

MEMORANDUM

I.4. Approve 2016/2017 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 2016/2017 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 2016/2017 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 2016/2017 originally adopted on June 20, 2016 be amended as follows:

Revenue	
Local	\$18,978,588
State	126,539,534
Federal	5,778,230
Transfers & Others	994,775
Total Revenue	\$152,291,127
Fund Balance July 1, 2016	\$25,499,525
Total Available to Appropriate	\$177,790,652

BE IT FURTHER RESOLVED, that \$153,314,302 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	\$81,340,530
Added Needs	16,743,941
Adult and Continuing Education	174,825
Support Services	
Pupil	13,990,644
Instructional Staff	5,063,662
General Administration	868,180
School Administration	9,461,103
Business	2,124,127
Operations & Maintenance	11,161,511
Transportation	4,445,817
Central	3,702,203
Other Support (Athletics, CTE)	2,220,541
Community Services	1,077,231
Outgoing Transfers & Other	939,987
Total Appropriated	\$153,314,302

Estimated Fund Balance June 30, 2017	\$24,476,350
--------------------------------------	--------------

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 2016/2017 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 2016/2017 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 2016/2017 originally adopted June 20, 2016 be amended as follows:

Revenue	
Local	\$2,004,100
State	120,000
Federal	1,810,000
Transfers & Other	0
Total Revenue	\$3,934,100
Fund Balance July 1, 2016	\$1,135,769
Total Available to Appropriate	\$5,069,869

BE IT FURTHER RESOLVED, that \$4,025,000 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	\$1,181,000
Employee Benefits	728,500
Food Purchases	1,550,000
Other	361,500
Capital Outlay	4,000
Outgoing Transfers	200,000
Total Appropriated	\$4,025,000
Estimated Fund Balance June 30, 2017	\$1,044,869

RESOLVED, that this resolution shall be the Building Activities Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2016/2017 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 2016/2017 originally adopted June 20, 2016 be amended as follows:

Revenue	
Local	\$2,178,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$2,178,000
Fund Balance July 1, 2016	\$470,033
Total Available to Appropriate	\$2,648,033

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, 2017	\$570,033

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2016/2017 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 2016/2017 originally adopted June 20, 2016 be amended as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,005,515
Total Revenue	\$4,005,515
Fund Balance July 1, 2016	\$786,296
Total Available to Appropriate	\$4,791,811

BE IT FURTHER RESOLVED that \$4,071,757 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	2,689,582
Fund Modifications	794,775
Total Appropriated	\$4,071,757
Estimated Fund Balance June 30, 2017	\$720,054

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 Fund, 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 minimally from \$151.9 million to \$152.3 million. Majority of the increase in revenues relates to changes in federal and state grant funding (\$398,460 in grant revenue changes). Total revenues increased by 0.26% from the Original Budget, adopted in June 2016.

Projected expenditures for the General Fund decreased by almost \$573,000. Significant changes from the Original Budget resulted from the contractual adjustments for teacher leaves, retirements subsequent to the finalization of the Original Budget, and the adjustment of directly correlated FICA and retirement costs. Total expenditures decreased by (0.37%) from the Original Budget

These changes decreased projected expenditures greater than revenues from a negative (\$2.0 million) in the Original Budget to a negative (\$1.0 million) in the 1st Amended Budget, resulting in a projected June 30, 2017 fund balance of \$24.5 million.

CHIPPEWA VALLEYS SCHOOLS
2016-2017 1ST AMENDED
GENERAL FUND BUDGET

	2014-15 Audited <u>Actual</u>	2015-16 Audited <u>Actual</u>	2016-17 Original Budget June 20, 2016	2016-17 1st Amended Budget December 19, 2016	2016-17 1st Amended 2016-17 Original Difference
Revenue					
Local (1)	\$ 18,684,311	\$ 19,277,701	\$ 19,118,731	\$ 18,978,588	\$ (140,143)
State	\$ 122,613,968	\$ 124,960,120	\$ 126,445,842	\$ 126,539,534	\$ 93,692
Federal	\$ 5,081,595	\$ 5,156,197	\$ 5,581,207	\$ 5,778,230	\$ 197,023
Incoming Transfers & Other	\$ 707,494	\$ 798,755	\$ 751,776	\$ 994,775	\$ 242,999
Total Revenue	\$ 147,087,368	\$ 150,192,773	\$ 151,897,556	\$ 152,291,127	\$ 393,571
Expenditures					
Basic Programs	\$ 77,700,308	\$ 78,692,379	\$ 82,089,492	\$ 81,340,530	\$ (748,962)
Added Needs	\$ 15,697,241	\$ 15,808,118	\$ 16,982,982	\$ 16,743,941	\$ (239,041)
Adult & Community Ed	\$ 190,308	\$ 157,255	\$ 183,808	\$ 174,825	\$ (8,983)
Total Instructional	\$ 93,587,857	\$ 94,657,752	\$ 99,256,282	\$ 98,259,296	\$ (996,986)
Pupil Services	\$ 12,987,549	\$ 13,473,154	\$ 13,971,392	\$ 13,990,644	\$ 19,252
Instructional Staff Services	\$ 4,507,329	\$ 4,494,092	\$ 4,839,672	\$ 5,063,662	\$ 223,990
General Administration	\$ 696,175	\$ 675,642	\$ 776,639	\$ 868,180	\$ 91,541
School Administration	\$ 9,131,072	\$ 9,432,244	\$ 9,595,753	\$ 9,461,103	\$ (134,650)
Business Administration	\$ 1,902,546	\$ 2,042,816	\$ 2,068,752	\$ 2,124,127	\$ 55,375
Operations & Maintenance	\$ 9,967,193	\$ 10,297,829	\$ 10,925,982	\$ 11,161,511	\$ 235,529
Transportation	\$ 4,233,205	\$ 4,239,423	\$ 4,569,843	\$ 4,445,817	\$ (124,026)
Other Central Services	\$ 3,196,801	\$ 3,262,139	\$ 3,574,841	\$ 3,702,203	\$ 127,362
Other Support (Portion Athletics, CTE)	\$ 2,080,496	\$ 2,156,020	\$ 2,223,172	\$ 2,220,541	\$ (2,631)
Total Supporting Services	\$ 48,702,366	\$ 50,073,359	\$ 52,546,046	\$ 53,037,788	\$ 491,742
Total Community Services	\$ 852,242	\$ 974,322	\$ 1,129,085	\$ 1,077,231	\$ (51,854)
Outgoing Transfers & Other	\$ 1,030,051	\$ 977,627	\$ 955,433	\$ 939,987	\$ (15,446)
Total Expenditures	\$ 144,172,516	\$ 146,683,060	\$ 153,886,846	\$ 153,314,302	\$ (572,544)
Total Revenues Over/<Under> Expenditures	\$ 2,914,852	\$ 3,509,713	\$ (1,989,290)	\$ (1,023,175)	\$ 966,115
Beginning Fund Equity	19,074,960	21,989,812	24,239,726	25,499,525	
Ending Fund Equity	\$ 21,989,812	\$ 25,499,525	\$ 22,250,436	\$ 24,476,350	

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

2016-2017 SPECIAL REVENUE FUND FOOD SERVICE 1ST AMENDED BUDGET

	2014-15	2015-16	2016-17	2016-17	2016-17 1st Amended
	Actual	Actual	Original Budget	1st Amended Budget	2016-17 Original Difference
Revenue					
Local	\$ 1,844,006	\$ 2,035,439	\$ 1,984,100	\$ 2,004,100	\$ 20,000
State	\$ 113,653	\$ 120,611	\$ 120,000	\$ 120,000	\$ -
Federal	\$ 1,683,855	\$ 1,837,091	\$ 1,810,000	\$ 1,810,000	\$ -
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,641,514	\$ 3,993,141	\$ 3,914,100	\$ 3,934,100	\$ 20,000
Expenditures					
Wages	\$ 1,077,466	\$ 1,084,419	\$ 1,198,000	\$ 1,181,000	\$ (17,000)
Employee Benefits	\$ 608,881	\$ 672,090	\$ 741,000	\$ 728,500	\$ (12,500)
Food Purchases	\$ 1,228,118	\$ 1,496,113	\$ 1,550,000	\$ 1,550,000	\$ -
Other	\$ 471,899	\$ 247,071	\$ 350,500	\$ 361,500	\$ 11,000
Capital Outlay	\$ -	\$ 145,089	\$ 4,000	\$ 4,000	\$ -
Outgoing Transfers	\$ 100,000	\$ 160,000	\$ 100,000	\$ 200,000	\$ 100,000
Total Food Service	\$ 3,486,363	\$ 3,804,783	\$ 3,943,500	\$ 4,025,000	\$ 81,500
Total Revenues Over/<Under> Expenditures	\$ 155,151	\$ 188,358	\$ (29,400)	\$ (90,900)	
Beginning Fund Equity	\$ 792,260	\$ 947,411	\$ 866,911	\$ 1,135,769	
Ending Fund Equity	\$ 947,411	\$ 1,135,769	\$ 837,511	\$ 1,044,869	

2016-2017 1ST AMENDED
SPECIAL REVENUE FUND
BUILDING ACTIVITIES BUDGET

	2014-15	2015-16	2016-17	2016-17	2016-17 1st Amended
	<u>Actual</u>	<u>Actual</u>	<u>Original</u>	<u>1st Amended</u>	<u>2016-17 Original</u>
			<u>Budget</u>	<u>Budget</u>	<u>Difference</u>
Revenue					
Local	\$ 1,945,959	\$ 2,112,346	\$ 2,010,000	\$ 2,178,000	\$ 168,000
Total Revenue	\$ 1,945,959	\$ 2,112,346	\$ 2,010,000	\$ 2,178,000	\$ 168,000
Expenditures					
Wages/Purchased Services/Supplies,Materials	\$ 2,014,321	\$ 1,948,837	\$ 2,010,000	\$ 2,078,000	\$ 68,000
Total Expenditures	\$ 2,014,321	\$ 1,948,837	\$ 2,010,000	\$ 2,078,000	\$ 68,000
Total Revenues Over/<Under> Expenditures	\$ (68,362)	\$ 163,509	\$ -	\$ 100,000	
Beginning Fund Equity	\$ 374,886	\$ 306,524	\$ 306,524	\$ 470,033	
Ending Fund Equity	\$ 306,524	\$ 470,033	\$ 306,524	\$ 570,033	

2016-2017 SPECIAL REVENUE FUND 1ST AMENDED MACOMB INTERNATIONAL ACADEMY BUDGET

	2014-15	2015-16	2016-17	2016-17	2016-17 1st Amended
	<u>Actual</u>	<u>Actual</u>	<u>Original</u>	<u>1st Amended</u>	<u>2016-17 Original</u>
			<u>Budget</u>	<u>Budget</u>	<u>Difference</u>
Revenue					
Tuition Schools	\$ 3,039,503	\$ 3,012,365	\$ 3,145,210	\$ 3,080,528	\$ (64,682)
Other Revenue	\$ 4,500	\$ 4,000	\$ -	\$ -	\$ -
Fund Modifications	\$ 1,030,050	\$ 977,627	\$ 955,433	\$ 924,987	\$ (30,446)
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,074,053	\$ 3,993,992	\$ 4,100,643	\$ 4,005,515	\$ (95,128)
Expenditures					
Instruction	\$ 291,811	\$ 250,574	\$ 318,000	\$ 304,000	\$ (14,000)
Support Services	\$ 272,080	\$ 327,892	\$ 333,400	\$ 283,400	\$ (50,000)
Payments to Other Schools	\$ 4,210,423	\$ 2,844,943	\$ 2,879,021	\$ 2,689,582	\$ (189,439)
Fund Modifications	\$ 607,493	\$ 638,755	\$ 651,776	\$ 794,775	\$ 142,999
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 5,381,807	\$ 4,062,163	\$ 4,182,197	\$ 4,071,757	\$ (110,440)
Total Revenues Over/<Under> Expenditures	\$ (1,307,754)	\$ (68,171)	\$ (81,554)	\$ (66,242)	
Beginning Fund Equity	\$ 2,162,221	\$ 854,467	\$ 699,743	\$ 786,296	
Ending Fund Equity	\$ 854,467	\$ 786,296	\$ 618,189	\$ 720,054	