

**FISCAL YEAR 2021-22
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
BUDGETS
AMENDMENT A
FEBRUARY 28, 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 2021-22 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 has been updated to the current amount of \$8,700 from the \$8,215 per blended FTE that was used in the original budget.
 2. The blended FTE used for the budget of 3926.27 is down from the 3950 that was used in the original version.
 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 match expenditures for these programs based on projected funding (i.e. Title I, Title II, Title III, At-Risk).
 5. ESSER grants totaling \$2,956,217 are built into the budget along with offsetting costs, these are one-time funds to help with the learning loss experienced due to COVID: Along with \$250,000 new funds from ARP Child Care Stabilization grant for the childcare program.
 6. Special Education revenue is based on the calculated SE-201 report. That 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. This has increased from the original by \$63,000 due to the increase in the food service budget.
- General Fund Expenses:
 1. All Federal and State Grant funded program revenues 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, teaching materials, and textbooks and other supplies to mediate the learning loss that occurred during COVID.
 3. Cost of Staffing was adjusted based on the increase in the per pupil funding formula that is in contracts. Due to the economy and difficulty in staffing, there has been several adjustments

made during the year to attract and retain staffing and those costs have been included.

4. General Administration Services are down due to the replacement of the superintendent with an interim so this is a one-time savings in this area.
5. Transportation increases can be attributed to staffing costs listed above. There has been an increase in athletic transportation due to more events this year.
6. Athletics has a software costs for streaming games that was an increase from prior years along with staffing costs.
7. Line item "Community Services" increase is primarily based on staffing costs. A piece of that was the required staff stipends from the ARP Child Care Stabilization grant. The other part of the increase is from the non-public school costs from Title funds.
8. Transfers to capital funds have been included in this budget; these are funds to help cover the areas of need for the district that are not covered in the bond, such as parking lots, ceilings, and other maintenance costs.

SCHOOL SERVICE FUND – Food Service

This budget reflects:

A fair representation of what is expected for the program in 2021-22.

1. Due to the continuation of the Seamless Summer program option of serving, our local revenue remains less than pre-COVID levels as students are still receiving their main/first meal at no cost, however our Ala carte sales are significantly higher than last year because of a full year of in person instruction.
2. State sources are based on the most recent State Aid Status report.
3. Our Federal Revenue is significantly higher as a result of a full year of in-person instruction which means more meals are being served coupled with the higher per meal reimbursement under the seamless summer option.
4. Salaries and benefit budgets have been increased to incorporate a salary schedule market adjustment (approximately 12%) as well as a retention bonus and longevity payment for this fiscal year; all of which are part of the fund balance spend down plan being submitted to MDE.
5. Food Costs have been annualized with additional 5% increases expected in the categories of meats, paper goods, and linens.
6. Approximately \$180K investment in depreciable and non-depreciable equipment items as part of the fund balance spend down plan being submitted to MDE.
7. Outgoing Transfers to the General fund have increased based on the calculation of the allowable 13.68% of Indirect Cost.

**LAKEVIEW SCHOOL DISTRICT
GENERAL FUND BUDGET
AMMENDMENT A**

FOR FISCAL YEAR ENDING JUNE 30, 2022

	2019-20 AUDITED	2020-21 AUDITED	ADOPTED 2021-22 ORIGINAL	PROPOSED 2021-22 AMEND A	VARIANCE
REVENUES:					
Local Sources	5,070,302	4,677,838	4,726,740	4,909,964	183,224
State Sources	33,958,920	35,316,301	34,468,984	36,787,313	2,318,329
Federal Sources	642,773	2,944,836	4,058,338	4,284,028	225,690
Incoming Transfers & Other Transactions	2,038,056	2,134,882	2,687,795	2,762,029	74,234
TOTAL REVENUES & TRANSFERS	41,710,050	45,073,857	45,941,857	48,743,334	2,801,477

EXPENDITURES:

BASIC INSTRUCTION:

Basic Programs	20,323,472	22,477,103	22,591,598	23,555,086	963,488
Added Needs	4,425,644	4,896,104	6,057,094	7,353,882	1,296,788

SUPPORT SERVICES:

Pupil Services	2,108,360	2,108,520	2,631,177	2,709,628	78,451
Instruction Staff Services	2,068,620	1,213,629	1,831,832	2,268,911	437,079
General Administration Services	498,859	496,579	533,490	495,966	(37,524)
School Administration Services	2,731,317	2,820,904	3,000,587	3,103,145	102,558
Business Services	832,830	828,034	915,854	1,026,749	110,895
Operation and Maintenance Services	3,108,502	3,427,743	3,835,167	4,109,079	273,912
Pupil Transportation Services	1,189,300	856,003	1,256,554	1,354,919	98,365
Other Supporting Services	1,641,152	1,401,649	1,632,707	1,763,686	130,979
Athletics	893,604	804,032	852,102	899,915	47,813
COMMUNITY SERVICES	365,138	390,740	477,355	618,502	141,147
TOTAL EXPENDITURES	40,186,798	41,721,040	45,615,517	49,259,468	3,643,951

OUTGOING TRANSFERS/OTHER TRANSACTIONS

TOTAL APPROPRIATED	214,058	2,529,290	326,340	611,894	285,554
	40,400,856	44,250,330	45,941,857	49,871,362	3,929,505

EXCESS REVENUE OVER EXPENDITURES AND

OTHER SOURCES	1,309,194	823,527	0	(1,128,028)	
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Fund Balance at beginning of year

Non-spendable Fund Balance	7,283,190	8,592,384	9,415,911	9,415,911	
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Assigned Fund Balance

	235,904	186,686	186,686	186,686	
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Unassigned Fund Balance at end of year

	63,537	59,573	59,573	59,573	
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	8,292,943	9,169,652	9,169,652	8,041,624	
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PLEASE NOTE: EFFECTIVE WITH THE 2010-11 BUDGET YEAR, THE COMBINED FINANCIAL ACTIVITY FOR THE GENERAL FUND WILL ALSO INCL 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 ACTIV PURPOSES OF THE 2018-19 BUDGET ADOPTION RESOLUTION.

**LAKEVIEW SCHOOL DISTRICT
APPROPRIATIONS RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
FISCAL YEAR 2021-22**

RESOLVED, that this resolution shall be the general appropriations of the Lakeview School District for the fiscal year 2021-22: 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 2021-22 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	4,909,964
State	36,787,313
Federal	4,284,028
Incoming Transfers & Other Transactions	2,762,029
Total Revenue	<u>48,743,334</u>
Fund Balance, July 1, 2021	9,415,911
Less Non-spendable Fund Balance	186,686
Less Assigned Fund Balance for Subsequent Year Deficit	0
Less Assigned Fund Balance for Future Operations	0
Less Assigned Fund Balance for Technology	0
Less Assigned Fund Balance for Comp. Absences	59,573
	<u>9,169,652</u>
Fund Balance Available to Appropriate	
	<u>57,912,986</u>

Be it further resolved that \$48,743,334 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	23,555,086
Added Needs	7,353,882
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,709,628
Instruction Staff Services	2,268,911
General Administration Services	495,966
School Administration Services	3,103,145
Business Services	1,026,749
Operation and Maintenance Services	4,109,079
Pupil Transportation Services	1,354,919
Other Supporting Services	1,763,686
Athletics	899,915
<i>Community Services</i>	618,502
TOTAL EXPENDITURES	<u>49,259,468</u>
<i>Outgoing Transfers/Other Transactions</i>	611,894
TOTAL APPROPRIATED	<u>49,871,362</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 FEBRUARY 28, 2022

LAKEVIEW SCHOOL DISTRICT
SCHOOL SERVICE FUND FOOD SERVICE BUDGET
ORIGINAL
FOR FISCAL YEAR ENDING JUNE 30, 2022

	AUDITED 2016-17	AUDITED 2017-18	AUDITED 2018-19	AUDITED 2019-20	AUDITED 2020-21	ADOPTED ORIGINAL 2021-22	PROPOSED AMEND A 2021-22	VARIANCE
REVENUES:								
Local Sources	1,008,640	1,001,806	944,065	674,833	189,435	930,094	333,691	(596,403)
State Sources	72,966	74,927	75,190	68,663	96,812	74,114	86,742	12,628
Federal Sources	1,511,375	1,579,007	1,790,869	2,162,532	2,179,675	1,759,174	2,815,313	1,056,139
Incoming Transfers & Other Transactions	-	39,070	76,750	80,000	99,361	122,000	122,500	500
TOTAL REVENUES & TRANSFERS	2,592,981	2,694,810	2,886,875	2,986,027	2,565,283	2,885,382	3,358,246	472,864
EXPENDITURES:								
Salaries	612,526	664,958	732,801	657,228	558,430	718,739	823,574	104,835
Employee Benefits	373,249	414,779	480,550	459,394	412,667	474,941	552,749	77,808
Purchased Services	62,340	54,713	53,242	62,670	75,541	106,295	94,453	(11,842)
Food, Supplies, and Other Expenses	1,250,606	1,254,383	1,194,827	1,217,814	1,074,603	1,059,709	1,527,556	467,847
Dues and Fees	13,983	12,513	14,324	17,980	3,698	14,800	7,000	(7,800)
Capital Outlay	129,721	161,399	123,411	103,602	141,901	14,460	154,000	139,540
TOTAL EXPENDITURES	2,442,425	2,562,746	2,599,156	2,518,687	2,266,840	2,388,944	3,159,332	770,388
OUTGOING TRANSFERS/OTHER TRANSACTIONS	139,684	134,356	195,721	209,620	177,999	162,385	225,675	63,290
TOTAL APPROPRIATED	2,582,109	2,697,102	2,794,877	2,728,308	2,444,839	2,551,329	3,385,007	833,678
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	10,872	(2,292)	91,997	257,719	120,444	334,053	(26,761)	
<i>Fund Balance at beginning of year</i>	639,669	650,542	648,250	740,247	997,963	1,118,406	1,118,406	
<i>Non-spendable Fund Balance</i>	20,065	32,746	24,381	50,463	32,767	32,767	32,767	
<i>Restricted Fund Balance at end of year</i>	630,477	615,504	715,866	947,500	1,085,639	1,419,692	1,058,878	

**LAKEVIEW SCHOOL DISTRICT
RESOLUTION FOR ADOPTION SCHOOL SERVICE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2022**

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 2021-22 be amended and approved as follows:

Revenue:	
Local	333,691
State	86,742
Federal	2,815,313
Incoming Transfers & Other Transactions	<u>122,500</u>
Total Revenue	<u>3,358,246</u>
Fund Balance, July 1, 2021 (audited)	1,118,406
Less Non-Spendable Fund Balance (estimated)	<u>32,767</u>
Restricted Fund Balance Available to Appropriate	<u>1,085,639</u>
Total Available to Appropriate	<u><u>4,443,885</u></u>

BE IT FURTHER RESOLVED, that \$3,385,007 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	3,159,332
TOTAL EXPENDITURES	<u>3,159,332</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>225,675</u>
TOTAL APPROPRIATED	<u><u>3,385,007</u></u>

THIS RESOLUTION TAKES EFFECT FEBRUARY 28, 2022