

MEMORANDUM**X. Approve 2019/2020 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 2019/2020 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 2019/2020 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 2019/2020 originally adopted on June 17, 2019 be amended as follows:

Revenue	
Local	\$21,022,590
State	137,280,253
Federal	6,303,440
Transfers & Others	1,108,715
Total Revenue	\$165,714,998
Fund Balance July 1, 2019	\$29,706,985
Total Available to Appropriate	\$195,421,983

BE IT FURTHER RESOLVED, that \$166,038,203 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	\$81,884,995
Added Needs	21,427,119
Adult and Continuing Education	197,118
Support Services	
Pupil	16,340,090
Instructional Staff	6,860,379

General Administration	886,908
School Administration	10,301,505
Business	2,306,451
Operations & Maintenance	12,085,969
Transportation	5,167,631
Central	4,155,228
Other Support (Athletics, CTE)	2,368,497
Community Services	974,155
Outgoing Transfers & Other	1,082,158
Total Appropriated	\$166,038,203
 Estimated Fund Balance June 30, 2020	 \$29,383,780

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 2019/2020 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 2019/2020 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 2019/2020 originally adopted June 17, 2019 be amended as follows:

Revenue	
Local	\$2,166,100
State	130,850
Federal	2,170,000
Transfers & Other	0
Total Revenue	\$4,466,950
 Fund Balance July 1, 2019	 \$1,525,014
 Total Available to Appropriate	 \$5,991,964

BE IT FURTHER RESOLVED, that \$4,779,735 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	\$1,359,785
Employee Benefits	824,950
Food Purchases	1,806,000
Other	389,000
Capital Outlay	150,000
Outgoing Transfers	250,000
Total Appropriated	\$4,779,735
Estimated Fund Balance June 30, 2020	\$1,212,229

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2019/2020 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 2019/20 originally adopted June 17, 2019 be amended as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,084,699
Total Revenue	\$4,084,699
Fund Balance July 1, 2019	\$822,659
Total Available to Appropriate	\$4,907,358

BE IT FURTHER RESOLVED that \$4,186,088 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	\$290,450
Support Services	276,400
Payments to Other Schools	2,760,523
Fund Modifications	858,715
Total Appropriated	\$4,186,088
Estimated Fund Balance June 30, 2020	\$721,270

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 by just over \$416,000. The increase in revenue is a net result of the following updates:

- Decreased enrollment of 63.05 FTE lower than the Original Budget (\$511,000)
- Increased foundation allowance of \$240 per pupil vs. \$180 per pupil (\$943,000)
- Net impact of other changes to Governor's proposed budget including CTE (61d), At-Risk (31a), and Special Education Headlee Obligation funding (51c)

Total revenues increased by 0.25% from the Original Budget, adopted in June 2019.

Projected expenditures for the General Fund decreased by \$1.7 million from \$167.7 million to \$166 million. Significant changes from the Original Budget resulted from:

- Net staffing wage changes (\$928,000)
- Associated adjustments to retirement and FICA (\$467,000)
- Impact of health insurance rates and hard cap limit under PA 152 for health insurance benefits and cash in lieu of health (\$121,000)
- Review and adjustment of other items as appropriate

Total expenditures decreased by 1.02% from the Original Budget, adopted in June 2019.

The changes identified produce a projected expenditures greater than revenues of \$323,205 in the 1st Amended Budget. The Original Budget estimated expenditures exceeding revenues by \$2,447,451. The budget modifications result in a projected June 30, 2020 ending fund balance of \$29.4 million (or 17.7% of budgeted expenditures).

CHIPPEWA VALLEYS SCHOOLS
2019-2020 1st AMENDED
GENERAL FUND BUDGET

	2017-18 Audited <u>Actual</u>	2018-19 Audited <u>Actual</u>	2019-20 Original <u>Budget</u> June 17, 2019	2019-20 1st Amended <u>Budget</u> January 13, 2020	2019-20 1st Amended 2019-20 Original <u>Difference</u>
Revenue					
Local (1)	\$ 19,103,535	\$ 24,089,131	\$ 21,149,752	\$ 21,022,590	\$ (127,162)
State	\$ 132,264,152	\$ 133,965,950	\$ 136,742,474	\$ 137,280,253	\$ 537,779
Federal	\$ 4,842,665	\$ 5,189,709	\$ 6,173,561	\$ 6,303,440	\$ 129,879
Incoming Transfers & Other	\$ 1,030,608	\$ 1,185,623	\$ 1,232,924	\$ 1,108,715	\$ (124,209)
Total Revenue	\$ 157,240,960	\$ 164,430,413	\$ 165,298,711	\$ 165,714,998	\$ 416,287
Expenditures					
Basic Programs	\$ 80,251,675	\$ 81,389,727	\$ 84,309,315	\$ 81,884,995	\$ (2,424,320)
Added Needs	\$ 17,376,456	\$ 18,784,438	\$ 20,004,756	\$ 21,427,119	\$ 1,422,363
Adult & Community Ed	\$ 146,193	\$ 176,862	\$ 189,260	\$ 197,118	\$ 7,858
Total Instructional	\$ 97,774,324	\$ 100,351,027	\$ 104,503,331	\$ 103,509,232	\$ (994,099)
Pupil Services	\$ 14,942,310	\$ 15,928,258	\$ 16,479,015	\$ 16,340,090	\$ (138,925)
Instructional Staff Services	\$ 5,790,599	\$ 5,566,243	\$ 7,110,212	\$ 6,860,379	\$ (249,833)
General Administration	\$ 864,533	\$ 799,346	\$ 903,082	\$ 886,908	\$ (16,174)
School Administration	\$ 9,853,771	\$ 9,908,537	\$ 10,304,024	\$ 10,301,505	\$ (2,519)
Business Administration	\$ 2,174,328	\$ 2,321,741	\$ 2,344,412	\$ 2,306,451	\$ (37,961)
Operations & Maintenance	\$ 11,277,484	\$ 11,338,714	\$ 12,187,126	\$ 12,085,969	\$ (101,157)
Transportation	\$ 4,671,785	\$ 4,728,457	\$ 5,104,354	\$ 5,167,631	\$ 63,277
Other Central Services	\$ 3,698,749	\$ 3,880,453	\$ 4,026,649	\$ 4,155,228	\$ 128,579
Other Support (Portion Athletics, CTE)	\$ 2,304,460	\$ 2,320,002	\$ 2,358,622	\$ 2,368,497	\$ 9,875
Total Supporting Services	\$ 55,578,019	\$ 56,791,751	\$ 60,817,496	\$ 60,472,658	\$ (344,838)
Total Community Services	\$ 1,006,651	\$ 902,397	\$ 1,157,482	\$ 974,155	\$ (183,327)
Outgoing Transfers & Other	\$ 946,942	\$ 5,155,517	\$ 1,267,853	\$ 1,082,158	\$ (185,695)
Total Expenditures	\$ 155,305,936	\$ 163,200,692	\$ 167,746,162	\$ 166,038,203	\$ (1,707,959)
Total Revenues Over/<Under> Expenditures	\$ 1,935,024	\$ 1,229,721	\$ (2,447,451)	\$ (323,205)	\$ 2,124,246
Beginning Fund Equity	26,542,240	28,477,264	27,141,910	29,706,985	
Ending Fund Equity	\$ 28,477,264	\$ 29,706,985	\$ 24,694,459	\$ 29,383,780	

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

2019-2020 1ST AMENDED
SPECIAL REVENUE FUND
FOOD SERVICES BUDGET

	2017-18 Audited Actual	2018-19 Audited Actual	2019-2020 Original Budget June 17, 2019	2019-2020 1st Amended Budget January 13, 2020	2019-20 2019-20 Original Difference
Revenue					
Local	\$ 2,101,090	\$ 2,167,203	\$ 2,166,100	\$ 2,166,100	\$ -
State	\$ 131,415	\$ 139,029	\$ 125,000	\$ 130,850	\$ 5,850
Federal	\$ 2,047,355	\$ 2,116,183	\$ 2,179,000	\$ 2,170,000	\$ (9,000)
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,279,860	\$ 4,422,415	\$ 4,470,100	\$ 4,466,950	\$ (3,150)
Expenditures					
Wages	\$ 1,190,457	\$ 1,265,139	\$ 1,352,140	\$ 1,359,785	\$ 7,645
Employee Benefits	\$ 705,793	\$ 726,842	\$ 824,500	\$ 824,950	\$ 450
Food Purchases	\$ 1,698,123	\$ 1,773,498	\$ 1,806,000	\$ 1,806,000	\$ -
Other	\$ 304,308	\$ 287,240	\$ 389,000	\$ 389,000	\$ -
Capital Outlay	\$ 122,732	\$ 54,523	\$ 150,000	\$ 150,000	\$ -
Outgoing Transfers	\$ 220,000	\$ 220,000	\$ 220,000	\$ 250,000	\$ 30,000
Total Food Service	\$ 4,241,413	\$ 4,327,242	\$ 4,741,640	\$ 4,779,735	\$ 38,095
Total Revenues Over/<Under> Expenditures	\$ 38,447	\$ 95,173	\$ (271,540)	\$ (312,785)	\$ (41,245)
Beginning Fund Equity	\$ 1,391,394	\$ 1,429,841	\$ 1,246,441	\$ 1,525,014	
Ending Fund Equity	\$ 1,429,841	\$ 1,525,014	\$ 974,901	\$ 1,212,229	

2019-2020 1ST AMENDED
SPECIAL REVENUE FUND
MACOMB INTERNATIONAL ACADEMY BUDGET

	2017-18 Audited <u>Actual</u>	2018-19 Audited <u>Actual</u>	2019-20 Original Budget June 17, 2019	2019-20 1st Amended Budget January 13, 2020	2019-20 1st Amended 2019-20 Original <u>Difference</u>
Revenue					
Tuition Schools	\$ 3,220,415	\$ 3,257,379	\$ 3,247,073	\$ 3,118,720	\$ (128,353)
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 946,942	\$ 924,433	\$ 952,853	\$ 965,979	\$ 13,126
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,167,357	\$ 4,181,812	\$ 4,199,926	\$ 4,084,699	\$ (115,227)
Expenditures					
Instruction	\$ 289,982	\$ 361,855	\$ 280,450	\$ 290,450	\$ 10,000
Support Services	\$ 283,284	\$ 276,766	\$ 276,400	\$ 276,400	\$ -
Payments to Other Schools	\$ 2,746,882	\$ 2,510,654	\$ 2,688,771	\$ 2,760,523	\$ 71,752
Fund Modifications	\$ 810,608	\$ 965,623	\$ 1,012,924	\$ 858,715	\$ (154,209)
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 4,130,756	\$ 4,114,898	\$ 4,258,545	\$ 4,186,088	\$ (72,457)
Total Revenues Over/<Under> Expenditures	\$ 36,601	\$ 66,914	\$ (58,619)	\$ (101,389)	\$ (42,770)
Beginning Fund Equity	\$ 719,144	\$ 755,745	\$ 819,168	\$ 822,659	
Ending Fund Equity	\$ 755,745	\$ 822,659	\$ 760,549	\$ 721,270	