

**FISCAL YEAR 2020-21  
GENERAL FUND OPERATING  
SCHOOL SERVICE FUND  
CAPITAL PROJECT FUND  
STUDENT/SCHOOL ACTIVITY FUND  
BUDGETS  
ORIGINAL  
JULY 1, 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 2020-21 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 was postponed last year and will be implemented in the 20-21 budget.

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:
  - A State Foundation Grant of \$7,415 per blended FTE, which is a \$700 decrease over the prior year of \$8,115. Since we do not have a budget from the state yet, we have been conservative and used the best estimate we have at this time.
  - The blended FTE used in the budget is 4040.
  - At Risk funds are based on figures we have at this time.
  - 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 20-21 allocations in a future budget revision once the Consolidated Application has been submitted and a plan is finalized.
  - CARES funds of \$194,772 with corresponding expenses.
  - Special Education revenue on calculated SE-201 based on projected budget.
  - Reduction of \$108,438 due to one-time insurance claim payment and Proceeds from sales.
  - A transfer of \$190,500 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 2020-21.
- General Fund Expenses:
  - Retirement rates average .30% increase based on the retirement plan that the staff have elected.
  - Contract step increases were included.
  - No Formula increases based on projections of per pupil decrease in funding.
  - Health Insurance increase averaged 2.89%
  - Staffing changes include
    - No layoffs are included in the projected staffing plans
    - The vacant position of Assistant Superintendent of HR is left open at this time and not included in the budget.
  - 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 2020-21

allocations in a future budget revision once the Consolidated Application has been submitted and a plan is finalized.

- CARES expenditures match revenue above.
- Addition of lease for temperature scanners for each building based on having in place for in person education.

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

This budget reflects:

A fair representation of what is expected for the program in 2020-21.

1. Revenue overall is expected to be down \$99,744. This includes:
  - a. Local Sources – up ~\$241,000 back to regular operations after COVID-19.
  - b. Federal sources – down ~\$349,183 back to regular operations after COVID-19 Unanticipated Feeding Program.
2. Personnel/Contracted Service combined increase of ~\$78,000 with staffing back to regular operations.
3. A decrease of ~\$77,000 in food, supplies, and other expenses – estimating costs going back to regular operations.
4. Capital Outlay – decrease of ~\$55,800 – Equipment grants ended.
5. Indirect cost is down ~30,000. This is a calculation based on expenditures.

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

This budget reflects:

1. There are no specific plans of what is expected for the Public Improvement Fund and Capital Projects Non-Bond Fund in 2020-21 and will be included in upcoming revisions. The only one item is a truck that was ordered in 19-20 that will not be received until this summer and therefore needed to be moved into the 20-21 year.

### **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 are based on previous receipts to these accounts.

**LAKEVIEW SCHOOL DISTRICT  
 APPROPRIATIONS RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION  
 FISCAL YEAR 2020-21**

RESOLVED, that this resolution shall be the general appropriations of the Lakeview School District for the fiscal year 2020-21: 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 2020-21 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	5,109,266
State	31,250,564
Federal	896,776
Incoming Transfers & Other Transactions	<u>2,427,709</u>
Total Revenue	<u>39,684,315</u>
Fund Balance, July 1, 2020 (estimated)	7,283,190
Less Non-spendable Fund Balance (estimated)	89,111
Less Assigned Fund Balance for Subsequent Year Deficit (estimated)	0
Less Assigned Fund Balance for Future Operations (estimated)	0
Less Assigned Fund Balance for Technology (estimated)	0
Less Assigned Fund Balance for Comp. Absences (estimated)	<u>60,137</u>
Fund Balance Available to Appropriate	<u>7,133,942</u>
Total Available to Appropriate	<u><u>46,818,257</u></u>

Be it further resolved that \$40,888,284 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	20,473,564
Added Needs	5,233,189
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,309,284
Instruction Staff Services	1,380,522
General Administration Services	508,076
School Administration Services	2,885,686
Business Services	825,466
Operation and Maintenance Services	3,325,492
Pupil Transportation Services	1,049,666
Other Supporting Services	1,383,184
Athletics	833,720
<i>Community Services</i>	<u>387,321</u>
<b>TOTAL EXPENDITURES</b>	<u>40,595,170</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>293,114</u>
<b>TOTAL APPROPRIATED</b>	<u><u>40,888,284</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 JULY 1, 2020**

LAKEVIEW SCHOOL DISTRICT  
GENERAL FUND BUDGET  
ORIGINAL

FOR FISCAL YEAR ENDING JUNE 30, 2021

	2018-19 GF & Athl combined AUDITED	ADOPTED 2019-20 ORIGINAL	PROPOSED 2019-20 AMEND A	PROPOSED 2019-20 AMEND B	PROPOSED 2020-21 ORIGINAL	VARIANCE
<b>REVENUES:</b>						
Local Sources	5,691,194	5,013,453	5,176,656	5,033,321	5,109,266	75,945
State Sources	33,722,111	33,758,015	34,359,077	31,953,507	31,250,564	(702,943)
Federal Sources	696,754	853,185	810,760	981,375	896,776	(84,599)
Incoming Transfers & Other Transactions	2,752,404	1,717,741	1,917,797	3,397,230	2,427,709	(969,521)
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>42,862,463</b>	<b>41,342,394</b>	<b>42,264,290</b>	<b>41,365,433</b>	<b>39,684,315</b>	<b>(1,681,118)</b>
<b>EXPENDITURES:</b>						
<b>BASIC INSTRUCTION:</b>						
Basic Programs	20,222,097	20,115,708	20,716,031	20,434,050	20,473,564	39,514
Added Needs	4,806,419	4,894,428	4,890,276	4,713,193	5,233,189	519,996
Adult and Continuing Education	-	-	-	-	-	-
<b>SUPPORT SERVICES:</b>						
Pupil Services	2,262,601	2,230,778	2,257,101	2,141,353	2,309,284	167,931
Instruction Staff Services	1,634,571	1,794,681	2,216,611	2,137,060	1,380,522	(756,538)
General Administration Services	498,963	515,159	520,555	526,330	508,076	(18,254)
School Administration Services	2,585,154	2,757,668	2,783,342	2,756,634	2,885,686	129,052
Business Services	792,423	881,569	885,693	866,534	825,466	(41,068)
Operation and Maintenance Services	3,345,791	3,410,240	3,535,046	3,226,561	3,325,492	98,931
Pupil Transportation Services	1,164,805	1,270,042	1,285,200	1,228,991	1,049,666	(179,325)
Other Supporting Services	1,702,131	1,671,850	1,710,546	1,666,660	1,383,184	(283,476)
Athletics	906,445	959,567	981,075	960,600	833,720	(126,880)
<b>COMMUNITY SERVICES</b>	<b>337,404</b>	<b>394,742</b>	<b>437,488</b>	<b>400,557</b>	<b>387,321</b>	<b>(13,236)</b>
<b>TOTAL EXPENDITURES</b>	<b>40,258,805</b>	<b>40,896,432</b>	<b>42,218,964</b>	<b>41,058,523</b>	<b>40,595,170</b>	<b>(463,353)</b>
<b>OUTGOING TRANSFERS/OTHER TRANSACTIONS</b>	<b>1,829,168</b>	<b>445,962</b>	<b>712,240</b>	<b>306,910</b>	<b>293,114</b>	<b>(13,796)</b>
<b>TOTAL APPROPRIATED</b>	<b>42,087,973</b>	<b>41,342,394</b>	<b>42,931,204</b>	<b>41,365,433</b>	<b>40,888,284</b>	<b>(13,796)</b>
<b>EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES</b>	<b>774,490</b>	<b>0</b>	<b>(666,914)</b>	<b>0</b>	<b>(1,203,969)</b>	
<b>Fund Balance at beginning of year</b>	<b>6,508,700</b>	<b>7,283,190</b>	<b>7,283,190</b>	<b>7,283,190</b>	<b>7,283,190</b>	
<b>Non-spendable Fund Balance</b>	<b>89,111</b>	<b>89,111</b>	<b>89,111</b>	<b>89,111</b>	<b>89,111</b>	
<b>Assigned Fund Balance</b>	<b>60,137</b>	<b>60,137</b>	<b>60,137</b>	<b>60,137</b>	<b>60,137</b>	
<b>Unassigned Fund Balance at end of year</b>	<b>7,133,942</b>	<b>7,133,942</b>	<b>6,467,028</b>	<b>7,133,942</b>	<b>5,929,973</b>	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	18.49%	18.85%	16.41%	18.79%	15.88%	
17% Cashflow Requirement (net of Sec 147c expenses)	6,696,005	6,569,257	6,856,061	6,589,879	6,508,764	
Amount Available for Use	587,185	713,933	(239,785)	693,310	(429,543)	

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

**LAKEVIEW SCHOOL DISTRICT  
RESOLUTION FOR ADOPTION SCHOOL SERVICE FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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 2020-21 be approved as follows:

Revenue:	
Local	930,094
State	74,114
Federal	1,759,174
Incoming Transfers & Other Transactions	<u>81,000</u>
Total Revenue	<u>2,844,382</u>
Fund Balance, July 1, 2020 (projected)	795,565
Less Non-Spendable Fund Balance (projected)	<u>24,381</u>
Restricted Fund Balance Available to Appropriate	<u>771,184</u>
Total Available to Appropriate	<u><u>3,615,566</u></u>

BE IT FURTHER RESOLVED, that \$2,798,356 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	2,607,856
<b>TOTAL EXPENDITURES</b>	<u>2,607,856</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>190,500</u>
<b>TOTAL APPROPRIATED</b>	<u><u>2,798,356</u></u>

**THIS RESOLUTION TAKES EFFECT JUNE 29, 2020**

**LAKEVIEW SCHOOL DISTRICT  
SCHOOL SERVICE FUND FOOD SERVICE BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2021**

	AUDITED 2015-16	AUDITED 2016-17	AUDITED 2017-18	AUDITED 2018-19	ADOPTED ORIGINAL 2019-20	PROPOSED AMEND A 2019-20	PROPOSED AMEND B 2019-20	PROPOSED ORIGINAL 2020-21	VARIANCE
<b>REVENUES:</b>									
Local Sources	998,805	1,008,640	1,001,806	944,065	919,600	935,229	689,129	930,094	240,965
State Sources	68,971	72,966	74,927	75,190	74,114	74,114	66,427	74,114	7,687
Federal Sources	1,395,059	1,511,375	1,579,007	1,790,869	1,629,835	1,724,154	2,108,357	1,759,174	(349,183)
Incoming Transfers & Other Transactions	4,773	-	39,070	76,750	81,260	81,260	80,000	81,000	1,000
<b>TOTAL REVENUES &amp; TRANSFERS</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>2,943,913</b>	<b>2,844,382</b>	<b>(99,531)</b>
<b>EXPENDITURES:</b>									
Salaries	578,911	612,526	664,958	732,801	711,828	718,907	683,056	707,931	24,875
Employee Benefits	372,168	373,249	414,779	480,550	474,363	479,182	480,863	491,661	10,798
Purchased Services	61,780	62,340	54,713	53,242	96,315	104,305	63,933	106,295	42,362
Food, Supplies, and Other Expenses	1,205,416	1,250,606	1,254,383	1,194,827	1,124,629	1,135,614	1,317,042	1,239,709	(77,333)
Dues and Fees	12,896	13,983	12,513	14,324	14,460	14,460	19,176	14,460	(4,716)
Capital Outlay	67,694	129,721	161,399	123,411	22,400	101,550	103,604	47,800	(55,804)
<b>TOTAL EXPENDITURES</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>2,554,018</b>	<b>2,667,674</b>	<b>2,607,856</b>	<b>(59,818)</b>
<b>OUTGOING TRANSFERS/OTHER TRANSACTIONS</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>220,921</b>	<b>190,500</b>	<b>(30,421)</b>
<b>TOTAL APPROPRIATED</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>2,888,595</b>	<b>2,798,356</b>	<b>(90,239)</b>
<b>EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES</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>	<b>55,318</b>	<b>46,026</b>	
<i>Fund Balance at beginning of year</i>	630,631	639,669	650,542	648,250	740,247	740,247	740,247	795,565	
<i>Non-spendable Fund Balance</i>	29,456	20,065	32,746	24,381	24,381	24,381	24,381	24,381	
<i>Restricted Fund Balance at end of year</i>	610,213	630,477	615,504	715,866	788,432	775,684	771,184	817,210	



**RESOLUTION FOR ADOPTION  
BY THE BOARD OF EDUCATION OF THE  
LAKEVIEW SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
FOR FISCAL YEAR ENDING JUNE 30, 2021**

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 2020-21 be approved as follows:

Revenue:		
	Local - PIF	500
	Other Financing Sources	
	Incoming Transfers & Other Transactions (Cap Proj - Non Bond)	<u>0</u>
	Total Revenue	500
	Fund Balance - Public Improvement Fund, July 1 2020 (estimated)	780,111
	Fund Balance - Capital Project Fund Non-Bond, July 1 2020 (estimated)	518,741
	Less: Committed Fund Balance - Public Improvement Fund (estimated)	
	Restricted Fund Balance Available to Appropriate	780,111
	Unassigned Fund Balance Available to Appropriate	<u>518,741</u>
	Total Available to Appropriate	<u><u>1,299,352</u></u>

BE IT FURTHER RESOLVED, that \$54,769 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 - Operations Truck and Van	54,769
	<b>TOTAL EXPENDITURES</b>	54,769
	<i>Outgoing Transfers/Other Transactions</i>	<u>0</u>
	<b>TOTAL APPROPRIATED</b>	<u><u>54,769</u></u>

**THIS RESOLUTION TAKES EFFECT JULY 1, 2020**

**RESOLUTION FOR ADOPTION  
 BY THE BOARD OF EDUCATION OF THE  
 LAKEVIEW SCHOOL DISTRICT  
 STUDENT/SCHOOL ACTIVITY  
 FUND  
 FOR FISCAL YEAR ENDING JUNE 30, 2021**

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 2020-21 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:		
	<b>TOTAL EXPENDITURES</b>	<u>519,000</u>
	<b>TOTAL APPROPRIATED</b>	<u><u>519,000</u></u>

**THIS RESOLUTION TAKES EFFECT JULY 1, 2020**