

**FISCAL YEAR 2020-21
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
CAPITAL PROJECT FUND
STUDENT/SCHOOL ACTIVITY FUND
BUDGETS
AMMENDMENT A
DECEMBER 14, 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.

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. Property tax values adjusted for 2020 tax year.
 2. Decrease in tuition revenue due to COVID.
 3. Grants and booster club revenue booked, most offset with expenses.
 - State, Federal, and other Sources
 1. The approved State Foundation Allowance of \$8,115 is an increase from the original budget.
 2. The blended FTE formula is now based on a "Super Blend" which is a combination of 75% of the 2019-20 blend and 25% of the 2020-21 blend. This budget is based on the new "Super Blend" fte count of 4012.53.
 3. MPSERS revenue has been updated to the State approved budget, as well as the corresponding expenses.
 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. COVID grants totaling \$2,271,471 added to offset additional costs due to COVID.
 - Incoming Transfers & Other Trans
 1. Special Education revenue on calculated SE-201 based on projected budget and current approved staffing.
 2. Food Service Indirect cost revenue has been updated according to the formula.
- General Fund Expenses:
 1. Remote learning devices and hot spot service for students.
 2. Staffing based on actual salaries of hired staff.
 3. Additional staffing:
 - Assistant Superintendent of HR returned to the budget based on need.
 - Grounds staff position returned to the budget based on need.
 - Additional Nursing staff once in- person learning resumes.
 - 4 Learning Support Coaches
 - 2 Interventionist

- Alternative Ed Secretary increased to 1.0 from .50 based on numbers.
- K-12 Literacy Coordinator
- Additional Virtual Teachers
- 4. 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).
- 5. Transportation includes cost of two new busses
- 6. Textbooks – Math at Middle School and AP at HS
- 7. Additional Custodial services due to COVID
- 8. Virtual learning services
- 9. Athletics added expenses for the booster groups to match revenue above, and reductions of expenses due to reduced sports for Fall, will include any changes that may happen for Winter and Spring in the next amendment.
- 10. Transfer to Capital plan of \$94,428
- 11. Additional resources due to COVID – PPE, Supplies for students, temperature check stations, etc. Most of these additional costs are covered by the COVID grants received.

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 \$150,700. This includes:
 - a. Local Sources – down \$286,600 due to continuing virtual learning – with meals being served via the Federal Unanticipated Feeding Program.
 - b. Federal sources – up \$138,600 due to meals being served via the Federal Unanticipated Feeding Program.
2. Personnel/Contracted Service combined decrease of \$101,200 with staffing down due to COVID-19.
3. An increase of \$44,600 in food, supplies, and other expenses – due to the increased cost due to types of foods purchased for take home meals and the special packaging due to COVID-19.
4. Capital Outlay – increase of \$32,400 – purchase of replacement equipment.
5. Indirect cost down \$1,100. 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 2019-21.
2. Elementary furniture in the amount of \$300,594 to Public Improvement Fund.
3. Operations truck, music cart, and mobile storage in amount of \$76,790 from the Capital Projects Non-Bond.

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
AMMENDMENT A
FOR FISCAL YEAR ENDING JUNE 30, 2021

	2018-19 AUDITED	2019-20 AUDITED	PROPOSED 2020-21 ORIGINAL	PROPOSED 2020-21 AMEND A	VARIANCE
REVENUES:					
Local Sources	5,691,194	5,070,302	5,109,266	4,782,405	(326,861)
State Sources	33,722,111	33,958,920	31,250,564	34,900,214	3,649,650
Federal Sources	696,754	642,773	896,776	2,933,873	2,037,097
Incoming Transfers & Other Transactions	2,752,404	2,038,056	2,427,709	2,389,774	(37,935)
TOTAL REVENUES & TRANSFERS	42,862,463	41,710,050	39,684,315	45,006,266	5,321,951
EXPENDITURES:					
BASIC INSTRUCTION:					
Basic Programs	20,222,097	20,323,472	20,473,564	22,986,271	2,512,707
Added Needs	4,806,419	4,425,644	5,233,189	5,320,142	86,953
Adult and Continuing Education	-	-	-	-	-
SUPPORT SERVICES:					
Pupil Services	2,262,601	2,108,360	2,309,284	2,377,203	67,919
Instruction Staff Services	1,634,571	2,068,620	1,380,522	1,617,442	236,920
General Administration Services	498,963	498,859	508,076	531,639	23,563
School Administration Services	2,585,154	2,731,317	2,885,686	2,944,897	59,211
Business Services	792,423	832,830	825,466	864,694	39,228
Operation and Maintenance Services	3,345,791	3,108,502	3,325,492	3,755,918	430,426
Pupil Transportation Services	1,164,805	1,189,300	1,049,666	1,197,482	147,816
Other Supporting Services	1,702,131	1,641,152	1,383,184	1,532,532	149,348
Athletics	906,445	893,604	833,720	865,199	31,479
COMMUNITY SERVICES	337,404	365,138	387,321	625,305	237,984
TOTAL EXPENDITURES	40,258,805	40,186,798	40,595,170	44,618,724	4,023,554
OUTGOING TRANSFERS/OTHER TRANSACTIONS					
	1,829,168	214,058	293,114	387,542	94,428
TOTAL APPROPRIATED	42,087,973	40,400,856	40,888,284	45,006,266	94,428
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES					
	774,490	1,309,194	(1,203,969)	0	
<i>Fund Balance at beginning of year</i>	6,508,700	7,283,190	8,592,384	8,592,384	
<i>Non-spendable Fund Balance</i>	89,111	89,111	89,111	231,151	
<i>Assigned Fund Balance</i>	60,137	60,137	60,137	1,267,507	
<i>Unassigned Fund Balance at end of year</i>	7,133,942	8,443,136	7,239,167	7,093,726	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	18.49%	22.73%	19.49%	20.45%	
17% Cashflow Requirement (net of Sec 147c expenses)	6,696,005	6,425,902	6,443,629	7,143,686	
Amount Available for Use	587,185	2,166,483	944,786	1,448,698	

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

**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	4,782,405
State	34,900,214
Federal	2,933,873
Incoming Transfers & Other Transactions	2,389,774
Total Revenue	<u>45,006,266</u>
Fund Balance, July 1, 2020	8,592,384
Less Non-spendable Fund Balance (estimated)	231,151
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>1,267,507</u>
Fund Balance Available to Appropriate	<u>7,093,726</u>
Total Available to Appropriate	<u><u>52,099,992</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	22,986,271
Added Needs	5,320,142
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,377,203
Instruction Staff Services	1,617,442
General Administration Services	531,639
School Administration Services	2,944,897
Business Services	864,694
Operation and Maintenance Services	3,755,918
Pupil Transportation Services	1,197,482
Other Supporting Services	1,532,532
Athletics	865,199
<i>Community Services</i>	625,305
TOTAL EXPENDITURES	<u>44,618,724</u>
<i>Outgoing Transfers/Other Transactions</i>	387,542
TOTAL APPROPRIATED	<u><u>45,006,266</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 14, 2020

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

	AUDITED 2016-17	AUDITED 2017-18	AUDITED 2018-19	AUDITED 2019-20	ADOPTED ORIGINAL 2020-21	PROPOSED AMEND A 2020-21	VARIANCE
REVENUES:							
Local Sources	1,008,640	1,001,806	944,065	674,833	930,094	643,541	(286,553)
State Sources	72,966	74,927	75,190	68,663	74,114	71,371	(2,743)
Federal Sources	1,511,375	1,579,007	1,790,869	2,162,532	1,759,174	1,897,728	138,554
Incoming Transfers & Other Transactions	-	39,070	76,750	80,000	81,000	81,000	-
TOTAL REVENUES & TRANSFERS	2,592,981	2,694,810	2,886,875	2,986,027	2,844,382	2,693,640	(150,742)
EXPENDITURES:							
Salaries	612,526	664,958	732,801	657,228	707,931	637,751	(70,180)
Employee Benefits	373,249	414,779	480,550	459,394	491,661	460,621	(31,040)
Purchased Services	62,340	54,713	53,242	62,670	106,295	92,248	(14,047)
Food, Supplies, and Other Expenses	1,250,606	1,254,383	1,194,827	1,217,814	1,239,709	1,302,443	62,734
Dues and Fees	13,983	12,513	14,324	17,980	14,460	16,360	1,900
Capital Outlay	129,721	161,399	123,411	103,602	47,800	60,200	12,400
TOTAL EXPENDITURES	2,442,425	2,562,746	2,599,156	2,518,687	2,607,856	2,569,623	(38,233)
OUTGOING TRANSFERS/OTHER TRANSACTIONS	139,684	134,356	195,721	209,620	190,500	189,362	(1,138)
TOTAL APPROPRIATED	2,582,109	2,697,102	2,794,877	2,728,308	2,798,356	2,758,985	(39,371)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	10,872	(2,292)	91,997	257,719	46,026	(65,345)	
<i>Fund Balance at beginning of year</i>	639,669	650,542	648,250	740,247	997,967	1,043,993	
<i>Non-spendable Fund Balance</i>	20,065	32,746	24,381	50,463	50,463	50,463	
<i>Restricted Fund Balance at end of year</i>	630,477	615,504	715,866	947,504	993,530	928,185	

**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	643,541
State	71,371
Federal	1,897,728
Incoming Transfers & Other Transactions	81,000
Total Revenue	<u>2,693,640</u>
Fund Balance, July 1, 2020 (projected)	1,043,993
Less Non-Spendable Fund Balance (projected)	<u>50,463</u>
Restricted Fund Balance Available to Appropriate	<u>993,530</u>
Total Available to Appropriate	<u><u>3,687,170</u></u>

BE IT FURTHER RESOLVED, that \$2,758,985 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	2,569,623
TOTAL EXPENDITURES	<u>2,569,623</u>
Outgoing Transfers/Other Transactions	189,362
TOTAL APPROPRIATED	<u><u>2,758,985</u></u>

THIS RESOLUTION TAKES EFFECT DECEMBER 14, 2020

**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)	94,428
	Total Revenue	<u>94,928</u>
	Fund Balance - Public Improvement Fund, July 1 2020	780,763
	Fund Balance - Capital Project Fund Non-Bond, July 1 2020	1,598,472
	Less: Committed Fund Balance - Public Improvement Fund	
	Restricted Fund Balance Available to Appropriate	780,763
	Unassigned Fund Balance Available to Appropriate	<u>1,598,472</u>
	Total Available to Appropriate	<u><u>2,474,163</u></u>

BE IT FURTHER RESOLVED, that \$377,384 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	300,594
	Public Improvement Fund - Tennis Building	-
	Public Improvement Fund - Tennis Brick Program	-
	Public Improvement Fund - Swimming	-
	Capital Project - Operations Truck, music cart, mobile storage	76,790
	TOTAL EXPENDITURES	377,384
	<i>Outgoing Transfers/Other Transactions</i>	<u>0</u>
	TOTAL APPROPRIATED	<u><u>377,384</u></u>

THIS RESOLUTION TAKES EFFECT DECEMBER 14, 2020