

**FISCAL YEAR 2020-21
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
CAPITAL PROJECT FUND
STUDENT/SCHOOL ACTIVITY FUND
BUDGETS
AMMENDMENT B
JUNE 21, 2021**



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 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.
 - State, Federal and other Sources
 1. A State Foundation Grant of \$8,115 is the approved foundation amount, which 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 have 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. COVID grants totaling \$2,342,609 (One time funding) are built into the budget along with offsetting costs:
 - ESSER Formula \$439,601
 - ESSER Equity \$87,921
 - ESSER II \$71,044
 - GEER \$269,294
 - 11(p) CRF \$1,424,607 (covers some 19-20 expenses)
 - 103(2) District COVID \$50,142
 6. Michigan Association of Intermediate School Administration (MAISA) MIconnect grant was received in the amount of \$155,799 for rebates on chrome books and other COVID tech costs.
 7. Incoming Transfers & Other Transactions - Updated for the indirect cost transfer from food service.
 8. Special Education revenue on calculated SE-201 based on projected budget and current approved staffing.
 9. Food Service Indirect cost revenue has been updated according to the formula.

- 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. COVID grants are one time money that were used towards COVID related expenditures included in the expenditures such as:
 - Virtual learning
 - Technology
 - PPE
 - Planning for remote and return to learning
 3. 11(p) were funds – this was funds that we received that were to offset the loss of foundation in the 2019-20 year. These funds were used towards Administrative salaries and benefits for time of planning for remote and return due to COVID. The remaining was use for additional virtual teachers.
 4. Reduction of \$134k to the budgeted UAAL based on the amended payroll budget.
 5. Transfer to Capital plan of \$1,000,000 from previous year's reserve for future operations and expected surplus from this year of \$1,293,682.

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 \$454,200 due to continuing virtual learning – with meals being served via the Federal Unanticipated Feeding Program.
 - b. Federal sources – up \$142,303 due to meals being served via the Federal Unanticipated Feeding Program.
2. At the beginning of the year the supply chains strained and caused increased costs, and in the first amendment we added to the budget to cover, since then we moved to another supplier and costs came back into line and therefore we can reduce the costs for this amendment.
3. Capital Outlay – increase of \$86,384 – purchase of equipment based on spend down plan with MDE – Walk in freezer and oven at the High School, milk coolers at elementary, and dishwasher at Middle School were some of the items purchased.
4. Indirect cost down \$8,547. This is a calculation based on expenditures.
5. The budgeted loss was as we are required to not have in excess of 3 months spending in the food service fund balance and if we do we need to have a spend down plan. The Capital Expenditures above were part of that plan.

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 2020-21.
2. Funds from prior year that were reserved for future operations will be moved to the non-bond capital fund in the amount of \$1,300,000.
3. Elementary furniture in amount of \$300,594 to Public Improvement Fund that was ordered in prior year but was not received until this year.
4. Operations truck, music cart, and mobile storage cabinets, LHS hot water controls, bus garage floor in mechanic area leveled, and LMS desks in amount of \$121,650 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 from the prior year. The revenue and expenses are based on the projected activity for the accounts this year.

**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 ammended and approved as follows:

Revenue:	
Local	4,715,995
State	35,316,831
Federal	3,758,751
Incoming Transfers & Other Transactions	2,244,111
Total Revenue	<u>46,035,688</u>
Fund Balance, July 1, 2020	8,592,384
Less Non-spendable Fund Balance (audited)	231,151
Less Assigned Fund Balance for Subsequent Year Deficit (audited)	0
Less Assigned Fund Balance for Future Operations (audited)	1,203,969
Less Assigned Fund Balance for Technology	0
Less Assigned Fund Balance for Comp. Absences (audited)	<u>63,538</u>
Fund Balance Available to Appropriate	<u>7,093,726</u>
Total Available to Appropriate	<u><u>53,129,414</u></u>

Be it further resolved that \$47,035,688 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	22,656,382
Added Needs	5,685,730
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,174,524
Instruction Staff Services	1,607,817
General Administration Services	535,504
School Administration Services	2,952,094
Business Services	884,320
Operation and Maintenance Services	3,673,076
Pupil Transportation Services	1,206,928
Other Supporting Services	1,471,307
Athletics	878,965
<i>Community Services</i>	<u>641,597</u>
TOTAL EXPENDITURES	<u>44,368,244</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>2,667,444</u>
TOTAL APPROPRIATED	<u><u>47,035,688</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 JUNE 21, 2021

LAKEVIEW SCHOOL DISTRICT
GENERAL FUND BUDGET
AMMENDMENT B
FOR FISCAL YEAR ENDING JUNE 30, 2021

	2018-19 AUDITED	2019-20 AUDITED	ADOPTED 2020-21 ORIGINAL	ADOPTED 2020-21 AMEND A	PROPOSED 2020-21 AMEND B	VARIANCE
REVENUES:						
Local Sources	5,691,194	5,070,302	5,109,266	4,782,405	4,715,995	(393,271)
State Sources	33,722,111	33,958,920	31,250,564	34,900,214	35,316,831	4,066,267
Federal Sources	696,754	642,773	896,776	2,933,873	3,758,751	2,861,975
Incoming Transfers & Other Transactions	2,752,404	2,038,056	2,427,709	2,389,774	2,244,111	(183,598)
TOTAL REVENUES & TRANSFERS	42,862,463	41,710,050	39,684,315	45,006,266	46,035,688	6,351,373
EXPENDITURES:						
BASIC INSTRUCTION:						
Basic Programs	20,222,097	20,323,472	20,473,564	22,986,271	22,656,382	2,182,818
Added Needs	4,806,419	4,425,644	5,233,189	5,320,142	5,685,730	452,541
Adult and Continuing Education	-	-	-	-	-	-
SUPPORT SERVICES:						
Pupil Services	2,262,601	2,108,360	2,309,284	2,377,203	2,174,524	(134,760)
Instruction Staff Services	1,634,571	2,068,620	1,380,522	1,617,442	1,607,817	227,295
General Administration Services	498,963	498,859	508,076	531,639	535,504	27,428
School Administration Services	2,585,154	2,731,317	2,885,686	2,944,897	2,952,094	66,408
Business Services	792,423	832,830	825,466	864,694	884,320	58,854
Operation and Maintenance Services	3,345,791	3,108,502	3,325,492	3,755,918	3,673,076	347,584
Pupil Transportation Services	1,164,805	1,189,300	1,049,666	1,197,482	1,206,928	157,262
Other Supporting Services	1,702,131	1,641,152	1,383,184	1,532,532	1,471,307	88,123
Athletics	906,445	893,604	833,720	865,199	878,965	45,245
COMMUNITY SERVICES	337,404	365,138	387,321	625,305	641,597	254,276
TOTAL EXPENDITURES	40,258,805	40,186,798	40,595,170	44,618,724	44,368,244	3,773,074
OUTGOING TRANSFERS/OTHER TRANSACTIONS	1,829,168	214,058	293,114	387,542	2,667,444	2,374,330
TOTAL APPROPRIATED	42,087,973	40,400,856	40,888,284	45,006,266	47,035,688	2,374,330
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	774,490	1,309,194	(1,203,969)	0	(1,000,000)	
<i>Fund Balance at beginning of year</i>	6,508,700	7,283,190	8,592,384	8,592,384	8,592,384	
<i>Non-spendable Fund Balance</i>	89,111	89,111	89,111	235,904	231,151	
<i>Assigned Fund Balance</i>	60,137	60,137	60,137	1,267,506	1,267,507	
<i>Unassigned Fund Balance at end of year</i>	7,133,942	8,443,136	7,239,167	7,088,974	6,093,726	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	18.49%	22.73%	19.49%	20.45%	17.24%	
17% Cashflow Requirement (net of Sec 147c expenses)	6,696,005	6,425,902	6,443,629	7,143,686	7,488,688	
Amount Available for Use	587,185	2,166,483	944,786	1,448,698	103,696	

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
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 ammended and approved as follows:

Revenue:	
Local	189,321
State	79,586
Federal	2,040,031
Incoming Transfers & Other Transactions	82,000
Total Revenue	<u>2,390,938</u>
Fund Balance, July 1, 2020 (audited)	997,963
Less Non-Spendable Fund Balance (audited)	<u>50,463</u>
Restricted Fund Balance Available to Appropriate	<u>947,500</u>
Total Available to Appropriate	<u><u>3,338,438</u></u>

BE IT FURTHER RESOLVED, that \$2,665,034 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	2,484,219
TOTAL EXPENDITURES	<u>2,484,219</u>
<i>Outgoing Transfers/Other Transactions</i>	180,815
TOTAL APPROPRIATED	<u><u>2,665,034</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 21, 2021

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

FOR FISCAL YEAR ENDING JUNE 30, 2021

	AUDITED 2017-18	AUDITED 2018-19	AUDITED 2019-20	ADOPTED ORIGINAL 2020-21	ADOPTED AMEND A 2020-21	PROPOSED AMEND B 2020-21	VARIANCE
REVENUES:							
Local Sources	1,001,806	944,065	674,833	930,094	643,541	189,321	(454,220)
State Sources	74,927	75,190	68,663	74,114	71,371	79,586	8,215
Federal Sources	1,579,007	1,790,869	2,162,532	1,759,174	1,897,728	2,040,031	142,303
Incoming Transfers & Other Transactions	39,070	76,750	80,000	81,000	81,000	82,000	1,000
TOTAL REVENUES & TRANSFERS	2,694,810	2,886,875	2,986,027	2,844,382	2,693,640	2,390,938	(302,702)
EXPENDITURES:							
Salaries	664,958	732,801	657,228	707,931	637,751	637,751	-
Employee Benefits	414,779	480,550	459,394	491,661	460,621	460,621	-
Purchased Services	54,713	53,242	62,670	106,295	92,248	78,345	(13,903)
Food, Supplies, and Other Expenses	1,254,383	1,194,827	1,217,814	1,239,709	1,302,443	1,146,458	(155,985)
Dues and Fees	12,513	14,324	17,980	14,460	16,360	14,460	(1,900)
Capital Outlay	161,399	123,411	103,602	47,800	60,200	146,584	86,384
TOTAL EXPENDITURES	2,562,746	2,599,156	2,518,687	2,607,856	2,569,623	2,484,219	(85,404)
OUTGOING TRANSFERS/OTHER TRANSACTIONS	134,356	195,721	209,620	190,500	189,362	180,815	(8,547)
TOTAL APPROPRIATED	2,697,102	2,794,877	2,728,308	2,798,356	2,758,985	2,665,034	(93,951)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	(2,292)	91,997	257,719	46,026	(65,345)	(274,096)	
<i>Fund Balance at beginning of year</i>	650,542	648,250	740,247	997,963	997,963	997,963	
<i>Non-spendable Fund Balance</i>	32,746	24,381	50,463	50,463	50,463	50,463	
<i>Restricted Fund Balance at end of year</i>	615,504	715,866	947,500	993,526	882,155	673,404	

**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	35
	Other Financing Sources	
	Incoming Transfers & Other Transactions (Cap Proj - Non Bond)	<u>2,293,628</u>
	Total Revenue	<u>2,293,663</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>4,672,898</u></u>

BE IT FURTHER RESOLVED, that \$422,244 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, and LMS Desks, Mobile storage cabinets, LHS hot water controls, bus garage concrete	121,650
	TOTAL EXPENDITURES	422,244
	<i>Outgoing Transfers/Other Transactions</i>	<u>0</u>
	TOTAL APPROPRIATED	<u><u>422,244</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 21, 2021

**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 ammended and approved as follows:

Revenue:

Beginning Cash	0
Estimated Trust and Agency Funds	286,989
Projected Income	<u>103,427</u>
Total Revenue	<u>390,416</u>

Total Available to Appropriate	<u><u>390,416</u></u>
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BE IT FURTHER RESOLVED, that \$131,251 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>131,251</u>
<u>131,251</u>

TOTAL APPROPRIATED

<u><u>131,251</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 21, 2021