

FISCAL YEAR 2017-2018
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
CAPITAL PROJECT FUND
AMENDMENT B
BUDGETS
MAY 21, 2018



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
2017-18 BUDGET AMENDMENT B 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 Capital Project Non-Bond 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. Below are the assumptions and rationale that were used in the development of each of the budgets:

COMBINED GENERAL FUND – Includes Athletics as required under GASB 54

This budget reflects:

- For the *General Fund* portion of the *Combined 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. A fair representation of what is expected for the program in 2017-18.

Highlights of the changes from the adopted budget are as follows:

- **General Fund Revenue:**
 1. Enrollment based on blended count of 4,123.62 this is a decrease of 1.64 FTE from 4124.98 that was used in the Amendment A budget.
 2. For 2013-2016 the Lakeview District collected FICA taxes on the 3% retiree healthcare contributions under Michigan Public Act 300. During that period the taxability was challenged with the IRS and has been waiting their determination. Just recently this was determined to not be FICA taxable, and therefore the district has filed for refund of the funds. At this time the districts portion of the refunds that have been received are \$87,619 and these funds are going to be transferred to the Capital Fund for future needs in the district.
 3. Legislature amended Section 147c to include a one-time distribution to districts (Section 147c(2)) to pre-pay the final two years of pension liability related to the operation of Section 81b of the Public School Employees Retirement Act (MCL 38.1381b), the district received \$488,721 that is then reflected below in the expenditures allocated based on non-grant payroll and is then remitted back to the Office of Retirement Services.

4. Increase from our budgeted revenue from CISD for CACC transportation \$16,564.
 5. \$10,566 MPERS 147e - it is a reimbursement for increased retirement costs due to the passage of Public Act 92 of 2017. The state's reimbursement consists of the 4-percent mandatory employer contribution (effective October 1, 2017) for participants in the Defined Contribution (DC) plan, and the difference between Pension Plus and Pension Plus 2 (effective February 1, 2018) employer normal cost contributions (3.13 percent for the fiscal year ending September 30, 2018). As this is a reimbursement we do not have any additional expenditures to offset this and is additional revenue.
 6. \$168,593 additional county Special Ed reimbursement due to prior year adjustment and updated staffing.
 7. \$30,533 additional funding from 22a and 22b prior year tax tribunal changes.
- General Fund Expenses:
 1. \$488,721 147C money that was received above is reflected in the expenditures allocated based on non-grant payroll and is then remitted back to the Office of Retirement Services.
 2. \$87,619 which is the Districts portion of the 3% FICA refund listed above that will be transferred to the Capital Fund for future needs in the district.
 3. \$14,672 increase in transfer to Athletics to cover revenue shortfall.
 4. \$32,160 contract with Battle Creek for Police Liaison.
 5. \$31,850 security costs for emergency plan and critical incident training, and badge program, money was moved from operations budget to cover these costs.
 6. \$55,000 additional funds towards instruments and other band related costs.
 7. \$150,000 to purchase Chrome Book replacements.
 8. \$17,055 increase in communications budget.
 9. \$43,130 increase in transportation for fuel and repairs.
 10. \$20,725 increase in dual enrollment costs due to increase participation.
 11. \$22,797 increase in utility costs.
 12. \$75,000 increase in sub related costs.
 13. \$87,000 decrease in health and cash in lieu due to open enrollment changes.
 14. Approximately \$170,000 decrease in staffing and unpaid leave changes, along with related benefits costs.

▪ Athletics:

1. A fair representation of what is expected for the athletics program in 2017-18.
2. Expenses were adjusted based on actuals for fall and winter sports.
3. Ticket sales to the events were down, and there was a new family pass program that was tried, and that did not result in the income that had been projected. This along with not obtaining the level of private support money for the transportation has resulted in an increase in the transfer needed to cover expenditures of the Athletics by \$14,672.

SCHOOL SERVICE FUND - Food Service

This budget reflects:

A fair representation of what is expected for the program in 2017-18.

This budget reflects:

1. An increase in local source revenue of \$1,616 primarily consists of a combination of line items, with the largest item being an increase in al-a-carte sales.
2. An increase in State revenue of \$2,280, which is an increase in 31d School Lunch funds.
3. An increase in Federal Reimbursement revenue of \$190,352. While this is a combination of National School breakfast, lunch, and snack reimbursements, the primary increase in this revision is related to the breakfast and lunch program.
4. An increase in Incoming Transfers & Other Transactions of \$37,500. This is the half year of the Pennfield project.
5. The primary increase to the expenditure side is personnel and food costs. This is related to increase staffing for the Pennfield project and as well as market cost increases.

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 2017-18.
2. A \$250,000 transfer from the General Fund into the Capital Projects Non-Bond Fund in support of future facility needs not included in the May 2016 bond issue such as roof replacements, asphalt paving work, repair/replacement of LMS Tennis Courts and resurfacing of the LHS track as well as other needs that may arise along with an the additional \$87,619 district refunds of the FICA 3% refund.
3. \$38,500 expenditure to purchase of a transportation lift for the transportation garage.
4. \$60,937 for the purchase, repairs and installation of three chilled water pumps for Lakeview High School.
5. \$39,990 for the purchase of a dehumidification system for the Lakeview High School pool unit.

**LAKEVIEW SCHOOL DISTRICT
 APPROPRIATIONS RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
 FISCAL YEAR 2017-18**

RESOLVED, that this resolution shall be the general appropriations of the Lakeview School District for the fiscal year 2017-18: 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 2017-18 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	5,203,787
State	33,701,867
Federal	810,481
Incoming Transfers & Other Transactions	<u>1,874,729</u>
Total Revenue	<u>41,590,864</u>
Combined Fund Balance, July 1, 2017	6,162,398
Less Non-spendable Fund Balance (projected)	40,997
Less Assigned Fund Balance for Subsequent Year Deficit (projected)	0
Less Assigned Fund Balance towards International Institute for Restorative Practices Proposal	72,006
Less Assigned Fund Balance for Future Operations (projected)	0
Less Assigned Fund Balance for Technology (projected)	0
Less Assigned Fund Balance for Comp. Absences (projected)	<u>97,537</u>
Fund Balance Available to Appropriate	<u>5,951,858</u>
Total Available to Appropriate	<u><u>47,542,722</u></u>

Be it further resolved that \$41,520,642 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	20,855,361
Added Needs	4,961,439
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	1,967,435
Instruction Staff Services	1,588,287
General Administration Services	585,648
School Administration Services	2,689,766
Business Services	743,660
Operation and Maintenance Services	3,366,572
Pupil Transportation Services	1,259,601
Other Supporting Services	2,727,573
<i>Community Services</i>	
TOTAL EXPENDITURES	<u>41,158,750</u>
<i>Outgoing Transfers/Other Transactions</i>	361,892
TOTAL APPROPRIATED	<u><u>41,520,642</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 MAY 21, 2018

LAKEVIEW SCHOOL DISTRICT
GENERAL FUND BUDGET
FOR FISCAL YEAR ENDING
JUNE 30, 2018

	AUDITED 2012-13	AUDITED 2013-14	AUDITED 2014-15	AUDITED 2015-16	AUDITED 2016-17	ADOPTED 2017-18	PROPOSED AMENDMENT A 2017-18	PROPOSED AMENDMENT B 2017-18	VARIANCE
REVENUES:									
Local Sources	5,251,864	5,349,091	6,424,062	6,417,245	5,977,718	4,844,341	4,759,170	4,930,239	171,069
State Sources	26,379,067	27,198,967	28,162,698	29,964,243	31,336,203	32,693,750	32,964,881	33,701,867	736,986
Federal Sources	559,643	544,145	559,730	649,946	618,468	726,468	811,200	810,481	(719)
Incoming Transfers & Other Transactions	1,414,971	1,642,698	1,758,689	1,572,803	1,873,664	2,019,093	1,951,987	1,870,903	(81,084)
TOTAL REVENUES & TRANSFERS	33,605,545	34,734,801	36,905,179	38,604,237	39,805,949	40,283,652	40,487,238	41,313,490	826,252
EXPENDITURES:									
BASIC INSTRUCTION:									
Basic Programs	17,911,134	18,972,229	18,871,060	19,600,418	20,608,824	20,768,545	20,539,752	20,852,719	312,967
Added Needs	3,595,810	3,746,920	4,043,813	4,027,103	4,170,775	4,510,869	5,011,338	4,961,439	(49,899)
Adult and Continuing Education									
SUPPORT SERVICES:									
Pupil Services	1,037,101	1,076,612	1,304,907	1,527,212	1,784,812	1,948,230	1,988,408	1,966,965	(21,423)
Instruction Staff Services	988,035	1,097,527	1,649,938	1,888,257	2,039,870	2,119,697	1,648,508	1,588,287	(60,221)
General Administration Services	365,601	389,833	450,405	485,402	734,765	467,851	544,652	585,648	40,996
School Administration Services	2,219,137	2,335,088	2,326,745	2,494,815	2,509,934	2,522,912	2,612,383	2,689,766	77,383
Business Services	789,859	639,764	649,619	626,105	646,085	722,147	763,540	740,699	(22,841)
Operation and Maintenance Services	3,275,080	3,402,664	3,136,234	3,236,687	3,189,731	3,213,308	3,211,548	3,365,514	153,966
Pupil Transportation Services	1,048,942	1,153,371	1,000,740	1,056,382	1,101,251	1,146,932	1,140,437	1,207,202	66,765
Other Supporting Services	1,501,593	1,671,500	1,591,088	2,007,827	1,513,190	1,590,819	1,704,061	1,869,528	165,467
COMMUNITY SERVICES	741,421	684,179	743,052	688,583	538,131	399,077	385,157	399,796	44,639
TOTAL EXPENDITURES	33,473,713	35,169,687	35,767,611	37,618,790	38,837,367	39,410,387	39,519,784	40,227,583	707,799
OUTGOING TRANSFERS/OTHER TRANSACTIONS	693,400	759,831	783,216	1,024,789	972,881	958,552	953,483	1,013,901	60,418
TOTAL APPROPRIATED	34,167,113	35,929,518	36,550,827	38,643,579	39,810,248	40,368,939	40,473,267	41,241,484	768,217
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	(561,568)	(1,194,717)	354,352	(89,343)	(4,299)	(85,287)	13,971	72,006	
<i>Fund Balance at beginning of year</i>	7,535,899	6,974,331	5,779,614	6,133,965	6,094,623	6,090,324	6,090,324	6,090,324	
<i>Non-spendable Fund Balance</i>	102,090	67,234	92,197	69,361	90,831	90,831	37,010	37,010	
<i>Assigned Fund Balance</i>	1,520,721	971,443	350,403	822,824	189,674	189,674	97,537	97,537	
<i>Unassigned Fund Balance at end of year</i>	5,351,520	4,740,937	5,691,366	5,202,438	5,809,819	5,724,532	5,969,748	6,027,783	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	20.63%	16.55%	17.61%	16.76%	16.36%	15.89%	16.11%	15.94%	
17% Cashflow Requirement (net of Sec 147c expenses)	5,746,155	5,937,833	5,922,448	6,180,077	6,329,317	6,424,295	6,365,718	6,496,314	
Amount Available for Use	1,228,176	(158,219)	211,517	(85,454)	(238,993)	(419,268)	(261,423)	(333,984)	

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 COMPARATIVE 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 2017-18 BUDGET ADOPTION RESOLUTION.

LAKEVIEW SCHOOL DISTRICT
GENERAL FUND ATHLETICS BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2018

	AUDITED 2012-13	AUDITED 2013-14	AUDITED 2014-15	AUDITED 2015-16	AUDITED 2016-17	ADOPTED 2017-18	PROPOSED AMENDMENT A 2017-18	PROPOSED AMENDMENT B 2017-18	VARIANCE
REVENUES:									
Local Sources	294,528	329,871	256,422	253,070	259,393	248,065	244,357	273,548	29,191
State Sources		0	0	0	0	0	0	0	-
Federal Sources		0	0	0	0	0	0	0	-
Incoming Transfers & Other Transactions	636,387	640,500	608,363	628,637	649,519	637,337	638,710	655,835	17,125
TOTAL REVENUES & TRANSFERS	930,915	970,371	864,785	881,707	908,911	885,402	883,067	929,383	46,316
EXPENDITURES:									
Salaries	406,234	453,406	431,256	430,637	440,464	443,211	435,564	443,370	7,806
Employee Benefits	152,638	185,770	193,977	211,218	217,946	226,821	225,247	227,577	2,330
Purchased Services	157,251	125,356	63,658	62,362	81,302	91,103	87,658	88,464	806
Supplies	159,165	145,665	123,697	128,790	136,939	74,002	111,920	138,786	26,866
Capital Outlay	12,078	33,835	31,913	21,728	27,969	8,992	7,738	10,243	2,505
Dues & Fees	24,570	24,161	19,203	20,110	23,362	22,943	22,961	22,027	(934)
TOTAL EXPENDITURES	911,936	968,194	863,704	874,844	927,982	867,072	891,088	930,467	39,379
OUTGOING TRANSFERS/OTHER TRANSACTIONS	0	0	25,180	25,180	25,180	25,180	25,180	700	700
TOTAL APPROPRIATED	911,936	968,194	888,884	900,024	953,162	892,252	891,088	931,167	40,079
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	18,979	2,178	(24,099)	(18,318)	(44,251)	(6,850)	(8,021)	(1,784)	
<i>Fund Balance at beginning of year</i>	137,586	156,564	158,742	134,643	116,325	72,074	72,074	72,074	
<i>Non-Spendable Fund Balance</i>	2,159	6,459	6,671	4,360	3,987	3,987	3,987	3,987	
<i>Unassigned Fund Balance at end of year</i>	154,405	152,283	127,972	111,965	68,088	61,238	60,066	66,303.26	

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 2017-18 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, 2018**

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 2017-18 be approved as follows:

Revenue:	
Local	1,005,372
State	75,246
Federal	1,660,901
Incoming Transfers & Other Transactions	<u>38,760</u>
Total Revenue	<u>2,780,279</u>
Fund Balance, July 1, 2017 (actual)	650,542
Less Non-Spendable Fund Balance (actual)	<u>20,065</u>
Restricted Fund Balance Available to Appropriate	<u>630,477</u>
Total Available to Appropriate	<u><u>3,410,756</u></u>

BE IT FURTHER RESOLVED, that \$2,739,186 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	2,601,199
TOTAL EXPENDITURES	<u>2,601,199</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>137,987</u>
TOTAL APPROPRIATED	<u><u>2,739,186</u></u>

THIS RESOLUTION TAKES EFFECT MAY 21, 2018

**LAKEVIEW SCHOOL DISTRICT
SCHOOL SERVICE FUND FOOD SERVICE BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2018**

	AUDITED 2012-13	AUDITED 2013-14	AUDITED 2014-15	AUDITED 2015-16	AUDITED 2016-17	ADOPTED 2017-18	PROPOSED		VARIANCE
							AMEND A 2017-18	AMEND B 2017-18	
REVENUES:									
Local Sources	862,531	850,524	945,878	998,805	1,008,640	1,015,163	1,015,653	1,005,372	(10,281)
State Sources	78,418	58,618	67,884	68,971	72,966	72,966	72,966	75,246	2,280
Federal Sources	1,156,711	1,228,749	1,222,833	1,395,059	1,511,375	1,486,947	1,486,947	1,660,901	173,954
Incoming Transfers & Other Transactions	900	1,070	1,050	4,773	-	1,260	1,260	38,760	37,500
TOTAL REVENUES & TRANSFERS	2,098,560	2,138,961	2,237,645	2,467,609	2,592,981	2,576,336	2,576,826	2,780,279	203,453
EXPENDITURES:									
Salaries	464,834	493,077	532,824	578,911	612,526	657,448	647,483	655,927	8,444
Employee Benefits	274,099	293,690	358,406	372,168	373,249	423,953	429,579	409,687	(19,892)
Purchased Services	41,874	41,375	52,494	61,780	62,340	65,373	68,519	66,547	(1,972)
Supplies and other Expense	1,008,639	1,066,972	1,037,131	1,205,416	1,250,606	1,296,470	1,295,828	1,311,301	15,473
Dues and Fees	45,766	13,238	11,515	12,896	13,983	19,158	19,178	14,349	(4,829)
Capital Outlay	10,502	10,083	50,424	67,694	129,721	174,800	248,090	143,388	(104,702)
TOTAL EXPENDITURES	1,845,714	1,918,435	2,042,794	2,298,865	2,442,425	2,637,202	2,708,677	2,601,199	(107,478)
OUTGOING TRANSFERS/OTHER TRANSACTIONS	121,475	128,799	144,468	159,705	139,684	155,068	133,099	137,987	4,888
TOTAL APPROPRIATED	1,967,189	2,047,233	2,187,262	2,458,571	2,582,109	2,792,270	2,841,776	2,739,186	(102,590)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES									
<i>Fund Balance at beginning of year</i>	357,151	488,522	580,249	630,631	639,669	650,542	650,542	650,542	650,542
<i>Non-spendable Fund Balance</i>	24,353	29,281	30,156	29,456	20,065	20,065	20,065	20,065	20,065
<i>Restricted Fund Balance at end of year</i>	464,169	550,968	600,475	610,213	630,477	414,543	365,527	671,570	671,570

**RESOLUTION FOR ADOPTION
BY THE BOARD OF EDUCATION OF THE
LAKEVIEW SCHOOL DISTRICT
CAPITAL PROJECTS FUND
FOR FISCAL YEAR ENDING JUNE 30, 2018**

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 2017-2018 be approved as follows:

Revenue:		
	Local - PIF	600
	Other Financing Sources	
	Incoming Transfers & Other Transactions (Cap Proj - Non Bond)	<u>337,619</u>
	Total Revenue	338,219
	Fund Balance - Public Improvement Fund, July 1 2017 (audited)	879,010
	Fund Balance - Capital Project Fund Non-Bond, July 1 2017 (audited)	250,000
	Less: Committed Fund Balance - Public Improvement Fund (audited)	507,989
	Restricted Fund Balance Available to Appropriate	371,021
	Unassigned Fund Balance Available to Appropriate	<u>250,000</u>
	Total Available to Appropriate	<u><u>959,240</u></u>

BE IT FURTHER RESOLVED, that \$139,427 of the total to appropriate in the Capital Projects Fund and \$0 of the Committed Fund Balance is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:		
	Public Improvement Fund - General/Restricted	139,427
	Public Improvement Fund - Elementary Facilities	-
	Public Improvement Fund - Tennis Building	-
	Public Improvement Fund - Tennis Brick Program	-
	Public Improvement Fund - Swimming	-
	Capital Project	<u>0</u>
	TOTAL EXPENDITURES	<u>139,427</u>
	<i>Outgoing Transfers/Other Transactions</i>	<u>0</u>
	TOTAL APPROPRIATED	<u><u>139,427</u></u>

THIS RESOLUTION TAKES EFFECT MAY 21, 2018