

**MEMORANDUM****F.5 Approve 2021/2022 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 2021/2022 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 2021/2022 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 2021/2022, originally adopted on June 21, 2021, be amended as follows:

Revenue	
Local	\$27,460,258
State	142,835,542
Federal	6,769,873
Transfers & Others	2,074,530
Total Revenue	\$179,140,203
Fund Balance July 1, 2021	\$32,394,417
Total Available to Appropriate	\$211,534,620

BE IT FURTHER RESOLVED, that \$178,608,763 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	\$87,206,949
Added Needs	25,228,392
Adult and Continuing Education	144,244

Support Services	
Pupil	17,219,837
Instructional Staff	8,077,445
General Administration	965,368
School Administration	10,803,115
Business	2,913,612
Operations & Maintenance	12,217,461
Transportation	4,954,335
Central	4,664,424
Other Support (Athletics, CTE)	2,452,452
Community Services	718,235
Outgoing Transfers & Other	1,042,894
Total Appropriated	\$178,608,763

Estimated Fund Balance June 30, 2022 \$32,925,857

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 2021/2022 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 2021/2022 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 2021/2022, originally adopted on June 21, 2021, be amended as follows:

Revenue	
Local	\$713,000
State	125,011
Federal	6,088,338
Transfers & Other	0
Total Revenue	\$6,926,349
Fund Balance July 1, 2021	\$936,241
Total Available to Appropriate	\$7,862,590

BE IT FURTHER RESOLVED, that \$5,772,411 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	\$1,350,686
Employee Benefits	839,061
Food Purchases	2,973,664
Other	309,000
Capital Outlay	50,000
Outgoing Transfers	250,000
Total Appropriated	\$5,772,411
Estimated Fund Balance June 30, 2022	\$2,090,179

RESOLVED, that this resolution shall be the Community Services Childcare Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2021/2022 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 2021/2022, originally adopted June 21, 2021, be amended as follows:

Revenue	
Local	\$790,390
State	0
Federal	1,399,301
Transfers & Other	0
Total Revenue	\$2,189,691
Fund Balance July 1, 2021	\$0
Total Available to Appropriate	\$2,189,691

BE IT FURTHER RESOLVED that \$2,189,691 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	\$2,189,691
Total Appropriated	\$2,189,691
Estimated Fund Balance June 30, 2022	\$0

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2021/2022 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 2021/2022, originally adopted June 21, 2021, be amended as follows:

Revenue	
Local	\$3,161,191
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$1,027,893
Total Revenue	\$4,189,084
Fund Balance July 1, 2021	\$896,686
Total Available to Appropriate	\$5,085,770

BE IT FURTHER RESOLVED that \$4,659,200 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	\$302,500
Support Services	334,816
Payments to Other Schools	2,993,140
Fund Modifications	1,028,744
Total Appropriated	\$4,659,200
Estimated Fund Balance June 30, 2022	\$426,570

RESOLVED, that this resolution shall be the Student/School Activity Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2021/2022 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 2021/2022, originally adopted June 21, 2021, be amended as follows:

Revenue	
Revenue	\$4,600,000
Total Revenue	\$4,600,000
Fund Balance July 1, 2021	\$1,997,069
Total Available to Appropriate	\$6,597,069

BE IT FURTHER RESOLVED that \$4,600,000 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	\$4,600,000
Total Appropriated	\$4,600,000
Estimated Fund Balance June 30, 2022	\$1,997,069

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 \$6.5 million. The increase in revenue is a result of the following updates:

- Net decrease due to elimination of “super blend” pupil funding formula (-\$3,326,000)
- Foundation increase of \$425 per pupil greater than the Original Budget projected (+\$6,254,000)
- Special Education membership and reimbursement funding greater than the Original Budget projection (+\$1,459,000)
- Increase in MPSERS Section 147c offset revenues (+\$1,443,000)
- Review and adjustments of other revenue sources as necessary

Total revenues increased by 3.8% from the Original Budget, adopted in June 2021.

Projected expenditures for the General Fund increased by just under \$10.4 million from \$168.2 million to \$178.6 million. Significant changes from the Original Budget resulted from:

- Net cost increases due to impact of negotiated labor agreement contracts for 2021-2022, leaves, and staffing changes (+\$4,504,000)
- Associated increased cost adjustments to retirement and FICA (+\$2,096,000)
- Increase in MPSERS Section 147c offset expenditures (+\$1,443,000)
- Increased contracted costs associated with labor shortages (+\$2,486,000)
- Impact of health insurance rates and increased hard cap limit under PA 152 for health insurance benefits and cash in lieu of health, decrease (-\$545,000)
- Review and adjustments of other expenditure items as appropriate

Total expenditures increased by 6.2% from the Original Budget adopted in June 2021.

The changes identified produce a projected revenue greater than expenditures of just over \$531,000 in the 1<sup>st</sup> Amended Budget. The Original Budget estimated expenditures exceeding revenue by over \$4.3 million (prior to negotiated labor agreements). The budget modifications presented above result in a projected June 30, 2022 ending fund balance of \$32.9 million (or 18.4% of budgeted expenditures).

CHIPPEWA VALLEY SCHOOLS  
2021-2022 1st AMENDED  
GENERAL FUND BUDGET

	2019-20 Audited <u>Actual</u>	2020-21 Audited <u>Actual</u>	2021-22 Original <u>Budget</u> June 21, 2021	2021-22 1st Amended <u>Budget</u> January 24, 2022	2021-22 1st Amended 2021-22 Original <u>Difference</u>
<b>Revenue</b>					
Local (1)	\$ 19,475,737	\$ 25,877,450	\$ 28,078,235	\$ 27,460,258	\$ (617,977)
State	\$ 134,499,345	\$ 140,261,671	\$ 137,044,096	\$ 142,835,542	\$ 5,791,446
Federal	\$ 5,367,258	\$ 13,110,784	\$ 6,301,952	\$ 6,769,873	\$ 467,921
Incoming Transfers & Other	\$ 1,107,673	\$ 920,172	\$ 1,170,172	\$ 2,074,530	\$ 904,358
<b>Total Revenue</b>	<b>\$ 160,450,013</b>	<b>\$ 180,170,077</b>	<b>\$ 172,594,455</b>	<b>\$ 179,140,203</b>	<b>\$ 6,545,748</b>
<b>Expenditures</b>					
Basic Programs	\$ 81,063,105	\$ 94,989,375	\$ 82,883,692	\$ 87,206,949	\$ 4,323,257
Added Needs	\$ 20,540,511	\$ 22,324,742	\$ 22,535,844	\$ 25,228,392	\$ 2,692,548
Adult & Community Ed	\$ 153,328	\$ 166,878	\$ 173,896	\$ 144,244	\$ (29,652)
<b>Total Instructional</b>	<b>\$ 101,756,944</b>	<b>\$ 117,480,995</b>	<b>\$ 105,593,432</b>	<b>\$ 112,579,585</b>	<b>\$ 6,986,153</b>
Pupil Services	\$ 16,108,756	\$ 16,434,289	\$ 16,284,010	\$ 17,219,837	\$ 935,827
Instructional Staff Services	\$ 5,914,331	\$ 6,512,758	\$ 6,669,118	\$ 8,077,445	\$ 1,408,327
General Administration	\$ 753,945	\$ 879,669	\$ 928,145	\$ 965,368	\$ 37,223
School Administration	\$ 10,038,633	\$ 10,440,303	\$ 10,355,097	\$ 10,803,115	\$ 448,018
Business Administration	\$ 2,187,290	\$ 2,167,253	\$ 2,344,182	\$ 2,913,612	\$ 569,430
Operations & Maintenance	\$ 11,110,694	\$ 11,535,427	\$ 11,918,995	\$ 12,217,461	\$ 298,466
Transportation	\$ 4,562,237	\$ 4,039,266	\$ 4,901,097	\$ 4,954,335	\$ 53,238
Other Central Services	\$ 3,809,642	\$ 4,072,243	\$ 4,814,211	\$ 4,664,424	\$ (149,787)
Other Support (Portion Athletics, CTE)	\$ 2,123,416	\$ 2,170,520	\$ 2,454,771	\$ 2,452,452	\$ (2,319)
<b>Total Supporting Services</b>	<b>\$ 56,608,944</b>	<b>\$ 58,251,728</b>	<b>\$ 60,669,626</b>	<b>\$ 64,268,049</b>	<b>\$ 3,598,423</b>
<b>Total Community Services</b>	<b>\$ 782,844</b>	<b>\$ 535,741</b>	<b>\$ 866,340</b>	<b>\$ 718,235</b>	<b>\$ (148,105)</b>
Outgoing Transfers & Other	\$ 1,025,979	\$ 1,489,483	\$ 1,089,085	\$ 1,042,894	\$ (46,191)
<b>Total Expenditures</b>	<b>\$ 160,174,711</b>	<b>\$ 177,757,947</b>	<b>\$ 168,218,483</b>	<b>\$ 178,608,763</b>	<b>\$ 10,390,280</b>
<b>Total Revenues Over/&lt;Under&gt; Expenditures</b>	<b>\$ 275,302</b>	<b>\$ 2,412,130</b>	<b>\$ 4,375,972</b>	<b>\$ 531,440</b>	<b>\$ (3,844,532)</b>
Beginning Fund Equity	\$ 29,706,985	\$ 29,982,287	\$ 32,394,417	\$ 32,394,417	
Ending Fund Equity	\$ 29,982,287	\$ 32,394,417	\$ 36,770,389	\$ 32,925,857	

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

CHIPPEWA VALLEY SCHOOLS  
2021-2022 1st AMENDED  
SPECIAL REVENUE FUND  
FOOD SERVICES BUDGET

	2019-20 Audited Actual	2020-21 Audited Actual	2021-22 Original Budget June 21, 2021	2021-22 1st Amended Budget January 24, 2022	2021-22 1st Amended 2021-22 Original Difference
Revenue					
Local	\$ 1,481,440	\$ 162,127	\$ 701,900	\$ 713,000	\$ 11,100
State	\$ 135,907	\$ 123,094	\$ 132,550	\$ 125,011	\$ (7,539)
Federal	\$ 2,047,023	\$ 2,164,110	\$ 4,343,900	\$ 6,088,338	\$ 1,744,438
Incoming Transfers & Other		\$ 170,000	\$ -	\$ -	\$ -
Total Revenue	\$ 3,664,370	\$ 2,619,331	\$ 5,178,350	\$ 6,926,349	\$ 1,747,999
Expenditures					
Wages	\$ 1,294,922	\$ 1,129,171	\$ 1,235,914	\$ 1,350,686	\$ 114,772
Employee Benefits	\$ 756,168	\$ 699,488	\$ 784,962	\$ 839,061	\$ 54,099
Food Purchases	\$ 1,436,461	\$ 830,595	\$ 2,213,980	\$ 2,973,664	\$ 759,684
Other	\$ 226,609	\$ 164,350	\$ 298,000	\$ 309,000	\$ 11,000
Capital Outlay	\$ 84,710	\$ -	\$ 28,000	\$ 50,000	\$ 22,000
Outgoing Transfers	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -
Total Food Service	\$ 4,048,870	\$ 2,823,604	\$ 4,810,856	\$ 5,772,411	\$ 961,555
Total Revenues Over/<Under> Expenditures	\$ (384,500)	\$ (204,273)	\$ 367,494	\$ 1,153,938	\$ 786,444
Beginning Fund Equity	\$ 1,525,014	\$ 1,140,514	\$ 936,241	\$ 936,241	
Ending Fund Equity	\$ 1,140,514	\$ 936,241	\$ 1,303,735	\$ 2,090,179	



CHIPPEWA VALLEY SCHOOLS  
 2021-2022 1st AMENDED  
 SPECIAL REVENUE FUND  
 COMMUNITY SERVICES CHILDCARE BUDGET

	See 1 & 2 below					2021-22 1st Amended Budget	2021-22 1st Amended Budget	2021-22 1st Amended 2020-21 Original Difference
	2019-20 Audited Actual	2020-21 Audited Actual	2021-22 Original Budget	June 21, 2021	January 24, 2022			
Revenue								
Local	\$ 1,167,087	\$ 199,464	\$ 997,750		\$ 790,390	\$ (207,360)		
Federal	\$ -	\$ -	\$ -		\$ 1,399,301	\$ 1,399,301		
Incoming Transfers & Other	\$ 59,819	\$ 250,303	\$ -		\$ -	\$ -		
Total Revenue	\$ 1,226,906	\$ 449,767	\$ 997,750		\$ 2,189,691	\$ 1,191,941		
Expenditures								
Wages/Purchased Services/Supplies,Materials	\$ 1,218,283	\$ 449,767	\$ 997,750		\$ 1,393,906	\$ 396,156		
	\$ 1,218,283	\$ 449,767	\$ 997,750		\$ 1,393,906	\$ 396,156		
Outgoing Transfers & Other	\$ 447,477	\$ -	\$ -		\$ 795,785	\$ 795,785		
Total Expenditures	\$ 1,665,760	\$ 449,767	\$ 997,750		\$ 2,189,691	\$ 795,785		
Total Revenues Over/<Under> Expenditures	\$ (438,854)	\$ -	\$ -		\$ -	\$ -		
Beginning Fund Equity	\$ 438,854	\$ -	\$ -		\$ -	\$ -		
Ending Fund Equity	\$ -	\$ -	\$ -		\$ -	\$ -		

**Footnote 1** Includes only Childcare, beginning in 2019-20 and future years

**Footnote 2** Outgoing transfer of \$447,477 in 2019-20 relates to GASB 84 implementation

CHIPPEWA VALLEY SCHOOLS  
 2021-2022 1st AMENDED  
 SPECIAL REVENUE FUND  
 INTERNATIONAL ACADEMY OF MACOMB BUDGET

	2019-20 Audited <u>Actual</u>	2020-21 Audited <u>Actual</u>	2021-22 Original <u>Budget</u> June 21, 2021	2021-22 1st Amended <u>Budget</u> January 24, 2022	2021-22 1st Amended 2021-22 Original <u>Difference</u>
Revenue					
Tuition Schools	\$ 3,120,791	\$ 3,378,374	\$ 3,378,120	\$ 3,161,191	\$ (216,929)
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 966,160	\$ 1,030,200	\$ 1,030,085	\$ 1,027,893	\$ (2,192)
<b>Total Revenue</b>	<b>\$ 4,086,951</b>	<b>\$ 4,408,574</b>	<b>\$ 4,408,205</b>	<b>\$ 4,189,084</b>	<b>\$ (219,121)</b>
Expenditures					
Instruction	\$ 210,852	\$ 251,312	\$ 241,000	\$ 302,500	\$ 61,500
Support Services	\$ 268,362	\$ 262,660	\$ 362,752	\$ 334,816	\$ (27,936)
Payments to Other Schools	\$ 2,798,107	\$ 2,852,360	\$ 2,893,136	\$ 2,993,140	\$ 100,004
Fund Modifications	\$ 857,673	\$ 920,172	\$ 903,953	\$ 1,028,744	\$ 124,791
<b>Total Macomb International Academy</b>	<b>\$ 4,134,994</b>	<b>\$ 4,286,504</b>	<b>\$ 4,400,841</b>	<b>\$ 4,659,200</b>	<b>\$ 258,359</b>
<b>Total Revenues Over/&lt;Under&gt; Expenditures</b>	<b>\$ (48,043)</b>	<b>\$ 122,070</b>	<b>\$ 7,364</b>	<b>\$ (470,116)</b>	<b>\$ (114,706)</b>
Beginning Fund Equity	\$ 822,659	\$ 774,616	\$ 896,686	\$ 896,686	
Ending Fund Equity	\$ 774,616	\$ 896,686	\$ 904,050	\$ 426,570	

CHIPPEWA VALLEY SCHOOLS  
 2021-2022 1st AMENDED  
 SPECIAL REVENUE FUND  
 STUDENT/SCHOOL ACTIVITY BUDGET

See 1 & 2 Below

	2019-20 Audited <u>Actual</u>	2020-21 Audited <u>Actual</u>	2021-2022 Original <u>Budget</u> June 21, 2021	2021-2022 1st Amended Budget January 24, 2022	2021-22 1st Amended 2021-22 Original <u>Difference</u>
Revenue					
Local	\$ 4,474,417	\$ 2,047,267	\$ 4,400,000	\$ 4,600,000	\$ 200,000
Incoming Transfers & Other	\$ 447,477	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,921,894	\$ 2,047,267	\$ 4,400,000	\$ 4,600,000	\$ 200,000
Expenditures					
Wages/Purchased Services/Supplies,Materials	\$ 4,368,630	\$ 2,367,507	\$ 4,400,000	\$ 4,600,000	\$ 200,000
Total Expenditures	\$ 4,368,630	\$ 2,367,507	\$ 4,400,000	\$ 4,600,000	\$ 200,000
Total Revenues Over/<Under> Expenditures	\$ 553,264	\$ (320,240)	\$ -	\$ -	\$ -
Beginning Fund Equity	\$ 1,764,045	\$ 2,317,309	\$ 1,817,309	\$ 1,997,069	
Ending Fund Equity	\$ 2,317,309	\$ 1,997,069	\$ 1,817,309	\$ 1,997,069	

Footnote 1 Includes what was previously district building activities and fiduciary accounts, beginning in 2019-20 and future years

Footnote 2 Incoming transfer of \$447,477 in 2019-20 relates to GASB 84 implementation