

MEMORANDUM

**I.4. Approve 2014/2015 Appropriation Act for General and Special Revenue Funds
For 1st Amended Budget **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 originally adopted June 16, 2014 be amended as follows:

| | |
|------------------------------------|-------------------|
| Revenue | |
| Local | \$19,063,873 |
| State | 123,048,504 |
| Federal | 5,568,717 |
| Transfers & Others | 748,811 |
| Total Revenue | \$148,429,905 |
| Fund Balance July 1, 2014 | \$19,074,956 |
| Total Available to Appropriate | \$167,504,861 |

BE IT FURTHER RESOLVED, that \$147,812,868 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 | \$79,431,648 |
| Added Needs | 15,956,458 |
| Adult and Continuing Education | 196,584 |

Support Services

| | |
|--------------------------------|------------|
| Pupil | 13,063,981 |
| Instructional Staff | 4,701,409 |
| General Administration | 732,184 |
| School Administration | 9,265,512 |
| Business | 2,161,893 |
| Operations & Maintenance | 10,380,274 |
| Transportation | 4,421,982 |
| Central | 3,380,976 |
| Other Support (Athletics, CTE) | 2,115,445 |
| Community Services | 974,515 |
| Outgoing Transfers & Other | 1,030,007 |

| | |
|--------------------|---------------|
| Total Appropriated | \$147,812,868 |
|--------------------|---------------|

| | |
|--------------------------------------|--------------|
| Estimated Fund Balance June 30, 2015 | \$19,691,993 |
|--------------------------------------|--------------|

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 originally adopted June 16, 2014 be amended as follows:

| | |
|--------------------------------|-------------|
| Revenue | |
| Local | \$1,766,100 |
| State | 145,000 |
| Federal | 1,635,000 |
| Transfers & Other | 0 |
| | |
| Total Revenue | \$3,546,100 |
| | |
| Fund Balance July 1, 2014 | \$792,260 |
| | |
| Total Available to Appropriate | \$4,338,360 |

BE IT FURTHER RESOLVED, that \$3,601,500 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 | \$1,091,000 |
| Employee Benefits | 644,000 |
| Food Purchases | 1,415,000 |
| Other | 345,500 |
| Capital Outlay | 6,000 |
| Outgoing Transfers | 100,000 |
| | |
| Total Appropriated | \$3,601,500 |
| | |
| Estimated Fund Balance June 30, 2015 | \$736,860 |

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 originally adopted June 16, 2014 be amended as follows:

| | |
|---|-------------|
| Revenue | |
| Local | \$0 |
| State | 0 |
| Federal | 0 |
| Incoming Transfers & Fund Modifications | \$4,066,801 |
| | |
| Total Revenue | \$4,066,801 |
| | |
| Fund Balance July 1, 2014 | \$2,162,221 |
| | |
| Total Available to Appropriate | \$6,229,022 |

BE IT FURTHER RESOLVED that \$5,407,694 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 | \$311,000 |
| Support Services | 273,800 |
| Payments to Other Schools | 4,174,083 |
| Fund Modifications | 648,811 |
| | |
| Total Appropriated | \$5,407,694 |
| | |
| Estimated Fund Balance June 30, 2015 | \$ 821,328 |

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 adoption by Board of Education.

RATIONALE: In preparing the 1st amended budget, the administration has reviewed the entire budget and updated the budget to reflect current information. Projected revenue increases from \$147.4 million to \$148.4 million dollars while projected expenditures increase from \$146.4 million to \$147.8 million. The changes result in revenues exceeding expenditures by \$600,000 as compared to revenues exceeding expenditures by \$1.0 million in the budget adopted in June 2014.

The total revenue variance is a positive 0.69% of the June budget while the total expenditure variance is a positive 0.95% of the June budget.

The vast majority of the change in the budget reflects the recording of the \$1.4 million increase of the Section 147a/147c/147d Retirement Offset funds from the State for both revenues and expenditures. Outside of budgeting for these retirement offset funds, overall total revenues were lower by only \$400,000 (or a negative 0.27% variance) and total expenditures were overall, unchanged for the first budget amendment.

CHIPPEWA VALLEYS SCHOOLS
 1ST AMENDED 2014 2015
 GENERAL FUND BUDGET

| | 2012-13 Audited <u>Actual</u> | 2013-14 Audited <u>Actual</u> | 2014-15 Original <u>Budget</u> June 16, 2014 | 2014-15 1st Amended <u>Budget</u> January 12, 2015 | 2014-15 1st Amended 2014-15 Original <u>Difference</u> |
|--|-------------------------------------|-------------------------------------|---|---|--|
| Revenue | | | | | |
| Local (1) | \$ 19,264,807 | \$ 18,877,954 | \$ 18,989,361 | \$ 19,063,873 | \$ 74,512 |
| State | \$ 113,140,183 | \$ 117,481,185 | \$ 121,877,572 | \$ 123,048,504 | \$ 1,170,932 |
| Federal | \$ 5,202,309 | \$ 5,138,904 | \$ 5,954,300 | \$ 5,568,717 | \$ (385,583) |
| Incoming Transfers & Other | \$ 817,389 | \$ 617,316 | \$ 592,008 | \$ 748,811 | \$ 156,803 |
| Total Revenue | \$ 138,424,688 | \$ 142,115,359 | \$ 147,413,241 | \$ 148,429,905 | \$ 1,016,664 |
| Expenditures | | | | | |
| Basic Programs | \$ 74,769,844 | \$ 75,693,149 | \$ 78,643,144 | \$ 79,431,648 | \$ 788,504 |
| Added Needs | \$ 14,595,627 | \$ 14,882,378 | \$ 15,540,915 | \$ 15,956,458 | \$ 415,543 |
| Adult & Community Ed | \$ 148,904 | \$ 140,863 | \$ 165,882 | \$ 196,584 | \$ 30,702 |
| Total Instructional | \$ 89,514,375 | \$ 90,716,390 | \$ 94,349,941 | \$ 95,584,690 | \$ 1,234,749 |
| Pupil Services | \$ 12,380,132 | \$ 12,402,247 | \$ 12,962,685 | \$ 13,063,981 | \$ 101,296 |
| Instructional Staff Services | \$ 3,400,300 | \$ 4,162,787 | \$ 4,602,565 | \$ 4,701,409 | \$ 98,844 |
| General Administration | \$ 860,990 | \$ 721,875 | \$ 754,436 | \$ 732,184 | \$ (22,252) |
| School Administration | \$ 8,944,560 | \$ 9,003,607 | \$ 9,495,454 | \$ 9,265,512 | \$ (229,942) |
| Business Administration | \$ 2,484,886 | \$ 2,035,381 | \$ 2,125,505 | \$ 2,161,893 | \$ 36,388 |
| Operations & Maintenance | \$ 9,410,533 | \$ 10,037,130 | \$ 10,350,039 | \$ 10,380,274 | \$ 30,235 |
| Transportation | \$ 3,908,754 | \$ 4,031,149 | \$ 4,330,608 | \$ 4,421,982 | \$ 91,374 |
| Other Central Services | \$ 2,933,996 | \$ 3,241,179 | \$ 3,207,294 | \$ 3,380,976 | \$ 173,682 |
| Other Support (Portion Athletics, CTE) | \$ 2,059,933 | \$ 2,044,059 | \$ 2,201,909 | \$ 2,115,445 | \$ (86,464) |
| Total Supporting Services | \$ 46,384,084 | \$ 47,679,414 | \$ 50,030,495 | \$ 50,223,656 | \$ 193,161 |
| Total Community Services | \$ 971,335 | \$ 928,894 | \$ 1,041,643 | \$ 974,515 | \$ (67,128) |
| Outgoing Transfers & Other | \$ 1,001,866 | \$ 1,012,831 | \$ 999,552 | \$ 1,030,007 | \$ 30,455 |
| Total Expenditures | \$ 137,871,660 | \$ 140,337,529 | \$ 146,421,631 | \$ 147,812,868 | \$ 1,391,237 |
| Total Revenues Over/<Under> | \$ 553,028 | \$ 1,777,830 | \$ 991,610 | \$ 617,037 | \$ (374,573) |
| Beginning Fund Equity | 16,744,098 | 17,297,126 | 17,768,900 | 19,074,956 | |
| Ending Fund Equity | \$ 17,297,126 | \$ 19,074,956 | \$ 18,760,510 | \$ 19,691,993 | |

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

2014-15 SPECIAL REVENUE FUND FOOD SERVICE 1ST AMENDED BUDGET

| | 2012-13 | 2013-14 | 2014-15 | 2014-15 | 2014-15 1st Amended |
|--|--------------|--------------|--------------|--------------|---------------------|
| | Actual | Actual | Original | 1st Amended | 2014-15 Original |
| | | | Budget | Budget | Difference |
| Revenue | | | | | |
| Local | \$ 1,978,111 | \$ 2,016,342 | \$ 2,063,100 | \$ 1,766,100 | \$ (297,000) |
| State | \$ 121,604 | \$ 144,731 | \$ 145,000 | \$ 145,000 | \$ - |
| Federal | \$ 1,566,764 | \$ 1,606,503 | \$ 1,660,000 | \$ 1,635,000 | \$ (25,000) |
| Incoming Transfers & Other | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ 3,666,479 | \$ 3,767,576 | \$ 3,868,100 | \$ 3,546,100 | \$ (322,000) |
| Expenditures | | | | | |
| Wages | \$ 1,094,400 | \$ 1,040,519 | \$ 1,141,000 | \$ 1,091,000 | \$ (50,000) |
| Employee Benefits | \$ 481,336 | \$ 520,297 | \$ 646,860 | \$ 644,000 | \$ (2,860) |
| Food Purchases | \$ 1,517,787 | \$ 1,483,380 | \$ 1,525,000 | \$ 1,415,000 | \$ (110,000) |
| Other | \$ 361,205 | \$ 363,365 | \$ 362,500 | \$ 345,500 | \$ (17,000) |
| Capital Outlay | \$ 82,894 | \$ 1,175 | \$ 6,000 | \$ 6,000 | \$ - |
| Outgoing Transfers | \$ 190,000 | \$ 138,000 | \$ 100,000 | \$ 100,000 | \$ - |
| Total Food Service | \$ 3,727,622 | \$ 3,546,735 | \$ 3,781,360 | \$ 3,601,500 | \$ (179,860) |
| Total Revenues Over/<Under> Expenditures | \$ (61,143) | \$ 220,841 | \$ 86,740 | \$ (55,400) | |
| Beginning Fund Equity | \$ 632,562 | \$ 571,419 | \$ 792,260 | \$ 792,260 | |
| Ending Fund Equity | \$ 571,419 | \$ 792,260 | \$ 879,000 | \$ 736,860 | |

2014-15 SPECIAL REVENUE FUND 1ST AMENDED MACOMB INTERNATIONAL ACADEMY BUDGET

| | 2012-13 | 2013-14 | 2014-15 | 2014-15 | 2014-15 1st Amended |
|--|---------------|---------------|-----------------|--------------------|-------------------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Original</u> | <u>1st Amended</u> | <u>2014-15 Original</u> |
| | | | <u>Budget</u> | <u>Budget</u> | <u>Difference</u> |
| Revenue | | | | | |
| Tuition Schools | \$ 2,934,058 | \$ 2,932,687 | \$ 3,164,642 | \$ 3,036,794 | \$ (127,848) |
| Other Revenue | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Modifications | \$ 1,001,866 | \$ 1,012,831 | \$ 999,552 | \$ 1,030,007 | \$ 30,455 |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ 3,935,924 | \$ 3,945,518 | \$ 4,164,194 | \$ 4,066,801 | \$ (97,393) |
| Expenditures | | | | | |
| Instruction | \$ 310,110 | \$ 400,750 | \$ 337,000 | \$ 311,000 | \$ (26,000) |
| Support Services | \$ 232,192 | \$ 260,699 | \$ 264,200 | \$ 273,800 | \$ 9,600 |
| Payments to Other Schools | \$ 2,591,470 | \$ 2,709,299 | \$ 4,348,046 | \$ 4,174,083 | \$ (173,963) |
| Fund Modifications | \$ 603,722 | \$ 479,316 | \$ 492,008 | \$ 648,811 | \$ 156,803 |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Macomb International Academy | \$ 3,737,495 | \$ 3,850,064 | \$ 5,441,254 | \$ 5,407,694 | \$ (33,560) |
| Total Revenues Over/<Under> Expenditures | \$ 198,429 | \$ 95,454 | \$ (1,277,060) | \$ (1,340,893) | |
| Beginning Fund Equity | \$ 1,868,337 | \$ 2,066,767 | \$ 2,162,221 | \$ 2,162,221 | |
| Ending Fund Equity | \$ 2,066,767 | \$ 2,162,221 | \$ 885,161 | \$ 821,328 | |