

MEMORANDUM

**I.4. Approve 2014/2015 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, Building Activities Fund, and Macomb International Academy budgets for the 2014/2015 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 2014/2015 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 2014/2015 be adopted as follows:

Revenue	
Local	\$18,989,361
State	121,877,572
Federal	5,954,300
Transfers & Others	592,008
Total Revenue	\$147,413,241
Estimated Fund Balance July 1, 2014	\$17,768,900
Total Available to Appropriate	\$165,182,141

BE IT FURTHER RESOLVED, that \$146,421,631 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	\$78,643,144
Added Needs	15,540,915
Adult and Continuing Education	165,882
Support Services	
Pupil	12,962,685
Instructional Staff	4,602,565
General Administration	754,436
School Administration	9,495,454
Business	2,125,505
Operations & Maintenance	10,350,039
Transportation	4,330,608
Central	3,207,294
Other Support (Athletics, CTE)	2,201,909
Community Services	1,041,643
Outgoing Transfers & Other	999,552
Total Appropriated	\$146,421,631

Estimated Fund Balance June 30, 2015	\$18,760,510
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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 2014/2015 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 2014/2015 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 2014/2015 be as follows:

Revenue	
Local	\$2,063,100
State	145,000
Federal	1,660,000
Transfers & Other	0
Total Revenue	\$3,868,100
Estimated Fund Balance July 1, 2014	\$723,534
Total Available to Appropriate	\$4,591,634

BE IT FURTHER RESOLVED, that \$3,781,360 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	\$1,141,000
Employee Benefits	646,860
Food Purchases	1,525,000
Other	362,500
Capital Outlay	6,000
Outgoing Transfers	100,000
Total Appropriated	\$3,781,360
Estimated Fund Balance June 30, 2015	\$810,274

RESOLVED, that this resolution shall be the Building Activities Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2014/2015 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 2014/2015 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, 2014	\$434,897
Total Available to Appropriate	\$2,444,897

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, 2015	\$434,897

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2014/2015 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 2014/2015 be adopted as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,164,194
Total Revenue	\$4,164,194
Estimated Fund Balance July 1, 2014	\$2,127,528
Total Available to Appropriate	\$6,291,722

BE IT FURTHER RESOLVED that \$5,441,254 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	\$337,000
Support Services	264,200
Payments to Other Schools	4,348,046
Fund Modifications	492,008
Total Appropriated	\$5,441,254
Estimated Fund Balance June 30, 2015	\$ 850,468

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 on July 1, 2014.

RATIONALE: The Uniform Budgeting and Accounting Act requires that governmental units including school districts adopt a budget prior to the start of the fiscal year. The 2014-15 budgets for the General Fund, Food Service Fund, Building Activities Fund, and the Macomb International Academy Fund have been prepared by the administration.

The revenue budget for the General Fund has been developed using major factors including:

1. a flat enrollment projection,
2. an increase in the foundation allowance of \$50 per pupil,
3. an equity payment of \$125 per pupil,
4. continuation of the MPSERS Cost Offset funding of \$66 per pupil,
5. best practice funding of \$50 per pupil (a reduction of \$2 per student but with different criteria),
6. continued funding of \$40 per pupil for student performance benchmark,
7. recording of retirement offset revenue funding – section 147c funding, and
8. review and adjustment of other items as appropriate (removes several one-time funding amounts included in prior year budget).

The expenditure budget for the General Fund has been developed using major factors including:

1. impact of settled employee group contracts (2014-15 is the second year of a three year settlement),
2. impact of change to hard cap under PA 152 for health insurance benefits,
3. impact of retirement contribution increasing from 24.79% to 25.78%,
4. recording of retirement offset expenditure funding – section 147c funding, and
5. review and adjustment of other items as appropriate.

In summary, we have projected revenues of \$147.4 million and projected expenditures of \$146.4 million for an operating surplus of \$1.0 million.

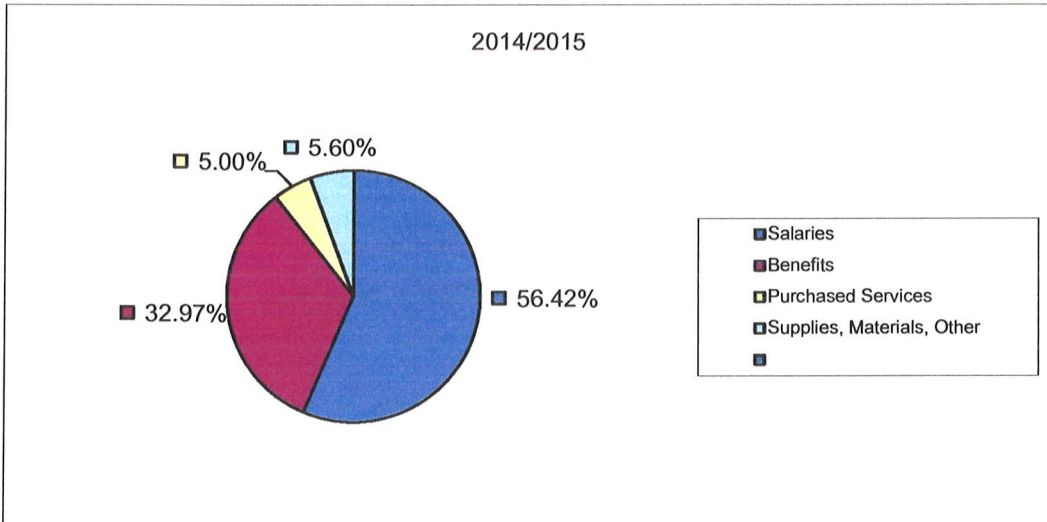
CHIPPEWA VALLEYS SCHOOLS
ORIGINAL 2014 2015
GENERAL FUND BUDGET

	2012-13 Audited <u>Actual</u>	2013-14 2nd Amended <u>Budget</u> June 2, 2014	2014-15 Original <u>Budget</u> June 16, 2014	2014-15 Original 2013-14 2nd Amended <u>Difference</u>
Revenue				
Local (1)	\$ 19,264,807	\$ 18,899,295	\$ 18,989,361	\$ 90,066
State	\$ 113,140,183	\$ 117,466,053	\$ 121,877,572	\$ 4,411,519
Federal	\$ 5,202,309	\$ 5,702,236	\$ 5,954,300	\$ 252,064
Incoming Transfers & Other	\$ 817,389	\$ 612,896	\$ 592,008	\$ (20,888)
Total Revenue	\$ 138,424,688	\$ 142,680,480	\$ 147,413,241	\$ 4,732,761
Expenditures				
Basic Programs	\$ 74,769,844	\$ 75,927,109	\$ 78,643,144	\$ 2,716,035
Added Needs	\$ 14,595,627	\$ 15,115,408	\$ 15,540,915	\$ 425,507
Adult & Community Ed	\$ 148,904	\$ 157,804	\$ 165,882	\$ 8,078
Total Instructional	\$ 89,514,375	\$ 91,200,321	\$ 94,349,941	\$ 3,149,620
Pupil Services	\$ 12,380,132	\$ 12,479,862	\$ 12,962,685	\$ 482,823
Instructional Staff Services	\$ 3,400,300	\$ 4,421,225	\$ 4,602,565	\$ 181,340
General Administration	\$ 860,990	\$ 802,435	\$ 754,436	\$ (47,999)
School Administration	\$ 8,944,560	\$ 9,150,160	\$ 9,495,454	\$ 345,294
Business Administration	\$ 2,484,886	\$ 2,151,671	\$ 2,125,505	\$ (26,166)
Operations & Maintenance	\$ 9,410,533	\$ 10,254,922	\$ 10,350,039	\$ 95,117
Transportation	\$ 3,908,754	\$ 4,175,014	\$ 4,330,608	\$ 155,594
Other Central Services	\$ 2,933,996	\$ 3,365,170	\$ 3,207,294	\$ (157,876)
Other Support (Portion Athletics, CTE)	\$ 2,059,933	\$ 2,144,849	\$ 2,201,909	\$ 57,060
Total Supporting Services	\$ 46,384,084	\$ 48,945,308	\$ 50,030,495	\$ 1,085,187
Total Community Services	\$ 971,335	\$ 1,050,226	\$ 1,041,643	\$ (8,583)
Outgoing Transfers & Other	\$ 1,001,866	\$ 1,012,851	\$ 999,552	\$ (13,299)
Total Expenditures	\$ 137,871,660	\$ 142,208,706	\$ 146,421,631	\$ 4,212,925
Total Revenues Over/<Under>	\$ 553,028	\$ 471,774	\$ 991,610	\$ 519,836
Beginning Fund Equity	16,744,098	17,297,126	17,768,900	
Ending Fund Equity	\$ 17,297,126	\$ 17,768,900	\$ 18,760,510	

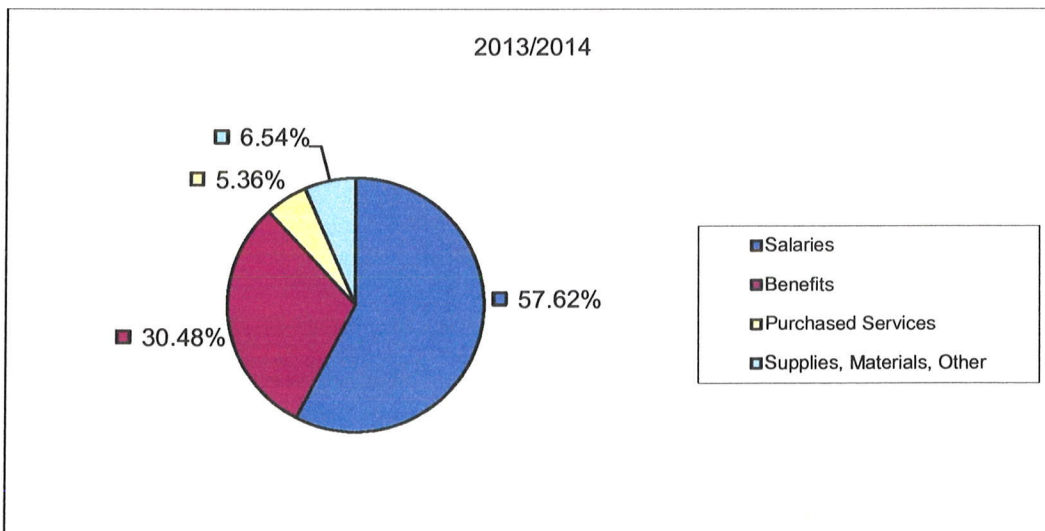
(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

**Chippewa Valley Schools
Expenditure Comparison by Object**

	Original	
	2014/2015	
Salaries	\$	82,617,296
Benefits	\$	48,273,185
Purchased Services	\$	7,325,248
Supplies, Materials, Other	\$	8,205,902
	\$	<u>146,421,631</u>

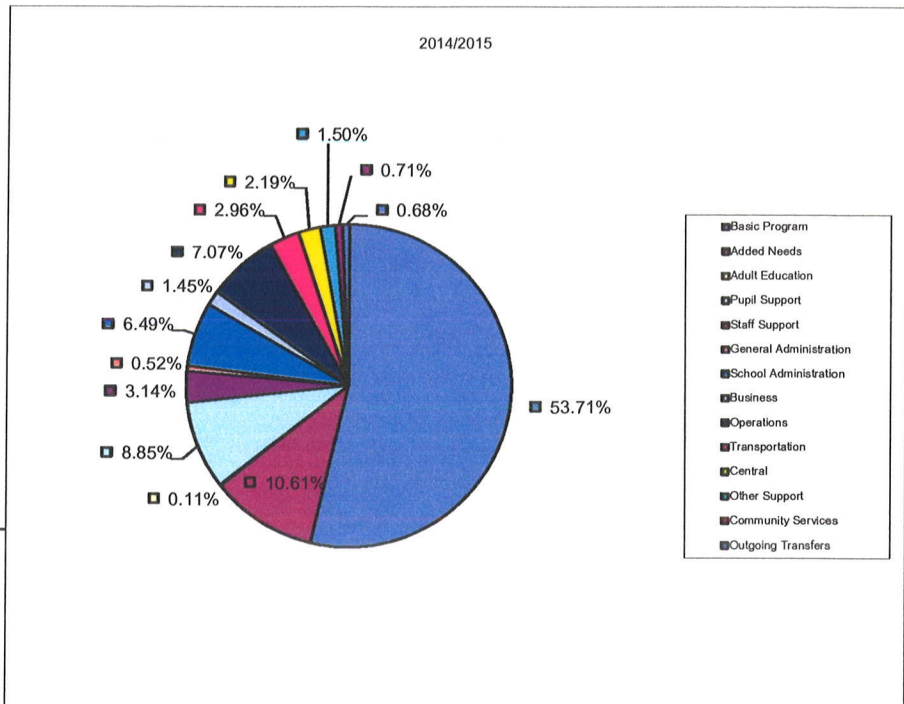


	Final Amended	
	2013/2014	
Salaries	\$	81,937,499
Benefits	\$	43,349,575
Purchased Services	\$	7,621,481
Supplies, Materials, Other	\$	9,300,151
	\$	<u>142,208,706</u>

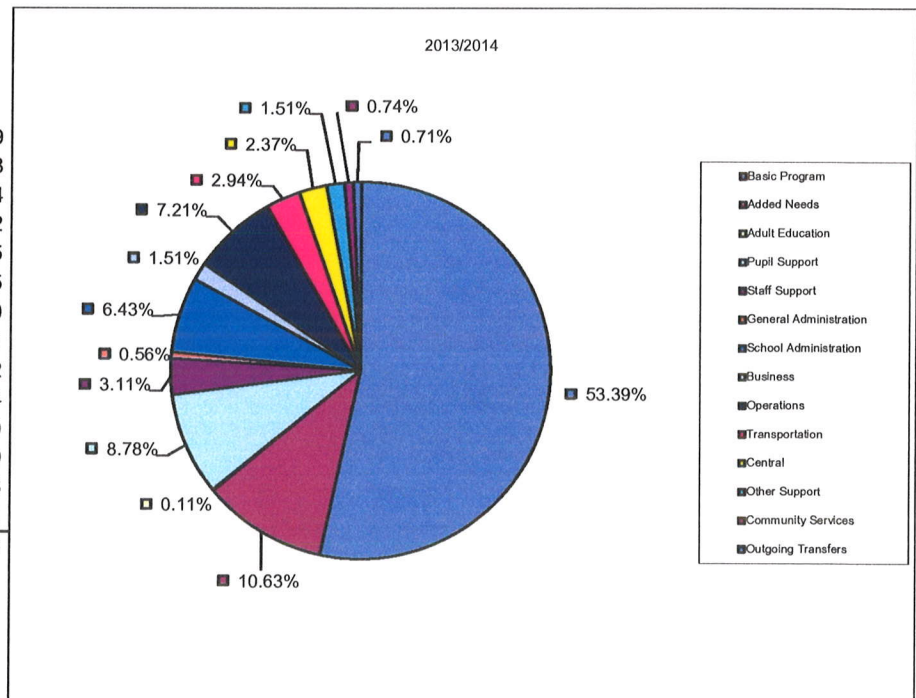


Chippewa Valley Schools Expenditure Comparison by Function

	Original
	2014/2015
Basic Program	\$ 78,643,144
Added Needs	\$ 15,540,915
Adult Education	\$ 165,882
Pupil Support	\$ 12,962,685
Staff Support	\$ 4,602,565
General Administration	\$ 754,436
School Administration	\$ 9,495,454
Business	\$ 2,125,505
Operations	\$ 10,350,039
Transportation	\$ 4,330,608
Central	\$ 3,207,294
Other Support	\$ 2,201,909
Community Services	\$ 1,041,643
Outgoing Transfers	\$ 999,552
	\$ 146,421,631



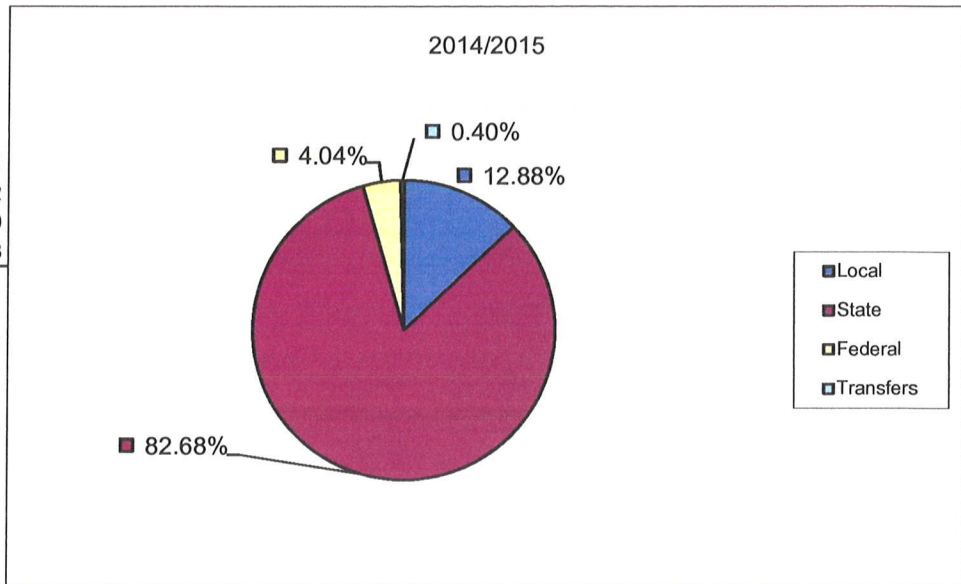
	Final
	Amended
	2013/2014
Basic Program	\$ 75,927,109
Added Needs	\$ 15,115,408
Adult Education	\$ 157,804
Pupil Support	\$ 12,479,862
Staff Support	\$ 4,421,225
General Administration	\$ 802,435
School Administration	\$ 9,150,160
Business	\$ 2,151,671
Operations	\$ 10,254,922
Transportation	\$ 4,175,014
Central	\$ 3,365,170
Other Support	\$ 2,144,849
Community Services	\$ 1,050,226
Outgoing Transfers	\$ 1,012,851
	\$ 142,208,706



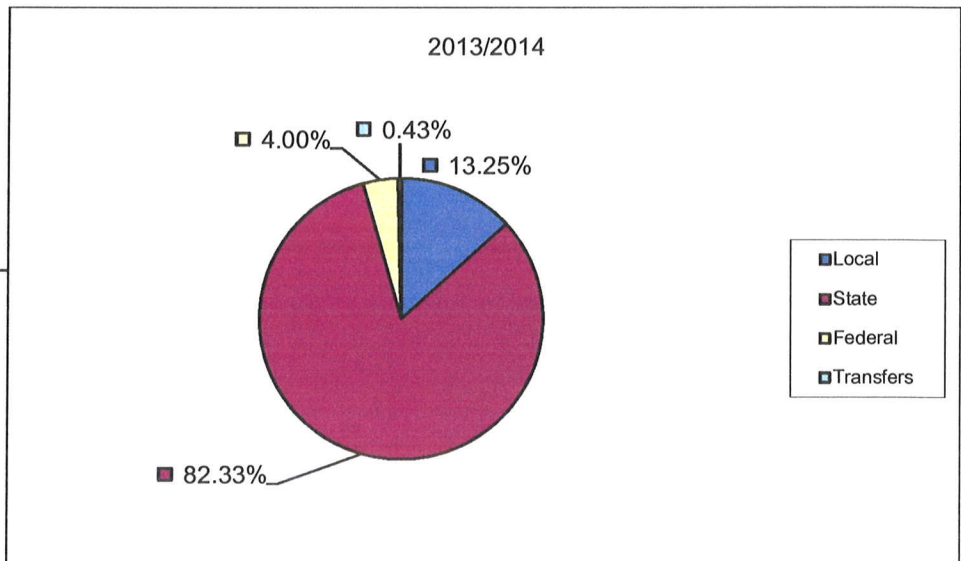
Note: Other Support Includes Athletics and CTE

**Chippewa Valley Schools
Revenue Comparison**

	Original	
	2014/2015	
Local	\$	18,989,361
State	\$	121,877,572
Federal	\$	5,954,300
Transfers	\$	592,008
	\$	<u>147,413,241</u>



	Final	
	Amended	
	2013/2014	
Local	\$	18,899,295
State	\$	117,466,053
Federal	\$	5,702,236
Transfers	\$	612,896
	\$	<u>142,680,480</u>



2014-15 SPECIAL REVENUE FUND FOOD SERVICE ORIGINAL BUDGET

	2012-13 Actual	2013-14 1st Amended Budget	2014-15 Original Budget	2014-15 Original 2013-14 1st Amended Difference
Revenue				
Local	\$ 1,978,111	\$ 2,133,100	\$ 2,063,100	\$ (70,000)
State	\$ 121,604	\$ 145,000	\$ 145,000	\$ -
Federal	\$ 1,566,764	\$ 1,735,000	\$ 1,660,000	\$ (75,000)
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,666,479	\$ 4,013,100	\$ 3,868,100	\$ (145,000)
Expenditures				
Wages	\$ 1,094,400	\$ 1,094,000	\$ 1,141,000	\$ 47,000
Employee Benefits	\$ 481,336	\$ 568,485	\$ 646,860	\$ 78,375
Food Purchases	\$ 1,517,787	\$ 1,625,000	\$ 1,525,000	\$ (100,000)
Other	\$ 361,205	\$ 429,500	\$ 362,500	\$ (67,000)
Capital Outlay	\$ 82,894	\$ 6,000	\$ 6,000	\$ -
Outgoing Transfers	\$ 190,000	\$ 138,000	\$ 100,000	\$ (38,000)
Total Food Service	\$ 3,727,622	\$ 3,860,985	\$ 3,781,360	\$ (79,625)
Total Revenues Over/<Under> Expenditures	\$ (61,143)	\$ 152,115	\$ 86,740	
Beginning Fund Equity	\$ 632,562	\$ 571,419	\$ 723,534	
Ending Fund Equity	\$ 571,419	\$ 723,534	\$ 810,274	

2014-15 Original SPECIAL
 REVENUE FUND BUILDING
 ACTIVITIES BUDGET

	2012-13	2013-14	2014-15	2014-15 Original
	<u>Actual</u>	1st Amended <u>Budget</u>	Original <u>Budget</u>	2013-14 1st Amended <u>Difference</u>
Revenue				
Local	\$ 1,445,861	\$ 2,010,000	\$ 2,010,000	\$ -
Total Revenue	\$ 1,445,861	\$ 2,010,000	\$ 2,010,000	\$ -
Expenditures				
Wages/Purchased Services/Supplies,Material:	\$ 1,655,039	\$ 2,010,000	\$ 2,010,000	\$ -
Total Expenditures	\$ 1,655,039	\$ 2,010,000	\$ 2,010,000	\$ -
Total Revenues Over/<Under> Expenditures	\$ (209,178)	\$ -	\$ -	
Beginning Fund Equity	\$ 644,075	\$ 434,897	\$ 434,897	
Ending Fund Equity	\$ 434,897	\$ 434,897	\$ 434,897	

2014-15 SPECIAL REVENUE FUND ORIGINAL MACOMB INTERNATIONAL ACADEMY BUDGET

	2012-13	2013-14	2015-15	2014-15 Original
	<u>Actual</u>	1st Amended <u>Budget</u>	Original <u>Budget</u>	2013-14 1st Amended <u>Difference</u>
Revenue				
Tuition Schools	\$ 2,934,058	\$ 2,931,729	\$ 3,164,642	\$ 232,913
Other Revenue	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 1,001,866	\$ 1,012,851	\$ 999,552	\$ (13,299)
	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,935,924	\$ 3,944,580	\$ 4,164,194	\$ 219,614
Expenditures				
Instruction	\$ 310,110	\$ 403,000	\$ 337,000	\$ (66,000)
Support Services	\$ 232,192	\$ 263,200	\$ 264,200	\$ 1,000
Payments to Other Schools	\$ 2,591,470	\$ 2,742,723	\$ 4,348,046	\$ 1,605,323
Fund Modifications	\$ 603,722	\$ 474,896	\$ 492,008	\$ 17,112
	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 3,737,495	\$ 3,883,819	\$ 5,441,254	\$ 1,557,435
Total Revenues Over/<Under> Expenditures	\$ 198,429	\$ 60,761	\$ (1,277,060)	
Beginning Fund Equity	\$ 1,868,337	\$ 2,066,767	\$ 2,127,528	
Ending Fund Equity	\$ 2,066,767	\$ 2,127,528	\$ 850,468	