

MEMORANDUM

**G.7 Approve 2019/2020 Appropriation Act for General and Special Revenue Funds
Mr. Sederlund**

RECOMMENDED MOTION: "That the following resolution be adopted by the Chippewa Valley Schools Board of Education to approve the General Fund, Food Service Fund, Community Services Childcare Fund, Macomb International Academy Fund, and Student/School Activity Fund budgets for the 2019/2020 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 2019/2020 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 2019/2020 be adopted as follows:

Revenue	
Local	\$21,149,752
State	136,742,474
Federal	6,173,561
Transfers & Others	1,232,924
Total Revenue	\$165,298,711
Estimated Fund Balance July 1, 2019	\$27,141,910
Total Available to Appropriate	\$192,440,621

BE IT FURTHER RESOLVED, that \$167,746,162 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	\$84,309,315
Added Needs	20,004,756
Adult and Continuing Education	189,260

Support Services	
Pupil	16,479,015
Instructional Staff	7,110,212
General Administration	903,082
School Administration	10,304,024
Business	2,344,412
Operations & Maintenance	12,187,126
Transportation	5,104,354
Central	4,026,649
Other Support (Athletics, CTE)	2,358,622
Community Services	1,157,482
Outgoing Transfers & Other	1,267,853
Total Appropriated	\$167,746,162

Estimated Fund Balance June 30, 2020 \$24,694,459

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 2019/2020 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 2019/2020 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 2019/2020 be adopted as follows:

Revenue	
Local	\$2,166,100
State	125,000
Federal	2,179,000
Transfers & Other	0
Total Revenue	\$4,470,100

Estimated Fund Balance July 1, 2019 \$1,246,441

Total Available to Appropriate \$5,716,541

BE IT FURTHER RESOLVED, that \$4,741,640 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	\$1,352,140

Employee Benefits	824,500
Food Purchases	1,806,000
Other	389,000
Capital Outlay	150,000
Outgoing Transfers	220,000
Total Appropriated	\$4,741,640

Estimated Fund Balance June 30, 2020 \$974,901

RESOLVED, that this resolution shall be the Community Services Childcare Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2019/2020 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 Community Services Childcare Fund of the Chippewa Valley Schools for the fiscal year 2019/2020 be adopted as follows:

Revenue	
Local	\$1,249,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$1,249,000

Estimated Fund Balance July 1, 2019 \$0

Total Available to Appropriate \$1,249,000

BE IT FURTHER RESOLVED that \$1,249,000 of the total available to appropriate in the Community Services Childcare Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Childcare	\$1,249,000
Total Appropriated	1,249,000

Estimated Fund Balance June 30, 2020 \$0

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2019/2020 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 2019/2020 be adopted as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,199,926
Total Revenue	\$4,199,926
Estimated Fund Balance July 1, 2019	\$819,168
Total Available to Appropriate	\$5,019,094

BE IT FURTHER RESOLVED that \$4,258,545 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	\$280,450
Support Services	276,400
Payments to Other Schools	2,688,771
Fund Modifications	1,012,924
Total Appropriated	\$4,258,545
Estimated Fund Balance June 30, 2020	\$760,549

RESOLVED, that this resolution shall be the Student/School Activity Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2019/2020 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 Student/School Activity Fund of the Chippewa Valley Schools for the fiscal year 2019/2020 be adopted as follows:

Revenue	
Revenue	\$5,300,000
Total Revenue	\$5,300,000
Estimated Fund Balance July 1, 2019	\$2,130,000
Total Available to Appropriate	\$7,430,000

BE IT FURTHER RESOLVED that \$5,300,000 of the total available to appropriate in the Student/School Activity Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Expenditures	\$5,300,000
Total Appropriated	\$5,300,000
Estimated Fund Balance June 30, 2020	\$2,130,000

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, 2019.

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 2019-20 budgets for the General Fund, Food Service Fund, Community Services Childcare Fund, Macomb International Academy Fund and the Student/School Activity 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 295.14 pupils,
2. the incorporation of the Governor's proposed budget of:
 - a. an increase in the foundation allowance of \$180 per pupil
 - b. the recording of the net retirement offset revenue funding increase of \$926,000
 - c. an increase in Special Education Headlee funds,
 - d. an increase in At Risk Grant funds,
 - e. a decrease in the high school and CTE per pupil funding, and
3. a decrease of \$4,000,000 for the Manthey estate distribution, 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 second and final year of the two year settlement agreements,
2. the recording of net retirement offset expenditure funding of \$926,000,
3. the retirement rate is increased from 26.18% to 27.50%,
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. a decrease of \$4,000,000 for the Manthey property purchase, and
6. the review and adjustment of other items as appropriate.

In summary, we have projected revenues of \$165,298,711 and projected expenditures of \$167,746,162 for a budgeted operating deficit of (\$2,447,451) and a decrease to the fund balance.

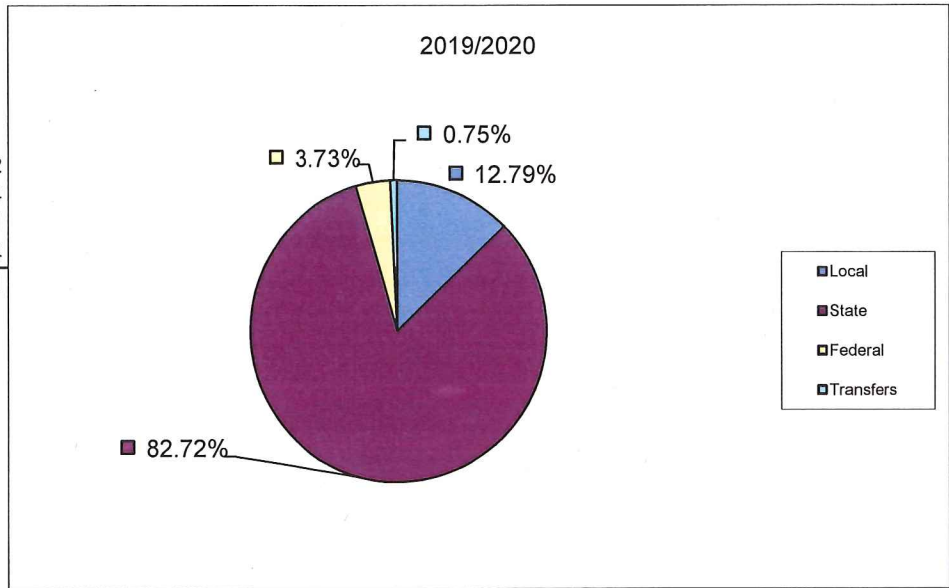
CHIPPEWA VALLEYS SCHOOLS
2019-2020 ORIGINAL
GENERAL FUND BUDGET

	2017-18 Audited <u>Actual</u>	2018-19 2nd Amended <u>Budget</u> May 6, 2019	2019-20 Original <u>Budget</u> June 17, 2019	2019-20 Original 2018-19 2nd Amended <u>Difference</u>
Revenue				
Local (1)	\$ 19,103,535	\$ 24,772,724	\$ 21,149,752	\$ (3,622,972)
State	\$ 132,264,152	\$ 134,321,398	\$ 136,742,474	\$ 2,421,076
Federal	\$ 4,842,665	\$ 6,020,749	\$ 6,173,561	\$ 152,812
Incoming Transfers & Other	\$ 1,030,608	\$ 1,178,892	\$ 1,232,924	\$ 54,032
Total Revenue	\$ 157,240,960	\$ 166,293,763	\$ 165,298,711	\$ (995,052)
Expenditures				
Basic Programs	\$ 80,251,675	\$ 82,317,335	\$ 84,309,315	\$ 1,991,980
Added Needs	\$ 17,376,456	\$ 19,305,937	\$ 20,004,756	\$ 698,819
Adult & Community Ed	\$ 146,193	\$ 180,563	\$ 189,260	\$ 8,697
Total Instructional	\$ 97,774,324	\$ 101,803,835	\$ 104,503,331	\$ 2,699,496
Pupil Services	\$ 14,942,310	\$ 16,102,159	\$ 16,479,015	\$ 376,856
Instructional Staff Services	\$ 5,790,599	\$ 6,653,440	\$ 7,110,212	\$ 456,772
General Administration	\$ 864,533	\$ 831,763	\$ 903,082	\$ 71,319
School Administration	\$ 9,853,771	\$ 9,968,112	\$ 10,304,024	\$ 335,912
Business Administration	\$ 2,174,328	\$ 2,395,141	\$ 2,344,412	\$ (50,729)
Operations & Maintenance	\$ 11,277,484	\$ 11,992,506	\$ 12,187,126	\$ 194,620
Transportation	\$ 4,671,785	\$ 4,951,441	\$ 5,104,354	\$ 152,913
Other Central Services	\$ 3,698,749	\$ 4,141,605	\$ 4,026,649	\$ (114,956)
Other Support (Portion Athletics, CTE)	\$ 2,304,460	\$ 2,411,417	\$ 2,358,622	\$ (52,795)
Total Supporting Services	\$ 55,578,019	\$ 59,447,584	\$ 60,817,496	\$ 1,369,912
Total Community Services	\$ 1,006,651	\$ 1,138,383	\$ 1,157,482	\$ 19,099
Outgoing Transfers & Other	\$ 946,942	\$ 5,239,315	\$ 1,267,853	\$ (3,971,462)
Total Expenditures	\$ 155,305,936	\$ 167,629,117	\$ 167,746,162	\$ 117,045
Total Revenues Over/<Under>	\$ 1,935,024	\$ (1,335,354)	\$ (2,447,451)	\$ (1,112,097)
Beginning Fund Equity	26,542,240	28,477,264	27,141,910	
Ending Fund Equity	\$ 28,477,264	\$ 27,141,910	\$ 24,694,459	

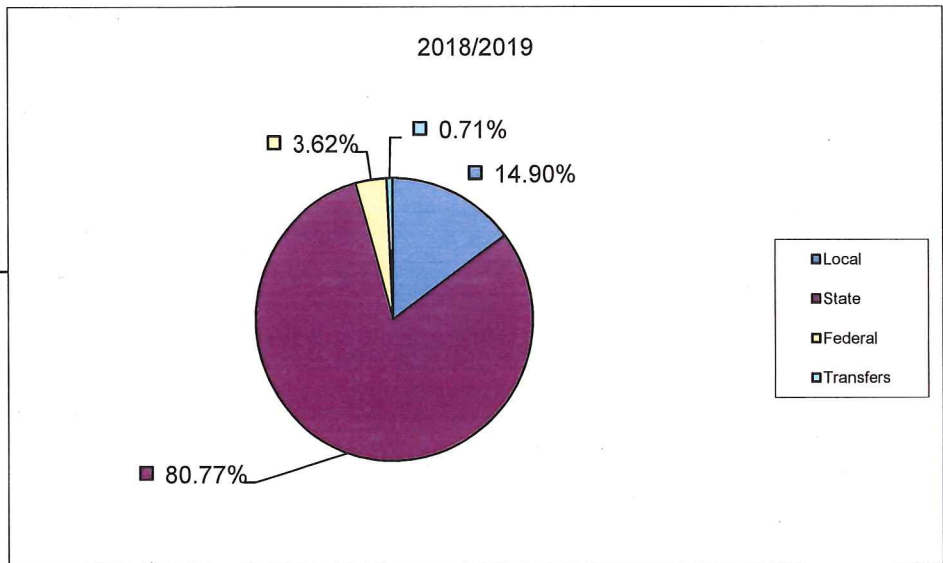
(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

**Chippewa Valley Schools
Revenue Comparison**

	Original	
	2019/2020	
Local	\$	21,149,752
State	\$	136,742,474
Federal	\$	6,173,561
Transfers	\$	1,232,924
	\$	<u>165,298,711</u>

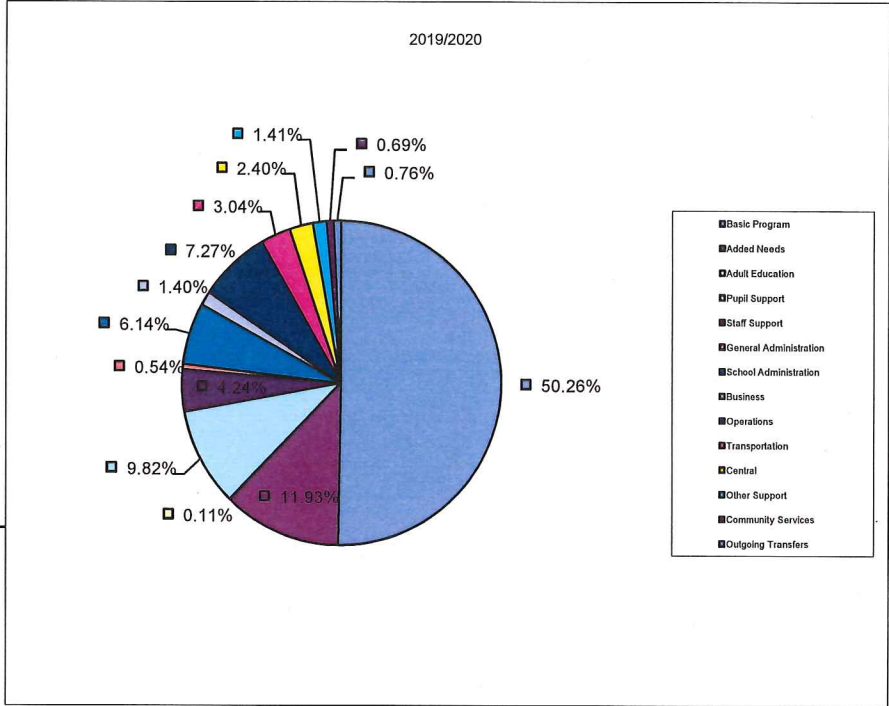


	Final	
	Amended	
	2018/2019	
Local	\$	24,772,724
State	\$	134,321,398
Federal	\$	6,020,749
Transfers	\$	1,178,892
	\$	<u>166,293,763</u>

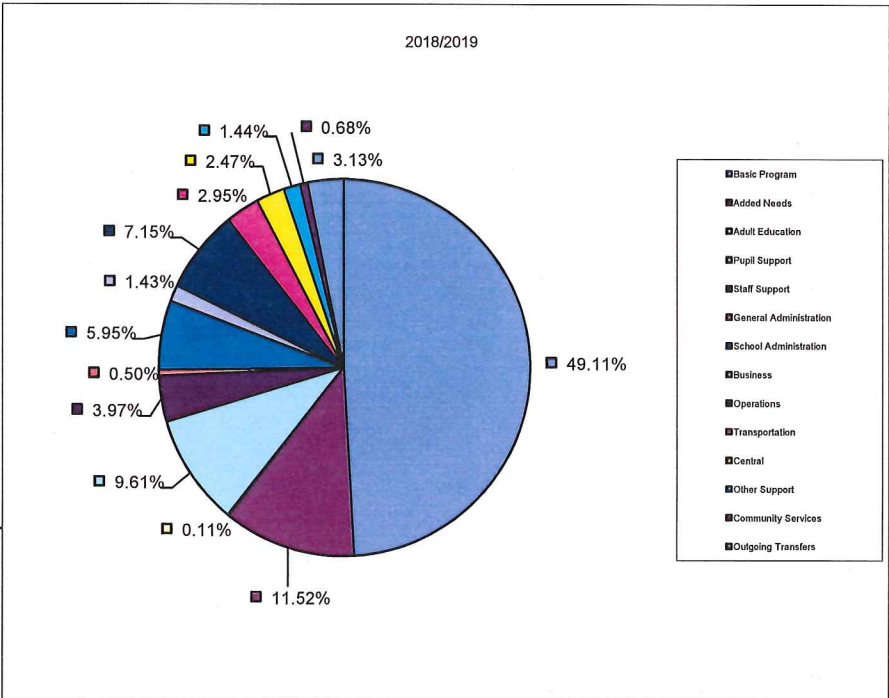


**Chippewa Valley Schools
Expenditure Comparison by Function**

	Original 2019/2020
Basic Program	\$ 84,309,315
Added Needs	\$ 20,004,756
Adult Education	\$ 189,260
Pupil Support	\$ 16,479,015
Staff Support	\$ 7,110,212
General Administration	\$ 903,082
School Administration	\$ 10,304,024
Business	\$ 2,344,412
Operations	\$ 12,187,126
Transportation	\$ 5,104,354
Central	\$ 4,026,649
Other Support	\$ 2,358,622
Community Services	\$ 1,157,482
Outgoing Transfers	\$ 1,267,853
	\$ 167,746,162



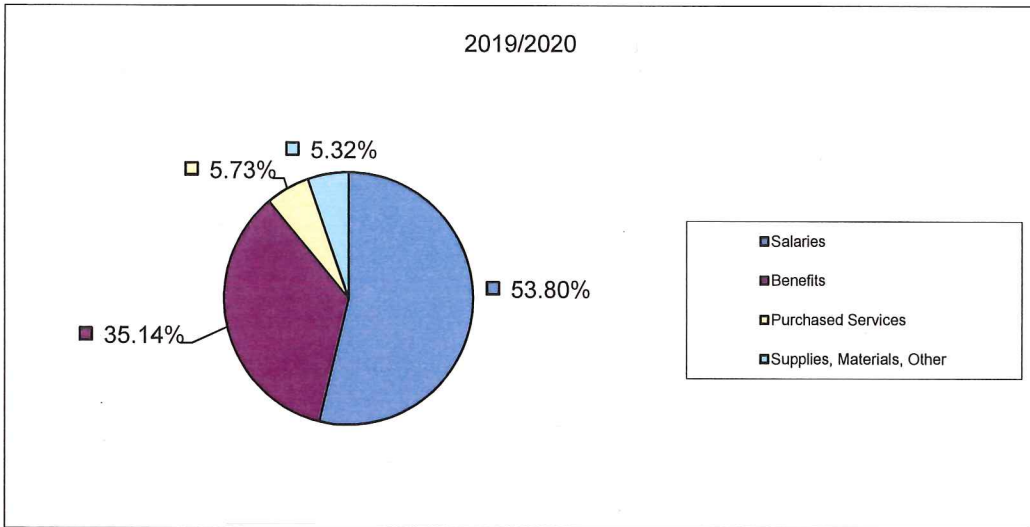
	Final Amended 2018/2019
Basic Program	\$ 82,317,335
Added Needs	\$ 19,305,937
Adult Education	\$ 180,563
Pupil Support	\$ 16,102,159
Staff Support	\$ 6,653,440
General Administration	\$ 831,763
School Administration	\$ 9,968,112
Business	\$ 2,395,141
Operations	\$ 11,992,506
Transportation	\$ 4,951,441
Central	\$ 4,141,605
Other Support	\$ 2,411,417
Community Services	\$ 1,138,383
Outgoing Transfers	\$ 5,239,315
	\$ 167,629,117



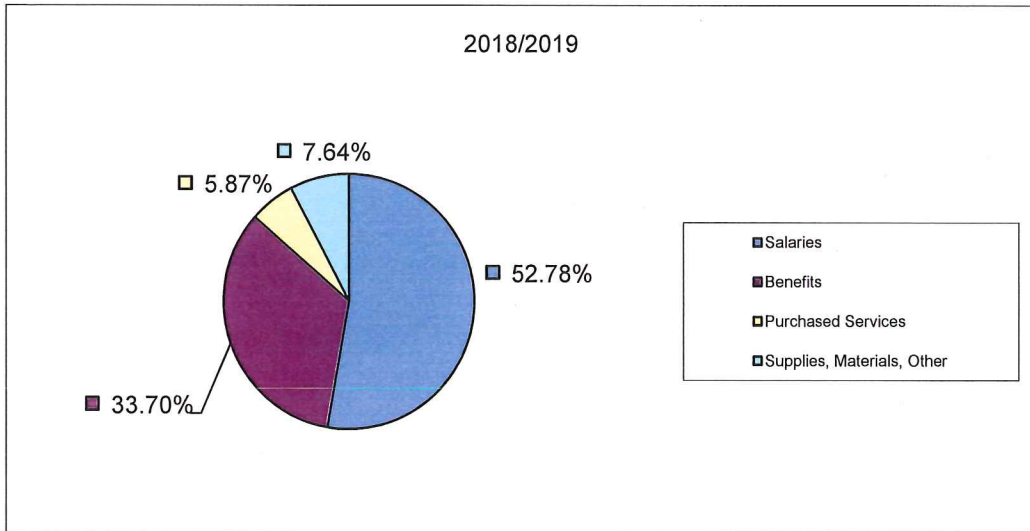
Note: Other Support Includes Athletics and CTE

**Chippewa Valley Schools
Expenditure Comparison by Object**

	Original 2019/2020
Salaries	\$ 90,255,255
Benefits	\$ 58,952,077
Purchased Services	\$ 9,609,527
Supplies, Materials, Other	\$ 8,929,303
	<u>\$ 167,746,162</u>



	Final Amended 2018/2019
Salaries	\$ 88,481,617
Benefits	\$ 56,494,737
Purchased Services	\$ 9,841,428
Supplies, Materials, Other	\$ 12,811,335
	<u>\$ 167,629,117</u>



2019-2020 ORIGINAL SPECIAL REVENUE FUND
FOOD SERVICE BUDGET

	2017-18 Audited Actual	2018-19 1st Amended Budget March 18, 2019	2019-20 Original Budget June 17, 2019	2019-20 Original 2018-19 1st Amended Difference
Revenue				
Local	\$ 2,101,090	\$ 2,166,100	\$ 2,166,100	\$ -
State	\$ 131,415	\$ 125,000	\$ 125,000	\$ -
Federal	\$ 2,047,355	\$ 2,190,000	\$ 2,179,000	\$ (11,000)
Incoming Transfers & Other	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,279,860	\$ 4,481,100	\$ 4,470,100	\$ (11,000)
Expenditures				
Wages	\$ 1,190,457	\$ 1,327,000	\$ 1,352,140	\$ 25,140
Employee Benefits	\$ 705,793	\$ 788,500	\$ 824,500	\$ 36,000
Food Purchases	\$ 1,698,123	\$ 1,775,000	\$ 1,806,000	\$ 31,000
Other	\$ 304,308	\$ 404,000	\$ 389,000	\$ (15,000)
Capital Outlay	\$ 122,732	\$ 150,000	\$ 150,000	\$ -
Outgoing Transfers	\$ 220,000	\$ 220,000	\$ 220,000	\$ -
Total Food Service	\$ 4,241,413	\$ 4,664,500	\$ 4,741,640	\$ 77,140
Total Revenues Over/<Under> Expenditures	\$ 38,447	\$ (183,400)	\$ (271,540)	
Beginning Fund Equity	\$ 1,391,394	\$ 1,429,841	\$ 1,246,441	
Ending Fund Equity	\$ 1,429,841	\$ 1,246,441	\$ 974,901	

2019-2020 ORIGINAL SPECIAL REVENUE FUND
 COMMUNITY SERVICES CHILDARE BUDGET
 (FORMERLY BUILDING ACTIVITIES)

	See 1 below 2017-18 Audited <u>Actual</u>	See 1 below 2018-19 1st Amended <u>Budget</u> March 18, 2019	See 2 below 2019-20 Original <u>Budget</u> June 17, 2020	2019-20 Original 2018-19 2nd Amended <u>Difference</u>
Revenue				
Local	\$ 1,891,383	\$ 1,948,000	\$ 1,249,000	\$ (699,000)
Total Revenue	\$ 1,891,383	\$ 1,948,000	\$ 1,249,000	\$ (699,000)
Expenditures				
Wages/Purchased Services/Supplies,Mat	\$ 1,863,668	\$ 1,948,000	\$ 1,249,000	\$ (699,000)
Total Expenditures	\$ 1,863,668	\$ 1,948,000	\$ 1,249,000	\$ (699,000)
Total Revenues Over/<Under>	\$ 27,715	\$ -	\$ -	
Beginning Fund Equity	\$ 436,706	\$ 464,421	\$ -	
Ending Fund Equity	\$ 464,421	\$ 464,421	\$ -	

Footnote 1

Includes both Childcare and District Building Activities (District Building Activities included in Student/School Activity Fund in 2019-20)

Footnote 2

Includes only Childcare

2019-2020 ORIGINAL SPECIAL REVENUE FUND
MACOMB INTERNATIONAL ACADEMY BUDGET

	2017-18 Audited <u>Actual</u>	2018-19 1st Amended <u>Budget</u> March 18, 2019	2019-20 Original <u>Budget</u> June 17, 2019	2019-20 Original 2018-19 2nd Amended <u>Difference</u>
Revenue				
Tuition Schools	\$ 3,220,415	\$ 3,254,545	\$ 3,247,073	\$ (7,472)
Other Revenue	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 946,942	\$ 924,315	\$ 952,853	\$ 28,538
	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,167,357	\$ 4,178,860	\$ 4,199,926	\$ 21,066
Expenditures				
Instruction	\$ 289,982	\$ 317,590	\$ 280,450	\$ (37,140)
Support Services	\$ 283,284	\$ 276,400	\$ 276,400	\$ -
Payments to Other Schools	\$ 2,746,882	\$ 2,562,555	\$ 2,688,771	\$ 126,216
Fund Modifications	\$ 810,608	\$ 958,892	\$ 1,012,924	\$ 54,032
	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 4,130,756	\$ 4,115,437	\$ 4,258,545	\$ 143,108
Total Revenues Over/<Under> Expenditures	\$ 36,601	\$ 63,423	\$ (58,619)	
Beginning Fund Equity	\$ 719,144	\$ 755,745	\$ 819,168	
Ending Fund Equity	\$ 755,745	\$ 819,168	\$ 760,549	

2019-2020 ORIGINAL SPECIAL REVENUE FUND
STUDENT/SCHOOL ACTIVITY BUDGET

	See 1 Below 2017-18 Audited <u>Actual</u>	See 1 Below 2018-19 1st Amended <u>Budget</u>	See 2 below 2019-20 Original <u>Budget</u> June 17, 2020	2019-20 Original 2018-19 2nd Amended <u>Difference</u>
Revenue				
Local			\$ 5,300,000	\$ 5,300,000
Total Revenue			\$ 5,300,000	\$ 5,300,000
Expenditures				
Wages/Purchased Services/Supplies,Materials			\$ 5,300,000	\$ 5,300,000
Total Expenditures			\$ 5,300,000	\$ 5,300,000
Total Revenues Over/<Under> Expenditures			\$ -	
Beginning Fund Equity			\$ 2,130,000	
Ending Fund Equity			\$ 2,130,000	

Footnote 1

New Fund in 2019-20 as a result of GASB 84

Footnote 2

Includes what was previously district building activities and fiduciary accounts