

**FISCAL YEAR 2019-20
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
CAPITAL PROJECT FUND
STUDENT/SCHOOL ACTIVITY FUND
BUDGETS
JULY 1, 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 funds 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. International students expect 9 at \$8,100
 2. No cell tower income as we sold that last fiscal year
 3. No CCHS rental income this year.
 4. Last year had Energy Bond refunds of \$161,000 that were one time.
 - State Sources
 1. A State Foundation Grant of \$7,975 per blended FTE, which is a \$100 increase over the prior year. Since we do not have a budget from the state yet, we have been conservative and only used \$100 increase for next year.
 2. The blended FTE used in the budget is 3999.73 along with 19.66 FTE for Grad Alliance.
 3. At Risk funds are based on figures we have at this time.
 4. MPSERS we have left same as last year except for the 147e we did not include, as not sure we would receive that money this year. The 147e money received last year was \$119,764.
 - 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). We will include adjustments for 19-20 allocations in a future budget revision once the Consolidated Application has been submitted and a plan is finalized.
 - Incoming Transfers & Other Trans.
 1. Special Education revenue on calculated SE-201 based on projected budget.
 2. Reduction in ISD Transportation reimbursement of \$16,564.
 3. Reduction of \$45,321 due to one-time insurance claim payment and Proceeds from sales.
 4. A transfer of \$188,248 from the Food Service Fund to the General Fund for the reimbursement of indirect costs, reflecting a 100% reimbursement level of allowable indirect costs again for 2019-20; the eleventh consecutive year.

- General Fund Expenses:
 1. Increase in retirement rates of up to 1.32% based on the retirement plan that the staff have elected.
 2. Contract step increases were included.
 3. Formula increases for non-union, At-Will staff, administration, and applicable union contracts has been included based on the projected \$100 state aid per pupil increase, resulting in a .63% 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.
 4. Included Health Insurance increase of 3%
 5. Staffing changes include
 - Outsourcing non-union positions to Edustaff (Learning support coaches, playground monitors, sub paras, etc.)
 - Right-sizing staff at HS based on scheduling and reduced number of students
 - Special Education reduction of one teacher and one para based on ISD approvals.
 - Addition of Director of Academic Support position
 - Right-sizing HS library clerical staff
 - Reduction in costs due to retirements, replacing with less senior staff
 6. 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). We will include adjustments for 2019-20 allocations in a future budget revision once the Consolidated Application has been submitted and a plan is finalized.
 7. School Administration Services increase to have full year leadership at Middle School. The 18-19 year had openings and changes that is compared to.
 8. Business Services increase primarily to increase in Energy Bond payment and taking Tax Abatements up to original budget level from 2018-19.
 9. Operations has added an additional maintenance staff, and we had increased budget for the 18-19 revision for projects.
 10. Transportation increase is due to plan for new antenna and repeater system of \$23,500 and inclusion of athletic transportation of \$43,000
 11. Athletics was reported separately for detail budget, but was combined with General Fund for the Resolution. We have moved the athletics within the General Fund for this year. Booster expenses will be added in revisions as they raise the money and then decide on expenditures.
 12. Transfers and other transactions primarily is the reduction of the transfer to Capital Fund and no need for Athletic transfer as the costs are within the General Fund.

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 down slightly, ~\$62,300, largely in part to the Equipment Grant being complete.
2. Personnel/Contracted Service combined savings of ~\$19,900. This is due to moving to Edustaff for the Catering Manager and also a small decrease in hours overall.
3. A decrease of ~\$43,000 in Food & Supplies, linked to the expected number of meals served.
4. Capital Outlay decrease of ~\$200,506. The Equipment Grant as well as major projects are now complete.

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 \$214,782 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.

**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	5,013,453
State	33,758,015
Federal	853,185
Incoming Transfers & Other Transactions	1,717,741
Total Revenue	41,342,394
Combined Fund Balance, July 1, 2019 (projected)	6,432,507
Less Non-spendable Fund Balance (projected)	79,584
Less Assigned Fund Balance for Subsequent Year Deficit (projected)	0
Less Assigned Fund Balance for Future Operations (projected)	0
Less Assigned Fund Balance for Technology (projected)	0
Less Assigned Fund Balance for Comp. Absences (projected)	179,991
Fund Balance Available to appropriate	6,172,932
Total Available to appropriate	47,515,326

Be it further resolved that \$41,342,160 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	20,115,708
Added Needs	4,894,428
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,230,778
Instruction Staff Services	1,794,681
General Administration Services	515,159
School Administration Services	2,757,668
Business Services	881,569
Operation and Maintenance Services	3,410,240
Pupil Transportation Services	1,270,042
Other Supporting Services	1,671,850
Athletics	959,567
<i>Community Services</i>	394,742
TOTAL EXPENDITURES	40,896,432
<i>Outgoing Transfers/Other Transactions</i>	445,962
TOTAL APPROPRIATED	41,342,394

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 JULY 1, 2019

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

	AUDITED 2014-15	AUDITED 2015-16	AUDITED 2016-17	AUDITED 2017-18	ADOPTED ORIGINAL 2018-19	ADOPTED AMEND A 2018-19	PROPOSED AMEND B 2018-19	PROPOSED ORIGINAL 2019-20	VARIANCE
REVENUES:									
Local Sources	6,424,062	6,417,245	5,977,718	4,983,901	4,697,178	5,129,841	5,349,642	5,013,453	(336,189)
State Sources	28,162,698	29,964,243	31,336,203	33,666,366	33,600,122	33,393,768	33,733,240	33,738,015	24,775
Federal Sources	559,730	649,946	618,364	702,680	619,255	672,555	763,381	853,185	89,804
Incoming Transfers & Other Transactions	1,758,689	1,572,803	1,873,684	1,825,220	1,993,946	2,153,507	2,158,127	1,717,741	(440,366)
TOTAL REVENUES & TRANSFERS	36,905,179	38,604,237	39,805,949	41,178,167	40,910,501	41,349,671	42,004,390	41,342,394	(661,996)
EXPENDITURES:									
BASIC INSTRUCTION:									
Basic Programs	18,871,060	19,600,418	20,608,824	20,510,917	20,046,226	20,234,209	20,482,699	20,115,708	(366,991)
Added Needs	4,043,813	4,027,103	4,170,775	4,807,075	4,992,948	5,066,758	4,966,803	4,894,428	(72,375)
Adult and Continuing Education									
SUPPORT SERVICES:									
Pupil Services	1,304,907	1,527,212	1,784,812	1,927,686	2,288,331	2,385,531	2,355,401	2,230,778	(124,623)
Instruction Staff Services	1,649,938	1,886,257	2,039,870	1,463,214	2,057,892	1,959,649	1,812,117	1,794,681	(17,436)
General Administration Services	450,405	495,402	734,765	581,653	494,242	498,632	516,695	515,159	(1,536)
School Administration Services	2,326,745	2,494,815	2,509,934	2,576,218	2,765,227	2,715,829	2,630,667	2,757,668	127,001
Business Services	649,619	626,105	646,085	738,739	763,569	775,592	809,371	881,569	72,198
Operation and Maintenance Services	3,136,234	3,236,687	3,189,731	3,244,888	3,294,626	3,370,832	3,500,995	3,410,240	(90,755)
Pupil Transportation Services	1,000,740	1,056,382	1,101,251	1,194,299	1,208,610	1,218,089	1,167,066	1,270,042	102,976
Other Supporting Services	1,591,098	2,007,827	1,513,190	1,802,312	1,800,245	1,636,752	1,696,971	1,671,850	(25,121)
Athletics								959,567	959,567
COMMUNITY SERVICES	743,052	658,583	538,131	341,490	350,684	392,829	389,939	394,742	4,803
TOTAL EXPENDITURES	35,767,611	37,618,790	38,837,367	39,188,491	40,062,600	40,254,702	40,328,724	40,896,432	567,708
OUTGOING TRANSFERS/OTHER TRANSACTIONS	783,216	1,024,789	972,881	1,647,494	968,070	1,095,100	1,675,666	445,962	(1,229,704)
TOTAL APPROPRIATED	36,550,827	38,643,579	39,810,248	40,835,984	41,030,670	41,349,802	42,004,390	41,342,394	(661,996)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	354,352	(39,343)	(4,299)	342,183	(120,169)	(131)	0	0	0
<i>Fund Balance at beginning of year</i>	5,779,614	6,133,965	6,094,623	6,090,324	6,432,507	6,432,507	6,432,507	6,432,507	
<i>Non-spendable Fund Balance</i>	92,197	69,361	90,831	79,585	79,585	79,585	79,585	79,584	
<i>Assigned Fund Balance</i>	350,403	822,824	189,674	179,991	179,991	179,991	179,991	179,991	
<i>Unassigned Fund Balance at end of year</i>	5,691,366	5,202,438	5,809,819	6,172,931	6,052,762	6,172,800	6,172,931	6,172,932	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	17.61%	16.76%	16.36%	17.01%	16.42%	16.59%	16.37%	16.65%	
17% Cashflow Requirement (net of Sec 147c expenses)	5,922,448	6,180,077	6,329,317	6,427,379	6,543,559	6,570,516	6,681,796	6,569,257	
Amount Available for Use	211,517	(85,454)	(238,993)	5,128	(231,221)	(138,140)	(249,289)	(136,750)	

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

**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	919,600
State	74,114
Federal	1,629,835
Incoming Transfers & Other Transactions	<u>81,260</u>
Total Revenue	<u>2,704,809</u>
Fund Balance, July 1, 2019 (projected)	506,788
Less Non-Spendable Fund Balance (projected)	<u>32,746</u>
Restricted Fund Balance Available to Appropriate	<u>474,042</u>
Total Available to Appropriate	<u><u>3,178,851</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	2,443,995
TOTAL EXPENDITURES	<u>2,443,995</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>188,248</u>
TOTAL APPROPRIATED	<u><u>2,632,243</u></u>

THIS RESOLUTION TAKES EFFECT July 1, 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	ADOPTED ORIGINAL 2018-19	PROPOSED AMEND A 2018-19	PROPOSED AMEND B 2018-19	ADOPTED ORIGINAL 2019-20	VARIANCE
REVENUES:									
Local Sources	945,878	998,805	1,008,640	1,001,806	1,038,480	1,050,919	932,402	919,600	(12,802)
State Sources	67,884	68,971	72,966	74,927	75,200	73,023	74,114	74,114	-
Federal Sources	1,222,833	1,395,059	1,511,375	1,579,007	1,686,445	1,665,643	1,684,299	1,629,835	(54,464)
Incoming Transfers & Other Transactions	1,050	4,773	-	39,070	76,260	76,260	76,260	81,260	5,000
TOTAL REVENUES & TRANSFERS	2,237,645	2,467,609	2,592,981	2,694,810	2,876,385	2,865,845	2,767,075	2,704,809	(62,266)
EXPENDITURES:									
Salaries	532,824	578,911	612,526	664,958	682,761	753,569	748,224	711,828	(36,396)
Employee Benefits	358,406	372,168	373,249	414,779	447,277	488,459	491,709	474,363	(17,346)
Purchased Services	52,494	61,780	62,340	54,713	85,771	88,980	62,471	96,315	33,844
Food, Supplies, and Other Expenses	1,037,131	1,205,416	1,250,606	1,254,383	1,383,372	1,334,903	1,167,880	1,124,629	(43,251)
Dues and Fees	11,515	12,896	13,983	12,513	13,871	13,460	14,301	14,460	159
Capital Outlay	50,424	67,694	129,721	161,399	276,724	214,654	222,906	22,400	(200,506)
TOTAL EXPENDITURES	2,042,794	2,298,865	2,442,425	2,562,746	2,889,776	2,894,025	2,707,491	2,443,995	(263,496)
OUTGOING TRANSFERS/OTHER TRANSACTIONS	144,468	159,705	139,684	134,356	146,513	206,784	201,046	188,248	(12,798)
TOTAL APPROPRIATED	2,187,262	2,458,571	2,582,109	2,697,102	3,036,289	3,100,809	2,908,537	2,632,243	(276,294)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES									
	50,383	9,038	10,872	(2,292)	(159,904)	(234,964)	(141,462)	72,566	
<i>Fund Balance at beginning of year</i>	580,249	630,631	639,669	650,542	648,250	648,250	648,250	506,788	
<i>Non-spendable Fund Balance</i>	30,156	29,456	20,065	32,746	32,746	32,746	32,746	32,746	
<i>Restricted Fund Balance at end of year</i>	600,475	610,213	630,477	615,504	455,600	380,540	474,042	546,608	

**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)	214,782
	Total Revenue	<u>215,382</u>
	Fund Balance - Public Improvement Fund, July 1 2019 (estimated)	742,909
	Fund Balance - Capital Project Fund Non-Bond, July 1 2019 (estimated)	1,753,266
	Less: Committed Fund Balance - Public Improvement Fund (estimated)	
	Restricted Fund Balance Available to Appropriate	742,909
	Unassigned Fund Balance Available to Appropriate	<u>1,753,266</u>
	Total Available to Appropriate	<u><u>2,711,557</u></u>

BE IT FURTHER RESOLVED, that \$80,000 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 2 classroom of furniture	80,000
	TOTAL EXPENDITURES	<u>103,900</u>
	<i>Outgoing Transfers/Other Transactions</i>	0
	TOTAL APPROPRIATED	<u><u>103,900</u></u>

THIS RESOLUTION TAKES EFFECT JULY 1, 2019

**RESOLUTION FOR ADOPTION
 BY THE BOARD OF EDUCATION OF THE
 LAKEVIEW SCHOOL DISTRICT
 STUDENT/SCHOOL ACTIVITY
 FUND
 FOR FISCAL YEAR ENDING JUNE 30, 2020**

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

Revenue:		
	Beginning Cash	0
	Estimated Trust and Agency Funds	288,276
	Projected Income	<u>519,000</u>
	Total Revenue	<u>807,276</u>
	Total Available to Appropriate	<u><u>807,276</u></u>

BE IT FURTHER RESOLVED, that \$519,000 of the total to appropriate in the Student/Activity Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:		
	TOTAL EXPENDITURES	<u>519,000</u>
	TOTAL APPROPRIATED	<u><u>519,000</u></u>

THIS RESOLUTION TAKES EFFECT JULY 1, 2019