

MEMORANDUM

Christine Thomas-Hill
Associate Superintendent
Finance and Operations

Julie Gorter
Executive Assistant

TO: Paul Soma, Superintendent
FROM: Christine Thomas-Hill, Associate Superintendent
DATE: June 25, 2018
RE: **2018/2019 ORIGINAL BUDGETS**

Attached please find the 2018/2019 original budget resolution and itemized preliminary budget detail, presented in accordance with the Uniform Budgeting and Accounting Act. The budgets presented represent our preliminary estimates of revenues and expenditures for the General Fund and our Special Revenue Fund (Food Services and Community Services programs). Major revenue assumptions are detailed on the budget resolution (page 5.3) and budget detail (page 6.2). Budget amendments will be brought before the Board for approval as more information becomes available.

An appropriate motion would be:

Moved by _____, and Supported by _____, to adopt a resolution to approve the original 2018/2019 General Fund Budget and the original 2018/2019 Special Revenue Fund Budget, dated July 1, 2018.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 25, 2018

FOR ACTION:

TOPIC: 2018/2019 Preliminary Budgets for Traverse City Area Public Schools (Appropriations Act)

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution appropriating funds for the 2018/2019 fiscal year (Preliminary Budgets). The Uniform Budgeting and Accounting Act requires that the appropriations for the General Operations and Special Service Funds of the School District be approved by the Board of Education. The tentative budgets for these funds are attached. These budgets are only preliminary, to permit the beginning revenue disposition and expenditure appropriations until such time that the District has the necessary information to provide the final budget to the public and to the Board of Education.

Major revenue data is based upon the following:

Estimated Taxable Value (ad valorem)	4,954,110,951
Homestead Taxable Value	3,006,248,644
Non-Principal Residence Exemption Taxable Value	1,947,862,307*
Operating Millage Levy (Non-principal residence exemption only)	18 mills
Operating Local Property Tax Revenue (Non-principal residence exemption only)	35,061,522
Estimated State Aid (foundation allowance) Formula:	
Foundation Allowance per Pupil	7,871
Local Tax Support per Pupil (Est. Pupils: 9,868)	3,553
State Aid per Pupil (Est. Pupils: 9,868)	4,318

* Will be adjusted downward for Brownfield Development when numbers are available.

Emphasis is made that the data provided herein in no way indicates final revenue or expenditure levels; estimates are merely being provided to receive authorization to begin the 2018/2019 school year.

SOURCE PERSON: Christine Thomas-Hill, Associate Superintendent of Finance and Operations

ATTACHMENTS:

- Resolution to Adopt 2018/2019 Preliminary Budgets
- Three (3) year budget reporting required by the State of Michigan (refer to Tab 6)

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2018/2019 PRELIMINARY BUDGETS**

RESOLVED, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2018/2019 fiscal year. A resolution to make appropriations, and to provide for the expenditure of the appropriations, and to provide for the disposition of all income received by the Traverse City Area Public Schools.

BE IT FURTHER RESOLVED, that 18 mills of ad valorem property taxes will be levied for the purposes of General Operations. The levy will be against the taxable value of non-principal residence exemption and non-qualified agricultural property, and

WHEREAS, the total revenues and un-appropriated fund balance estimated to be available for appropriations in the **General (Operating) Fund** of the Traverse City Area Public Schools for the fiscal year 2018/2019 are as follows:

Revenue

Local Sources	\$ 35,549,613
State Sources	57,453,613
Federal Sources	1,869,812
Incoming Transfers and Other Transactions	<u>2,240,453</u>

Total Revenue	\$ 97,113,491
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Fund Balance (07/01/18 estimate)	5,582,840
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Total Available to

Appropriate ~ General Fund	\$ 102,696,331
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**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2018/2019 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that \$98,377,788 of the total available to appropriate in the **General Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures

Instruction:

Basic Programs	\$ 49,400,946
Added Needs	<u>9,781,448</u>
 Total Instruction	 \$ 59,182,394

Support Services:

Pupil Services	\$ 3,751,254
Instructional Staff	5,215,830
General Administration	697,090
School Administration	6,898,991
Business Services	1,993,762
Operations & Maintenance	9,329,636
Pupil Transportation Services	5,591,784
Central Services	3,361,938
Other Support Services	<u>1,917,311</u>

Total Support Services \$ 38,757,596

Community Services \$ 98,486

Outgoing Transfers and Other Transactions \$ 339,312

Total Appropriated ~ General Fund \$ 98,377,788

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2018/2019 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Food Services* of the Traverse City Area Public Schools for the fiscal year 2018/2019 are as follows:

Revenue

Local Sources *	\$ 2,183,871
State Sources	301,087
Federal Sources	2,282,542
Incoming Transfers/Others	10,000
Total Revenue	\$ 4,777,500

Expenditures

Salaries	\$ 1,320,295
Benefits	751,470
Purchased Services	145,758
Supplies & Other Expenses	2,269,977
Capital Outlay	30,000
Operating Transfer	<u>260,000</u>
Total Expenditures	\$ 4,777,500

Excess of Revenues Over/(Under) Expenditures	\$ 0
Beginning Fund Balance (07/01/18 estimate)	\$ 556,369
Ending Fund Balance (06/30/19 estimate)	\$ 556,369

* The Local Revenue reflects a \$0.05 increase to elementary lunch.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2018/2019 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Community Services* of the Traverse City Area Public Schools for the fiscal year 2018/2019 are as follows:

Revenue

Local Sources	\$ 3,343,372
Federal Sources	135,000
Intermediate Sources	0
Operating Transfers In	<u>229,500</u>
Total Revenue	\$ 3,707,872

Expenditures

Salaries	\$ 1,685,496
Benefits	1,305,885
Purchased Services	249,178
Supplies and Other Expenses	317,313
Capital Outlay	10,663
Transfers to General Fund and Other	<u>139,337</u>
Total Expenditures	\$ 3,707,872

Excess of Revenues Over/(Under) Expenditures (\$ 0)

Beginning Fund Balance (07/01/18 estimate) \$ 203,090

Ending Fund Balance (06/30/19 estimate) \$ 203,090

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION TO ADOPT 2018/2019 PRELIMINARY BUDGETS

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditures of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statements adopted by the Board. Changes in the amount appropriated by the Board shall require approval of the Board of Education.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budget adopted by the Board of Education and shall hold the department heads responsible for performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement adopted by the Board of Education.

This Appropriations Resolution is to take effect on July 1, 2018.

AYES:

NAYS:

Resolution adopted.

Doris E. Ellery, Secretary
Board of Education
Traverse City Area Public Schools

The undersigned duly qualified and acting Secretary of the Board of Education of Traverse City Area Public Schools, Traverse City, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education, Traverse City, Michigan at its study session meeting held on June 25, 2018, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.

Doris E. Ellery, Secretary
Board of Education
Traverse City Area Public Schools

TRAVERSE CITY AREA PUBLIC SCHOOLS
412 Webster Street
Traverse City, MI 49686

ITEMIZED PRELIMINARY BUDGET
2018/2019

Presented June 25, 2018

The itemized portion of the 2018/2019 budgets is provided for informational purposes only and is broken down into more detail than the formal budget adopted by the Board of Education (presented in Tab 5). This section also includes the three-year budget reporting, as required by the State of Michigan.

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**Traverse City Area Public Schools
General Fund Budget
For the Fiscal Years Ending June 30**

Revenue	2015-2016 Actual	2016-2017 Actual	2017-2018 Amended	2018-2019 Original
Local Unrestricted	34,337,848	35,479,959	35,909,073	35,549,613
State Unrestricted	42,289,114	42,543,207	44,952,301	47,301,080
State Restricted	9,715,667	9,676,213	11,609,421	10,152,533
Federal Restricted	1,780,560	2,060,213	2,353,542	1,869,812
Incoming Transfers/Other	3,109,917	2,622,009	5,705,300	2,240,453
Total Revenues	91,233,106	92,381,601	100,529,637	97,113,491

Expenditures				
Instruction				
Basic Instruction	47,505,690	48,283,164	50,353,680	49,400,946
Added Needs	8,720,601	9,179,693	10,218,065	9,781,448
Total Instruction	56,226,291	57,462,857	60,571,745	59,182,394
Support				
Pupil	3,134,705	3,455,660	3,859,923	3,751,254
Instructional Staff	4,440,545	4,173,283	5,185,018	5,215,830
General Administration	563,647	582,946	756,448	697,090
School Administration	6,705,847	6,515,286	6,955,930	6,898,991
Business Services	1,453,181	1,456,066	1,991,717	1,993,762
Operations and Maintenance	9,120,694	9,183,569	9,515,222	9,329,636
Pupil Transportation	5,132,582	5,567,794	5,477,449	5,591,784
Central Services	2,783,460	2,880,693	3,086,265	3,361,938
Other Support Services	1,998,099	2,123,148	2,176,638	1,917,311
Total Support Services	35,332,760	35,938,445	39,004,610	38,757,596
Community Services	104,121	95,433	176,757	98,486
Other Uses - Outgoing Transfers & Other	166,269	(172,219)	346,958	339,312
Total Expenditures	91,829,441	93,324,516	100,100,070	98,377,788
Excess Revenue/(Expenditures)	(596,335)	(942,915)	429,567	(1,264,297)
Fund Balance - July 1	6,692,523	6,096,188	5,153,273	5,582,840
Fund Balance - June 30	6,096,188	5,153,273	5,582,840	4,318,543
Less Non-Spendable and Assigned	4,712,776	5,011,283	1,679,958	1,679,958
Unassigned Fund Balance	1,383,412	141,990	3,902,882	2,638,585

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	75,601	70,227	50,000	50,000
Non-Spendable for Prepaid	654,660	1,139,190	100,000	100,000
Assigned for Building Carryover	690,503	656,345	629,958	629,958
Assigned for Department Carryover	0	200,305	0	0
Assigned for Building Staff Carryover	0	0	0	0
Assigned for Severance Pay	1,188,002	1,324,301	900,000	900,000
Assigned for subsequent year expenditures	2,104,010	1,620,915	0	0
Total Fund Equity Non-Spendable and Assigned	4,712,776	5,011,283	1,679,958	1,679,958

NOTE: The numbers listed here represent estimates to establish the beginning funding levels.
Subsequent budgets will more accurately reflect the direction of the General Fund.

**Traverse City Area Public Schools
Foundation Allowance Analysis
June 30, 2018**

Calculation of Projected FTE Students			2019	2018
February Student Count (actual 2018)	9,801	10%	980	978
October Student Count (estimate 2018)	9,875	90%	8,888	8,918
Total Fiscal year FTE			9,868	9,896

Total Foundation Allowance Calculation		2019	2018
Total Fiscal year FTE		9,868	9,896
Foundation Amount per Student		7,871	7,631
Total Foundation Allowance		77,671,028	75,516,376

State and Local Portion of Foundation	Current Year	Prior Year
non-Principal Residence Exemption	1,947,862,307	1,856,062,774
18 mills		
Local Portion of Foundation	35,061,522	33,409,130
State Portion of Foundation	42,609,506	42,107,246

**Traverse City Area Public Schools
General Fund Budget - Unrestricted Revenues
For the Fiscal Years Ending June 30**

Revenue	2017-2018 Amended	2018-2019 Original
Local Unrestricted	35,750,046	35,501,226
State Unrestricted	44,952,301	47,301,080
State Restricted	7,206,037	6,453,262
Federal Restricted	20,000	20,000
Incoming Transfers/Other	5,533,027	2,150,453
Total Revenues	93,461,411	91,426,021

Expenditures		
Instruction		
Basic Instruction	49,352,217	48,504,899
Added Needs	7,063,395	7,273,747
Total Instruction	56,415,612	55,778,646
Support		
Pupil	2,649,655	2,909,477
Instructional Staff	4,025,736	4,110,956
General Administration	756,448	697,090
School Administration	6,955,930	6,898,991
Business Services	1,991,717	1,993,762
Operations and Maintenance	9,508,713	9,329,636
Pupil Transportation	5,379,296	5,523,385
Central Services	3,046,715	3,361,738
Student Support Services	2,076,311	1,837,311
Total Support Services	36,390,521	36,662,346
Community Services	0	0
Other Uses - Outgoing Transfers & Other	225,711	249,326
Total Expenditures	93,031,844	92,690,318
Excess Revenue/(Expenditures)	429,567	(1,264,297)
Fund Balance - July 1	5,153,273	5,582,840
Fund Balance - June 30	5,582,840	4,318,543
Less Non-Spendable and Assigned	1,679,958	1,679,958
Unassigned Fund Balance	3,902,882	2,638,585

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepaids	100,000	100,000
Assigned for Building Carryover	629,958	629,958
Assigned for Department Carryover	0	0
Assigned for Building Staff Carryover	0	0
Assigned for Severance Pay	900,000	900,000
Total Fund Equity Non-Spendable and Assigned	1,679,958	1,679,958

**Traverse City Area Public Schools
General Fund Budget - Restricted Local
For the Fiscal Years Ending June 30**

Revenue	2017-2018 Amended	2018-2019 Original
Local Unrestricted	159,027	48,387
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	172,273	90,000
Total Revenues	331,300	138,387

Expenditures		
Instruction		
Basic Instruction	51,991	40,090
Added Needs	142,713	84,250
Total Instruction	194,704	124,340
Support		
Pupil	9,470	0
Instructional Staff	20,059	8,747
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	847	0
Pupil Transportation	637	0
Central Services	0	0
Student Support Services	20,327	0
Total Support Services	51,340	8,747
Community Services	70,784	1,955
Other Uses - Outgoing Transfers & Other	14,472	3,345
Total Expenditures	331,300	138,387
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

**Traverse City Area Public Schools
General Fund Budget - Restricted State Funds
For the Fiscal Years Ending June 30**

Revenue	2017-2018 Amended	2018-2019 Original
Local Unrestricted		
State Unrestricted		
State Restricted	4,403,384	3,699,271
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	4,403,384	3,699,271

Expenditures		
Instruction		
Basic Instruction	918,953	855,957
Added Needs	2,203,103	1,321,821
Total Instruction	3,122,056	2,177,778
Support		
Pupil	995,520	741,147
Instructional Staff	92,863	651,947
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	5,662	0
Pupil Transportation	41,400	38,399
Central Services	39,334	0
Student Support Services	80,000	80,000
Total Support Services	1,254,779	1,511,493
Community Services	2,103	0
Other Uses - Outgoing Transfers & Other	24,446	10,000
Total Expenditures	4,403,384	3,699,271
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Reserves and Designations	0	0
Unreserved Fund Balance	0	0

**Traverse City Area Public Schools
General Fund Budget - Federal Funds
For the Fiscal Years Ending June 30**

Revenue	2017-2018 Amended	2018-2019 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	2,333,542	1,849,812
Incoming Transfers/Other		
Total Revenues	2,333,542	1,849,812

Expenditures		
Instruction		
Basic Instruction	30,519	0
Added Needs	808,854	1,101,630
Total Instruction	839,373	1,101,630
Support		
Pupil	205,278	100,630
Instructional Staff	1,046,360	444,180
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	56,116	30,000
Central Services	216	200
Student Support Services	0	0
Total Support Services	1,307,970	575,010
Community Services	103,870	96,531
Other Uses - Outgoing Transfers & Other	82,329	76,641
Total Expenditures	2,333,542	1,849,812
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

Traverse City Public Schools
School Service Fund - Food Services Program
For the Fiscal Years Ending June 30

Revenue	2015-2016 Actual	2016-2017 Actual	2017-2018 Amended	2018-2019 Original
Local	2,348,156	2,336,497	2,147,371	2,183,871
State	280,006	345,657	301,087	301,087
Federal	2,321,635	2,263,202	2,261,542	2,282,542
Incoming Transfers and Other	13,502	10,009	10,000	10,000
Total Revenues	4,963,299	4,955,365	4,720,000	4,777,500

Expenditures				
Salaries and Wages	1,446,981	1,431,627	1,319,169	1,320,295
Employee Benefits	821,571	815,865	754,694	751,470
Purchased Services	162,109	145,584	146,875	145,758
Supplies and Other	2,502,952	2,405,771	2,264,262	2,269,977
Capital Outlay	48,366	71,877	215,000	30,000
Operating Transfer	0	0	220,000	260,000
Total Expenditures	4,981,979	4,870,724	4,920,000	4,777,500

Revenues Over/(Under) Expenditures	(18,680)	84,641	(200,000)	0
Beginning Fund Balance July 1	690,408	671,728	756,369	556,369
Ending Fund Balance June 30	671,728	756,369	556,369	556,369

NOTE: The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed. The Local Revenue reflects a \$0.05 increase to elementary lunch.

**Traverse City Area Public Schools
School Service Fund - Community Services
For the Fiscal Years Ending June 30**

Revenue	2015-2016 Actual	2016-2017 Actual	2017-2018 Amended	2018-2019 Original
Local	2,960,156	3,111,957	3,320,497	3,343,372
Federal	133,263	130,457	135,000	135,000
Intermediate School District	0	0	0	0
Incoming Transfers/Other	202,324	119,812	249,500	229,500
Total Revenues	3,295,743	3,362,226	3,704,997	3,707,872

Expenditures				
Salaries and Wages	1,526,807	1,665,588	1,700,281	1,685,496
Employee Benefits	1,092,827	1,245,641	1,271,913	1,305,885
Purchased Services	240,790	221,377	263,738	249,178
Supplies and Other	318,080	319,609	368,953	317,313
Capital Outlay	24,930	26,955	18,932	10,663
Transfer to General Fund and Other	135,595	140,178	239,111	139,337
Total Expenditures	3,339,029	3,619,348	3,862,928	3,707,872
Revenue Over/(Under) Expenditures	(43,286)	(257,122)	(157,931)	0
Beginning Fund Balance July 1	661,429	618,143	361,021	203,090
Ending Fund Balance June 30	618,143	361,021	203,090	203,090

NOTE: The TCAPS School Service Fund - Community Services is made up of three components: Childcare Programs, LEAP (Learning Enrichment and Athletic Program) and Restricted Federal Funds. A separate breakout of each of these components is included on the pages that follow. The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed.

Traverse City Area Public Schools School Service Fund - Community Services - Childcare Programs For the Fiscal Years Ending June 30
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Revenue	2017-2018 Amended	2018-2019 Original
Local	2,962,997	2,973,527
Federal		
Intermediate School District		
Incoming Transfers/Other	37,000	37,000
Total Revenues	2,999,997	3,010,527

Expenditures		
Salaries and Wages	1,475,689	1,441,750
Employee Benefits	1,129,195	1,154,052
Purchased Services	75,419	73,795
Supplies and Other	242,545	205,850
Capital Outlay	760	760
Transfer to General Fund and Other	234,320	134,320
Total Expenditures	3,157,928	3,010,527
Revenue Over/(Under) Expenditures	(157,931)	0
Beginning Fund Balance July 1	313,839	155,908
Ending Fund Balance June 30	155,908	155,908

Traverse City Area Public Schools
School Service Fund - Community Services - Learning, Enrichment, and Athletic Program
For the Fiscal Years Ending June 30

Revenue	2017-2018 Amended	2018-2019 Original
Local	357,500	369,845
Federal		
Intermediate School District		
Incoming Transfers/Other	212,500	192,500
Total Revenues	570,000	562,345
Expenditures		
Salaries and Wages	175,952	178,517
Employee Benefits	115,592	114,455
Purchased Services	150,283	158,304
Supplies and Other	112,578	101,592
Capital Outlay	15,595	9,477
Transfer to General Fund and Other	0	
Total Expenditures	570,000	562,345
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	47,182	47,182
Ending Fund Balance June 30	47,182	47,182

Traverse City Area Public Schools School Service Fund - Community Services - Restricted Federal Funds For the Fiscal Years Ending June 30
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Revenue	2017-2018 Amended	2018-2019 Original
Local		
Federal	135,000	135,000
Intermediate School District		
Incoming Transfers/Other		
Total Revenues	135,000	135,000

Expenditures		
Salaries and Wages	48,640	65,229
Employee Benefits	27,126	37,378
Purchased Services	38,036	17,079
Supplies and Other	13,830	9,871
Capital Outlay	2,577	426
Transfer to General Fund and Other	4,791	5,017
Total Expenditures	135,000	135,000
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	0	0
Ending Fund Balance June 30	0	0