

MEMORANDUM

G.4 Approve 2012/2013 Appropriation Act Amendment for General and Macomb International Academy Funds Mr. Sederlund

RECOMMENDED MOTION: "That the Chippewa Valley Schools Board of Education adopt the following resolution be to approve the General Fund, Food Service Fund, and Macomb International Academy budgets for the 2012/2013 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 2012/2013 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 2012/2013 originally adopted June 18, 2012 and amended on January 14, 2013 be amended as follows:

Revenue	
Local	\$19,419,225
State	113,394,693
Federal	5,771,896
Transfers & Others	796,761
Total Revenue	\$139,382,575
Fund Balance July 1, 2012	\$16,744,098
Total Available to Appropriate	\$156,126,673

BE IT FURTHER RESOLVED, that \$140,067,488 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	\$75,069,340
Added Needs	15,161,821
Adult and Continuing Education	164,690
Support Services	
Pupil	12,595,790
Instructional Staff	3,761,188
General Administration	947,834
School Administration	9,118,081
Business	2,492,151
Operations & Maintenance	9,531,593
Transportation	4,112,460
Central	2,943,657
Other Support (Athletics, CTE)	2,067,358
Community Services	1,106,784
Outgoing Transfers & Other	994,741
Total Appropriated	\$140,067,488
Estimated Fund Balance June 30, 2013	\$16,059,185

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 2012/2013 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 International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2012/2013 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 2012/2013 originally adopted June 20, 2012 and amended on January 14, 2013 be amended as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$3,935,924
Total Revenue	\$3,935,924

Fund Balance July 1, 2012 \$1,868,337

Total Available to Appropriate \$5,804,261

BE IT FURTHER RESOLVED that \$3,678,828 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	\$297,000
Support Services	244,950
Payments to Other Schools	2,533,155
Fund Modifications	603,723

Total Appropriated \$3,678,828

Estimated Fund Balance June 30, 2013 \$2,125,433

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.

This appropriation act resolution is to take effect on approval by Board of Education.

RATIONALE: The 2012-13 second amended budget for the General Fund and the Macomb International Academy Fund has been prepared by the Administration. The second amended budget is generally done near the end of the fiscal year to make adjustments to be in compliance with the Uniform Budgeting and Accounting Act and to update grant related revenue and expenditures to correspond to grant budgets submitted to the state.

For 2012-13, there are three major adjustments that are included in the second amendment for the purpose of complying with the Uniform Budgeting and Accounting Act that are unique to 2012-13.

- The labor agreements of four of the district's bargaining units contain provisions which discuss a process if revenue exceeds expenditures in 2012-13. In the 2nd amended budget, an adjustment has been included to comply with this labor agreement provision (based on revenue exceeding expenditures by \$1,000,000 with four groups receiving distribution based on each group's percentage of budget).
- Potential costs related to transitioning from self-funded health insurance to fully insured health insurance has been included (\$1,000,000).
- Both revenue and expenditures have been increased reflecting preliminary direction from State that the MPSERS retirement rate buy down included as part of State Aid Act must be shown as district revenue and expenditures rather than a direct payment from State to MPSERS (\$1,671,000).

Details of budget adjustments for 2nd amended budget are included in supporting documents.

CHIPPEWA VALLEYS SCHOOLS
2ND AMENDED 2012-2013
GENERAL FUND BUDGET

	2010-11 Audited Actual	2011-12 Audited Actual	2012-13 Original Budget	2012-13 1st Amended Budget	2012-13 2nd Amended Budget	2012-13 2nd Amended 2012-13 1st Amended Difference
			June 18, 2012	January 14, 2013	June 3, 2013	
Revenue						
Local (1)	\$ 21,545,302	\$ 20,696,892	\$ 18,863,280	\$ 19,276,709	\$ 19,419,225	\$ 142,516
State	\$ 102,315,156	\$ 105,213,652	\$ 109,227,545	\$ 110,992,695	\$ 113,394,693	\$ 2,401,998
Federal	\$ 11,761,923	\$ 5,145,219	\$ 5,564,090	\$ 5,764,010	\$ 5,771,896	\$ 7,886
Incoming Transfers & Other	\$ 743,514	\$ 748,436	\$ 1,082,290	\$ 796,761	\$ 796,761	\$ -
Total Revenue	\$ 136,365,895	\$ 131,804,199	\$ 134,737,205	\$ 136,830,175	\$ 139,382,575	\$ 2,552,400
Expenditures						
Basic Programs	\$ 71,650,927	\$ 71,530,798	\$ 74,591,084	\$ 73,544,836	\$ 75,069,340	\$ 1,524,504
Added Needs	\$ 13,589,745	\$ 13,970,751	\$ 14,587,134	\$ 14,317,397	\$ 15,161,821	\$ 844,424
Adult & Community Ed	\$ 195,122	\$ 157,991	\$ 160,641	\$ 164,073	\$ 164,690	\$ 617
Total Instructional	\$ 85,435,795	\$ 85,659,540	\$ 89,338,859	\$ 88,026,306	\$ 90,395,851	\$ 2,369,545
Pupil Services	\$ 12,031,805	\$ 12,342,156	\$ 12,672,148	\$ 12,295,640	\$ 12,595,790	\$ 300,150
Instructional Staff Services	\$ 4,039,572	\$ 3,329,411	\$ 3,598,574	\$ 3,737,851	\$ 3,761,188	\$ 23,337
General Administration	\$ 691,785	\$ 622,509	\$ 670,508	\$ 738,977	\$ 947,834	\$ 208,857
School Administration	\$ 8,179,737	\$ 8,202,940	\$ 9,165,241	\$ 8,801,707	\$ 9,118,081	\$ 316,374
Business Administration	\$ 1,934,373	\$ 2,592,842	\$ 1,915,547	\$ 2,409,401	\$ 2,492,151	\$ 82,750
Operations & Maintenance	\$ 9,890,450	\$ 9,083,931	\$ 9,488,168	\$ 9,450,355	\$ 9,531,593	\$ 81,238
Transportation	\$ 4,231,715	\$ 3,919,292	\$ 4,128,616	\$ 4,060,556	\$ 4,112,460	\$ 51,904
Other Central Services	\$ 2,452,178	\$ 2,370,717	\$ 2,647,832	\$ 2,756,292	\$ 2,943,657	\$ 187,365
Other Support (Portion Athletics, CTE)	\$ 1,969,402	\$ 1,956,651	\$ 2,101,337	\$ 2,043,183	\$ 2,067,358	\$ 24,175
Total Supporting Services	\$ 45,421,016	\$ 44,430,450	\$ 46,387,971	\$ 46,293,962	\$ 47,570,112	\$ 1,276,150
Total Community Services	\$ 939,396	\$ 907,026	\$ 1,035,666	\$ 1,076,591	\$ 1,106,784	\$ 30,193
Outgoing Transfers & Other	\$ 782,839	\$ 1,007,358	\$ 994,748	\$ 994,741	\$ 994,741	\$ -
Total Expenditures	\$ 132,579,046	\$ 132,004,374	\$ 137,757,244	\$ 136,391,600	\$ 140,067,488	\$ 3,675,888
Total Revenues Over/<Under>	\$ 3,786,849	\$ (200,175)	\$ (3,020,039)	\$ 438,575	\$ (684,913)	\$ (1,123,488)
Beginning Fund Equity	13,157,424	16,944,273	15,918,088	16,744,098	16,744,098	
Ending Fund Equity	\$ 16,944,273	\$ 16,744,098	\$ 12,898,049	\$ 17,182,673	\$ 16,059,185	

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