

MEMORANDUM

I.5 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 be adopted as follows:

Revenue	
Local	\$19,118,731
State	126,445,842
Federal	5,581,207
Transfers & Others	751,776
Total Revenue	\$151,897,556
Estimated Fund Balance July 1, 2016	\$24,239,726
Total Available to Appropriate	\$176,137,282

BE IT FURTHER RESOLVED, that \$153,886,846 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	\$82,091,892
Added Needs	16,972,982
Adult and Continuing Education	183,808

Support Services	
Pupil	13,941,245
Instructional Staff	4,847,272
General Administration	776,639
School Administration	9,595,753
Business	2,068,752
Operations & Maintenance	10,925,982
Transportation	4,569,843
Central	3,604,988
Other Support (Athletics, CTE)	2,223,172
Community Services	1,114,085
Outgoing Transfers & Other	970,433
Total Appropriated	\$153,886,846
Estimated Fund Balance June 30, 2017	\$22,250,436

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 be as follows:

Revenue	
Local	\$1,984,100
State	120,000
Federal	1,810,000
Transfers & Other	0
Total Revenue	\$3,914,100
Estimated Fund Balance July 1, 2016	\$866,911
Total Available to Appropriate	\$4,781,011

BE IT FURTHER RESOLVED, that \$3,943,500 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	\$1,198,000
Employee Benefits	741,000
Food Purchases	1,550,000
Other	350,500
Capital Outlay	4,000
Outgoing Transfers	100,000
Total Appropriated	\$3,943,500
Estimated Fund Balance June 30, 2017	\$837,511

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 be adopted as follows:

Revenue	
Local	\$2,010,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$2,010,000
Estimated Fund Balance July 1, 2016	\$306,524
Total Available to Appropriate	\$2,316,524

BE IT FURTHER RESOLVED that \$2,010,000 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	\$2,010,000
Total Appropriated	\$2,010,000
Estimated Fund Balance June 30, 2017	\$306,524

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 be adopted as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,100,643
Total Revenue	\$4,100,643
Estimated Fund Balance July 1, 2016	\$699,743
Total Available to Appropriate	\$4,800,386

BE IT FURTHER RESOLVED that \$4,182,197 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	\$318,000
Support Services	333,400
Payments to Other Schools	2,879,021
Fund Modifications	651,776
Total Appropriated	\$4,182,197
Estimated Fund Balance June 30, 2017	\$618,189

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, 2016.

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 185 pupils,
2. an increase in the foundation allowance of \$120 per pupil,
3. recording of retirement offset revenue funding – section 147c funding increasing from 10.53% to 11.70%, 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, 2016-2017 begins the first year of a two year settlement agreement,
2. recording of retirement offset expenditure funding – section 147c funding increasing from 10.53% to 11.70%,
3. retirement rate is reduced from 25.78% to 24.94%,
4. increased textbook budget of \$1,725,000 to accommodate new curriculum programs,
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 \$250,000 increase for electricity cost in 2016-2017, and
7. review and adjustment of other items as appropriate.

In summary, we have projected revenues of \$151,897,556 and projected expenditures of \$153,886,846 for an operating deficit of (\$1,989,290) and a decrease to the fund balance.

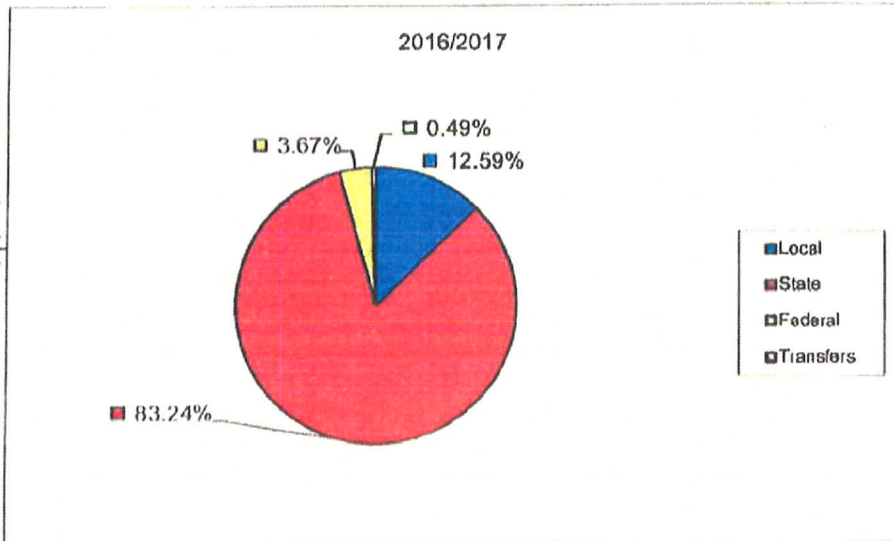
CHIPPEWA VALLEYS SCHOOLS
2016-2017 ORIGINAL
GENERAL FUND BUDGET

	2014-15 Audited Actual	2015-16 2nd Amended Budget May 16, 2016	2016-17 Original Budget June 20, 2016	2016-17 Original 2015-16 2nd Amended Difference
Revenue				
Local (1)	\$ 18,684,311	\$ 19,063,900	\$ 19,118,731	\$ 54,831
State	\$ 122,613,968	\$ 125,424,350	\$ 126,445,842	\$ 1,021,492
Federal	\$ 5,081,595	\$ 5,711,795	\$ 5,581,207	\$ (130,588)
Incoming Transfers & Other	\$ 707,494	\$ 714,066	\$ 751,776	\$ 37,710
Total Revenue	\$ 147,087,368	\$ 150,914,111	\$ 151,897,556	\$ 983,445
Expenditures				
Basic Programs	\$ 77,700,308	\$ 78,853,130	\$ 82,091,892	\$ 3,238,762
Added Needs	\$ 15,697,241	\$ 16,317,935	\$ 16,972,982	\$ 655,047
Adult & Community Ed	\$ 190,308	\$ 178,547	\$ 183,808	\$ 5,261
Total Instructional	\$ 93,587,857	\$ 95,349,612	\$ 99,248,682	\$ 3,899,070
Pupil Services	\$ 12,987,549	\$ 13,535,130	\$ 13,941,245	\$ 406,115
Instructional Staff Services	\$ 4,507,329	\$ 4,840,330	\$ 4,847,272	\$ 6,942
General Administration	\$ 696,175	\$ 757,059	\$ 776,639	\$ 19,580
School Administration	\$ 9,131,072	\$ 9,450,569	\$ 9,595,753	\$ 145,184
Business Administration	\$ 1,902,546	\$ 2,073,278	\$ 2,068,752	\$ (4,526)
Operations & Maintenance	\$ 9,967,193	\$ 10,512,468	\$ 10,925,982	\$ 413,514
Transportation	\$ 4,233,205	\$ 4,436,687	\$ 4,569,843	\$ 133,156
Other Central Services	\$ 3,196,801	\$ 3,428,729	\$ 3,604,988	\$ 176,259
Other Support (Portion Athletics, CTE)	\$ 2,080,496	\$ 2,163,480	\$ 2,223,172	\$ 59,692
Total Supporting Services	\$ 48,702,366	\$ 51,197,730	\$ 52,553,646	\$ 1,355,916
Total Community Services	\$ 852,242	\$ 1,139,258	\$ 1,114,085	\$ (25,173)
Outgoing Transfers & Other	\$ 1,030,051	\$ 977,597	\$ 970,433	\$ (7,164)
Total Expenditures	\$ 144,172,516	\$ 148,664,197	\$ 153,886,846	\$ 5,222,649
Total Revenues Over/<Under>	\$ 2,914,852	\$ 2,249,914	\$ (1,989,290)	\$ (4,239,204)
Beginning Fund Equity	19,074,960	21,989,812	24,239,726	
Ending Fund Equity	\$ 21,989,812	\$ 24,239,726	\$ 22,250,436	

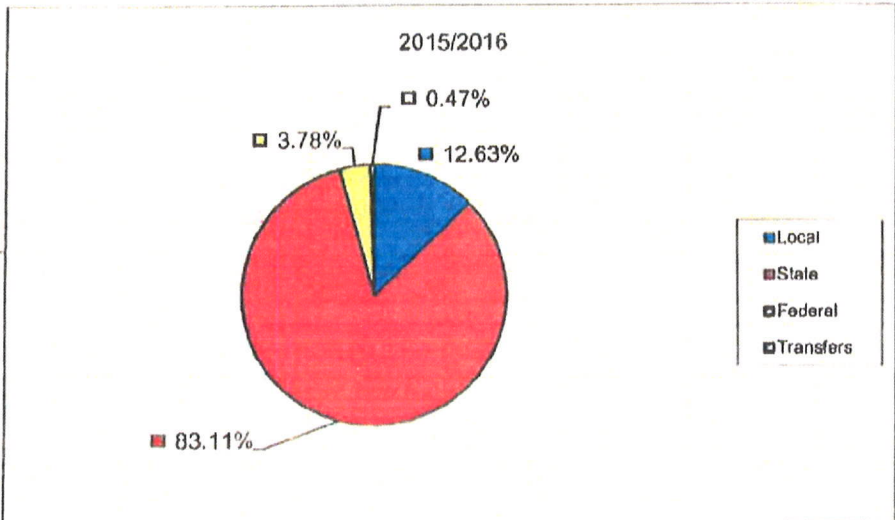
(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

**Chippewa Valley Schools
Revenue Comparison**

Original	
2016/2017	
Local	\$ 19,118,731
State	\$ 126,445,842
Federal	\$ 5,581,207
Transfers	\$ 751,776
	\$ 151,897,556

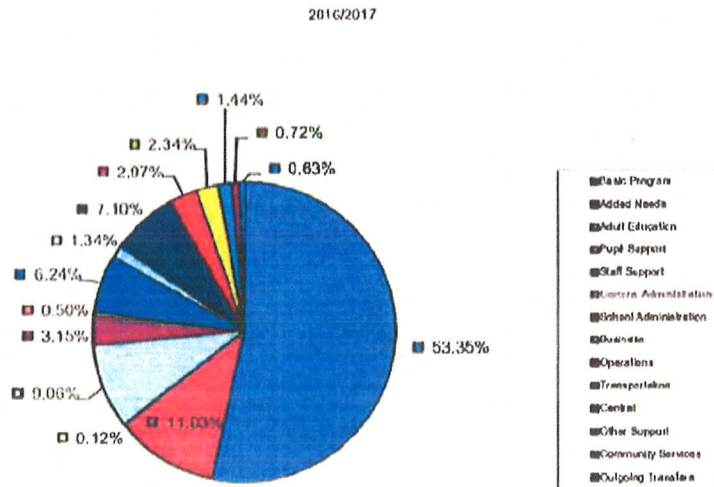


Final Amended	
2015/2016	
Local	\$ 19,063,900
State	\$ 125,424,350
Federal	\$ 5,711,795
Transfers	\$ 714,066
	\$ 150,914,111

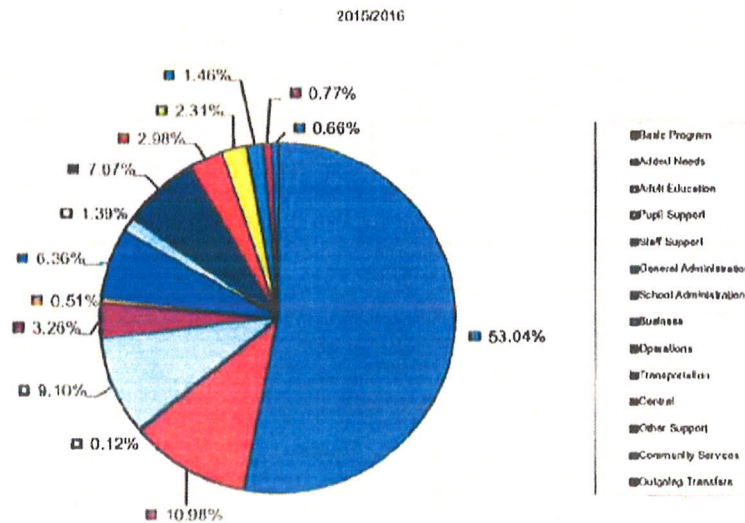


**Chippewa Valley Schools
Expenditure Comparison by Function**

	Original 2016/2017
Basic Program	\$ 82,091,892
Added Needs	\$ 10,972,982
Adult Education	\$ 183,808
Pupil Support	\$ 13,941,245
Staff Support	\$ 4,847,272
General Administration	\$ 776,639
School Administration	\$ 9,595,753
Business	\$ 2,068,752
Operations	\$ 10,925,982
Transportation	\$ 4,569,843
Central	\$ 3,604,988
Other Support	\$ 2,223,172
Community Services	\$ 1,114,085
Outgoing Transfers	\$ 970,433
	\$ 153,886,846



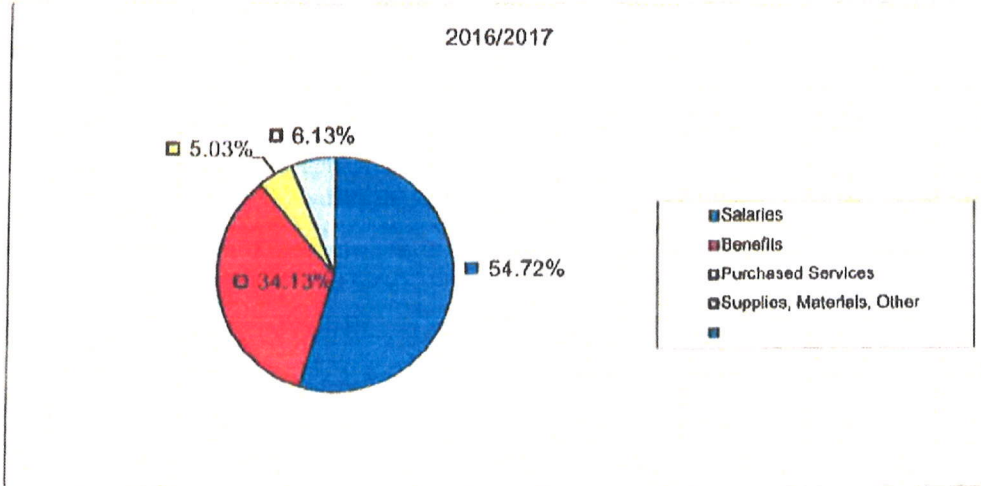
	Final Amended 2015/2016
Basic Program	\$ 78,853,130
Added Needs	\$ 16,317,935
Adult Education	\$ 178,547
Pupil Support	\$ 13,535,130
Staff Support	\$ 4,840,330
General Administration	\$ 757,059
School Administration	\$ 9,450,569
Business	\$ 2,073,278
Operations	\$ 10,512,468
Transportation	\$ 4,436,687
Central	\$ 3,428,729
Other Support	\$ 2,163,480
Community Services	\$ 1,139,258
Outgoing Transfers	\$ 977,597
	\$ 148,664,197



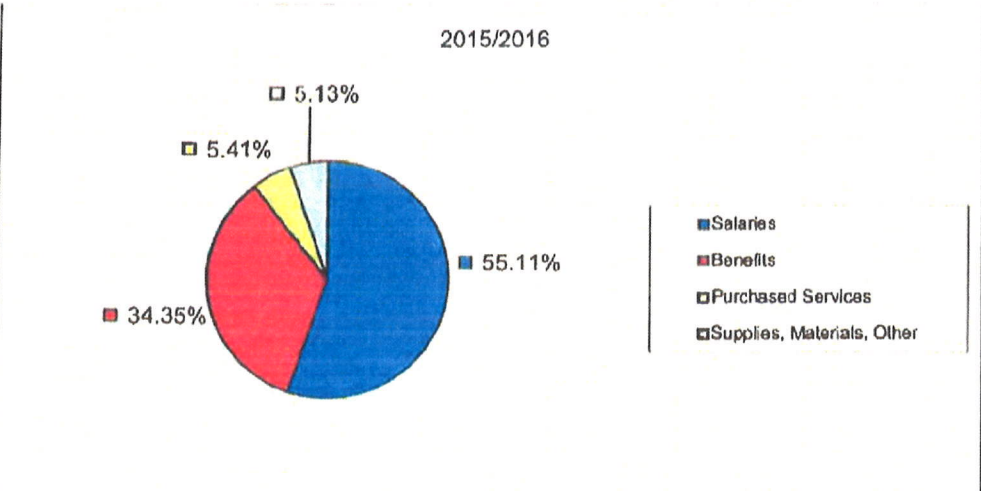
Note: Other Support Includes Athletics and CTE

**Chippewa Valley Schools
Expenditure Comparison by Object**

	Original 2016/2017
Salaries	\$ 84,199,993
Benefits	\$ 52,516,751
Purchased Services	\$ 7,741,054
Supplies, Materials, Other	\$ 9,429,048
	<u>\$ 153,886,846</u>



	Final Amended 2015/2016
Salaries	\$ 81,927,287
Benefits	\$ 51,063,176
Purchased Services	\$ 8,043,367
Supplies, Materials, Other	\$ 7,630,367
	<u>\$ 148,664,197</u>



2016-2017 SPECIAL REVENUE FUND FOOD SERVICE ORIGINAL BUDGET

	2014-15 Actual	2015-16 1st Amended Budget	2016-17 Original Budget	2016-17 Original 2015-16 1st Amended Difference
Revenue				
Local	\$ 1,844,006	\$ 1,959,100	\$ 1,984,100	\$ 25,000
State	\$ 113,653	\$ 126,000	\$ 120,000	\$ (6,000)
Federal	\$ 1,683,855	\$ 1,790,000	\$ 1,810,000	\$ 20,000
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 3,641,514	\$ 3,875,100	\$ 3,914,100	\$ 39,000
Expenditures				
Wages	\$ 1,077,466	\$ 1,128,000	\$ 1,198,000	\$ 70,000
Employee Benefits	\$ 608,881	\$ 685,100	\$ 741,000	\$ 55,900
Food Purchases	\$ 1,228,118	\$ 1,550,000	\$ 1,550,000	\$ -
Other	\$ 471,899	\$ 360,500	\$ 350,500	\$ (10,000)
Capital Outlay	\$ -	\$ 152,000	\$ 4,000	\$ (148,000)
Outgoing Transfers	\$ 100,000	\$ 80,000	\$ 100,000	\$ 20,000
Total Food Service	\$ 3,486,363	\$ 3,955,600	\$ 3,943,500	\$ (12,100)
Total Revenues Over/<Under> Expenditures	\$ 155,151	\$ (80,500)	\$ (29,400)	
Beginning Fund Equity	\$ 792,260	\$ 947,411	\$ 866,911	
Ending Fund Equity	\$ 947,411	\$ 866,911	\$ 837,511	

2016-2017 ORIGINAL SPECIAL
REVENUE FUND BUILDING
ACTIVITIES BUDGET

	2014-15 <u>Actual</u>	2015-16 1st Amended <u>Budget</u>	2016-17 Original <u>Budget</u>	2016-17 Original 2015-16 1st Amended <u>Difference</u>
Revenue				
Local	\$ 1,945,959	\$ 2,010,000	\$ 2,010,000	\$ -
Total Revenue	\$ 1,945,959	\$ 2,010,000	\$ 2,010,000	\$ -
Expenditures				
Wages/Purchased Services/Supplies,Material:	\$ 2,014,321	\$ 2,010,000	\$ 2,010,000	\$ -
Total Expenditures	\$ 2,014,321	\$ 2,010,000	\$ 2,010,000	\$ -
Total Revenues Over/<Under> Expenditures	\$ (68,362)	\$ -	\$ -	
Beginning Fund Equity	\$ 374,886	\$ 306,524	\$ 306,524	
Ending Fund Equity	\$ 306,524	\$ 306,524	\$ 306,524	

2016-2017 SPECIAL REVENUE FUND ORIGINAL MACOMB INTERNATIONAL ACADEMY BUDGET

	2014-15 <u>Actual</u>	2015-16 1st Amended <u>Budget</u>	2016-17 Original <u>Budget</u>	2016-17 Original 2015-16 1st Amended <u>Difference</u>
Revenue				
Tuition Schools	\$ 3,039,503	\$ 3,009,449	\$ 3,145,210	\$ 135,761
Other Revenue	\$ 4,500	\$ -	\$ -	\$ -
Fund Modifications	\$ 1,030,050	\$ 977,597	\$ 955,433	\$ (22,164)
	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,074,053	\$ 3,987,046	\$ 4,100,643	\$ 113,597
Expenditures				
Instruction	\$ 291,811	\$ 318,000	\$ 318,000	\$ -
Support Services	\$ 272,080	\$ 333,400	\$ 333,400	\$ -
Payments to Other Schools	\$ 4,210,423	\$ 2,856,304	\$ 2,879,021	\$ 22,717
Fund Modifications	\$ 607,493	\$ 634,066	\$ 651,776	\$ 17,710
	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 5,381,807	\$ 4,141,770	\$ 4,182,197	\$ 40,427
Total Revenues Over/<Under> Expenditures	\$ (1,307,754)	\$ (154,724)	\$ (81,554)	
Beginning Fund Equity	\$ 2,162,221	\$ 854,467	\$ 699,743	
Ending Fund Equity	\$ 854,467	\$ 699,743	\$ 618,189	