

## **Audit shows growing fund balance in Chippewa Valley**

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*By Jeremy Selweski  
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CLINTON TOWNSHIP/MACOMB TOWNSHIP — The latest audit for Chippewa Valley Schools confirmed that the district is on the right financial track.

Representatives from Plante Moran appeared before the Board of Education on Oct. 21 to present the audit results for the 2012-13 fiscal year, which ended on June 30. The data that they shared indicated that Chippewa Valley has accumulated a healthy fund balance despite being one of the lowest-funded public school districts in Macomb County.

“These numbers are indicative of the fact that you have truly been able to do more with less,” said Plante Moran auditor Jennifer Chambers. “Even with less funding from the state, you have been able to maintain financial stability.”

Superintendent Ron Roberts noted that with his district’s track record of success in recent years, the auditing process has been relatively painless.

“Plante Moran is such a professional organization to work with,” he said, “and the information that they report back to us always reflects so positively on our district.”

Plante Moran’s data showed that, along with Richmond, Armada and Anchor Bay, Chippewa Valley received the lowest state foundation allowance of any district in the county in 2012-13. Its annual funding of \$6,966 per pupil stood in contrast to many other districts, 10 of which collected more than \$7,500 per pupil and five of which collected more than \$8,000.

Still, Chippewa Valley was able to add about \$553,000 to its general fund balance in 2012-13, bringing the total balance to almost \$17.3 million. This number represents 12.55 percent of the district’s overall expenditures, which is better than all but three districts in Macomb County.

As Chambers noted, “There is not necessarily a correlation between the district that receives the most funds and the district that has the most fund balance.”

According to Scott Sederlund, assistant superintendent of business and operations for Chippewa Valley Schools, “Usually, auditors want to see that number between 10 and 15 percent. That’s usually a safe percentage so that you don’t have to worry about borrowing money to meet your cash-flow needs.”

Plante Moran’s statistics indicated that Chippewa Valley is projected to add more than \$1.2 million to its fund balance in 2013-14. However, Sederlund stated that the final number will most likely be closer to \$1 million.

“That fund balance increase is mostly based on an increase in our total enrollment, which we planned for back in June,” he explained. “We budgeted for 100 new students this year, but on Count Day, we only had about 75, so we will probably come in slightly under that projected number.”

In 2012-13, Chippewa Valley Schools had nearly \$137.9 million in total expenditures, more than \$108.3 million of which were devoted to instruction and instructional support services. This amounts to about 78.6 percent of the district’s expenditures, which, according to Plante Moran’s data, is above the statewide average of about 73.7 percent.

“That’s part of the philosophy of our district,” Sederlund said. “We want to devote as much funding as possible to our classrooms: everything that has a direct impact on our students. We’re very proud of the fact that we commit a larger percentage of our funds to student education than the average Michigan district.”

Chippewa Valley brought in more than \$138.4 million in revenue in 2012-13, and about 73.3 percent of those funds came from its state foundation allowance. Because the district, like all public school districts in Michigan, is so highly dependent on a single revenue source, School Board President Denise Aquino admitted that it is a challenge to remain financially stable, especially when that revenue source has been so unpredictable in recent years.

“It has sometimes been a struggle,” she said, “but thanks to Scott and the people in our business office, we have been able to hold our own even though our funding is the lowest in Macomb County. Our teachers and other staff have made a lot of concessions, and our administrators in every building have done everything they can to save money and operate more efficiently. We also have a very dedicated and committed board that works very hard to provide the best possible education for our students.”

Still, Aquino believes that school districts in Michigan need to receive a stronger, more consistent financial commitment from the state Legislature and Gov. Rick Snyder.

“We’re definitely working with less than we used to,” she said. “That’s not the best way to run a business, but we’ve made all the sacrifices that we’ve needed to make. We always try to develop good relationships with our legislators in Lansing because we’re really at their mercy, and we want them to fight for us. All indicators show that the general public is supportive of public education, but unfortunately, not all members of our legislative branch feel the same way.”

Sederlund echoed that sentiment. He said that while the “optimistic side” of him is hopeful that state legislators will make a bigger commitment to funding public education going forward, the “realistic side” of him worries that they will continue giving school districts just enough funding to get by.

“Until public education becomes a bigger priority for our legislators, this will continue to be a problem,” Sederlund concluded. “It’s very difficult to plan for the future when you have so many different variables, but we will continue to do the best we can with what we have.”

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