

**FISCAL YEAR 2019-20  
GENERAL FUND OPERATING  
SCHOOL SERVICE FUND  
CAPITAL PROJECT FUND  
STUDENT/SCHOOL ACTIVITY FUND  
BUDGETS  
AMMENDMENT A  
DECEMBER 16, 2019**



The purpose of the Lakeview School District Board of Education is to represent the public's interest in providing educational programs in a safe learning environment that develop knowledgeable, healthy, socially responsible citizens in the global community.

15 Arbor Street  
Battle Creek, MI 49015

## **LAKEVIEW SCHOOL DISTRICT 2019-20 BUDGET ASSUMPTIONS**

A budget is both a legal requirement and an operational document. It is based upon best assumptions and related estimates for both revenues and expenditures. It provides parameters for the expenditure of funds relating to operating the District's instructional programs and support functions. As data relating to assumptions and estimates is clarified, the budget can and will be revised appropriately.

Four separate funds are now required to account for the ongoing activities of the school district. Board approval is not required for the Debt Retirement Fund or Capital Project Funds under the Uniform Budgeting and Accounting Act (MCL 141.422a), however, we bring the budget for the Public Improvement Fund (a type of Capital Project Fund) to the Board because of the nature of the expenditures and the restrictions the Board and administration have placed on portions of the fund balances within this fund. Additionally, we have brought the Capital Project Non-Bond Fund to the Board in transparency of the shift of the planned transfer from the General Fund to the Capital Project-Non Bond Fund to allow greater flexibility for the dollars designed to be allocated for future building improvement needs.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities for all state and local governments. This statement is effective for fiscal years beginning after Dec. 15, 2018.

The first three fiduciary funds are existing fund types, as defined by GASB Statement 34. The custodial fund category is new, and replaces what are currently known as agency funds. It's important to note that the criteria for custodial funds is different from the former agency funds, due to GASB's new definition of a fiduciary activity; therefore, some former agency activities will no longer qualify as fiduciary activities.

The financial statement reporting requirements for all of these fund types under GASB 84 will include the following:

- Statement of Fiduciary Net Position – This statement will present assets, deferred outflows, liabilities, deferred inflows, and net position of fiduciary activities.
- Statement of Changes in Fiduciary Net Position – This statement will present activity as additions and deductions to net position.

After the implementation of GASB 84, the custodial funds will - for the first time - report a statement of changes. In addition, while the former agency fund type resulted in a balance sheet where assets always equaled liabilities, in custodial funds, this will not be the default reporting; there could be net position reported within a custodial fund.

Below are the assumptions and rationale that were used in the development of each of the budgets for the other three funds:

### **GENERAL FUND – Includes Athletics as required under GASB 54**

This budget reflects:

- For the General Fund portion of the General Fund, the base of the budget is made up of State Aid Foundation allowance, along with property tax revenue and State and Federal grants.
- General Fund Revenue:
  - Local Sources
    1. Increase in taxes received
    2. Increase in interest received
    3. Grants and booster club revenue booked, most offset with expenses.
  - State Sources
    1. A State Foundation Grant of \$8,115 is the approved foundation amount; the original budget used \$7,975 per blended FTE so this is a \$140 increase per FTE.
    2. The blended FTE used in the original budget was 3999.73 along with 19.66 FTE for Grad Alliance. The fall count blended FTE used for the revision is 4,039.12 plus 15 FTE for Grad Alliance.
    3. At Risk funds have been updated, along with the corresponding expenses.
    4. MPSERS adjusted to the approved state budget.
  - Federal Sources
    1. All Federal and State Grant funded program revenues to match expenditures for these programs based on projected funding (i.e. Title I, Title II, Title III, At-Risk).
  - Incoming Transfers & Other Trans.
    1. Special Education revenue on calculated SE-201 based on projected budget and current approved staffing.
- General Fund Expenses:
  1. Additional formula increases for non-union, At-Will staff, administration, and applicable union contracts has been included. Original had estimate of \$100 state aid per pupil increase for the affected groups. The formula is a percentage increase that is based on the increase the District receives in state aid per pupil foundation allowance, which ended up being an additional \$140 per pupil.
  2. Staffing was based on actual salaries of hired teachers. Additional Special Ed approved staffing, additional teacher overloads, etc.



3. All Federal and State Grant funded program revenues to match expenditures based on projected funding (i.e. Title I, Title II, Title III, At-Risk).
4. Operations has added additional site improvements (landscaping at HS, HS pool compressor, Section of HS roof replacement)
5. Transportation included increase cost of two new busses.
6. Athletics added expenses for the booster groups to match revenue above, and staffing adjustments.
7. Transfers and other transactions primarily is the increase of the transfer to Capital Fund.
8. This shows a negative \$666,914 but this was planned from prior year. See the Appropriations Resolution and you will see under the Assigned for Future Operations at the end of last year it was \$666,914. This is the amount that we are now allocating to this year's amendment.

#### **SCHOOL SERVICE FUND – Food Service**

This budget reflects:

A fair representation of what is expected for the program in 2019-20.

1. Revenue overall is expected to be up \$109,948. This includes:
  - a. Local Sources - up \$15,629 due to the mandated increase in lunch price that was not included in the original budget.
  - b. Federal sources - up \$94,319 due to the Equipment Grant of \$36,650 was completed in 2019-20; plus the Federal meal reimbursement increase for Summer Food and 6 cents per meal increase.
2. Personnel/Contracted Service combined increase of \$19,900 due to the foundation allowance increase in wages and an increase in noon-hour supervision.
3. An increase of \$11,000 in food, supplies, and other expenses – stemmed from higher than anticipated summer food program participation. This is offset by the increase in Federal Reimbursement.
4. Capital Outlay increase of \$79,150 including \$36,650 for equipment grant (offset by the revenue), and \$38,000 for bond work and added tables.
5. Indirect cost is up \$12,673. This is a calculation based on expenditures.

#### **PUBLIC IMPROVEMENT FUND/CAPITAL PROJECTS NON-BOND FUND**

This budget reflects:

1. A fair representation of what is expected for the Public Improvement Fund and Capital Projects Non-Bond Fund in 2019-20.
2. A \$332,246 transfer from the General Fund into the Capital Projects Non-Bond Fund in support of future facility needs not included in the May 2016 bond issue such as roof replacements, asphalt-paving work, as well as other needs that may arise.

**STUDENT/SCHOOL ACTIVITY FUND**

This budget reflects the change due to GASB 84 mentioned above. The fund will start with the ending balance of the current Trust and Agency accounts. The revenue and expenses tend to be pretty even and these were based on the 2018 receipts to these accounts. No changes for Amendment A.

LAKEVIEW SCHOOL DISTRICT  
GENERAL FUND BUDGET  
AMENDMENT A  
FOR FISCAL YEAR ENDING JUNE 30, 2020

	2018-19 GF & Athl combined AUDITED	ADOPTED 2019-20 ORIGINAL	PROPOSED 2019-20 AMEND A	VARIANCE
<b>REVENUES:</b>				
Local Sources	5,691,194	5,013,453	5,176,656	163,203
State Sources	33,722,111	33,758,015	34,359,077	601,062
Federal Sources	696,754	853,185	810,760	(42,425)
Incoming Transfers & Other Transactions	2,752,404	1,717,741	1,917,797	200,056
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>42,862,463</b>	<b>41,342,394</b>	<b>42,264,290</b>	<b>921,896</b>
<b>EXPENDITURES:</b>				
<b>BASIC INSTRUCTION:</b>				
Basic Programs	20,222,097	20,115,708	20,716,031	600,323
Added Needs	4,806,419	4,894,428	4,890,276	(4,152)
Adult and Continuing Education	-	-	-	-
<b>SUPPORT SERVICES:</b>				
Pupil Services	2,262,601	2,230,778	2,257,101	26,323
Instruction Staff Services	1,634,571	1,794,681	2,216,611	421,930
General Administration Services	498,963	515,159	520,555	5,396
School Administration Services	2,585,154	2,757,668	2,783,342	25,674
Business Services	792,423	881,569	885,693	4,124
Operation and Maintenance Services	3,345,791	3,410,240	3,535,046	124,806
Pupil Transportation Services	1,164,805	1,270,042	1,285,200	15,158
Other Supporting Services	1,702,131	1,671,850	1,710,546	38,696
Athletics	906,445	959,567	981,075	21,508
<b>COMMUNITY SERVICES</b>	<b>337,404</b>	<b>394,742</b>	<b>437,488</b>	<b>42,746</b>
<b>TOTAL EXPENDITURES</b>	<b>40,258,805</b>	<b>40,896,432</b>	<b>42,218,964</b>	<b>1,322,532</b>
<b>OUTGOING TRANSFERS/OTHER TRANSACTIONS</b>	<b>1,829,168</b>	<b>445,962</b>	<b>712,240</b>	<b>266,278</b>
<b>TOTAL APPROPRIATED</b>	<b>42,087,973</b>	<b>41,342,394</b>	<b>42,931,204</b>	<b>1,588,810</b>
<b>EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES</b>	<b>774,490</b>	<b>0</b>	<b>(666,914)</b>	
<i>Fund Balance at beginning of year</i>	6,508,700	7,283,190	7,283,190	
<i>Non-spendable Fund Balance</i>	89,111	89,111	89,111	
<i>Assigned Fund Balance</i>	60,137	60,137	60,137	
<i>Unassigned Fund Balance at end of year</i>	7,133,942	7,133,942	6,467,028	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	18.49%	18.85%	16.45%	
17% Cashflow Requirement (net of Sec 147c expenses)	6,696,005	6,569,257	6,839,354	
Amount Available for Use	587,185	713,933	(223,078)	

PLEASE NOTE: EFFECTIVE WITH THE 2010-11 BUDGET YEAR, THE COMBINED FINANCIAL ACTIVITY FOR THE GENERAL FUND ASSOCIATED WITH THE DISTRICT'S ATHLETIC ACTIVITIES IN ACCORDANCE WITH GASB 54, WHILE OUTGOING TRANSFERS / THE PORTION ASSOCIATED WITH ATHLETICS WILL BE ELIMINATED AGAINST THE INCOMING TRANSFERS WHEN COMBINED PURPOSES OF THE 2018-19 BUDGET ADOPTION RESOLUTION.

**LAKEVIEW SCHOOL DISTRICT  
APPROPRIATIONS RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION  
FISCAL YEAR 2019-20**

RESOLVED, that this resolution shall be the general appropriations of the Lakeview School District for the fiscal year 2019-20: A resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the Lakeview School District.

Be it further resolved that the total revenues and unappropriated fund balance estimated to be available for appropriations in the General Fund of the Lakeview School District for the fiscal year 2019-20 which includes 18 mills of ad valorem taxes to be levied on non-homestead and non-qualified agricultural property to be used for operating purposes be approved as follows:

Revenue:	
Local	5,176,656
State	34,359,077
Federal	810,760
Incoming Transfers & Other Transactions	<u>1,917,797</u>
Total Revenue	42,264,290
Fund Balance, July 1, 2019 (audited)	7,283,190
Less Non-spendable Fund Balance (audited)	89,111
Less Assigned Fund Balance for Subsequent Year Deficit (audited)	0
Less Assigned Fund Balance for Future Operations (audited)	666,914
Less Assigned Fund Balance for Technology (audited)	0
Less Assigned Fund Balance for Comp. Absences (audited)	<u>60,137</u>
Fund Balance Available to Appropriate	<u>6,467,028</u>
Total Available to Appropriate	<u><u>48,731,318</u></u>

Be it further resolved that \$42,931,204 of the total available to appropriate in the General Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	
<i>Basic Instruction:</i>	
Basic Programs	20,716,031
Added Needs	4,890,276
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,257,101
Instruction Staff Services	2,216,611
General Administration Services	520,555
School Administration Services	2,783,342
Business Services	885,693
Operation and Maintenance Services	3,535,046
Pupil Transportation Services	1,285,200
Other Supporting Services	1,710,546
Athletics	981,075
<i>Community Services</i>	<u>437,488</u>
<b>TOTAL EXPENDITURES</b>	<u>42,218,964</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>712,240</u>
<b>TOTAL APPROPRIATED</b>	<u><u>42,931,204</u></u>

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 of the Board.

**THIS RESOLUTION TAKES EFFECT DECEMBER 16, 2019**



**LAKEVIEW SCHOOL DISTRICT  
SCHOOL SERVICE FUND FOOD SERVICE BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2020**

	AUDITED 2014-15	AUDITED 2015-16	AUDITED 2016-17	AUDITED 2017-18	AUDITED 2018-19	ADOPTED ORIGINAL 2019-20	PROPOSED AMEND A 2019-20	VARIANCE
<b>REVENUES:</b>								
Local Sources	945,878	998,805	1,008,640	1,001,806	944,065	919,600	935,229	15,629
State Sources	67,884	68,971	72,966	74,927	75,190	74,114	74,114	-
Federal Sources	1,222,833	1,395,059	1,511,375	1,579,007	1,790,869	1,629,835	1,724,154	94,319
Incoming Transfers & Other Transactions	1,050	4,773	-	39,070	76,750	81,260	81,260	-
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>2,237,645</b>	<b>2,467,609</b>	<b>2,592,981</b>	<b>2,694,810</b>	<b>2,886,875</b>	<b>2,704,809</b>	<b>2,814,757</b>	<b>109,948</b>
<b>EXPENDITURES:</b>								
Salaries	532,824	578,911	612,526	664,958	732,801	711,828	718,907	7,079
Employee Benefits	358,406	372,168	373,249	414,779	480,550	474,363	479,182	4,819
Purchased Services	52,494	61,780	62,340	54,713	53,242	96,315	104,305	7,990
Food, Supplies, and Other Expenses	1,037,131	1,205,416	1,250,606	1,254,383	1,194,827	1,124,629	1,135,614	10,985
Dues and Fees	11,515	12,896	13,983	12,513	14,324	14,460	14,460	-
Capital Outlay	50,424	67,694	129,721	161,399	123,411	22,400	101,550	79,150
<b>TOTAL EXPENDITURES</b>	<b>2,042,794</b>	<b>2,298,865</b>	<b>2,442,425</b>	<b>2,562,746</b>	<b>2,599,156</b>	<b>2,443,995</b>	<b>2,564,018</b>	<b>110,023</b>
<b>OUTGOING TRANSFERS/OTHER TRANSACTIONS</b>	<b>144,468</b>	<b>159,705</b>	<b>139,684</b>	<b>134,356</b>	<b>195,721</b>	<b>188,248</b>	<b>200,921</b>	<b>12,673</b>
<b>TOTAL APPROPRIATED</b>	<b>2,187,262</b>	<b>2,458,571</b>	<b>2,582,109</b>	<b>2,697,102</b>	<b>2,794,877</b>	<b>2,632,243</b>	<b>2,754,939</b>	<b>122,696</b>
<b>EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES</b>	<b>50,383</b>	<b>9,038</b>	<b>10,872</b>	<b>(2,292)</b>	<b>91,997</b>	<b>72,566</b>	<b>59,818</b>	
<i>Fund Balance at beginning of year</i>	580,249	630,631	639,669	650,542	648,250	740,247	740,247	
<i>Non-spendable Fund Balance</i>	30,156	29,456	20,065	32,746	24,381	24,381	24,381	
<i>Restricted Fund Balance at end of year</i>	600,475	610,213	630,477	615,504	715,866	788,432	775,684	



**LAKEVIEW SCHOOL DISTRICT  
RESOLUTION FOR ADOPTION SCHOOL SERVICE FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the School Service Fund of the Lakeview School District for fiscal year 2019-20 be approved as follows:

Revenue:	
Local	935,229
State	74,114
Federal	1,724,154
Incoming Transfers & Other Transactions	81,260
Total Revenue	<u>2,814,757</u>
Fund Balance, July 1, 2019 (audited)	740,247
Less Non-Spendable Fund Balance (projected)	<u>24,381</u>
Restricted Fund Balance Available to Appropriate	<u>715,866</u>
Total Available to Appropriate	<u><u>3,530,623</u></u>

BE IT FURTHER RESOLVED, that \$2,632,243 of the total to appropriate in the School Service Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	
Food Service	2,554,018
<b>TOTAL EXPENDITURES</b>	<u>2,554,018</u>
<i>Outgoing Transfers/Other Transactions</i>	200,921
<b>TOTAL APPROPRIATED</b>	<u><u>2,754,939</u></u>

**THIS RESOLUTION TAKES EFFECT December 16, 2019**

**RESOLUTION FOR ADOPTION  
BY THE BOARD OF EDUCATION OF THE  
LAKEVIEW SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
FOR FISCAL YEAR ENDING JUNE 30, 2019**

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the Capital Projects Fund of the Lakeview School District for fiscal year 2019-20 be approved as follows:

Revenue:		
	Local - PIF	600
	Other Financing Sources	
	Incoming Transfers & Other Transactions (Cap Proj - Non Bond)	332,246
	Total Revenue	<u>332,846</u>
	Fund Balance - Public Improvement Fund, July 1 2019 (audited)	780,111
	Fund Balance - Capital Project Fund Non-Bond, July 1 2019 (audited)	1,975,269
	Less: Committed Fund Balance - Public Improvement Fund (estimated)	
	Restricted Fund Balance Available to Appropriate	780,111
	Unassigned Fund Balance Available to Appropriate	<u>1,975,269</u>
	Total Available to Appropriate	<u><u>3,088,226</u></u>

BE IT FURTHER RESOLVED, that \$299,709 of the total to appropriate in the Capital Projects Fund and for the purposes set forth below:

Expenditures:		
	Public Improvement Fund - General/Restricted	-
	Public Improvement Fund - Elementary Facilities	-
	Public Improvement Fund - Tennis Building	-
	Public Improvement Fund - Tennis Brick Program	-
	Public Improvement Fund - Swimming	-
	Capital Project - Sign at Middle School	23,900
	Capital Project - pilot classroom of furniture	101,653
	Operations Truck and Van	67,170
	Diamond Shine Concrete -LHS	15,750
	Health Center - LHS	50,075
	Cameras, radios, control access	41,161
	<b>TOTAL EXPENDITURES</b>	<b>299,709</b>
	<i>Outgoing Transfers/Other Transactions</i>	<u>0</u>
	<b>TOTAL APPROPRIATED</b>	<u><u>299,709</u></u>

**THIS RESOLUTION TAKES EFFECT DECEMBER 16, 2019**