

**FISCAL YEAR 2022-23
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
CAPITAL PROJECT FUND
STUDENT/SCHOOL ACTIVITY FUND
BUDGETS
ORIGINAL
JULY 1, 2022**



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 develops knowledgeable, healthy, socially responsible citizens in the global community.

15 Arbor Street
Battle Creek, MI 49015

LAKEVIEW SCHOOL DISTRICT 2022-23 ORIGINAL 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:
 - State, Federal and other Sources
 1. A State Foundation Grant of \$9,135 per blended FTE has been used. The State has yet to adopt a budget; this is a 5% increase or \$435 per student, based on what we are hearing is a safe estimate for our projections. This will be updated once the state adopts a budget in an upcoming amendment.
 2. The blended FTE used for the budget is 3,900, which is down from last year, is conservative, and will be adjusted based on actual in the first revision.
 3. MPSERS revenue has been updated to State approved budget, along with the corresponding expenses as necessary.
 4. 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).
 5. ESSER grants totaling \$2,866,366 are built into the budget along with offsetting costs; these are one-time funds to help with the learning loss experienced due to COVID.
 6. Special Education revenue is based on projected budget and expected approved staffing.
 7. Food Service Indirect cost revenue has been updated according to the formula based on projected food service budget.
- General Fund Expenses:
 1. 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).
 2. ESSER II and III funds are budgeted towards staffing and technology to mediate the learning loss that occurred during COVID.
 3. Contractual step and foundation formula increases are included in staffing. The formula increase is based on the expectation of receiving \$435 increase in the per pupil. MSPERS rates were also adjusted to reflect the new rates for this year.
 4. \$75,000 has been included for Equity work this year.

5. Mentors to keep kids connected to school and academics have been included at the Middle School and High School in conjunction with the AVID program and the African American Network in the amount of \$65,000
6. Increased the budget for the African American Network budget of \$45,000.
7. Building a "Grow Your Own" program of teachers, we have implemented several programs at a cost of \$120,000.
8. Transportation costs are up in the budget due to several things.
 - o The bus order that was placed in the 21-22 year will not be here before June 30, and therefore is included in this year along with routine replacement of two buses for this year. The cost for the two buss ordered in 21-22 that are not included in this year is \$192,596
 - o Increase in the cost of fuel
 - o Factored in an additional bus run next year
9. Included an additional position in Operations. With the bond work, and difficulties in supervision of our contracted cleaning company, we feel the work load necessitates the need for an Assistant Director of Operations
10. No transfers to capital funds have been included in this budget; we will add them in the revision if there appear to be surplus funds available to transfer.

SCHOOL SERVICE FUND – Food Service

This budget reflects:

A fair representation of what is expected for the program in 2022-23.

1. A worse case revenue scenario has been assumed with a pre-COVID level National School Lunch Program. Reimbursement rates have been decreased by approximately \$1 per meal served, in addition to a 14% decrease in volume as the High School and Westlake will return to a free/reduced/paid model.
2. A Supply Chain Assistance grant has been received to support procurement of local food and will be applied to milk purchases in 2022-23.
3. Salaries and Benefits include contractual step increases and a maximum foundation allowance formula increase. Additionally, increases to three food service manager salaries are included, to more closely match raises given to non-management employees during the 2021-22 school year.
4. Grocery costs were calculated with a 14% volume decrease and a 10% cost increase to 2021-22 actuals. A 3% increase was put on supply costs.
5. Capital outlay expenditures carried over from the 2021-22 spend down plan are the result of purchases that will be received in 2022-23.

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 2022-23.

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 from the prior year. The revenue and expenses are based on the projected activity for the accounts this year.

LAKEVIEW SCHOOL DISTRICT
GENERAL FUND BUDGET
ORIGINAL
FOR FISCAL YEAR ENDING JUNE 30, 2023

	2019-20 AUDITED	2020-21 AUDITED	ADOPTED 2021-22 AMEND A	PROPOSED 2021-22 AMEND B	PROPOSED 2022-23 ORIGINAL	VARIANCE
REVENUES:						
Local Sources	5,070,302	4,677,838	4,909,964	4,824,845	5,270,147	445,302
State Sources	33,958,920	35,316,301	36,787,313	36,938,841	38,164,088	1,225,247
Federal Sources	642,773	2,944,836	4,284,028	4,326,520	4,348,587	22,067
Incoming Transfers & Other Transactions	2,038,056	2,134,882	2,762,029	2,887,060	2,720,072	(166,988)
TOTAL REVENUES & TRANSFERS	41,710,050	45,073,857	48,743,334	48,977,266	50,502,894	1,525,628
EXPENDITURES:						
BASIC INSTRUCTION:						
Basic Programs	20,323,472	22,477,103	23,555,086	23,513,775	24,034,277	520,502
Added Needs	4,425,644	4,896,104	7,353,882	7,230,423	7,440,865	210,442
Adult and Continuing Education	-	-	-	-	-	-
SUPPORT SERVICES:						
Pupil Services	2,108,360	2,108,520	2,709,628	2,573,578	2,575,717	2,139
Instruction Staff Services	2,068,620	1,213,629	2,268,911	2,171,446	2,448,717	277,271
General Administration Services	498,859	496,579	495,966	488,727	668,382	179,655
School Administration Services	2,731,317	2,820,904	3,103,145	3,124,782	3,209,835	85,053
Business Services	832,830	828,034	1,026,749	976,717	1,051,697	74,980
Operation and Maintenance Services	3,108,502	3,427,743	4,109,079	4,056,840	4,088,849	32,009
Pupil Transportation Services	1,189,300	856,003	1,354,919	1,226,250	1,634,698	408,448
Other Supporting Services	1,641,152	1,401,849	1,763,886	1,773,142	2,015,230	242,088
Athletics	893,604	804,032	899,915	912,143	916,313	4,170
COMMUNITY SERVICES	365,138	390,740	618,502	623,730	586,707	(37,023)
TOTAL EXPENDITURES	40,186,798	41,721,040	49,259,468	48,671,553	50,671,287	1,999,734
OUTGOING TRANSFERS/OTHER TRANSACTIONS						
TOTAL APPROPRIATED	214,058	2,529,290	611,894	669,446	591,855	(77,591)
	40,400,856	44,250,330	49,871,362	49,340,999	51,263,142	(77,591)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES						
	1,309,194	823,527	(1,128,028)	(363,733)	(760,248)	
<i>Fund Balance at beginning of year</i>	7,283,190	8,592,384	9,415,911	9,415,911	9,052,178	
<i>Non-spendable Fund Balance</i>	89,111	186,686	186,686	186,686	186,686	
<i>Assigned Fund Balance</i>	60,137	59,573	59,573	59,573	59,573	
<i>Unassigned Fund Balance at end of year</i>	8,443,136	9,169,652	8,041,624	8,805,919	8,045,671	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	22.73%	22.82%	17.93%	19.81%	17.41%	
17% Cashflow Requirement (net of Sec 147c expenses)	6,425,902	7,015,177	7,859,255	7,769,093	8,095,857	
Amount Available for Use	2,166,483	2,400,734	428,628	1,283,085	196,073	

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

**LAKEVIEW SCHOOL DISTRICT
APPROPRIATIONS RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
FISCAL YEAR 2022-23**

RESOLVED, that this resolution shall be the general appropriations of the Lakeview School District for the fiscal year 2022-23: 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 2022-23 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	5,270,147
State	38,164,088
Federal	4,348,587
Incoming Transfers & Other Transactions	<u>2,720,072</u>
Total Revenue	50,502,894
Fund Balance, July 1, 2022 (estimated)	9,052,178
Less Non-spendable Fund Balance (estimated)	186,686
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>59,573</u>
Fund Balance Available to Appropriate	<u>8,805,919</u>
Total Available to Appropriate	<u><u>59,308,813</u></u>

Be it further resolved that \$51,263,142 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	24,034,277
Added Needs	7,440,865
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,575,717
Instruction Staff Services	2,448,717
General Administration Services	668,382
School Administration Services	3,209,835
Business Services	1,051,697
Operation and Maintenance Services	4,088,849
Pupil Transportation Services	1,634,698
Other Supporting Services	2,015,230
Athletics	916,313
<i>Community Services</i>	<u>586,707</u>
TOTAL EXPENDITURES	50,671,287
<i>Outgoing Transfers/Other Transactions</i>	<u>591,855</u>
TOTAL APPROPRIATED	<u><u>51,263,142</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, 2022

**LAKEVIEW SCHOOL DISTRICT
SCHOOL SERVICE FUND FOOD SERVICE BUDGET**

ORIGINAL

FOR FISCAL YEAR ENDING JUNE 30, 2023

	AUDITED 2019-20	AUDITED 2020-21	ADOPTED ORIGINAL 2021-22	ADOPTED AMEND A 2021-22	PROPOSED AMEND B 2021-22	PROPOSED ORIGINAL 2022-23	VARIANCE
REVENUES:							
Local Sources	674,833	189,435	930,094	333,691	356,118	623,561	267,443
State Sources	68,663	96,812	74,114	86,742	163,873	82,843	(81,030)
Federal Sources	2,162,532	2,179,675	1,759,174	2,815,313	3,014,299	2,061,527	(952,772)
Incoming Transfers & Other Transactions	80,000	99,361	122,000	122,500	122,500	125,000	2,500
TOTAL REVENUES & TRANSFERS	2,986,027	2,565,283	2,885,382	3,358,246	3,656,790	2,892,931	(763,859)
EXPENDITURES:							
Salaries	657,228	558,430	718,739	823,574	816,460	885,757	69,297
Employee Benefits	459,394	412,667	474,941	552,749	548,969	622,227	73,258
Purchased Services	62,670	75,541	106,295	94,453	91,742	86,886	(4,856)
Food, Supplies, and Other Expenses	1,217,814	1,074,603	1,059,709	1,527,556	1,531,206	1,479,969	(51,237)
Dues and Fees	17,980	3,698	14,800	7,000	8,000	8,000	-
Capital Outlay	103,602	141,901	14,460	154,000	-	266,007	266,007
TOTAL EXPENDITURES	2,518,687	2,266,840	2,388,944	3,159,332	2,996,377	3,348,846	352,469
OUTGOING TRANSFERS/OTHER TRANSACTIONS	209,620	177,999	162,385	225,675	220,674	206,562	(14,112)
TOTAL APPROPRIATED	2,728,308	2,444,839	2,551,329	3,385,007	3,217,051	3,555,408	338,357
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	257,719	120,444	334,053	(26,761)	439,739	(662,477)	(1,102,216)
<i>Fund Balance at beginning of year</i>	740,247	997,963	1,118,406	1,118,406	1,118,406	1,558,145	
<i>Non-spendable Fund Balance</i>	50,463	32,767	32,767	32,767	32,767	32,767	
<i>Restricted Fund Balance at end of year</i>	947,500	1,085,639	1,419,692	1,058,878	1,525,378	862,901	

**LAKEVIEW SCHOOL DISTRICT
RESOLUTION FOR ADOPTION SCHOOL SERVICE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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 2022-23 be amended and approved as follows:

Revenue:	
Local	623,561
State	82,843
Federal	2,061,527
Incoming Transfers & Other Transactions	<u>125,000</u>
Total Revenue	<u>2,892,931</u>
Fund Balance, July 1, 2021 (audited)	1,558,145
Less Non-Spendable Fund Balance (estimated)	<u>32,767</u>
Restricted Fund Balance Available to Appropriate	<u>1,525,378</u>
Total Available to Appropriate	<u><u>4,418,309</u></u>

BE IT FURTHER RESOLVED, that \$3,555,408 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	3,348,846
TOTAL EXPENDITURES	<u>3,348,846</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>206,562</u>
TOTAL APPROPRIATED	<u><u>3,555,408</u></u>

THIS RESOLUTION TAKES EFFECT JULY 1, 2022

**RESOLUTION FOR ADOPTION
BY THE BOARD OF EDUCATION OF THE
LAKEVIEW SCHOOL DISTRICT
CAPITAL PROJECTS FUND
FOR FISCAL YEAR ENDING JUNE 30, 2023**

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 2022-23 be approved as follows:

Revenue:		
	Local - PIF	100
	Other Financing Sources	
	Incoming Transfers & Other Transactions (Cap Proj - Non Bond)	<u>0</u>
	Total Revenue	100
Fund Balance - Public Improvement Fund, July 1 2022 (estimated)	480,213	
Fund Balance - Capital Project Fund Non-Bond, July 1 2022 (estimated)	3,730,125	
Less: Committed Fund Balance - Public Improvement Fund (estimated)		
Restricted Fund Balance Available to Appropriate	480,213	
Unassigned Fund Balance Available to Appropriate	<u>3,730,125</u>	
Total Available to Appropriate	<u><u>4,210,438</u></u>	

BE IT FURTHER RESOLVED, that \$50,589 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 Bobcat (ordered but not delivered prior to June 20, 2022)	50,589
TOTAL EXPENDITURES		50,589
<i>Outgoing Transfers/Other Transactions</i>		<u>0</u>
TOTAL APPROPRIATED		<u><u>50,589</u></u>

THIS RESOLUTION TAKES EFFECT JULY 1, 2022

**RESOLUTION FOR ADOPTION
BY THE BOARD OF EDUCATION OF THE
LAKEVIEW SCHOOL DISTRICT
STUDENT/SCHOOL ACTIVITY FUND
FOR FISCAL YEAR ENDING JUNE 30, 2023**

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 2022-23 be approved as follows:

Revenue:

Beginning Cash	259,000
Projected Income	<u>100,000</u>
Total Revenue	<u>359,000</u>

Total Available to Appropriate	<u><u>359,000</u></u>
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BE IT FURTHER RESOLVED, that \$100,000 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>100,000</u>
100,000

TOTAL APPROPRIATED

<u><u>100,000</u></u>

THIS RESOLUTION TAKES EFFECT JULY 1, 2022