

**MEMORANDUM**

**Approve 2018/2019 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 2018/2019 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 2018/2019 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 2018/2019 originally adopted on June 18, 2018 be amended as follows:

Revenue	
Local	\$24,472,724
State	134,321,398
Federal	5,928,874
Transfers & Others	1,178,892
Total Revenue	\$165,901,888
Actual Fund Balance July 1, 2018	\$28,477,264
Total Available to Appropriate	\$194,379,152

BE IT FURTHER RESOLVED, that \$163,233,731 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	\$82,317,335
Added Needs	19,319,126
Adult and Continuing Education	188,110

Support Services

Pupil	16,094,338
Instructional Staff	6,565,661
General Administration	831,763
School Administration	9,947,112
Business	2,395,141
Operations & Maintenance	11,993,611
Transportation	4,950,424
Central	4,141,605
Other Support (Athletics, CTE)	2,411,417
Community Services	1,138,773
Outgoing Transfers & Other	939,315
Site Acquisition	4,000,000

Total Appropriated \$167,233,731

Estimated Fund Balance June 30, 2019 \$27,145,421

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 2018/2019 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 2018/2019 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 2018/2019 originally adopted June 18, 2019 be amended as follows:

Revenue	
Local	\$2,166,100
State	125,000
Federal	2,190,000
Transfers & Other	0
Total Revenue	\$4,481,100
Actual Fund Balance July 1, 2018	\$1,429,841
Total Available to Appropriate	\$5,910,941

BE IT FURTHER RESOLVED, that \$4,664,500 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	\$1,327,000
Employee Benefits	788,500
Food Purchases	1,775,000
Other	404,000
Capital Outlay	150,000
Outgoing Transfers	220,000
Total Appropriated	\$4,664,500
Estimated Fund Balance June 30, 2019	\$1,246,441

RESOLVED, that this resolution shall be the Building Activities Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2018/2019 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 2018/2019 originally adopted June 18, 2018 be amended as follows:

Revenue	
Local	\$1,948,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$1,948,000
Actual Fund Balance July 1, 2018	\$464,421
Total Available to Appropriate	\$2,412,421

BE IT FURTHER RESOLVED that \$1,948,000 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	\$1,948,000
Total Appropriated	1,948,000
Estimated Fund Balance June 30, 2019	\$464,421

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2018/2019 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 2018/2019 originally adopted June 18, 2019 be amended as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,178,860
Total Revenue	\$4,178,860
Actual Fund Balance July 1, 2018	\$755,745
Total Available to Appropriate	\$4,934,605

BE IT FURTHER RESOLVED that \$4,115,437 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	\$317,590
Support Services	276,400
Payments to Other Schools	2,562,555
Fund Modifications	958,892
Total Appropriated	\$4,115,437
Estimated Fund Balance June 30, 2019	\$819,168

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, Building Activities, 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 \$6.2 million from \$159.7 million to \$165.9 million. Majority of the increase in revenues relates to increases in:

- Interest income (\$390,000)
- Special education funding (\$865,000)
- Grant funding (\$716,000)
- Private Donation – Manthey Estate (\$4.0 million)

Total revenues increased by 3.91% from the Original Budget, adopted in June 2018.

Projected expenditures for the General Fund increased by \$5.5 million from \$161.7 million to \$167.2 million. Significant changes from the Original Budget resulted from:

- Net staffing wage changes (\$963,000)
- Police Liaison Officers (\$135,000)
- Grant funding changes (\$716,000)
- Site Acquisition (\$4.0 million)

Total expenditures increased by 3.42% from the Original Budget.

These changes produce a projected expenditures greater than revenues of a \$1.3 million in the 1<sup>st</sup> Amended Budget. The Original Budget estimated expenditures exceeding revenues by \$2,037,458. The budget modifications results in a projected June 30, 2019 ending fund balance of \$27.1 million (or 16.2% of budgeted expenditures).

CHIPPEWA VALLEYS SCHOOLS  
2018-2019 1ST AMENDED BUDGET  
GENERAL FUND BUDGET

	2016-17 Audited Actual	2017-18 Audited Actual	2018-19 Original Budget June 18, 2018	2018-19 1st Amended Budget March 4, 2019	2018-19 1st Amended 2018-19 Original Difference
Revenue					
Local (1)	\$ 18,831,467	\$ 19,103,535	\$ 20,048,918	\$ 24,472,724	\$ 4,423,806
State	\$ 126,481,193	\$ 132,264,152	\$ 132,939,277	\$ 134,321,398	\$ 1,382,121
Federal	\$ 5,519,015	\$ 4,842,665	\$ 5,604,928	\$ 5,928,874	\$ 323,946
Incoming Transfers & Other	\$ 1,024,304	\$ 1,030,608	\$ 1,066,175	\$ 1,178,892	\$ 112,717
<b>Total Revenue</b>	<b>\$ 151,855,979</b>	<b>\$ 157,240,960</b>	<b>\$ 159,659,298</b>	<b>\$ 165,901,888</b>	<b>\$ 6,242,590</b>
Expenditures					
Basic Programs	\$ 80,665,139	\$ 80,251,675	\$ 82,398,229	\$ 82,317,335	\$ (80,894)
Added Needs	\$ 16,290,150	\$ 17,376,456	\$ 18,587,242	\$ 19,319,126	\$ 731,884
Adult & Community Ed	\$ 161,356	\$ 146,193	\$ 181,123	\$ 188,110	\$ 6,987
<b>Total Instructional</b>	<b>\$ 97,116,645</b>	<b>\$ 97,774,324</b>	<b>\$ 101,166,594</b>	<b>\$ 101,824,571</b>	<b>\$ 657,977</b>
Pupil Services	\$ 13,873,997	\$ 14,942,310	\$ 15,845,200	\$ 16,094,338	\$ 249,138
Instructional Staff Services	\$ 5,001,950	\$ 5,790,599	\$ 6,103,383	\$ 6,565,661	\$ 462,278
General Administration	\$ 784,285	\$ 864,533	\$ 816,524	\$ 831,763	\$ 15,239
School Administration	\$ 9,462,959	\$ 9,853,771	\$ 10,057,894	\$ 9,947,112	\$ (110,782)
Business Administration	\$ 1,986,161	\$ 2,174,328	\$ 2,351,467	\$ 2,395,141	\$ 43,674
Operations & Maintenance	\$ 10,759,290	\$ 11,277,484	\$ 11,756,210	\$ 11,993,611	\$ 237,401
Transportation	\$ 4,289,685	\$ 4,671,785	\$ 4,885,004	\$ 4,950,424	\$ 65,420
Other Central Services	\$ 3,507,565	\$ 3,698,749	\$ 4,185,369	\$ 4,141,605	\$ (43,764)
Other Support (Portion Athletics, CTE)	\$ 2,131,894	\$ 2,304,460	\$ 2,339,078	\$ 2,411,417	\$ 72,339
<b>Total Supporting Services</b>	<b>\$ 51,797,786</b>	<b>\$ 55,578,019</b>	<b>\$ 58,340,129</b>	<b>\$ 59,331,072</b>	<b>\$ 990,943</b>
<b>Total Community Services</b>	<b>\$ 973,759</b>	<b>\$ 1,006,651</b>	<b>\$ 1,202,758</b>	<b>\$ 1,138,773</b>	<b>\$ (63,985)</b>
Outgoing Transfers & Other	\$ 925,074	\$ 946,942	\$ 987,275	\$ 939,315	\$ (47,960)
Site Acquisition	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000
<b>Total Expenditures</b>	<b>\$ 150,813,264</b>	<b>\$ 155,305,936</b>	<b>\$ 161,696,756</b>	<b>\$ 167,233,731</b>	<b>\$ 5,536,975</b>
<b>Total Revenues Over/&lt;Under&gt; Expenditures</b>	<b>\$ 1,042,715</b>	<b>\$ 1,935,024</b>	<b>\$ (2,037,458)</b>	<b>\$ (1,331,843)</b>	<b>\$ 705,615</b>
Beginning Fund Equity	\$ 25,499,525	\$ 26,542,240	\$ 26,714,015	\$ 28,477,264	
Ending Fund Equity	\$ 26,542,240	\$ 28,477,264	\$ 24,676,557	\$ 27,145,421	

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



2018-2019 1ST AMENDED  
SPECIAL REVENUE FUND  
FOOD SERVICES BUDGET

	2016-17 Audited Actual	2017-18 Audited Actual	2018-19 Original Budget	2018-19 1st Amended Budget	2018-19 1st Amended 2018-19 Original Difference
Revenue			June 18, 2018	March 4, 2019	
Local	\$ 2,110,039	\$ 2,101,090	\$ 2,166,100	\$ 2,166,100	\$ -
State	\$ 140,842	\$ 131,415	\$ 120,000	\$ 125,000	\$ 5,000
Federal	\$ 1,901,864	\$ 2,047,355	\$ 2,150,000	\$ 2,190,000	\$ 40,000
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,152,745	\$ 4,279,860	\$ 4,436,100	\$ 4,481,100	\$ 45,000
Expenditures					
Wages	\$ 1,106,910	\$ 1,190,457	\$ 1,306,000	\$ 1,327,000	\$ 21,000
Employee Benefits	\$ 644,632	\$ 705,793	\$ 772,000	\$ 788,500	\$ 16,500
Food Purchases	\$ 1,574,977	\$ 1,698,123	\$ 1,835,000	\$ 1,775,000	\$ (60,000)
Other	\$ 312,003	\$ 304,308	\$ 391,500	\$ 404,000	\$ 12,500
Capital Outlay	\$ 38,598	\$ 122,732	\$ 150,000	\$ 150,000	\$ -
Outgoing Transfers	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ -
Total Food Service	\$ 3,897,120	\$ 4,241,413	\$ 4,674,500	\$ 4,664,500	\$ (10,000)
Total Revenues Over/<Under> Expenditures	\$ 255,625	\$ 38,447	\$ (238,400)	\$ (183,400)	
Beginning Fund Equity	\$ 1,135,769	\$ 1,391,394	\$ 1,210,994	\$ 1,429,841	
Ending Fund Equity	\$ 1,391,394	\$ 1,429,841	\$ 972,594	\$ 1,246,441	

2018-2019 1ST AMENDED  
SPECIAL REVENUE FUND  
BUILDING ACTIVITIES BUDGET

	2016-17 Audited <u>Actual</u>	2017-18 Audited <u>Actual</u>	2018-19 Original <u>Budget</u> June 18, 2018	2018-19 1st Amended <u>Budget</u> March 4, 2019	2018-19 1st Amended 2017-18 Original <u>Difference</u>
Revenue					
Local	\$ 1,841,157	\$ 1,891,383	\$ 2,048,000	\$ 1,948,000	\$ (100,000)
Total Revenue	\$ 1,841,157	\$ 1,891,383	\$ 2,048,000	\$ 1,948,000	\$ (100,000)
Expenditures					
Wages/Purchased Services/Supplies,Materials	\$ 1,874,484	\$ 1,863,668	\$ 2,078,000	\$ 1,948,000	\$ (130,000)
Total Expenditures	\$ 1,874,484	\$ 1,863,668	\$ 2,078,000	\$ 1,948,000	\$ (130,000)
Total Revenues Over/<Under> Expenditures	\$ (33,327)	\$ 27,715	\$ (30,000)	\$ -	
Beginning Fund Equity	\$ 470,033	\$ 436,706	\$ 536,706	\$ 464,421	
Ending Fund Equity	\$ 436,706	\$ 464,421	\$ 506,706	\$ 464,421	

2018-2019 SPECIAL REVENUE  
 FUND 1ST AMENDED MACOMB  
 INTERNATIONAL ACADEMY  
 BUDGET

	2016-17 Audited <u>Actual</u>	2017-18 Audited <u>Actual</u>	2018-19 Original <u>Budget</u> June 18, 2018	2018-19 1st Amended <u>Budget</u> March 4, 2019	2018-19 1st Amended 2018-19 Original <u>Difference</u>
Revenue					
Tuition Schools	\$ 3,086,443	\$ 3,220,415	\$ 3,270,970	\$ 3,254,545	\$ (16,425)
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 925,075	\$ 946,942	\$ 972,275	\$ 924,315	\$ (47,960)
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,011,518	\$ 4,167,357	\$ 4,243,245	\$ 4,178,860	\$ (64,385)
Expenditures					
Instruction	\$ 269,091	\$ 289,982	\$ 302,590	\$ 317,590	\$ 15,000
Support Services	\$ 294,790	\$ 283,284	\$ 276,400	\$ 276,400	\$ -
Payments to Other Schools	\$ 2,710,485	\$ 2,746,882	\$ 2,810,196	\$ 2,562,555	\$ (247,641)
Fund Modifications	\$ 804,304	\$ 810,608	\$ 846,175	\$ 958,892	\$ 112,717
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 4,078,670	\$ 4,130,756	\$ 4,235,361	\$ 4,115,437	\$ (119,924)
Total Revenues Over/<Under> Expenditures	\$ (67,152)	\$ 36,601	\$ 7,884	\$ 63,423	
Beginning Fund Equity	\$ 786,296	\$ 719,144	\$ 713,037	\$ 755,745	
Ending Fund Equity	\$ 719,144	\$ 755,745	\$ 720,921	\$ 819,168	