

## MEMORANDUM

**I.5 Approve 2011/2012 Appropriation Act for General and Special Revenue Funds Mr. Sederlund**

RECOMMENDED MOTION: "That the Chippewa Valley Schools Board of Education adopt the following resolution to approve the General Fund, Food Service Fund, Building Activities Fund, and Macomb International Academy budgets for the 2011/2012 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 2011/2012 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 2011/2012 be adopted as follows:

Revenue	
Local	\$19,876,500
State	103,666,024
Federal	5,200,590
Transfers & Others	744,241
Total Revenue	\$129,487,355
Estimated Fund Balance July 1, 2011	\$15,728,005
Total Available to Appropriate	\$145,215,360

BE IT FURTHER RESOLVED, that \$133,709,839 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	\$71,450,196
Added Needs	13,929,799
Adult and Continuing Education	215,469

Support Services	
Pupil	12,038,401
Instructional Staff	4,206,207
General Administration	788,816
School Administration	8,169,918
Business	1,939,477
Operations & Maintenance	10,149,926
Transportation	4,364,328
Central	2,557,156
Other Support (Athletics, CTE)	2,064,632
Community Services	1,054,863
Outgoing Transfers & Other	780651
Total Appropriated	\$133,709,839
Estimated Fund Balance June 30, 2012	\$11,505,521

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 2011/2012 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 2011/2012 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 2011/2012 be as follows:

Revenue	
Local	\$2,038,000
State	130,000
Federal	1,490,000
Transfers & Other	0
Total Revenue	\$3,658,000
Estimated Fund Balance July 1, 2011	\$435,377
Total Available to Appropriate	\$4,093,377

BE IT FURTHER RESOLVED, that \$3,740,500 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	\$1,154,000
Employee Benefits	517,500
Food Purchases	1,565,000
Other	240,000
Capital Outlay	4,000
Outgoing Transfers	260,000
Total Appropriated	\$3,740,500
Estimated Fund Balance June 30, 2012	\$352,877

RESOLVED, that this resolution shall be the Building Activities Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2011/2002 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 Building Activities Fund of the Chippewa Valley Schools for the fiscal year 2011/2012 be adopted as follows:

Revenue	
Local	\$2,010,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$2,010,000
Estimated Fund Balance July 1, 2011	\$743,285
Total Available to Appropriate	\$2,743,285

BE IT FURTHER RESOLVED that \$2,010,000 of the total available to appropriate in the Building Activities Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Building Activities	\$2,010,000
Total Appropriated	2,010,000
Estimated Fund Balance June 30, 2012	\$743,285

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2011/2012 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 2011/2012 be adopted as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$2,930,738
Total Revenue	\$2,930,738
Estimated Fund Balance July 1, 2011	\$1,715,707
Total Available to Appropriate	\$4,646,445

BE IT FURTHER RESOLVED that \$2,887,233 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	\$326,000
Support Services	408,173
Payments to Other Schools	1,669,546
Fund Modifications	483,514
Total Appropriated	\$2,887,233
Estimated Fund Balance June 30, 2012	\$1,759,212

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 7.65 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 on July 1, 2011.

**RATIONALE:**

The Uniform Budgeting and Accounting Act require that units of government including schools adopt a budget prior to the start of a fiscal year. Preparing budgets for the 2011-2012 fiscal year has presented some unique challenges. While a State Aid Act has been passed for 2011-2012, the Act reduces the per pupil foundation allowance for Chippewa Valley Schools from \$7,316 to \$6,846, a reduction of \$470 per pupil (6.42%), coupled with the end of Federal ARRA and Edujobs funding has necessitated that substantial reductions be made to program costs. All employee unit employment agreements were set to expire on either June 30, 2011 or August 31, 2011 and agreements have been recently reached with all units with a total projected savings of over \$7 million. In addition to achieving program cost reductions through employee unit employment agreements, almost \$2 million of cost reductions related to specific programs have been recently approved. As a result, the General Fund budget being presented for adoption is at the target revenue and expenditure level that the Board of Education has been considering.

General Fund revenue has been adjusted to reflect the targeted amount based on the adopted State Aid Act, loss of ARRA and Edujobs federal funding, property tax values, and other revenue changes. General Fund expenditures have been adjusted to the expenditure target by taking the 2010-2011 2<sup>nd</sup> amended budget and adjusting every line item by the percentage adjustment to get from the 2010-2011 2<sup>nd</sup> amend budget to the 2011-2012 expenditure target. This method results in an overall budget in line with the target but does not reflect actual changes to the line item level. Actual changes to the line item level will be done with the 2011-2012 1<sup>st</sup> amended budget.

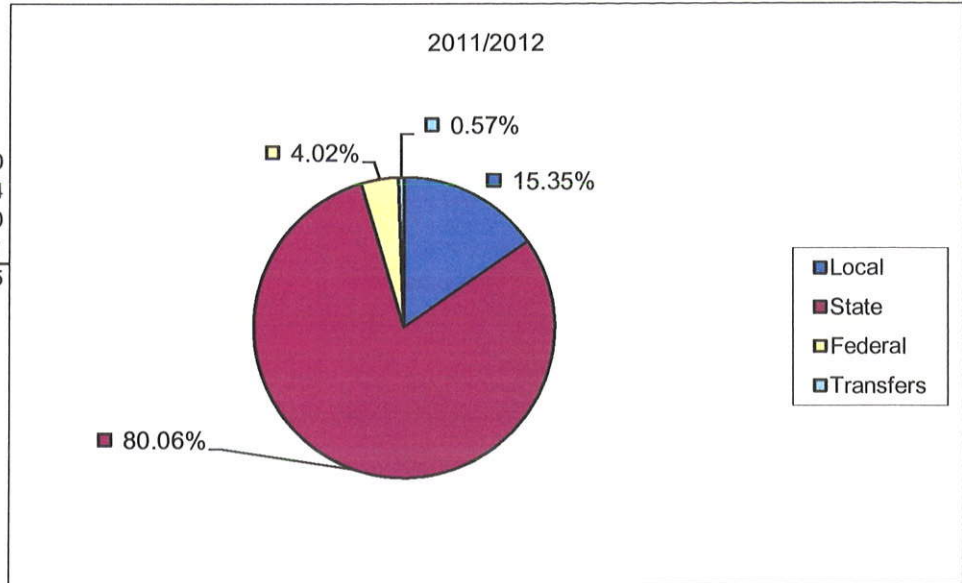
CHIPPEWA VALLEYS SCHOOLS  
ORIGINAL- 2011-2012  
GENERAL FUND BUDGET

	2009-10 Audited <u>Actual</u>	2010-11 2nd Amended <u>Budget</u> June 6, 2011 Includes Athletics & CTE	2011-12 Original <u>Budget</u> June 20, 2011 Includes Athletics & CTE	2011-12 Original 2010-11 2nd Amended <u>Difference</u>
<b>Revenue</b>				
Local (1)	\$ 21,055,944	\$ 21,431,809	\$ 19,876,500	\$ (1,555,309)
State	\$ 97,994,090	\$ 102,378,325	\$ 103,666,024	\$ 1,287,699
Federal	\$ 10,308,295	\$ 12,374,549	\$ 5,200,590	\$ (7,173,959)
Incoming Transfers & Other	\$ 648,879	\$ 744,241	\$ 744,241	\$ -
<b>Total Revenue</b>	<b>\$ 130,007,208</b>	<b>\$ 136,928,924</b>	<b>\$ 129,487,355</b>	<b>\$ (7,441,569)</b>
<b>Expenditures</b>				
Basic Programs	\$ 71,243,530	\$ 71,911,465	\$ 71,450,196	\$ (461,269)
Added Needs	\$ 13,773,388	\$ 13,971,714	\$ 13,929,799	\$ (41,915)
Adult & Community Ed	\$ 247,647	\$ 216,112	\$ 215,469	\$ (643)
<b>Total Instructional</b>	<b>\$ 85,264,565</b>	<b>\$ 86,099,291</b>	<b>\$ 85,595,464</b>	<b>\$ (503,827)</b>
Pupil Services	\$ 11,228,325	\$ 12,074,620	\$ 12,038,401	\$ (36,219)
Instructional Staff Services	\$ 4,472,042	\$ 4,218,848	\$ 4,206,207	\$ (12,641)
General Administration	\$ 731,374	\$ 791,185	\$ 788,816	\$ (2,369)
School Administration	\$ 8,344,803	\$ 8,194,470	\$ 8,169,918	\$ (24,552)
Business Administration	\$ 2,028,547	\$ 1,945,309	\$ 1,939,477	\$ (5,832)
Operations & Maintenance	\$ 11,147,566	\$ 10,180,451	\$ 10,149,926	\$ (30,525)
Transportation	\$ 4,288,758	\$ 4,377,459	\$ 4,364,328	\$ (13,131)
Other Central Services	\$ 3,168,355	\$ 2,564,847	\$ 2,557,156	\$ (7,691)
Other Support (Portion Athletics, CTE)	\$ -	\$ 2,070,830	\$ 2,064,632	\$ (6,198)
<b>Total Supporting Services</b>	<b>\$ 45,409,770</b>	<b>\$ 46,418,019</b>	<b>\$ 46,278,861</b>	<b>\$ (139,158)</b>
<b>Total Community Services</b>	<b>\$ 891,544</b>	<b>\$ 1,058,033</b>	<b>\$ 1,054,863</b>	<b>\$ (3,170)</b>
Outgoing Transfers & Other	\$ 1,638,421	\$ 783,000	\$ 780,651	\$ (2,349)
<b>Total Expenditures</b>	<b>\$ 133,204,300</b>	<b>\$ 134,358,343</b>	<b>\$ 133,709,839</b>	<b>\$ (648,504)</b>
<b>Total Revenues Over/&lt;Under&gt;</b>	<b>\$ (3,197,092)</b>	<b>\$ 2,570,581</b>	<b>\$ (4,222,484)</b>	
Beginning Fund Equity	16,354,516	13,157,424	15,728,005	
Ending Fund Equity	\$ 13,157,424	\$ 15,728,005	\$ 11,505,521	

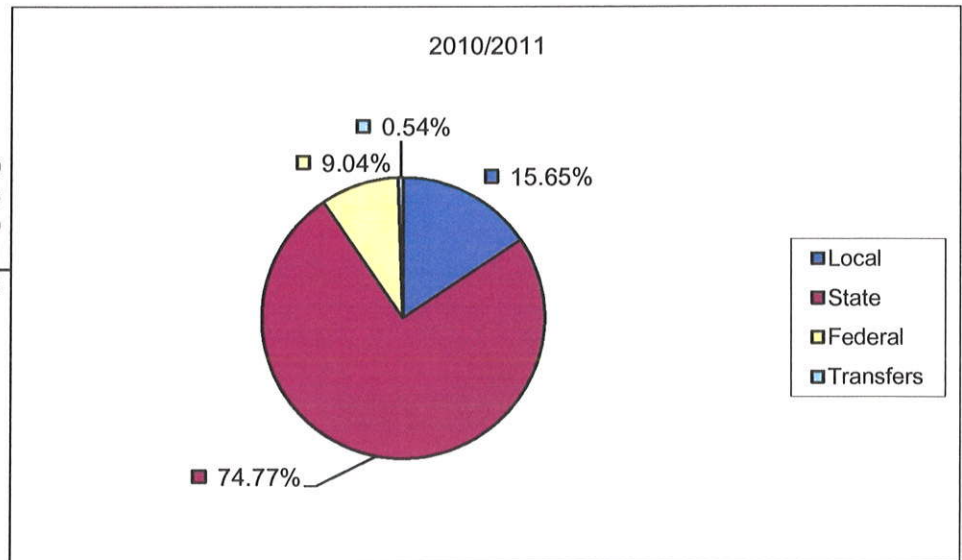
(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

**Chippewa Valley Schools  
Revenue Comparison**

Preliminary 2011/2012	
Local	\$ 19,876,500
State	\$ 103,666,024
Federal	\$ 5,200,590
Transfers	\$ 744,241
	<u>\$ 129,487,355</u>

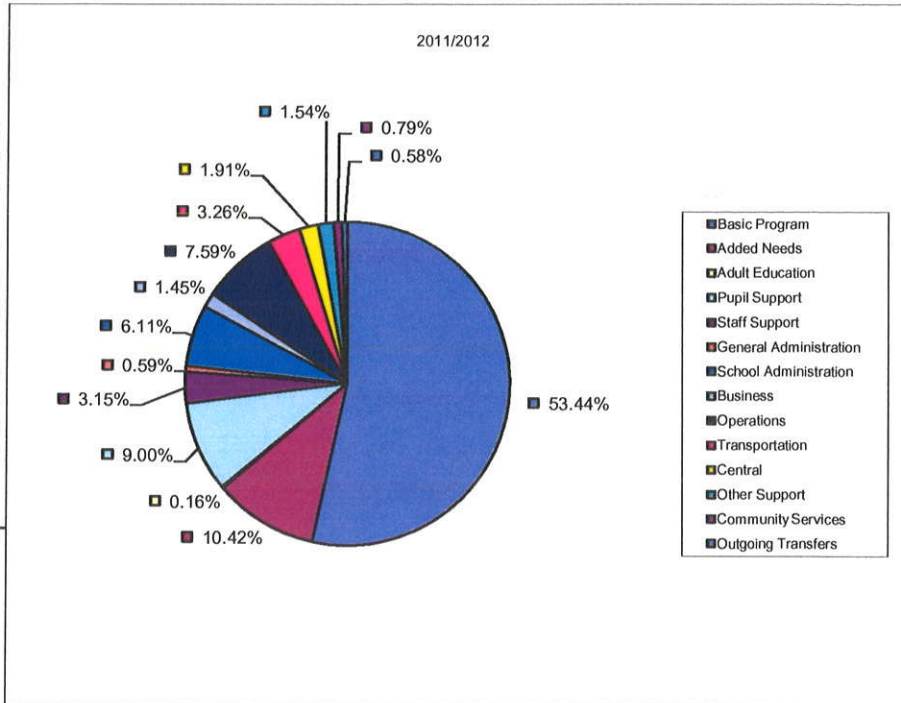


Final Amended 2010/2011	
Local	\$ 21,431,809
State	\$ 102,378,325
Federal	\$ 12,374,549
Transfers	\$ 744,241
	<u>\$ 136,928,924</u>

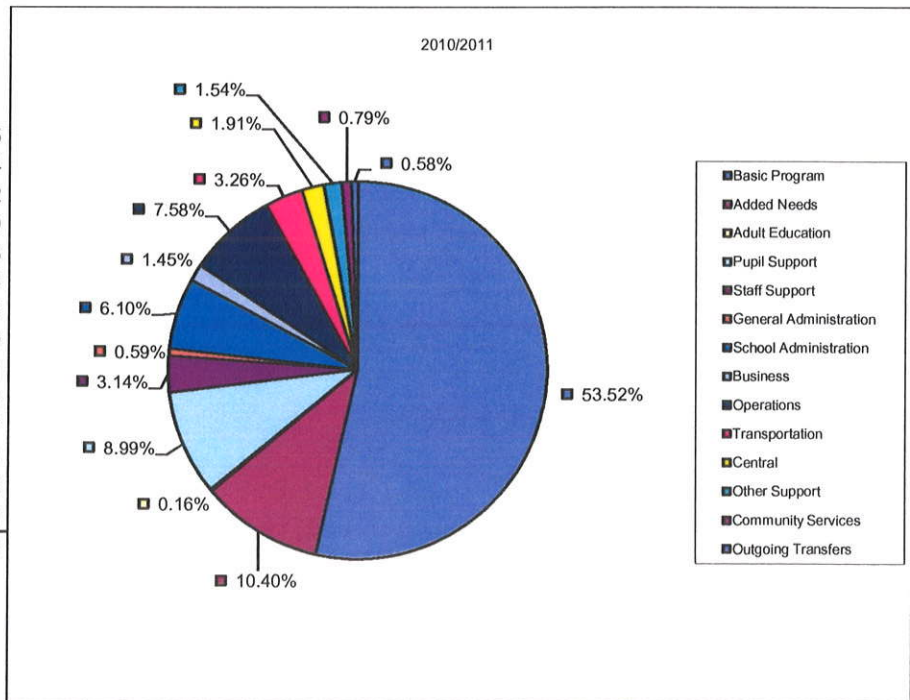


**Chippewa Valley Schools  
Expenditure Comparison by Function**

	Preliminary 2011/2012
Basic Program	\$ 71,450,196
Added Needs	\$ 13,929,799
Adult Education	\$ 215,469
Pupil Support	\$ 12,038,401
Staff Support	\$ 4,206,207
General Administration	\$ 788,816
School Administration	\$ 8,169,918
Business	\$ 1,939,477
Operations	\$ 10,149,926
Transportation	\$ 4,364,328
Central	\$ 2,557,156
Other Support	\$ 2,064,632
Community Services	\$ 1,054,863
Outgoing Transfers	\$ 780,651
<b>Total</b>	<b>\$ 133,709,839</b>



	Final Amended 2010/2011
Basic Program	\$ 71,911,465
Added Needs	\$ 13,971,714
Adult Education	\$ 216,112
Pupil Support	\$ 12,074,620
Staff Support	\$ 4,218,848
General Administration	\$ 791,185
School Administration	\$ 8,194,470
Business	\$ 1,945,309
Operations	\$ 10,180,451
Transportation	\$ 4,377,459
Central	\$ 2,564,847
Other Support	\$ 2,070,830
Community Services	\$ 1,058,033
Outgoing Transfers	\$ 783,000
<b>Total</b>	<b>\$ 134,358,343</b>

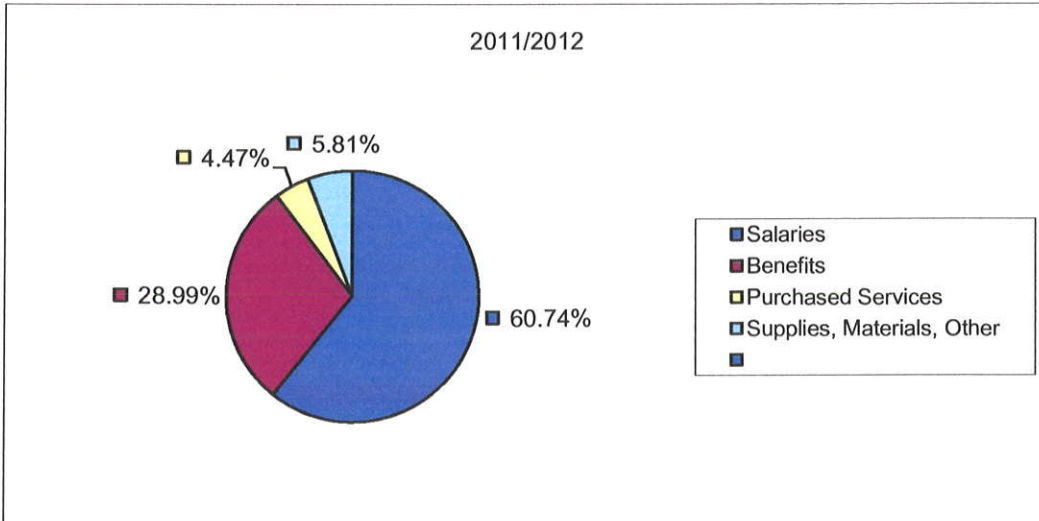


Note: Other Support Includes Athletics and CTE

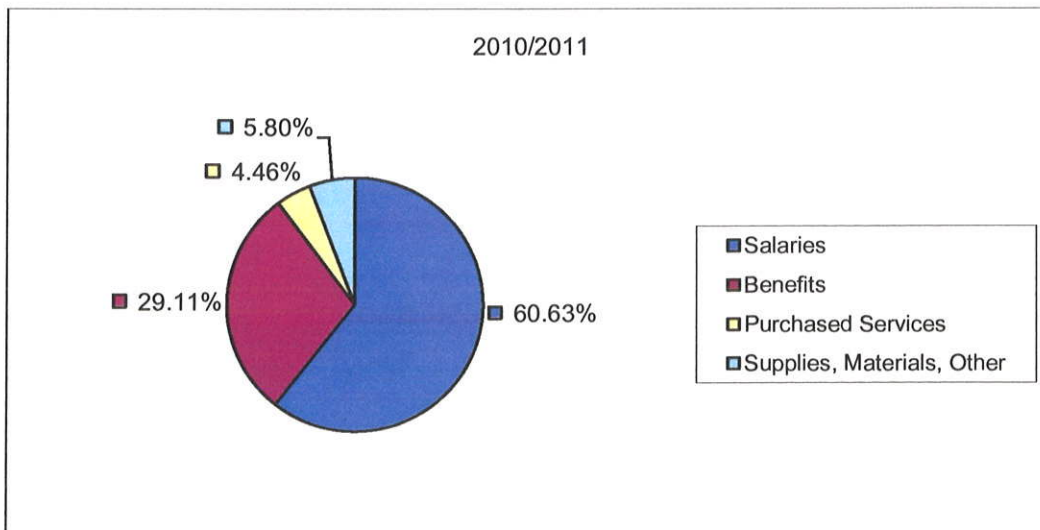


**Chippewa Valley Schools  
Expenditure Comparison by Object**

	Preliminary 2011/2012
Salaries	\$ 81,209,379
Benefits	\$ 38,761,565
Purchased Services	\$ 5,970,314
Supplies, Materials, Other	\$ 7,768,581
	<u>\$ 133,709,839</u>



	Final Amended 2010/2011
Salaries	\$ 81,459,994
Benefits	\$ 39,118,187
Purchased Services	\$ 5,988,242
Supplies, Materials, Other	\$ 7,791,920
	<u>\$ 134,358,343</u>



2011-12 SPECIAL REVENUE FUND FOOD SERVICE ORIGINAL BUDGET

	2009-10	2010-11	2011-12	2011-12 Original
	Actual	1st Amended Budget	Original Budget	2010-11 1st Amended Difference
<b>Revenue</b>				
Local	\$ 2,045,093	\$ 2,033,000	\$ 2,038,000	\$ 5,000
State	\$ 142,040	\$ 132,000	\$ 130,000	\$ (2,000)
Federal	\$ 1,342,323	\$ 1,522,000	\$ 1,490,000	\$ (32,000)
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 3,529,456</b>	<b>\$ 3,687,000</b>	<b>\$ 3,658,000</b>	<b>\$ (29,000)</b>
<b>Expenditures</b>				
Wages	\$ 1,228,456	\$ 1,250,000	\$ 1,154,000	\$ (96,000)
Employee Benefits	\$ 450,371	\$ 528,500	\$ 517,500	\$ (11,000)
Food Purchases	\$ 1,477,059	\$ 1,525,000	\$ 1,565,000	\$ 40,000
Other	\$ 222,504	\$ 257,000	\$ 240,000	\$ (17,000)
Capital Outlay	\$ 10,247	\$ 17,000	\$ 4,000	\$ (13,000)
Outgoing Transfers	\$ 218,000	\$ 260,000	\$ 260,000	\$ -
<b>Total Food Service</b>	<b>\$ 3,606,637</b>	<b>\$ 3,837,500</b>	<b>\$ 3,740,500</b>	<b>\$ (97,000)</b>
<b>Total Revenues Over/&lt;Under&gt; Expenditures</b>	<b>\$ (77,181)</b>	<b>\$ (150,500)</b>	<b>\$ (82,500)</b>	
<b>Beginning Fund Equity</b>	<b>\$ 663,058</b>	<b>\$ 585,877</b>	<b>\$ 435,377</b>	
<b>Ending Fund Equity</b>	<b>\$ 585,877</b>	<b>\$ 435,377</b>	<b>\$ 352,877</b>	

ORIGINAL 2011-12 SPECIAL  
REVENUE FUND BUILDING  
ACTIVITIES BUDGET

	2009-10 Actual	2010-11 Original Budget	2011-12 Original Budget	2010-11 Original 2009-10 Original Difference
Revenue				
Local	\$ 1,854,362	\$ 2,010,000	\$ 2,010,000	\$ -
Total Revenue	\$ 1,854,362	\$ 2,010,000	\$ 2,010,000	\$ -
Expenditures				
Wages/Purchased Services/Supplies,Materials	\$ 1,865,548	\$ 2,010,000	\$ 2,010,000	\$ -
Total Expenditures	\$ 1,865,548	\$ 2,010,000	\$ 2,010,000	\$ -
Total Revenues Over/<Under> Expenditures	\$ (11,186)	\$ -	\$ -	
Beginning Fund Equity	\$ 754,471	\$ 743,285	\$ 743,285	
Ending Fund Equity	\$ 743,285	\$ 743,285	\$ 743,285	

2011-12 SPECIAL REVENUE FUND ORIGINAL MACOMB INTERNATIONAL ACADEMY BUDGET

	2009-10	2010-11	2011-12	2011-12 Original
	<u>Actual</u>	<u>2nd Amended Budget</u>	<u>Original Budget</u>	<u>2010-11 2nd Amended Difference</u>
Revenue				
Tuition Schools	\$ 1,925,145	\$ 2,930,738	\$ 3,686,366	\$ 755,628
Other Revenue	\$ 1,500,000	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,425,145	\$ 2,930,738	\$ 3,686,366	\$ 755,628
Expenditures				
Instruction	\$ 362,138	\$ 326,000	\$ 326,000	\$ -
Support Services	\$ 382,286	\$ 408,173	\$ 408,173	\$ -
Payments to Other Schools	\$ 1,036,508	\$ 1,669,546	\$ 2,394,290	\$ 724,744
Fund Modifications	\$ 338,576	\$ 483,514	\$ 483,152	\$ (362)
	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 2,119,508	\$ 2,887,233	\$ 3,611,615	\$ 724,382
Total Revenues Over/<Under> Expenditures	\$ 1,305,637	\$ 43,505	\$ 74,751	
Beginning Fund Equity	\$ 366,566	\$ 1,672,202	\$ 1,715,707	
Ending Fund Equity	\$ 1,672,202	\$ 1,715,707	\$ 1,790,458	