

MEMORANDUM

**I.4. 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 be adopted as follows:

Revenue	
Local	\$20,048,918
State	132,939,277
Federal	5,604,928
Transfers & Others	1,066,175
 Total Revenue	 \$159,659,298
 Estimated Fund Balance July 1, 2018	 \$26,714,015
 Total Available to Appropriate	 \$186,373,313

BE IT FURTHER RESOLVED, that \$161,696,756 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	\$82,398,229
Added Needs	18,587,242
Adult and Continuing Education	181,123
Support Services	
Pupil	15,845,200
Instructional Staff	6,103,383
General Administration	816,524
School Administration	10,057,894
Business	2,351,467
Operations & Maintenance	11,756,210
Transportation	4,885,004
Central	4,185,369
Other Support (Athletics, CTE)	2,339,078
Community Services	1,202,758
Outgoing Transfers & Other	987,275
Total Appropriated	\$161,696,756
Estimated Fund Balance June 30, 2019	\$24,676,557

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 be adopted as follows:

Revenue	
Local	\$2,166,100
State	120,000
Federal	2,150,000
Transfers & Other	0
Total Revenue	\$4,436,100
Estimated Fund Balance July 1, 2018	\$1,210,994
Total Available to Appropriate	\$5,647,094

BE IT FURTHER RESOLVED, that \$4,674,500 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	\$1,306,000
Employee Benefits	772,000
Food Purchases	1,835,000
Other	391,500
Capital Outlay	150,000
Outgoing Transfers	220,000
Total Appropriated	\$4,674,500
Estimated Fund Balance June 30, 2019	\$972,594

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 be adopted as follows:

Revenue	
Local	\$2,048,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$2,048,000
Estimated Fund Balance July 1, 2018	\$536,706
Total Available to Appropriate	\$2,584,706

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, 2019	\$506,706

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 be adopted as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,243,245
Total Revenue	\$4,243,245
Estimated Fund Balance July 1, 2018	\$713,037
Total Available to Appropriate	\$4,956,282

BE IT FURTHER RESOLVED that \$4,235,361 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	\$302,590
Support Services	276,400
Payments to Other Schools	2,810,196
Fund Modifications	846,175
Total Appropriated	\$4,235,361
Estimated Fund Balance June 30, 2019	\$720,921

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, 2018.

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 2018-19 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 202 pupils,
2. an increase in the foundation allowance of \$240 per pupil,
3. the recording of the net retirement offset revenue funding decrease of \$775,000, and
4. the review and adjustment of other items as appropriate.

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

1. the impact of settled employee group contracts, with 2018-2019 as the first year of new two year settlement agreements,
2. the recording of net retirement offset expenditure funding of \$377,000,
3. the retirement rate is increased from 25.56% to 26.18%,
4. the impact of increased health insurance rates and increased hard cap limit under PA 152 for health insurance benefits and cash in lieu of health,
5. the effect of an anticipated increase of \$303,000 for MISD technology service fees and the technology licensing fees,
6. the decrease in legal expenses of \$155,000, and
7. review and adjustment of other items as appropriate.

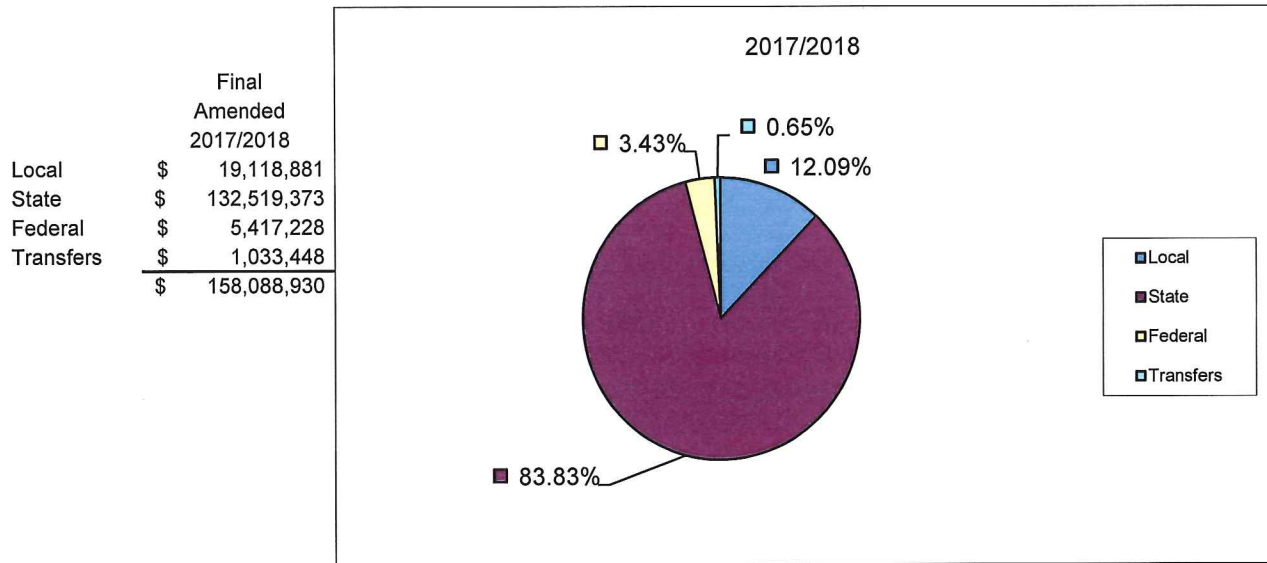
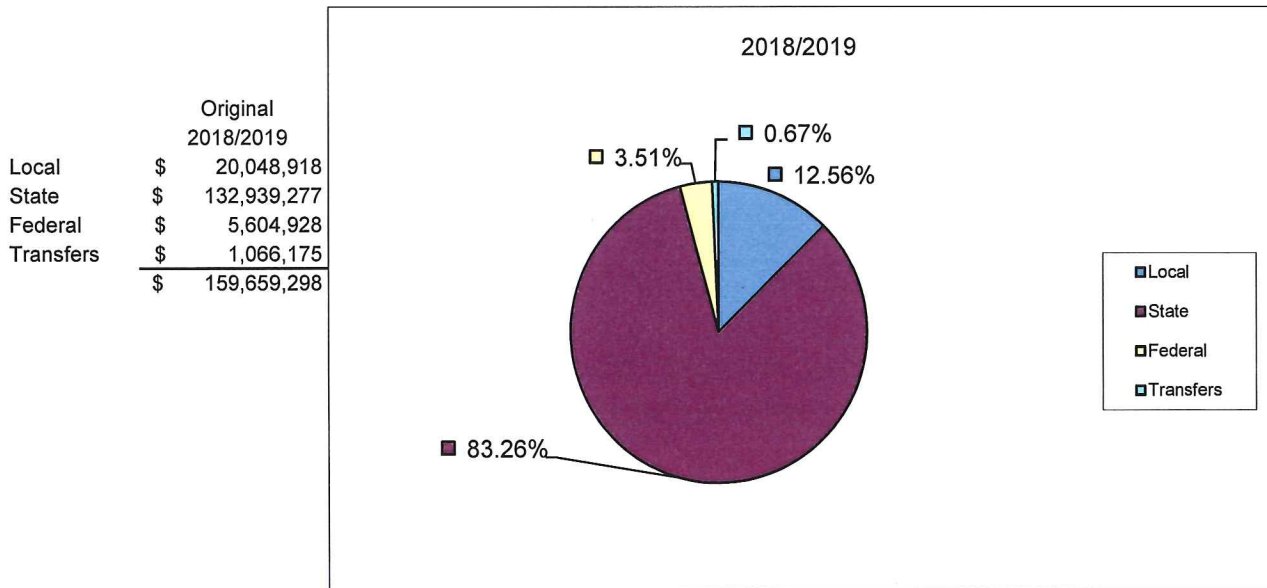
In summary, we have projected revenues of \$159,659,298 and projected expenditures of \$161,696,756 for a budgeted operating deficit of (\$2,037,458) and a decrease to the fund balance.

CHIPPEWA VALLEYS SCHOOLS
 2018-2019 ORIGINAL BUDGET
 GENERAL FUND BUDGET

	2016-17 Audited <u>Actual</u>	2017-18 2nd Amended <u>Budget</u> May 21, 2018	2018-19 Original <u>Budget</u> June 18, 2018	2018-19 Original 2017-18 2nd Amended <u>Difference</u>
Revenue				
Local (1)	\$ 18,831,467	\$ 19,118,881	\$ 20,048,918	\$ 930,037
State	\$ 126,481,193	\$ 132,519,373	\$ 132,939,277	\$ 419,904
Federal	\$ 5,519,015	\$ 5,417,228	\$ 5,604,928	\$ 187,700
Incoming Transfers & Other	\$ 1,024,304	\$ 1,033,448	\$ 1,066,175	\$ 32,727
Total Revenue	\$ 151,855,979	\$ 158,088,930	\$ 159,659,298	\$ 1,570,368
Expenditures				
Basic Programs	\$ 80,665,139	\$ 80,635,277	\$ 82,398,229	\$ 1,762,952
Added Needs	\$ 16,290,150	\$ 17,703,368	\$ 18,587,242	\$ 883,874
Adult & Community Ed	\$ 161,356	\$ 163,435	\$ 181,123	\$ 17,688
Total Instructional	\$ 97,116,645	\$ 98,502,080	\$ 101,166,594	\$ 2,664,514
Pupil Services	\$ 13,873,997	\$ 15,125,658	\$ 15,845,200	\$ 719,542
Instructional Staff Services	\$ 5,001,950	\$ 6,143,382	\$ 6,103,383	\$ (39,999)
General Administration	\$ 784,285	\$ 970,616	\$ 816,524	\$ (154,092)
School Administration	\$ 9,462,959	\$ 9,858,194	\$ 10,057,894	\$ 199,700
Business Administration	\$ 1,986,161	\$ 2,202,908	\$ 2,351,467	\$ 148,559
Operations & Maintenance	\$ 10,759,290	\$ 11,693,811	\$ 11,756,210	\$ 62,399
Transportation	\$ 4,289,685	\$ 4,730,383	\$ 4,885,004	\$ 154,621
Other Central Services	\$ 3,507,565	\$ 4,250,897	\$ 4,185,369	\$ (65,528)
Other Support (Portion Athletics, CTE)	\$ 2,131,894	\$ 2,293,118	\$ 2,339,078	\$ 45,960
Total Supporting Services	\$ 51,797,786	\$ 57,268,967	\$ 58,340,129	\$ 1,071,162
Total Community Services	\$ 973,759	\$ 1,184,116	\$ 1,202,758	\$ 18,642
Outgoing Transfers & Other	\$ 925,074	\$ 961,992	\$ 987,275	\$ 25,283
Total Expenditures	\$ 150,813,264	\$ 157,917,155	\$ 161,696,756	\$ 3,779,601
Total Revenues Over/<Under>	\$ 1,042,715	\$ 171,775	\$ (2,037,458)	\$ (2,209,233)
Beginning Fund Equity	25,499,525	26,542,240	26,714,015	
Ending Fund Equity	\$ 26,542,240	\$ 26,714,015	\$ 24,676,557	

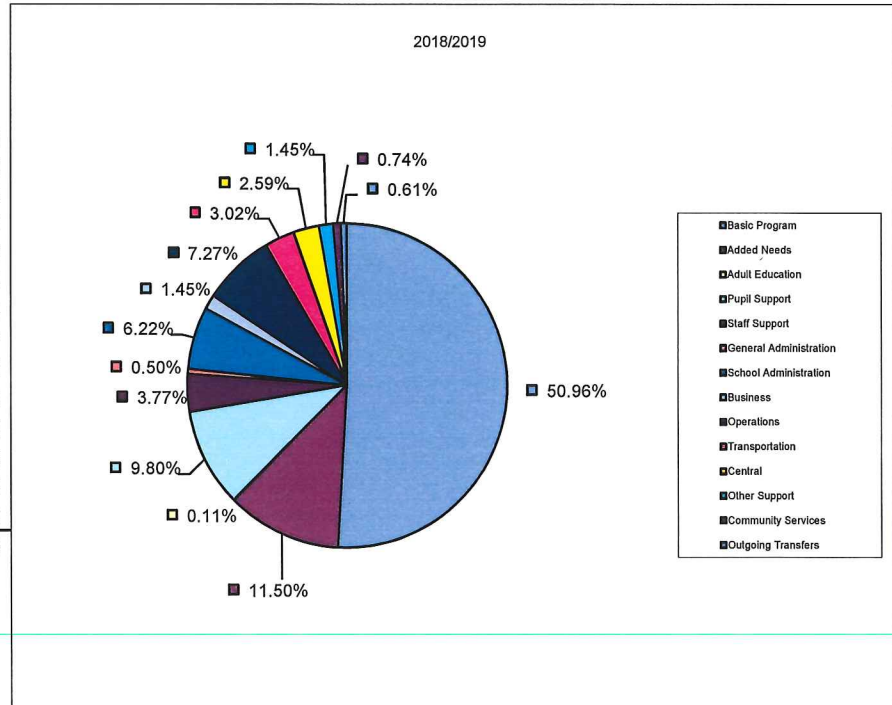
(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

**Chippewa Valley Schools
Revenue Comparison**

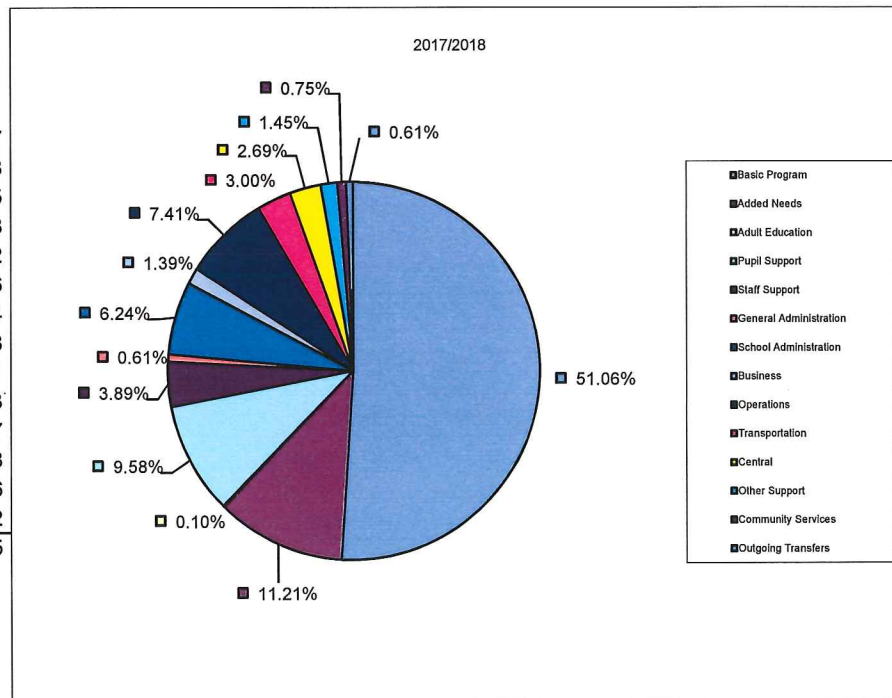


**Chippewa Valley Schools
Expenditure Comparison by Function**

	Original 2018/2019
Basic Program	\$ 82,398,229
Added Needs	\$ 18,587,242
Adult Education	\$ 181,123
Pupil Support	\$ 15,845,200
Staff Support	\$ 6,103,383
General Administration	\$ 816,524
School Administration	\$ 10,057,894
Business	\$ 2,351,467
Operations	\$ 11,756,210
Transportation	\$ 4,885,004
Central	\$ 4,185,369
Other Support	\$ 2,339,078
Community Services	\$ 1,202,758
Outgoing Transfers	\$ 987,275
	\$ 161,696,756



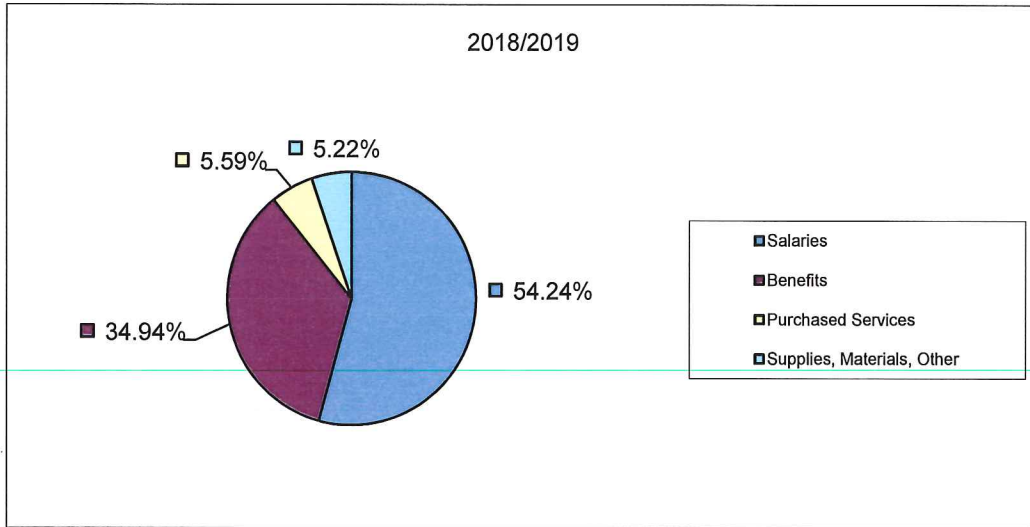
	Final Amended 2017/2018
Basic Program	\$ 80,635,277
Added Needs	\$ 17,703,368
Adult Education	\$ 163,435
Pupil Support	\$ 15,125,658
Staff Support	\$ 6,143,382
General Administration	\$ 970,616
School Administration	\$ 9,858,194
Business	\$ 2,202,908
Operations	\$ 11,693,811
Transportation	\$ 4,730,383
Central	\$ 4,250,897
Other Support	\$ 2,293,118
Community Services	\$ 1,184,116
Outgoing Transfers	\$ 961,992
	\$ 157,917,155



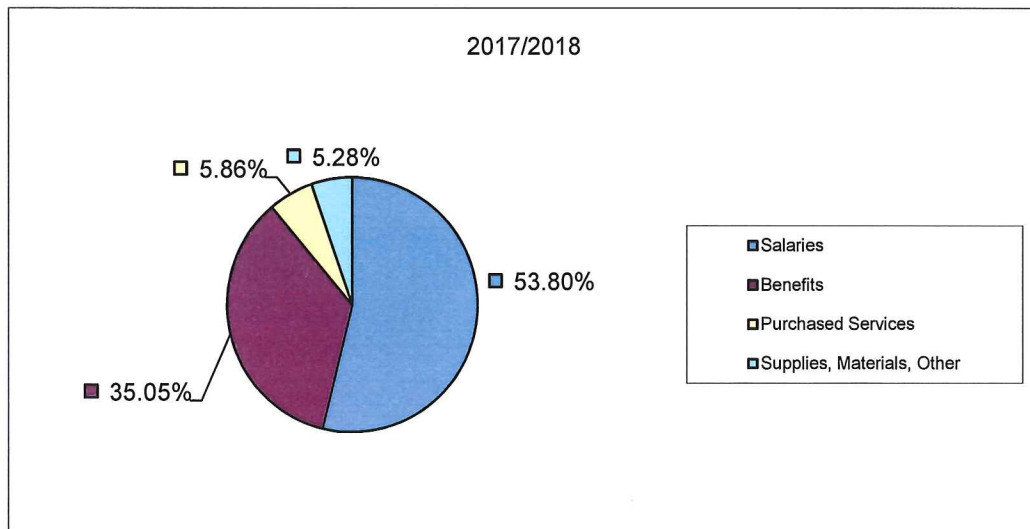
Note: Other Support Includes Athletics and CTE

**Chippewa Valley Schools
Expenditure Comparison by Object**

	Original 2018/2019
Salaries	\$ 87,519,539
Benefits	\$ 56,374,990
Purchased Services	\$ 9,022,584
Supplies, Materials, Other	\$ 8,429,643
	<u>\$ 161,346,756</u>



	Final Amended 2017/2018
Salaries	\$ 84,964,587
Benefits	\$ 55,350,834
Purchased Services	\$ 9,259,816
Supplies, Materials, Other	\$ 8,341,918
	<u>\$ 157,917,155</u>



CHIPPEWA VALLEY SCHOOLS
 2018-2019 ORIGINAL BUDGET
 SPECIAL REVENUE FUND - FOOD SERVICE

	2016-17 Actual	2017-18 1st Amended Budget January 8, 2018	2018-19 Original Budget June 18, 2018	2018-19 Original 2017-18 1st Amended Difference
Revenue				
Local	\$ 2,110,039	\$ 2,159,100	\$ 2,166,100	\$ 7,000
State	\$ 140,842	\$ 130,000	\$ 120,000	\$ (10,000)
Federal	\$ 1,901,864	\$ 1,900,000	\$ 2,150,000	\$ 250,000
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,152,745	\$ 4,189,100	\$ 4,436,100	\$ 247,000
Expenditures				
Wages	\$ 1,106,910	\$ 1,241,000	\$ 1,306,000	\$ 65,000
Employee Benefits	\$ 644,632	\$ 722,000	\$ 772,000	\$ 50,000
Food Purchases	\$ 1,574,977	\$ 1,670,000	\$ 1,835,000	\$ 165,000
Other	\$ 312,003	\$ 366,500	\$ 391,500	\$ 25,000
Capital Outlay	\$ 38,598	\$ 150,000	\$ 150,000	\$ -
Outgoing Transfers	\$ 220,000	\$ 220,000	\$ 220,000	\$ -
Total Food Service	\$ 3,897,120	\$ 4,369,500	\$ 4,674,500	\$ 305,000
Total Revenues Over/<Under> Expenditures	\$ 255,625	\$ (180,400)	\$ (238,400)	
Beginning Fund Equity	\$ 1,135,769	\$ 1,391,394	\$ 1,210,994	
Ending Fund Equity	\$ 1,391,394	\$ 1,210,994	\$ 972,594	

CHIPPEWA VALLEY SCHOOLS
 2018-2019 ORIGINAL BUDGET
 SPECIAL REVENUE FUND - BUILDING ACTIVITIES

	2016-17 Actual <u>Budget</u>	2017-18 Original <u>Budget</u> June 19, 2017	2018-19 Original <u>Budget</u> June 18, 2018	2018-19 Original 2017-18 Original <u>Difference</u>
Revenue				
Local	\$ 1,841,157	\$ 2,178,000	\$ 2,048,000	\$ (130,000)
Total Revenue	\$ 1,841,157	\$ 2,178,000	\$ 2,048,000	\$ (130,000)
Expenditures				
Wages/Purchased Services/Supplies,Material:	\$ 1,874,484	\$ 2,078,000	\$ 2,078,000	\$ -
Total Expenditures	\$ 1,874,484	\$ 2,078,000	\$ 2,078,000	\$ -
Total Revenues Over/<Under> Expenditures	\$ (33,327)	\$ 100,000	\$ (30,000)	
Beginning Fund Equity	\$ 470,033	\$ 436,706	\$ 536,706	
Ending Fund Equity	\$ 436,706	\$ 536,706	\$ 506,706	

CHIPPEWA VALLEY SCHOOLS
 2018-2019 ORIGINAL BUDGET
 MACOMB INTERNATIONAL ACADEMY

	2016-17 <u>Actual</u>	2017-18 1st Amended Budget January 8, 2018	2018-19 Original Budget June 18, 2018	2018-19 Original 2017-18 1st Amended <u>Difference</u>
Revenue				
Tuition Schools	\$ 3,086,443	\$ 3,231,212	\$ 3,270,970	\$ 39,758
Other Revenue	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 925,075	\$ 946,992	\$ 972,275	\$ 25,283
	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,011,518	\$ 4,178,204	\$ 4,243,245	\$ 65,041
Expenditures				
Instruction	\$ 269,091	\$ 277,000	\$ 302,590	\$ 25,590
Support Services	\$ 294,790	\$ 276,400	\$ 276,400	\$ -
Payments to Other Schools	\$ 2,710,485	\$ 2,817,463	\$ 2,810,196	\$ (7,267)
Fund Modifications	\$ 804,304	\$ 813,448	\$ 846,175	\$ 32,727
	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 4,078,670	\$ 4,184,311	\$ 4,235,361	\$ 51,050
Total Revenues Over/<Under> Expenditures	\$ (67,152)	\$ (6,107)	\$ 7,884	
Beginning Fund Equity	\$ 786,296	\$ 719,144	\$ 713,037	
Ending Fund Equity	\$ 719,144	\$ 713,037	\$ 720,921	