

**MEMORANDUM**

**I.3. Approve 2017/2018 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 2017/2018 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 2017/2018 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 2017/2018 be adopted as follows:

Revenue	
Local	\$19,199,990
State	127,186,093
Federal	5,893,108
Transfers & Others	1,007,548
Total Revenue	\$153,286,739
Estimated Fund Balance July 1, 2017	\$25,076,686
Total Available to Appropriate	\$178,363,425

BE IT FURTHER RESOLVED, that \$153,544,313 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	\$79,725,541
Added Needs	16,982,649
Adult and Continuing Education	174,510

Support Services	
Pupil	14,355,977
Instructional Staff	5,304,987
General Administration	779,495
School Administration	9,686,859
Business	2,157,005
Operations & Maintenance	11,698,703
Transportation	4,577,981
Central	3,828,273
Other Support (Athletics, CTE)	2,221,176
Community Services	1,106,565
Outgoing Transfers & Other	944,592
Total Appropriated	\$153,544,313
Estimated Fund Balance June 30, 2018	\$24,819,112

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 2017/2018 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 2017/2018 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 2017/2018 be adopted as follows:

Revenue	
Local	\$2,004,100
State	120,000
Federal	1,840,000
Transfers & Other	0
Total Revenue	\$3,964,100
Estimated Fund Balance July 1, 2017	\$1,044,869
Total Available to Appropriate	\$5,008,969

BE IT FURTHER RESOLVED, that \$4,080,000 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	\$1,170,000
Employee Benefits	728,500

Food Purchases	1,550,000
Other	381,500
Capital Outlay	50,000
Outgoing Transfers	200,000
Total Appropriated	\$4,080,000

Estimated Fund Balance June 30, 2018 \$928,969

RESOLVED, that this resolution shall be the Building Activities Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2017/2018 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 2017/2018 be adopted as follows:

Revenue	
Local	\$2,178,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$2,178,000

Estimated Fund Balance July 1, 2017 \$570,033

Total Available to Appropriate \$2,748,033

BE IT FURTHER RESOLVED that \$2,078,000 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	\$2,078,000
Total Appropriated	2,078,000

Estimated Fund Balance June 30, 2018 \$670,033

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2017/2018 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 2017/2018 be adopted as follows:

Revenue	
Local	\$0
State	0

Federal	0
Incoming Transfers & Fund Modifications	\$4,126,596
Total Revenue	\$4,126,596

Estimated Fund Balance July 1, 2017 \$720,054

Total Available to Appropriate \$4,846,650

BE IT FURTHER RESOLVED that \$4,116,401 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	\$304,000
Support Services	283,400
Payments to Other Schools	2,721,453
Fund Modifications	807,548
Total Appropriated	\$4,116,401

Estimated Fund Balance June 30, 2018 \$730,249

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, 2017.

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 2016-17 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 decreased enrollment projection of 169 pupils,
2. an increase in the foundation allowance of \$120 per pupil,
3. recording of the net retirement offset revenue funding increase of \$235,000, and
4. review and adjustment of other items as appropriate.

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

1. impact of settled employee group contracts, 2017-2018 is the final year of a two year settlement agreement,
2. recording of net retirement offset expenditure funding of \$235,000,
3. retirement rate is increased from 24.94% to 25.56%,
4. decreased textbook budget by \$1,445,000 to reflect prior year ELA purchase,
5. impact of increased health insurance rates and increased hard cap limit under PA 152 for health insurance benefits and cash in lieu of health,
6. impact of anticipated \$116,000 increase for utility cost, and
7. review and adjustment of other items as appropriate.

In summary, we have projected revenues of \$153,286,739 and projected expenditures of \$153,544,313 for a budgeted operating deficit of (\$257,574) and a decrease to the fund balance.

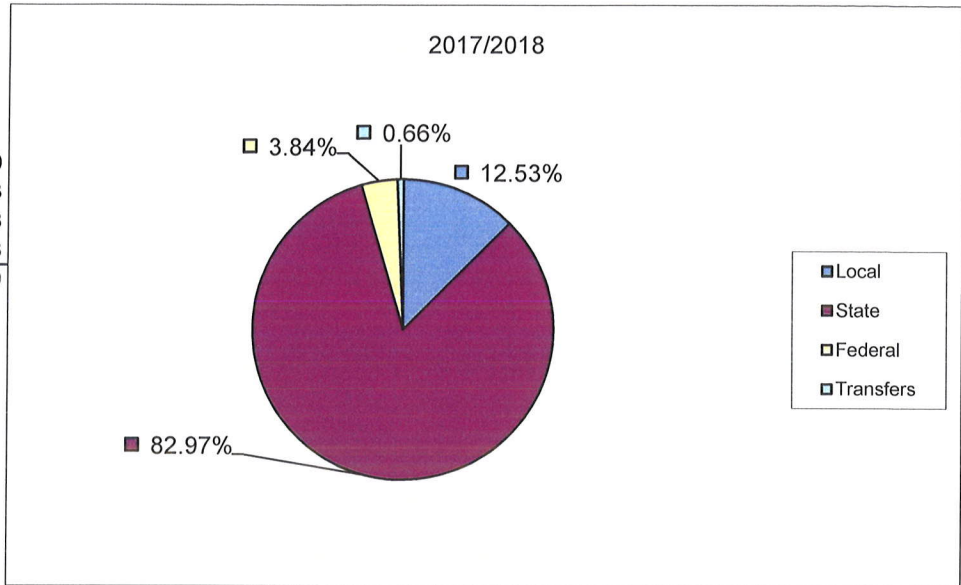
CHIPPEWA VALLEYS SCHOOLS  
 2017-2018 ORIGINAL BUDGET  
 GENERAL FUND BUDGET

	2015-16 Audited <u>Actual</u>	2016-17 2nd Amended <u>Budget</u> May 15, 2017	2017-18 Original <u>Budget</u> June 19, 2017	2017-18 Original 2016-17 2nd Amended <u>Difference</u>
Revenue				
Local (1)	\$ 19,277,701	\$ 18,703,988	\$ 19,199,990	\$ 496,002
State	\$ 124,960,120	\$ 127,017,218	\$ 127,186,093	\$ 168,875
Federal	\$ 5,156,197	\$ 5,876,138	\$ 5,893,108	\$ 16,970
Incoming Transfers & Other	\$ 798,755	\$ 994,775	\$ 1,007,548	\$ 12,773
<b>Total Revenue</b>	<b>\$ 150,192,773</b>	<b>\$ 152,592,119</b>	<b>\$ 153,286,739</b>	<b>\$ 694,620</b>
Expenditures				
Basic Programs	\$ 78,692,379	\$ 80,793,279	\$ 79,725,541	\$ (1,067,738)
Added Needs	\$ 15,808,118	\$ 16,883,659	\$ 16,982,649	\$ 98,990
Adult & Community Ed	\$ 157,255	\$ 163,821	\$ 174,510	\$ 10,689
<b>Total Instructional</b>	<b>\$ 94,657,752</b>	<b>\$ 97,840,759</b>	<b>\$ 96,882,700</b>	<b>\$ (958,059)</b>
Pupil Services	\$ 13,473,154	\$ 13,999,409	\$ 14,355,977	\$ 356,568
Instructional Staff Services	\$ 4,494,092	\$ 5,259,327	\$ 5,304,987	\$ 45,660
General Administration	\$ 675,642	\$ 868,460	\$ 779,495	\$ (88,965)
School Administration	\$ 9,432,244	\$ 9,470,525	\$ 9,686,859	\$ 216,334
Business Administration	\$ 2,042,816	\$ 2,103,567	\$ 2,157,005	\$ 53,438
Operations & Maintenance	\$ 10,297,829	\$ 11,112,361	\$ 11,698,703	\$ 586,342
Transportation	\$ 4,239,423	\$ 4,413,796	\$ 4,577,981	\$ 164,185
Other Central Services	\$ 3,262,139	\$ 3,685,573	\$ 3,828,273	\$ 142,700
Other Support (Portion Athletics, CTE)	\$ 2,156,020	\$ 2,213,201	\$ 2,221,176	\$ 7,975
<b>Total Supporting Services</b>	<b>\$ 50,073,359</b>	<b>\$ 53,126,219</b>	<b>\$ 54,610,456</b>	<b>\$ 1,484,237</b>
<b>Total Community Services</b>	<b>\$ 974,322</b>	<b>\$ 1,107,993</b>	<b>\$ 1,106,565</b>	<b>\$ (1,428)</b>
Outgoing Transfers & Other	\$ 977,627	\$ 939,987	\$ 944,592	\$ 4,605
<b>Total Expenditures</b>	<b>\$ 146,683,060</b>	<b>\$ 153,014,958</b>	<b>\$ 153,544,313</b>	<b>\$ 529,355</b>
<b>Total Revenues Over/&lt;Under&gt;</b>	<b>\$ 3,509,713</b>	<b>\$ (422,839)</b>	<b>\$ (257,574)</b>	<b>\$ 165,265</b>
Beginning Fund Equity	21,989,812	25,499,525	25,076,686	
Ending Fund Equity	\$ 25,499,525	\$ 25,076,686	\$ 24,819,112	

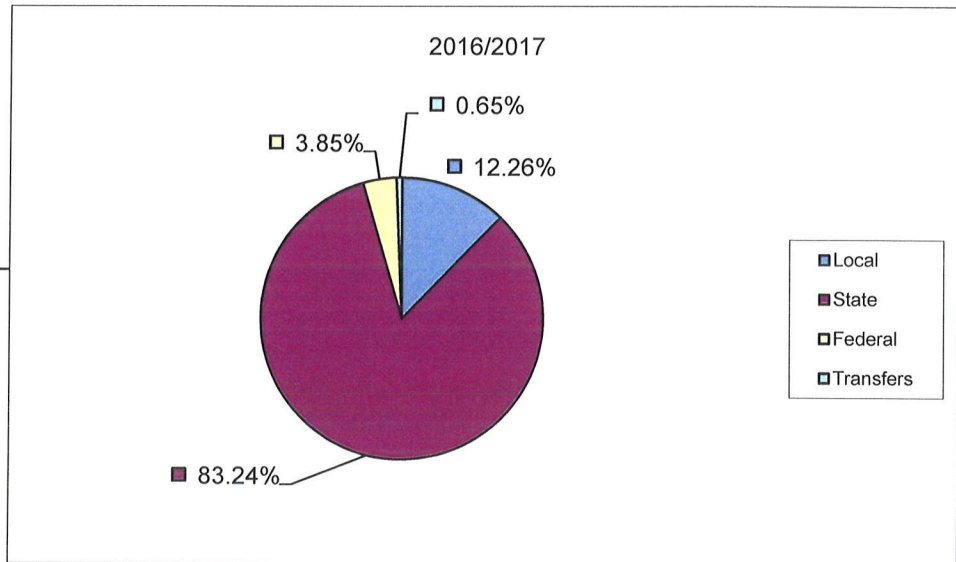
(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

**Chippewa Valley Schools  
Revenue Comparison**

	Original 2017/2018
Local	\$ 19,199,990
State	\$ 127,186,093
Federal	\$ 5,893,108
Transfers	\$ 1,007,548
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	\$ 153,286,739

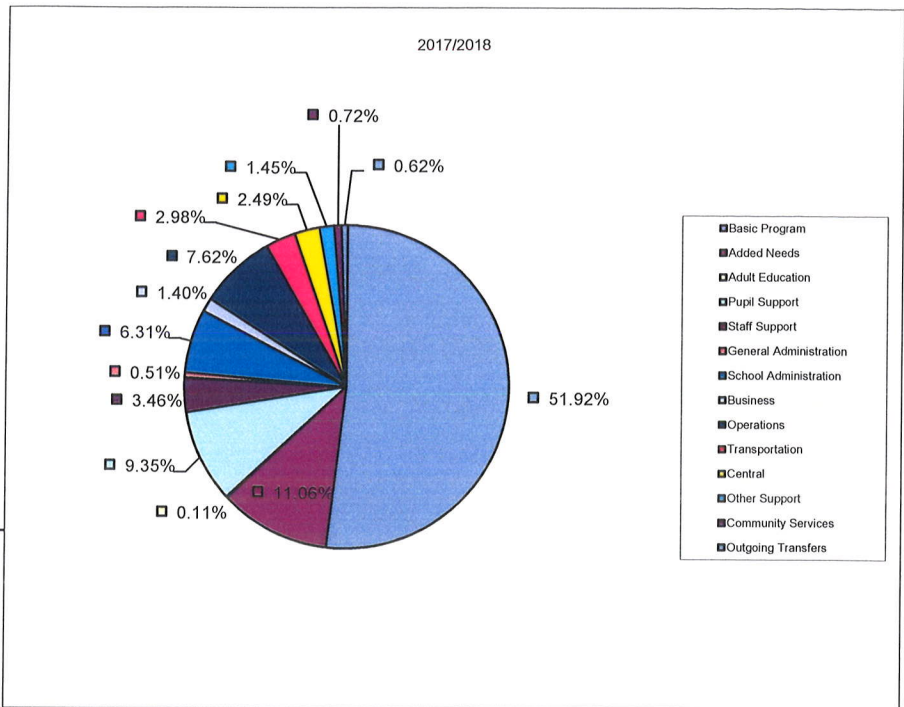


	Final Amended 2016/2017
Local	\$ 18,703,988
State	\$ 127,017,218
Federal	\$ 5,876,138
Transfers	\$ 994,775
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	\$ 152,592,119

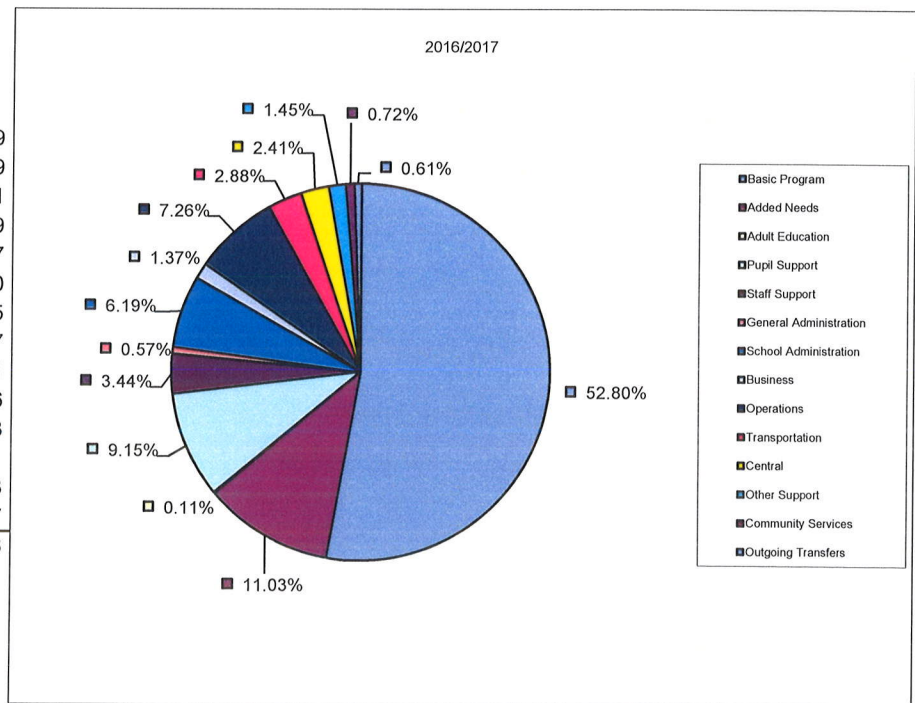


### Chippewa Valley Schools Expenditure Comparison by Function

	Original 2017/2018
Basic Program	\$ 79,725,541
Added Needs	\$ 16,982,649
Adult Education	\$ 174,510
Pupil Support	\$ 14,355,977
Staff Support	\$ 5,304,987
General Administration	\$ 779,495
School Administration	\$ 9,686,859
Business	\$ 2,157,005
Operations	\$ 11,698,703
Transportation	\$ 4,577,981
Central	\$ 3,828,273
Other Support	\$ 2,221,176
Community Services	\$ 1,106,565
Outgoing Transfers	\$ 944,592
<b>Total</b>	<b>\$ 153,544,313</b>



	Final Amended 2016/2017
Basic Program	\$ 80,793,279
Added Needs	\$ 16,883,659
Adult Education	\$ 163,821
Pupil Support	\$ 13,999,409
Staff Support	\$ 5,259,327
General Administration	\$ 868,460
School Administration	\$ 9,470,525
Business	\$ 2,103,567
Operations	\$ 11,112,361
Transportation	\$ 4,413,796
Central	\$ 3,685,573
Other Support	\$ 2,213,201
Community Services	\$ 1,107,993
Outgoing Transfers	\$ 939,987
<b>Total</b>	<b>\$ 153,014,958</b>

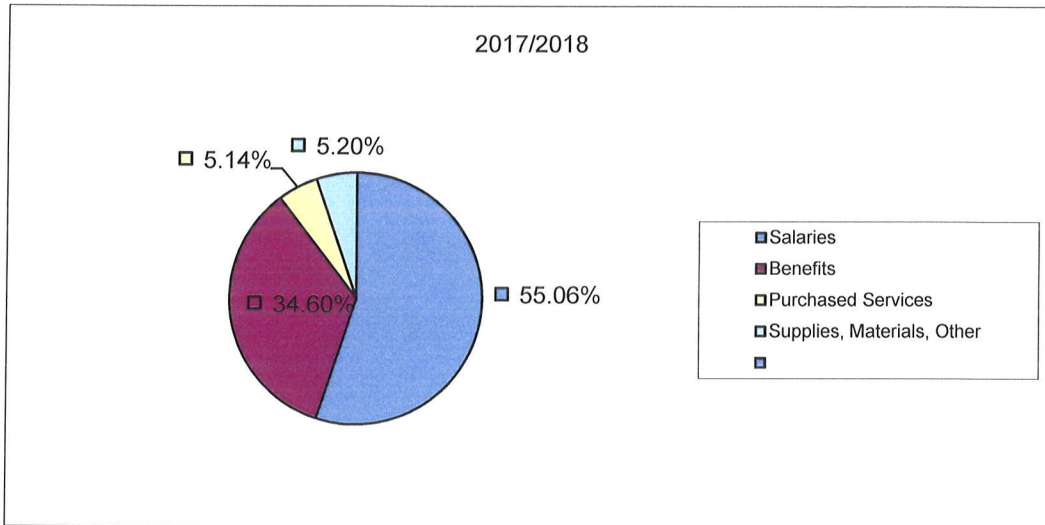


Note: Other Support Includes Athletics and CTE

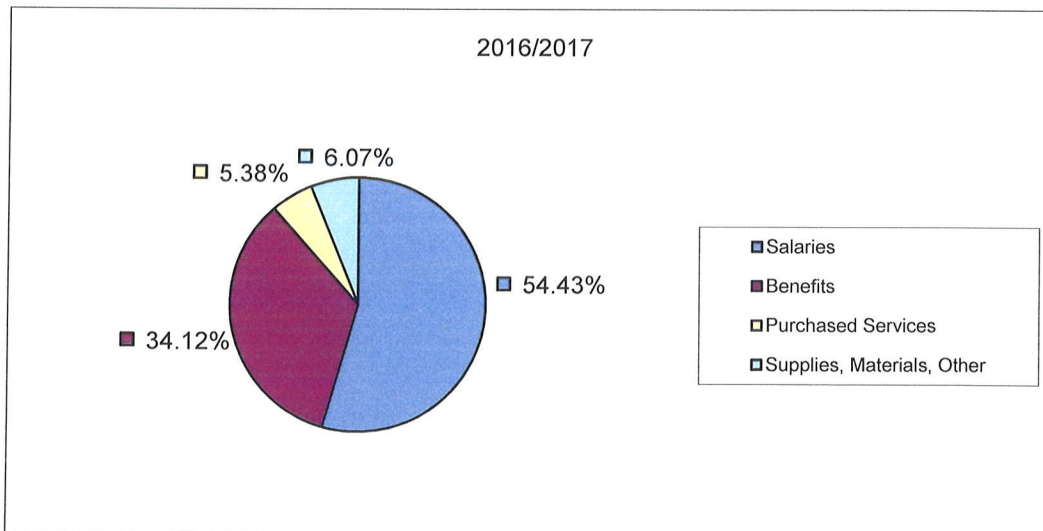


**Chippewa Valley Schools  
Expenditure Comparison by Object**

	Original	
	2017/2018	
Salaries	\$	84,536,296
Benefits	\$	53,131,806
Purchased Services	\$	7,895,121
Supplies, Materials, Other	\$	7,981,090
	\$	<u>153,544,313</u>



	Final Amended	
	2016/2017	
Salaries	\$	83,281,754
Benefits	\$	52,205,098
Purchased Services	\$	8,233,921
Supplies, Materials, Other	\$	9,294,185
	\$	<u>153,014,958</u>



2017-2018 SPECIAL REVENUE FUND FOOD SERVICE ORIGINAL BUDGET

	2015-16 Actual	2016-17 1st Amended Budget	2017-18 Original Budget	2017-18 Original 2016-17 1st Amended Difference
Revenue				
Local	\$ 2,035,439	\$ 2,004,100	\$ 2,004,100	\$ -
State	\$ 120,611	\$ 120,000	\$ 120,000	\$ -
Federal	\$ 1,837,091	\$ 1,810,000	\$ 1,840,000	\$ 30,000
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,993,141	\$ 3,934,100	\$ 3,964,100	\$ 30,000
Expenditures				
Wages	\$ 1,084,419	\$ 1,181,000	\$ 1,170,000	\$ (11,000)
Employee Benefits	\$ 672,090	\$ 728,500	\$ 728,500	\$ -
Food Purchases	\$ 1,496,113	\$ 1,550,000	\$ 1,550,000	\$ -
Other	\$ 247,071	\$ 361,500	\$ 381,500	\$ 20,000
Capital Outlay	\$ 145,089	\$ 4,000	\$ 50,000	\$ 46,000
Outgoing Transfers	\$ 160,000	\$ 200,000	\$ 200,000	\$ -
Total Food Service	\$ 3,804,783	\$ 4,025,000	\$ 4,080,000	\$ 55,000
Total Revenues Over/<Under> Expenditures	\$ 188,358	\$ (90,900)	\$ (115,900)	
Beginning Fund Equity	\$ 947,411	\$ 1,135,769	\$ 1,044,869	
Ending Fund Equity	\$ 1,135,769	\$ 1,044,869	\$ 928,969	

2017-2018 ORIGINAL SPECIAL  
REVENUE FUND BUILDING  
ACTIVITIES BUDGET

	2015-16 <u>Actual</u>	2016-17 1st Amended <u>Budget</u>	2017-18 Original <u>Budget</u> June 19, 2017	2017-18 Original 2016-17 1st Amended <u>Difference</u>
Revenue				
Local	\$ 2,112,346	\$ 2,178,000	\$ 2,178,000	\$ -
Total Revenue	\$ 2,112,346	\$ 2,178,000	\$ 2,178,000	\$ -
Expenditures				
Wages/Purchased Services/Supplies,Material:	\$ 1,948,837	\$ 2,078,000	\$ 2,078,000	\$ -
Total Expenditures	\$ 1,948,837	\$ 2,078,000	\$ 2,078,000	\$ -
Total Revenues Over/<Under> Expenditures	\$ 163,509	\$ 100,000	\$ 100,000	
Beginning Fund Equity	\$ 306,524	\$ 470,033	\$ 570,033	
Ending Fund Equity	\$ 470,033	\$ 570,033	\$ 670,033	

2017-2018 SPECIAL REVENUE FUND ORIGINAL MACOMB INTERNATIONAL ACADEMY BUDGET

	2015-16 <u>Actual</u>	2016-17 1st Amended <u>Budget</u>	2017-18 Original <u>Budget</u> June 19, 2017	2017-18 Original 2016-17 1st Amended <u>Difference</u>
Revenue				
Tuition Schools	\$ 3,012,365	\$ 3,080,528	\$ 3,197,004	\$ 116,476
Other Revenue	\$ 4,000	\$ -	\$ -	\$ -
Fund Modifications	\$ 977,627	\$ 924,987	\$ 929,592	\$ 4,605
	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,993,992	\$ 4,005,515	\$ 4,126,596	\$ 121,081
Expenditures				
Instruction	\$ 250,574	\$ 304,000	\$ 304,000	\$ -
Support Services	\$ 327,892	\$ 283,400	\$ 283,400	\$ -
Payments to Other Schools	\$ 2,844,943	\$ 2,689,582	\$ 2,721,453	\$ 31,871
Fund Modifications	\$ 638,755	\$ 794,775	\$ 807,548	\$ 12,773
	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 4,062,163	\$ 4,071,757	\$ 4,116,401	\$ 44,644
Total Revenues Over/<Under> Expenditures	\$ (68,171)	\$ (66,242)	\$ 10,195	
Beginning Fund Equity	\$ 854,467	\$ 786,296	\$ 720,054	
Ending Fund Equity	\$ 786,296	\$ 720,054	\$ 730,249	