

**FISCAL YEAR 2019-20
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
CAPITAL PROJECT FUND
STUDENT/SCHOOL ACTIVITY FUND
BUDGETS
AMMENDMENT B
JUNE 30, 2020**



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. This has now been postponed until next year.

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.

Due to COVID-19 this year's budget and assumptions has been difficult as we had to close down face to face school in March, but we were required by the Governor to keep staff employed to retain our foundation allowance. Since the shutdown, the state has also run into budget deficits that may now impact the foundation allowance we will receive this year by up to \$700 per pupil. This is the assumption we have built our revenue projections on. We had seen an increase in the fall count and were expecting to have a positive contribution to the fund balance prior to COVID. We have had some extra costs due to the COVID-19 supplies but also had reduced spending for supplies that were not needed while not in session.

- General Fund Revenue:
 - A State Foundation Grant of \$8,115 is what we are currently receiving but have been advised there could be a pro-ration of \$700 per pupil and this decrease has been used for this amendment using \$7415 for blended count of 4063.93
 - MPSERS adjusted to the approved state budget.
 - 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).
 - Special Education revenue on calculated SE-201 based on projected budget and current approved staffing.
 - Includes \$127,718 of CARES money that is offset with expenditures.
 - Transfer back from the Capital Fund of \$1,088,798 to cover overages in the budget this year

- General Fund Expenses:
 - Staffing was based on actual salaries of hired teachers. Additional Special Ed approved staffing, additional teacher overloads, etc. Wages continued though the end of the year for staff even though school was virtual at end of year.
 - 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).
 - No Transfer to the Capital funds this year.
 - \$127,718 CARES money was used for items due to COVID mentioned above in revenue.

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 \$129,369. This includes:
 - a. Local Sources – down ~\$246,000 due to COVID-19.
 - b. Federal sources - up ~\$384,000 due to the COVID-19 Unanticipated Feeding Program.
2. Personnel/Contracted Service combined decrease of ~\$75,000 due to the COVID-19 – fewer hours needed, fewer workers, and no catering.
3. An increase of ~\$181,000 in food, supplies, and other expenses – stemmed from higher costs for the manner of types of food and the packaging and serving food. This is offset by the increase in Federal Reimbursement.
4. Indirect cost is up \$20,000. 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 \$1,088,798 transfer from the Capital Projects Non-Bond Fund back to the General fund in support of shortfall in revenue due to lack of funding at state from COVID-19.

STUDENT/SCHOOL ACTIVITY FUND

GASB 84 has been delayed a year and will not be included this year.

**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	5,033,321
State	31,953,507
Federal	981,375
Incoming Transfers & Other Transactions	3,397,230
Total Revenue	41,365,433
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)	0
Less Assigned Fund Balance for Technology (audited)	0
Less Assigned Fund Balance for Comp. Absences (audited)	60,137
Fund Balance Available to Appropriate	7,133,942
Total Available to Appropriate	48,499,375

Be it further resolved that \$41,365,433 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	20,434,050
Added Needs	4,713,193
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,141,353
Instruction Staff Services	2,137,060
General Administration Services	526,330
School Administration Services	2,756,634
Business Services	866,534
Operation and Maintenance Services	3,226,561
Pupil Transportation Services	1,228,991
Other Supporting Services	1,666,660
Athletics	960,600
<i>Community Services</i>	400,557
TOTAL EXPENDITURES	41,058,523
<i>Outgoing Transfers/Other Transactions</i>	306,910
TOTAL APPROPRIATED	41,365,433

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 JUNE 29, 2020

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

	2018-19 GF & Athl combined AUDITED	ADOPTED 2019-20 ORIGINAL	PROPOSED 2019-20 AMEND A	PROPOSED 2019-20 AMEND B	VARIANCE
REVENUES:					
Local Sources	5,691,194	5,013,453	5,176,656	5,033,321	(143,335)
State Sources	33,722,111	33,758,015	34,359,077	31,953,507	(2,405,570)
Federal Sources	696,754	853,185	810,760	981,375	170,615
Incoming Transfers & Other Transactions	2,752,404	1,717,741	1,917,797	3,397,230	1,479,433
TOTAL REVENUES & TRANSFERS	42,862,463	41,342,394	42,264,290	41,365,433	(898,857)
EXPENDITURES:					
<i>BASIC INSTRUCTION:</i>					
Basic Programs	20,222,097	20,115,708	20,716,031	20,434,050	(281,981)
Added Needs	4,806,419	4,894,428	4,890,276	4,713,193	(177,083)
Adult and Continuing Education	-	-	-	-	-
<i>SUPPORT SERVICES:</i>					
Pupil Services	2,262,601	2,230,778	2,257,101	2,141,353	(115,748)
Instruction Staff Services	1,634,571	1,794,681	2,216,611	2,137,060	(79,551)
General Administration Services	498,963	515,159	520,555	526,330	5,775
School Administration Services	2,585,154	2,757,668	2,783,342	2,756,634	(26,708)
Business Services	792,423	881,569	885,693	866,534	(19,159)
Operation and Maintenance Services	3,345,791	3,410,240	3,535,046	3,226,561	(308,485)
Pupil Transportation Services	1,164,805	1,270,042	1,285,200	1,228,991	(56,209)
Other Supporting Services	1,702,131	1,671,850	1,710,546	1,666,660	(43,886)
Athletics	906,445	959,567	981,075	960,600	(20,475)
COMMUNITY SERVICES	337,404	394,742	437,488	400,557	(36,931)
TOTAL EXPENDITURES	40,258,805	40,896,432	42,218,964	41,058,523	(1,160,441)
OUTGOING TRANSFERS/OTHER TRANSACTIONS	1,829,168	445,962	712,240	306,910	(405,330)
TOTAL APPROPRIATED	42,087,973	41,342,394	42,931,204	41,365,433	(1,565,771)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	774,490	0	(666,914)	0	
<i>Fund Balance at beginning of year</i>	6,508,700	7,283,190	7,283,190	7,283,190	
<i>Non-spendable Fund Balance</i>	89,111	89,111	89,111	89,111	
<i>Assigned Fund Balance</i>	60,137	60,137	60,137	60,137	
<i>Unassigned Fund Balance at end of year</i>	7,133,942	7,133,942	6,467,028	7,133,942	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	18.49%	18.85%	16.41%	18.79%	
17% Cashflow Requirement (net of Sec 147c expenses)	6,696,005	6,569,257	6,856,061	6,589,879	
Amount Available for Use	587,185	713,933	(239,785)	693,310	

PLEASE NOTE: EFFECTIVE WITH THE 2010-11 BUDGET YEAR, THE COMBINED FINANCIAL ACTIVITY FOR THE GENERAL FUND WILL ALSO INI ASSOCIATED WITH THE DISTRICT'S ATHLETIC ACTIVITIES IN ACCORDANCE WITH GASB 54. WHILE OUTGOING TRANSFERS ARE SHOWN HE THE PORTION ASSOCIATED WITH ATHLETICS WILL BE ELIMINATED AGAINST THE INCOMING TRANSFERS WHEN COMBINED WITH THE ACTI 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	689,129
State	66,427
Federal	2,108,357
Incoming Transfers & Other Transactions	80,000
Total Revenue	<u>2,943,913</u>
Fund Balance, July 1, 2019 (audited)	740,247
Less Non-Spendable Fund Balance (audited)	<u>24,381</u>
Restricted Fund Balance Available to Appropriate	<u>715,866</u>
Total Available to Appropriate	<u><u>3,659,779</u></u>

BE IT FURTHER RESOLVED, that \$2,888,595 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	2,667,674
TOTAL EXPENDITURES	<u>2,667,674</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>220,921</u>
TOTAL APPROPRIATED	<u><u>2,888,595</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 29, 2020

**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		VARIANCE
							AMEND A 2019-20	AMEND B 2019-20	
REVENUES:									
Local Sources	945,878	998,805	1,008,640	1,001,806	944,065	919,600	935,229	689,129	(246,100)
State Sources	67,884	68,971	72,966	74,927	75,190	74,114	74,114	66,427	(7,687)
Federal Sources	1,222,833	1,395,059	1,511,375	1,579,007	1,790,869	1,629,835	1,724,154	2,108,357	384,203
Incoming Transfers & Other Transactions	1,050	4,773	-	39,070	76,750	81,260	81,260	80,000	(1,260)
TOTAL REVENUES & TRANSFERS	2,237,645	2,467,609	2,592,981	2,694,810	2,886,875	2,704,809	2,814,757	2,943,913	129,156
EXPENDITURES:									
Salaries	532,824	578,911	612,526	664,958	732,801	711,828	718,907	683,056	(35,851)
Employee Benefits	358,406	372,168	373,249	414,779	480,550	474,363	479,182	480,863	1,681
Purchased Services	52,494	61,780	62,340	54,713	53,242	96,315	104,305	63,933	(40,372)
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	1,317,042	181,428
Dues and Fees	11,515	12,896	13,983	12,513	14,324	14,460	14,460	19,176	4,716
Capital Outlay	50,424	67,694	129,721	161,399	123,411	22,400	101,550	103,604	2,054
TOTAL EXPENDITURES	2,042,794	2,298,865	2,442,425	2,562,746	2,599,156	2,443,995	2,554,018	2,667,674	113,656
OUTGOING TRANSFERS/OTHER TRANSACTIONS	144,468	159,705	139,684	134,356	195,721	188,248	200,921	220,921	20,000
TOTAL APPROPRIATED	2,187,262	2,458,571	2,582,109	2,697,102	2,794,877	2,632,243	2,754,939	2,888,595	133,656
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	50,383	9,038	10,872	(2,292)	91,997	72,566	59,818	55,318	
<i>Fund Balance at beginning of year</i>	580,249	630,631	639,669	650,542	648,250	740,247	740,247	740,247	
<i>Non-spendable Fund Balance</i>	30,156	29,456	20,065	32,746	24,381	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	771,184	

**RESOLUTION FOR ADOPTION
BY THE BOARD OF EDUCATION OF THE
LAKEVIEW SCHOOL DISTRICT
CAPITAL PROJECTS 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 Capital Projects Fund of the Lakeview School District for fiscal year 2019-20 be approved as follows:

Revenue:		
	Local - PIF	521
	Other Financing Sources	
	Incoming Transfers & Other Transactions (Cap Proj - Non Bond)	<u>0</u>
	Total Revenue	521
	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>2,755,901</u></u>

BE IT FURTHER RESOLVED, that \$1,456,528 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 - Outdoor Landscape at Minges Brook	9,522
	Capital Project - Sign at Middle School	23,900
	Capital Project - pilot classroom of furniture	172,680
	Capital Project - Operations Truck and Van	67,170
	Capital Project - Diamond Shine Concrete -LHS	15,750
	Capital Project - Health Center - LHS	66,740
	Capital Project - Water Softner - LHS	11,968
	Capital Project - Returned to General Fund	1,088,798
	TOTAL EXPENDITURES	1,456,528
	<i>Outgoing Transfers/Other Transactions</i>	<u>0</u>
	TOTAL APPROPRIATED	<u><u>1,456,528</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 29, 2020