND
 MACOMB INTERNATIONAL ACADEMY BUDGET

	2018-19 Audited <u>Actual</u>	2019-20 Audited <u>Actual</u>	2020-21 Original <u>Budget</u> June 15, 2020	2020-21 1st Amended <u>Budget</u> January 11, 2021	2020-21 1st Amended 2020-21 Original <u>Difference</u>
Revenue					
Tuition Schools	\$ 3,257,379	\$ 3,120,791	\$ 3,118,720	\$ 3,378,120	\$ 259,400
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 924,433	\$ 966,160	\$ 965,979	\$ 1,030,085	\$ 64,106
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,181,812	\$ 4,086,951	\$ 4,084,699	\$ 4,408,205	\$ 323,506
Expenditures					
Instruction	\$ 361,855	\$ 210,852	\$ 290,450	\$ 241,000	\$ (49,450)
Support Services	\$ 276,766	\$ 268,362	\$ 276,400	\$ 362,752	\$ 86,352
Payments to Other Schools	\$ 2,510,654	\$ 2,798,107	\$ 2,760,523	\$ 2,893,136	\$ 132,613
Fund Modifications	\$ 965,623	\$ 857,673	\$ 858,715	\$ 903,953	\$ 45,238
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 4,114,898	\$ 4,134,994	\$ 4,186,088	\$ 4,400,841	\$ 214,753
Total Revenues Over/<Under> Expenditures	\$ 66,914	\$ (48,043)	\$ (101,389)	\$ 7,364	\$ 108,753
Beginning Fund Equity	\$ 755,745	\$ 822,659	\$ 721,270	\$ 774,616	
Ending Fund Equity	\$ 822,659	\$ 774,616	\$ 619,881	\$ 781,980	

CHIPPEWA VALLEY SCHOOLS
 2020-2021 1st AMENDED
 SPECIAL REVENUE FUND
 STUDENT/SCHOOL ACTIVITY
 BUDGET

	See 1 Below 2018-19 Audited <u>Actual</u>	See 2 & 3 Below 2019-20 Audited <u>Actual</u>	2020-21 Original Budget June 15, 2020	2020-21 1st Amended Budget January 11, 2021	2020-21 1st Amended 2020-21 Original Difference
Revenue					
Local		\$ 4,474,417	\$ 5,300,000	\$ 3,000,000	\$ (2,300,000)
Incoming Transfers & Other		\$ 447,477			
Total Revenue		\$ 4,921,894	\$ 5,300,000	\$ 3,000,000	\$ (2,300,000)
Expenditures					
Wages/Purchased Services/Supplies,Materials		\$ 4,368,630	\$ 5,300,000	\$ 3,500,000	\$ (1,800,000)
Total Expenditures		\$ 4,368,630	\$ 5,300,000	\$ 3,500,000	\$ (1,800,000)
Total Revenues Over/<Under> Expenditures		\$ 553,264	\$ -	\$ (500,000)	\$ (500,000)
Beginning Fund Equity		\$ 1,764,045	\$ 2,130,000	\$ 2,317,309	
Ending Fund Equity		\$ 2,317,309	\$ 2,130,000	\$ 1,817,309	

Footnote 1 New Fund in 2019-20

Footnote 2 Includes what was previously district building activities and fiduciary accounts, beginning in 2019-20 and future years

Footnote 3 Incoming transfer of \$447,477 in 2019-20 relates to GASB 84 implementation