

FISCAL YEAR 2011-12
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
CAPITAL PROJECT FUND &
ENTERPRISE FUND
BUDGETS
JULY 1, 2011



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 2011-12 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.

Five separate funds are required to account for the ongoing activities of the school district. Board approval for the budget of the Debt Retirement Fund, however, is no longer required by the Michigan Department of Education. Below are the assumptions and rationale that were used in the development of each of the budgets for other four funds:

COMBINED GENERAL FUND - Includes Athletics as required under GASB 54

This budget reflects:

1. An estimated State Foundation Grant of \$7,148 per FTE. This is based on our current foundation allowance of \$7,618 being re-based downward by \$470 as presented in the School Aid Bill which has been presented to the Governor for signature. This budget does not assume the receipt of the \$100 per pupil "Best Practices Incentive Grant" as much remains to be clarified about the requirements and our eligibility as a district.
2. An estimated blended enrollment of 3,856.8 FTE's, which is flat with 2010-11. Based on what we know today, in order to reach this target, we will need approximately 50 new School of Choice Students beyond the applications we have received to date.
3. Utilization of approximately \$1.4M in fund balance to cover revenue losses and cost increases. This will reduce fund balance down to approximately 17%, the amount required in order to prevent borrowing for cash flow purposes.
4. A reduction in Federal Revenue from the prior year of approximately \$125,000 related to the one time, two-year Title I-ARRA funding and no Title I carry-over for next year.
5. The reduction of \$23,000 in State Funding related to the one-time MOE payment received from the State in 2010-11.

6. The inclusion of approximately \$89 per pupil one-time categorical funding designed to help offset the retirement rate increase (less \$12,340 related to retirement costs of the BCALC housed in the Enterprise Fund).
7. A retirement rate of 24.46% for gross payroll paid to the Michigan Public School Retirement System. This is an increase from the 20.66% rate effective November 1, 2010.
8. Savings associated with the retirement of two teachers.
9. Implementation of the Class Size Reduction Plan and the full year impact of the addition of a 1.0 English teacher at LHS for second semester of 2010-11.
10. The removal of costs associated with a Superintendent Search and having dual Superintendents last July.
11. An additional 20% reduction in building budgets.
12. A \$50,000 reduction in the operations budget.
13. A 4.7% decrease in electric rates, flat natural gas costs, and a 5% increase in water and sewer rates.
14. The costs associated with the conditions of employment that previously continued beyond the expiration of contracts (steps, longevity and insurance) with no salary increases. The passage of HB4152 will now impact how and when these costs may ultimately impact the budget.
15. A health insurance premium increase of 13.7%.
16. Implementation of a 7.5% contribution toward health insurance by administrators.
17. A fair representation of what is expected for the athletics program in 2011-12.
18. A \$10 increase in pay-to-participate fees for both the LMS and LHS Athletic Programs.

FOOD SERVICE FUND

This budget reflects:

1. A fair representation of what is expected for the program in 2011- 12.
2. The \$0.05 increase in lunch price mandated by the Federal Government.
3. A 4% increase in food costs related to the continued implementation of healthier meal components.
4. The costs associated with the conditions of employment that previously continued beyond the expiration of contracts (steps, longevity and insurance) with no salary increases. The passage of HB4152 will now impact how and when these costs may ultimately impact the budget.
5. The impact of potential step increases, health care cost increases, and retirement rate increases discussed in the Combined General Fund narrative section above.

6. A transfer of \$115,000 from the Food Service Fund to the General Fund for the reimbursement of indirect costs, reflecting the third consecutive year of 100% Indirect Cost Reimbursement allocation.
7. An allocation of \$20,000 for the continued investment in upgrading/expanding equipment.

CAPITAL PROJECTS FUND

This budget reflects:

1. A fair representation of what is expected for the Public Improvement Fund in 2011-12.
2. The collection of nearly \$22,400 of community pledges toward the construction of the Tennis Building in the Public Improvement Fund.
3. The Public Improvement Fund budget included expenditures for the Riverside Circle Drive Project in the amount of \$64,000 to address safety concerns at that site.

ENTERPRISE FUND

An Enterprise Fund is used to report business-type activities - fees charged to customers or organizations to cover the costs of services provided. Typically municipalities use this type of fund for water and sewer departments and parking facilities. Lakeview School District will be using this fund for management services and associated expenses rendered to the Battle Creek Area Learning Center (BCALC).

According to the agreement with the BCALC Board of Directors, Lakeview will be providing all employees and services. Lakeview School District will be reimbursed 100% for these services. All revenue for this fund will be shown as Local Revenue, Fees for Service, as required by the Michigan Department of Education. The expenditures associated with the BCALC will be recorded in this fund to ensure that Lakeview is reimbursed for expenses incurred.

This budget reflects the anticipated expenditures for the Calhoun Community High School for 2011-12.

**LAKEVIEW SCHOOL DISTRICT
 APPROPRIATIONS RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
 FISCAL YEAR 2011-12**

RESOLVED, that this resolution shall be the general appropriations of the Lakeview School District for the fiscal year 2011-2012: 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 2011-12 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	5,553,157
State	24,607,094
Federal	1,402,050
Incoming Transfers & Other Transactions	1,590,446
Total Revenue	<u>33,152,747</u>
Combined Fund Balance, July 1, 2011 (estimated)	7,103,006
Less Non-spendable Fund Balance (estimated)	59,340
Less Assigned Fund Balance for Athletics (estimated)	132,532
Less Assigned Fund Balance for Subsequent Year Deficit (estimated)	1,437,097
Less Assigned Fund Balance for Comp. Absences (estimated)	326,108
	<u>326,108</u>
Fund Balance Available to Appropriate	<u>5,147,929</u>
Total Available to Appropriate	<u>38,300,676</u>

Be it further resolved that \$34,589,844 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	17,842,213
Added Needs	3,353,093
Adult and Continuing Education	
<i>Support Services:</i>	
Pupil Services	1,022,398
Instruction Staff Services	1,529,919
General Administration Services	420,096
School Administration Services	2,178,077
Business Services	566,538
Operation and Maintenance Services	3,646,653
Pupil Transportation Services	966,521
Other Supporting Services	2,189,926
<i>Community Services</i>	
	780,869
TOTAL EXPENDITURES	<u>34,496,303</u>
<i>Outgoing Transfers/Other Transactions</i>	93,541
TOTAL APPROPRIATED	<u>34,589,844</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, 2011

**LAKEVIEW SCHOOL DISTRICT
GENERAL FUND BUDGET
FOR FISCAL YEAR ENDING
JUNE 30, 2012**

	AUDITED 2005-06	AUDITED 2006-07	AUDITED 2007-08	AUDITED 2008-09	AUDITED 2009-10	ADOPTED 2010-11	PROPOSED AMEND B 2010-11	PROPOSED 2011-12	VARIANCE
REVENUES:									
Local Sources	5,107,454	5,491,940	5,734,131	5,398,776	5,361,749	5,289,730	5,305,443	5,308,113	2,670
State Sources	22,040,292	24,077,970	25,462,197	24,082,333	23,573,927	23,544,937	25,004,719	24,607,094	(397,625)
Federal Sources	578,860	340,069	379,815	1,981,411	1,837,418	1,125,563	1,159,749	1,402,050	242,301
Incoming Transfers & Other Transactions	865,870	1,103,121	1,029,294	1,165,058	1,545,709	1,501,546	1,590,446	1,590,446	-
TOTAL REVENUES & TRANSFERS	28,592,476	31,013,100	32,605,437	32,627,578	32,318,803	31,461,776	33,060,357	32,907,703	(152,654)
EXPENDITURES:									
<i>BASIC INSTRUCTION:</i>									
Basic Programs	14,200,555	15,231,074	15,491,381	16,285,972	16,585,745	15,982,207	16,622,159	17,842,213	1,220,054
Added Needs	2,037,958	2,020,067	2,470,694	2,786,514	2,997,988	3,078,925	3,218,034	3,353,093	135,059
Adult and Continuing Education	-	-	-	-	-	-	-	-	-
<i>SUPPORT SERVICES:</i>									
Pupil Services	913,175	916,048	963,923	1,206,622	1,216,189	1,007,754	990,544	1,022,398	31,854
Instruction Staff Services	1,057,542	1,352,148	1,375,876	1,525,395	1,421,458	1,526,635	1,491,036	1,529,919	38,883
General Administration Services	374,527	476,129	404,371	409,389	347,603	425,163	463,389	420,096	(43,293)
School Administration Services	1,835,327	1,961,791	2,049,445	2,066,366	1,982,930	2,044,468	2,092,628	2,178,077	85,449
Business Services	497,924	621,626	536,519	482,163	434,223	499,782	518,714	533,157	14,443
Operation and Maintenance Services	3,305,528	3,728,569	3,867,578	3,926,842	3,567,847	3,888,940	3,645,508	3,645,953	445
Pupil Transportation Services	733,395	947,257	1,039,832	830,489	761,467	914,633	919,818	938,822	19,004
Other Supporting Services	1,025,457	1,093,499	1,252,594	1,414,665	1,284,217	1,366,449	1,379,751	1,404,577	24,826
<i>COMMUNITY SERVICES</i>	853,298	884,747	897,643	850,717	704,498	700,935	747,630	757,986	10,356
TOTAL EXPENDITURES	26,834,686	29,232,955	30,349,856	31,785,134	31,304,185	31,435,891	32,089,211	33,626,291	1,537,080
<i>OUTGOING TRANSFERS/OTHER TRANSACTIONS</i>	1,495,361	1,330,426	1,102,306	915,396	694,783	638,392	679,605	718,509	38,904
TOTAL APPROPRIATED	28,330,047	30,563,381	31,452,162	32,700,530	31,998,968	32,074,283	32,768,816	34,344,800	1,575,984
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	262,429	449,719	1,153,275	(72,952)	319,855	(612,507)	291,541	(1,437,097)	
<i>Fund Balance at beginning of year</i>	4,565,077	4,827,506	5,277,225	6,430,500	6,357,548	6,677,403	6,677,403	6,968,944	
<i>Non-spendable Fund Balance</i>	42,705	212,172	26,670	59,294	57,810	57,810	57,810	57,810	
<i>Assigned Fund Balance</i>	431,618	137,805	696,251	337,942	326,108	326,108	1,763,205	326,108	
<i>Unassigned Fund Balance at end of year</i>	4,353,183	4,927,248	5,707,579	5,960,312	6,293,485	5,680,978	5,147,929	5,147,929	

Effective Date July 1, 2011

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 2010-11 BUDGET ADOPTION RESOLUTION.

**LAKEVIEW SCHOOL DISTRICT
GENERAL FUND ATHLETICS BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2012**

	AUDITED 2004-05	AUDITED 2005-06	AUDITED 2006-07	AUDITED 2007-08	AUDITED 2008-09	AUDITED 2009-10	ADOPTED 2010-11	PROPOSED AMEND B 2010-11	PROPOSED 2011-12	VARIANCE
REVENUES:										
Local Sources	306,447	306,652	324,930	343,233	295,058	293,615	237,426	269,529	245,044	(24,485)
State Sources	0	0	0	0	0	0	0	0	0	-
Federal Sources	0	0	0	0	0	0	0	0	0	-
Incoming Transfers & Other Transactions	388,568	527,496	544,806	571,153	581,921	570,081	599,177	603,804	624,968	21,164
TOTAL REVENUES & TRANSFERS	695,015	834,148	869,736	914,386	876,979	863,696	836,603	873,333	870,012	(3,321)
EXPENDITURES:										
Salaries	346,330	439,850	437,356	386,087	384,960	372,612	392,820	377,829	392,181	14,352
Employee Benefits	73,274	122,561	129,588	117,788	116,598	112,874	129,705	128,568	152,710	24,142
Purchased Services	65,886	73,041	91,928	154,229	177,786	191,889	170,313	191,806	171,258	(20,548)
Supplies	191,056	164,719	162,765	178,092	155,143	148,910	119,586	136,558	121,058	(15,500)
Capital Outlay	14,200	67,893	10,362	8,013	4,858	6,185	6,000	23,014	9,360	(13,654)
Dues & Fees	12,484	13,596	14,875	19,209	21,412	23,045	23,145	25,771	23,445	(2,326)
TOTAL EXPENDITURES	703,230	881,660	846,874	863,418	860,757	855,515	841,569	883,546	870,012	(13,534)
<i>OUTGOING TRANSFERS/OTHER TRANSACTIONS</i>	<i>2,500</i>	<i>7,520</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>		<i>-</i>
TOTAL APPROPRIATED	705,730	889,180	846,874	863,418	860,757	855,515	841,569	883,546	870,012	(13,534)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	(10,715)	(55,032)	22,862	50,968	16,222	8,181	(4,966)	(10,213)	0	
<i>Fund Balance at beginning of year</i>	<i>111,789</i>	<i>101,074</i>	<i>46,042</i>	<i>68,904</i>	<i>119,872</i>	<i>136,094</i>	<i>144,275</i>	<i>144,275</i>	<i>134,062</i>	
<i>Non-Spendable Fund Balance</i>						<i>1,530</i>	<i>1,530</i>	<i>1,530</i>	<i>1,530</i>	
<i>Assigned Fund Balance at end of year</i>	<i>101,074</i>	<i>46,042</i>	<i>68,904</i>	<i>119,872</i>	<i>136,094</i>	<i>142,745</i>	<i>137,779</i>	<i>132,532</i>	<i>132,532</i>	

PLEASE NOTE: EFFECTIVE WITH THE 2010-11 BUDGET YEAR, THE FINANCIAL ACTIVITY ASSOCIATED WITH ATHLETIC ACTIVITIES IS REQUIRED TO BE REPORTED AS PART OF THE GENERAL FUND AS THE ATHLETIC FUND IS NO LONGER CONSIDERED TO BE A SPECIAL REVENUE FUND IN ACCORDANCE WITH GASB 54. WHILE INCOMING TRANSFERS ARE SHOWN HERE FOR COMPARATIVE PURPOSES, THEY WILL BE ELIMINATED AGAINST OUTGOING TRANSFERS WHEN COMBINED WITH THE GENERAL FUND ACTIVITY FOR PURPOSES OF THE 2010-11 BUDGET ADOPTION RESOLUTION FOR THE GENERAL FUND. FUND BALANCE ATTRIBUTABLE TO THE ATHLETIC FUND WILL BE RECORDED AS AN ASSIGNED FUND BALANCE WITHIN THE GENERAL FUND.

**LAKEVIEW SCHOOL DISTRICT
RESOLUTION FOR ADOPTION SCHOOL SERVICE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2012**

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 2011-2012 be approved as follows:

Revenue:	
Local	988,719
State	66,395
Federal	984,715
Incoming Transfers & Other Transactions	<u>1,040</u>
Total Revenue	<u>2,040,869</u>
Fund Balance, July 1, 2011 (estimated)	180,203
Less Non-Spendable Fund Balance (estimated)	<u>17,574</u>
Restricted Fund Balance Available to Appropriate	<u>162,629</u>
Total Available to Appropriate	<u><u>2,203,498</u></u>

BE IT FURTHER RESOLVED, that \$2,035,622 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	1,920,622
TOTAL EXPENDITURES	<u>1,920,622</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>115,000</u>
TOTAL APPROPRIATED	<u><u>2,035,622</u></u>

THIS RESOLUTION TAKES EFFECT JULY 1, 2011

**LAKEVIEW SCHOOL DISTRICT
SCHOOL SERVICE FUND FOOD SERVICE BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2012**

	AUDITED 2004-05	AUDITED 2005-06	AUDITED 2006-07	AUDITED 2007-08	AUDITED 2008-09	AUDITED 2009-10	ADOPTED 2010-11	PROPOSED AMEND B 2010-11	PROPOSED 2011-12	VARIANCE
REVENUES:										
Local Sources	643,525	681,922	792,201	871,189	912,686	919,104	908,300	1,002,602	988,719	(13,883)
State Sources	21,269	33,557	49,203	42,423	51,770	63,915	53,918	66,395	66,395	-
Federal Sources	383,346	355,811	462,544	588,245	734,383	885,439	898,100	964,778	984,715	19,937
Incoming Transfers & Other Transactions	36,769	-	-	20,000	-	650	-	960	1,040	80
TOTAL REVENUES & TRANSFERS	1,084,909	1,071,290	1,303,948	1,521,857	1,698,839	1,869,108	1,860,318	2,034,735	2,040,869	6,134
EXPENDITURES:										
Salaries	251,841	268,127	322,101	365,816	392,615	410,098	455,898	462,545	474,224	11,679
Employee Benefits	181,029	203,383	239,101	257,241	266,412	269,872	264,631	294,827	324,977	30,150
Purchased Services	58,638	21,892	28,088	55,867	33,394	35,216	35,232	116,365	71,001	(45,364)
Supplies and other Expense	577,846	552,028	616,393	785,885	836,674	836,006	869,673	958,393	1,017,120	58,727
Dues and Fees	120	2,788	3,126	5,610	8,362	14,449	14,300	12,400	12,500	100
Capital Outlay	14,517	10,688	71,425	63,548	21,022	116,208	50,500	93,176	20,800	(72,376)
TOTAL EXPENDITURES	1,083,991	1,058,906	1,280,234	1,533,967	1,558,479	1,681,849	1,690,234	1,937,706	1,920,622	(17,084)
OUTGOING TRANSFERS/OTHER TRANSACTIONS	0	0	0	9,700	60,000	117,478	106,000	115,000	115,000	-
TOTAL APPROPRIATED	1,083,991	1,058,906	1,280,234	1,543,667	1,618,479	1,799,327	1,796,234	2,052,706	2,035,622	(17,084)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	918	12,384	23,714	(21,810)	80,360	69,781	64,084	(17,971)	5,247	
<i>Fund Balance at beginning of year</i>	14,856	15,774	28,158	51,872	30,062	110,422	180,203	180,203	162,232	
<i>Non-spendable Fund Balance</i>	14,151	19,808	13,759	20,392	19,403	19,434	19,434	17,574	17,574	
<i>Restricted Fund Balance at end of year</i>	1,623	8,350	38,113	9,670	91,019	160,769	224,853	144,658	149,905	

**RESOLUTION FOR ADOPTION
BY THE BOARD OF EDUCATION OF THE
LAKEVIEW SCHOOL DISTRICT
CAPITAL PROJECTS FUND
FOR FISCAL YEAR ENDING JUNE 30, 2012**

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 2011-2012 be approved as follows:

Revenue:		
	Local	1,900
	Other Financing Sources	0
	Incoming Transfers & Other Transactions	<u>22,390</u>
	Total Revenue	<u>24,290</u>
	Fund Balance, July 1, 2011 (estimated)	773,384
	Less: Committed Fund Balance - Public Improvement Fund (estimated)	<u>613,368</u>
	Restricted Fund Balance Available to Appropriate	<u>160,016</u>
	Total Available to Appropriate	<u><u>184,306</u></u>

BE IT FURTHER RESOLVED, that \$1,140 of the total to appropriate in the Capital Projects Fund and \$64,500 of the Committed Fund Balance is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:		
	Public Improvement Fund - General/Restricted	1,140
	Public Improvement Fund - Elementary Facilities	64,000
	Public Improvement Fund - Tennis Building	-
	Public Improvement Fund - Tennis Brick Program	500
	Public Improvement Fund - Swimming	-
	Capital Project	<u>0</u>
	TOTAL EXPENDITURES	<u>65,640</u>
	<i>Outgoing Transfers/Other Transactions</i>	<u>0</u>
	TOTAL APPROPRIATED	<u><u>65,640</u></u>

THIS RESOLUTION TAKES EFFECT JULY 1, 2011

**LAKEVIEW SCHOOL DISTRICT
 APPROPRIATIONS RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
 ENTERPRISE FUND
 FISCAL YEAR 2011-12**

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the Enterprise Fund of the Lakeview School District for the fiscal year 2011-12 be approved as follows:

Revenue:	
Local	1,674,151
State	0
Federal	0
Incoming Transfers & Other Transactions	0
Total Revenue	1,674,151
Fund Balance, July 1, 2011	0
Less Non-Spendable Fund Balance	0
Unreserved Retained Earnings Available to appropriate	0
Total Available to appropriate	1,674,151

BE IT FURTHER RESOLVED, that \$1,674,151 of the total available to appropriate in the Enterprise Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	
<i>Basic Instruction:</i>	
Basic Programs	995,914
Added Needs	172,006
<i>Support Services:</i>	
Pupil Services	98,136
Instruction Staff Services	39,784
School Administration Services	242,124
Business Services	13,789
Operation and Maintenance Services	90,970
Pupil Transportation Services	3,688
Other Supporting Services	17,740
TOTAL EXPENDITURES	1,674,151
<i>Outgoing Transfers/Other Transactions</i>	0
TOTAL APPROPRIATED	1,674,151

THIS RESOLUTION TAKES EFFECT JULY 1, 2011