

**FISCAL YEAR 2021-22
GENERAL FUND OPERATING
SCHOOL SERVICE FUND
BUDGETS
AMENDMENT B
JUNE 20, 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 AMENDMENT B 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 are updated
 - State, Federal and other Sources
 1. A State Foundation Grant reflects the current foundation amount of \$8,700 and current blended FTE of 3,926
 2. MPSERS revenue has been updated to State approved budget, along with the corresponding expenses as necessary.
 3. 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).
 4. Included in other transactions was an unexpected refund of \$100,307 from Oakland Schools for prior year's expenses from the VLAC online school program.
 5. Food Service Indirect cost revenue has been updated according to the formula based on projected 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. Increase of \$234K to the budgeted UAAL based on the amended payroll budget.
 4. Reduction of the two school buses for \$192,596 ordered but will not be delivered until next year. This will be included in the 2022-23 budget.
 5. Reduction in operations for the Bobcat ordered that will not be received before June 30 in the amount of \$50,588.

SCHOOL SERVICE FUND – Food Service

This budget reflects:

A fair representation of what is expected for the program in 2021-22 based on year-to-date revenue and expenses through May and estimates for June.

1. An increase in local revenue of approximately \$22K primarily as the results of higher than anticipated outside catering revenue.
2. A \$77K increase in State sources based on the receipt of Section 31f funding for breakfast that the district has not been eligible to receive for many years. It is not anticipated that this funding will continue to be received and is the result of how costs were required to be reported by the State for the Continuous Summer Feeding Option.
3. Our Federal Revenue has been increased by nearly \$200K to reflect higher than anticipated breakfast and lunch reimbursement of \$180K coupled with a \$16K increase in commodity entitlement dollars (which has a reciprocal expense adjustment and a zero bottom line impact).
4. Salaries and benefit budgets have been reduced by nearly \$11K based on actual payrolls through June 14 plus an estimate for the June 28 payroll.
5. Purchased Service and Food Costs budgets have been reduced slightly based on revised projections.
6. The capital project budget of \$154K has been removed based on the anticipated receipt of depreciable and non-depreciable equipment items as part of the fund balance spend down plan being submitted to MDE occurring in FY 22-23.
7. Outgoing Transfers to the General fund have decreased based on the calculation of the allowable 13.68% of Indirect Cost on final budget revision expenditures.

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

FOR FISCAL YEAR ENDING JUNE 30, 2022

	2019-20 AUDITED	2020-21 AUDITED	ADOPTED 2021-22 ORIGINAL	ADOPTED 2021-22 AMEND A	PROPOSED 2021-22 AMEND B	VARIANCE
REVENUES:						
Local Sources	5,070,302	4,677,838	4,726,740	4,909,964	4,824,845	(85,119)
State Sources	33,958,920	35,316,301	34,468,984	36,787,313	36,938,841	151,528
Federal Sources	642,773	2,944,836	4,058,338	4,284,028	4,326,520	42,492
Incoming Transfers & Other Transactions	2,038,056	2,134,882	2,687,795	2,762,029	2,887,060	125,031
TOTAL REVENUES & TRANSFERS	41,710,050	45,073,857	45,941,857	48,743,334	48,977,266	233,932
EXPENDITURES:						
BASIC INSTRUCTION:						
Basic Programs	20,323,472	22,477,103	22,591,598	23,555,086	23,513,775	(41,311)
Added Needs	4,425,644	4,896,104	6,057,094	7,353,882	7,230,423	(123,459)
Adult and Continuing Education	-	-	-	-	-	-
SUPPORT SERVICES:						
Pupil Services	2,108,360	2,108,520	2,631,177	2,709,628	2,573,578	(136,050)
Instruction Staff Services	2,068,620	1,213,629	1,831,832	2,268,911	2,171,446	(97,465)
General Administration Services	498,859	496,579	533,490	495,966	488,727	(7,239)
School Administration Services	2,731,317	2,820,904	3,000,587	3,103,145	3,124,782	21,637
Business Services	832,830	828,034	915,854	1,026,749	976,717	(50,032)
Operation and Maintenance Services	3,108,502	3,427,743	3,835,167	4,109,079	4,056,840	(52,239)
Pupil Transportation Services	1,189,300	856,003	1,256,554	1,354,919	1,226,250	(128,669)
Other Supporting Services	1,641,152	1,401,649	1,632,707	1,763,686	1,773,142	9,456
Athletics	893,604	804,032	852,102	899,915	912,143	12,228
COMMUNITY SERVICES	365,138	390,740	477,355	618,502	623,730	5,228
TOTAL EXPENDITURES	40,186,798	41,721,040	45,615,517	49,259,468	48,671,553	(587,915)
OUTGOING TRANSFERS/OTHER TRANSACTIONS	214,058	2,529,290	326,340	611,894	669,446	285,554
TOTAL APPROPRIATED	40,400,856	44,250,330	45,941,857	49,871,362	49,340,999	(302,361)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES	1,309,194	823,527	0	(1,128,028)	(363,733)	
<i>Fund Balance at beginning of year</i>	7,283,190	8,592,384	9,415,911	9,415,911	9,415,911	
<i>Non-spendable Fund Balance</i>	235,904	186,686	186,686	186,686	186,686	
<i>Assigned Fund Balance</i>	63,537	59,573	59,573	59,573	59,573	
<i>Unassigned Fund Balance at end of year</i>	8,292,943	9,169,652	9,169,652	8,041,624	8,805,919	
Fund Balance as a % of Expenditures (net of Sec 147c expenses)	22.73%	22.82%	21.92%	17.93%	19.81%	
17% Cashflow Requirement (net of Sec 147c expenses)	6,425,902	7,015,177	7,302,737	7,859,255	7,769,093	
Amount Available for Use	2,166,483	2,400,734	2,113,174	428,628	1,283,085	

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 COMPARISON, THE PORTION ASSOCIATED WITH ATHLETICS WILL BE ELIMINATED AGAINST THE INCOMING TRANSFERS WHEN COMBINED WITH THE ACTIVITY OF THE ATHLETIC PROGRAMS OF THE DISTRICT.

6/17/2022

**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	4,824,845
State	36,938,841
Federal	4,326,520
Incoming Transfers & Other Transactions	2,887,060
Total Revenue	<u>48,977,266</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	<u>59,573</u>
Fund Balance Available to Appropriate	<u>9,169,652</u>
Total Available to Appropriate	<u><u>58,146,918</u></u>

Be it further resolved that \$49,340,999 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	23,513,775
Added Needs	7,230,423
Adult and Continuing Education	0
<i>Support Services:</i>	
Pupil Services	2,573,578
Instruction Staff Services	2,171,446
General Administration Services	488,727
School Administration Services	3,124,782
Business Services	976,717
Operation and Maintenance Services	4,056,840
Pupil Transportation Services	1,226,250
Other Supporting Services	1,773,142
Athletics	912,143
<i>Community Services</i>	623,730
TOTAL EXPENDITURES	<u>48,671,553</u>
<i>Outgoing Transfers/Other Transactions</i>	669,446
TOTAL APPROPRIATED	<u><u>49,340,999</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 20, 2022

**LAKEVIEW SCHOOL DISTRICT
SCHOOL SERVICE FUND FOOD SERVICE BUDGET
ORIGINAL**

FOR FISCAL YEAR ENDING JUNE 30, 2022

	AUDITED 2019-20	AUDITED 2020-21	ADOPTED ORIGINAL 2021-22	ADOPTED AMEND A 2021-22	PROPOSED AMEND B 2021-22	VARIANCE
REVENUES:						
Local Sources	674,833	189,435	930,094	333,691	356,118	22,427
State Sources	68,663	96,812	74,114	86,742	163,873	77,131
Federal Sources	2,162,532	2,179,675	1,759,174	2,815,313	3,014,299	198,986
Incoming Transfers & Other Transactions	80,000	99,361	122,000	122,500	122,500	-
TOTAL REVENUES & TRANSFERS	2,986,027	2,565,283	2,885,382	3,358,246	3,656,790	298,544
EXPENDITURES:						
Salaries	657,228	558,430	718,739	823,574	816,460	(7,114)
Employee Benefits	459,394	412,667	474,941	552,749	548,969	(3,780)
Purchased Services	62,670	75,541	106,295	94,453	91,742	(2,711)
Food, Supplies, and Other Expenses	1,217,814	1,074,603	1,059,709	1,527,556	1,531,206	3,650
Dues and Fees	17,980	3,698	14,800	7,000	8,000	1,000
Capital Outlay	103,602	141,901	14,460	154,000	-	(154,000)
TOTAL EXPENDITURES	2,518,687	2,266,840	2,388,944	3,159,332	2,996,377	(162,955)
OUTGOING TRANSFERS/OTHER TRANSACTIONS						
	209,620	177,999	162,385	225,675	220,674	(5,001)
TOTAL APPROPRIATED	2,728,308	2,444,839	2,551,329	3,385,007	3,217,051	(167,956)
EXCESS REVENUE OVER EXPENDITURES AND OTHER SOURCES						
	257,719	120,444	334,053	(26,761)	439,739	
<i>Fund Balance at beginning of year</i>	740,247	997,963	1,118,406	1,118,406	1,118,406	
<i>Non-spendable Fund Balance</i>	50,463	32,767	32,767	32,767	32,767	
<i>Restricted Fund Balance at end of year</i>	947,500	1,085,639	1,419,692	1,058,878	1,525,378	

**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	356,118
State	163,873
Federal	3,014,299
Incoming Transfers & Other Transactions	<u>122,500</u>
Total Revenue	<u>3,656,790</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>4,742,429</u></u>

BE IT FURTHER RESOLVED, that \$3,217,051 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	2,996,377
TOTAL EXPENDITURES	<u>2,996,377</u>
<i>Outgoing Transfers/Other Transactions</i>	<u>220,674</u>
TOTAL APPROPRIATED	<u><u>3,217,051</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 20, 2022

**RESOLUTION FOR ADOPTION
BY THE BOARD OF EDUCATION OF THE
LAKEVIEW SCHOOL DISTRICT
CAPITAL PROJECTS FUND
FOR FISCAL YEAR ENDING JUNE 30, 2022**

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 2021-22 be approved as follows:

Revenue:		
	Local - PIF	100
	Other Financing Sources	
	Incoming Transfers & Other Transactions (Cap Proj - Non Bond)	<u>0</u>
	Total Revenue	100
Fund Balance - Public Improvement Fund, July 1 2021	480,135	
Fund Balance - Capital Project Fund Non-Bond, July 1 2021	3,770,450	
Less: Committed Fund Balance - Public Improvement Fund		
Restricted Fund Balance Available to Appropriate	480,135	
Unassigned Fund Balance Available to Appropriate	<u>3,770,450</u>	
Total Available to Appropriate	<u><u>4,250,685</u></u>	

BE IT FURTHER RESOLVED, that \$1,163,734 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	-
	Public Improvement Fund - Tennis Building	-
	Public Improvement Fund - Tennis Brick Program	-
	Public Improvement Fund - Swimming	-
	Capital Project	
	- Vehicles (van ordered in 21 rec in 22)	91,380
	- Elementary	174,197
	-High School - Fire Alarm system	860,504
	- General	37,653
TOTAL EXPENDITURES		1,163,734
<i>Outgoing Transfers/Other Transactions</i>		<u>0</u>
TOTAL APPROPRIATED		<u><u>1,163,734</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 20, 2022

**RESOLUTION FOR ADOPTION
BY THE BOARD OF EDUCATION OF THE
LAKEVIEW SCHOOL DISTRICT
STUDENT/SCHOOL ACTIVITY FUND
FOR FISCAL YEAR ENDING JUNE 30, 2022**

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 2021-22 be approved as follows:

Revenue:

Beginning Cash	259,165
Projected Income	<u>110,000</u>
Total Revenue	<u>369,165</u>

Total Available to Appropriate	<u><u>369,165</u></u>
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BE IT FURTHER RESOLVED, that \$110,000 of the total to appropriate in the Student/Activity Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	<u>110,000</u>
TOTAL EXPENDITURES	<u>110,000</u>
TOTAL APPROPRIATED	<u><u>110,000</u></u>

THIS RESOLUTION TAKES EFFECT JUNE 20, 2022