

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

**RESOLUTION FOR ADOPTION
June 28, 2021**

FOR ACTION:

TOPIC: 2021-2022 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 2021-2022 fiscal year (Preliminary Budgets). The Uniform Budgeting and Accounting Act requires that the appropriations for the General Operations and Special Revenue 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 budget amendments to the public and to the Board of Education.

Major revenue data is based upon the following:

Estimated Taxable Value (ad valorem)	\$5,723,681,873
Homestead Taxable Value	\$3,509,640,398
Non-Principal Residence Exemption Taxable Value	\$2,214,041,475*
Operating Millage Levy (Non-principal residence exemption only)	18 mills
Operating Local Property Tax Revenue (Non-principal residence exemption only)	\$ 39,852,747
Estimated State Aid (foundation allowance) Formula:	
Foundation Allowance per Pupil	\$8,361
Local Tax Support per Pupil (Est. Pupils: 9,340)	\$4,267
State Aid per Pupil (Est. Pupils: 9,340)	\$4,094

* 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 2021/2022 school year.

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

ATTACHMENTS:

- Resolution to Adopt 2021-2022 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
2021-2022 PRELIMINARY BUDGETS**

RESOLVED, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2021-2022 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 2021-2022 are as follows:

Revenue

Local Sources	\$ 40,190,869
State Sources	55,346,705
Federal Sources	6,350,217
Incoming Transfers and Other Transactions	<u>3,391,438</u>

Total Revenue \$ **105,279,229**

Fund Balance (07/01/21 estimate) \$ 8,206,264

Total Available to

Appropriate ~ General Fund \$ **113,485,493**

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

**RESOLUTION TO ADOPT
2021/2022 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that \$106,079,355 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	\$ 52,764,659
Added Needs	<u>10,641,998</u>
 Total Instruction	 \$ 63,406,657

Support Services:

Pupil Services	\$ 4,848,798
Instructional Staff	5,150,616
General Administration	736,953
School Administration	7,599,293
Business Services	2,056,944
Operations & Maintenance	10,001,424
Pupil Transportation Services	6,046,343
Central Services	3,708,599
Other Support Services	<u>1,860,508</u>

Total Support Services \$ 42,009,478

Community Services \$ 168,720

Outgoing Transfers and Other Transactions \$ 494,500

Total Appropriated ~ General Fund \$106,079,355

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

**RESOLUTION TO ADOPT
2021-2022 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 2021-2022 are as follows:

Beginning Fund Balance (07/01/21 estimate)	\$ 521,515
<u>Revenue</u>	
Local Sources	\$ 670,925
State Sources	350,053
Federal Sources	4,749,022
Incoming Transfers/Others	10,000
 Total Revenue	 \$ 5,780,000
<u>Expenditures</u>	
Salaries	\$ 1,480,443
Benefits	974,309
Purchased Services	95,646
Supplies & Other Expenses	2,939,602
Capital Outlay	30,000
Operating Transfer	<u>260,000</u>
 Total Expenditures	 \$ 5,780,000
 Excess of Revenues Over/(Under) Expenditures	 \$ 0
 Ending Fund Balance (06/30/22 estimate)	 \$ 521,515

TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATIONRESOLUTION TO ADOPT
2021-2022 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 2021-2022 are as follows:

Beginning Fund Balance (07/01/21 estimate) \$ 71,223

Revenue

Local Sources	\$ 2,683,111
Federal Sources	0
Intermediate Sources	0
Operating Transfers In	<u>392,500</u>
Total Revenue	\$ 3,075,611

Expenditures

Salaries	\$ 1,395,161
Benefits	1,314,693
Purchased Services	137,650
Supplies and Other Expenses	240,507
Capital Outlay	12,600
Transfers to General Fund and Other	<u>0</u>
Total Expenditures	\$ 3,100,611

Excess of Revenues Over/(Under) Expenditures (\$ 25,000)

Ending Fund Balance (06/30/22 estimate) \$ 46,223

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

**RESOLUTION TO ADOPT
2021-2022 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund – Student/School Activity* of the Traverse City Area Public Schools for the fiscal year 2021-2022 are as follows:

Beginning Fund Balance (07/01/21 estimate)	\$ 1,351,905
<u>Revenue</u>	
Local Sources	<u>\$ 1,500,000</u>
Total Revenue	\$ 1,500,000
<u>Expenditures</u>	
Supplies and Other Expenses	<u>\$ 1,500,000</u>
Total Expenditures	\$ 1,500,000
Excess of Revenues Over/(Under) Expenditures	\$ 0
Ending Fund Balance (06/30/22 estimate)	\$ 1,351,905

This was a new fund for fiscal year 2019/2020 related to the implementation of GASB #84 and the accounting change for student activity funds.



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

**RESOLUTION TO ADOPT
2021-2022 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, 2021.

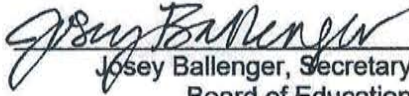
AYES: Anderson, Humphreys, Moon Mohr, Newman-Bale, Raymond d

NAYS: None

Resolution adopted.


 Josey Ballenger, 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 28, 2021, 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.


 Josey Ballenger, Secretary
 Board of Education
 Traverse City Area Public Schools

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

Revenue	2018-2019 Actual	2019-2020 Actual	2020-2021 Amended	2021-2022 Original
Local Unrestricted	37,116,698	38,873,220	40,191,427	40,190,869
State Unrestricted	43,683,291	41,960,316	44,422,472	44,459,945
State Restricted	11,329,032	12,192,697	11,717,095	10,886,760
Federal Restricted	2,273,039	2,046,585	7,251,754	6,350,217
Incoming Transfers/Other	3,148,535	3,080,600	4,820,570	3,391,438
Total Revenues	97,550,595	98,153,418	108,403,318	105,279,229

Expenditures				
Instruction				
Basic Instruction	48,408,242	49,904,642	52,743,023	52,764,659
Added Needs	9,672,976	10,138,721	10,831,957	10,641,998
Total Instruction	58,081,218	60,043,363	63,574,980	63,406,657
Support				
Pupil	3,639,287	4,279,310	4,853,170	4,848,798
Instructional Staff	4,504,306	4,534,905	5,395,400	5,150,616
General Administration	731,150	923,903	747,641	736,953
School Administration	6,950,160	7,127,250	7,447,156	7,599,293
Business Services	1,833,869	1,857,564	2,062,477	2,056,944
Operations and Maintenance	9,664,422	9,600,695	10,719,555	10,001,424
Pupil Transportation	5,344,422	5,308,179	5,806,523	6,046,343
Central Services	3,310,120	3,101,489	3,565,871	3,708,599
Other Support Services	1,799,711	1,762,161	2,072,131	1,860,508
Total Support Services	37,777,447	38,495,456	42,669,924	42,009,478
Community Services	244,636	240,892	321,677	168,720
Other Uses - Outgoing Transfers & Other	889,576	934,957	729,405	494,500
Total Expenditures	96,992,877	99,714,668	107,295,986	106,079,355
Excess Revenue/(Expenditures)	557,718	(1,561,250)	1,107,332	(800,126)
Fund Balance - July 1	8,102,464	8,660,182	7,098,932	8,206,264
Fund Balance - June 30	8,660,182	7,098,932	8,206,264	7,406,138
Less Non-Spendable and Assigned	5,209,084	7,098,932	1,864,061	1,664,061
Unassigned Fund Balance	3,451,098	0	6,342,203	5,742,077

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	75,512	53,413	50,000	50,000
Non-Spendable for Prepaid	1,326,852	602,979	400,000	200,000
Assigned for Building Carryover	790,472	852,564	514,061	514,061
Assigned for Department Carryover	75,739	392,723	0	0
Assigned for Building Staff Carryover	272,322	79,455	0	0
Assigned for Severance Pay	1,174,996	1,227,071	900,000	900,000
Assigned for subsequent year expenditures	1,493,191	3,890,727	0	0
Total Fund Equity Non-Spendable and Assigned	5,209,084	7,098,932	1,864,061	1,664,061

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, 2021**

Calculation of Projected FTE Students			2022	2021
February Student Count (actual 2021)	9,154	10%	915	
October Student Count (estimate 2021)	9,361	90%	8,425	
Total Fiscal year FTE			9,340	9,589

Total Foundation Allowance Calculation		2022	2021
Total Fiscal year FTE		9,340	9,589
Foundation Amount per Student		8,361	8,111
Total Foundation Allowance		78,091,740	77,776,379

State and Local Portion of Foundation		Current Year	Prior Year
Non-Principal Residence Exemption		2,214,041,475	2,139,665,596
18 mills			
Local Portion of Foundation		39,852,747	38,513,981
State Portion of Foundation		38,238,993	39,262,398

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

Revenue	2020-2021 Amended	2021-2022 Original
Local Unrestricted	40,095,472	40,190,869
State Unrestricted	44,422,472	44,459,945
State Restricted	7,563,971	7,813,944
Federal Restricted	4,877,798	4,475,151
Incoming Transfers/Other	4,674,000	3,313,338
Total Revenues	101,633,713	100,253,247

Expenditures		
Instruction		
Basic Instruction	52,340,054	52,764,659
Added Needs	7,804,827	8,235,635
Total Instruction	60,144,881	61,000,294
Support		
Pupil	3,277,468	3,416,931
Instructional Staff	4,118,180	4,219,177
General Administration	747,641	736,953
School Administration	7,447,156	7,599,293
Business Services	2,062,477	2,056,944
Operations and Maintenance	10,714,931	10,001,424
Pupil Transportation	5,741,522	6,009,783
Central Services	3,504,475	3,707,440
Student Support Services	2,066,319	1,860,508
Total Support Services	39,680,169	39,608,453
Community Services	92,452	52,826
Other Uses - Outgoing Transfers & Other	608,879	391,800
Total Expenditures	100,526,381	101,053,373
Excess Revenue/(Expenditures)	1,107,332	(800,126)
Fund Balance - July 1	7,098,932	8,206,264
Fund Balance - June 30	8,206,264	7,406,138
Less Non-Spendable and Assigned	1,864,061	1,664,061
Unassigned Fund Balance	6,342,203	5,742,077

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepays	400,000	200,000
Assigned for Building Carryover	514,061	514,061
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	1,864,061	1,664,061

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

Revenue	2020-2021 Amended	2021-2022 Original
Local Unrestricted	95,955	0
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	146,570	78,100
Total Revenues	242,525	78,100

Expenditures		
Instruction		
Basic Instruction	11,678	0
Added Needs	111,581	72,109
Total Instruction	123,259	72,109
Support		
Pupil	44,840	0
Instructional Staff	3,712	900
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	847	0
Pupil Transportation	0	0
Central Services	0	0
Student Support Services	5,812	0
Total Support Services	55,211	900
Community Services	51,269	1,294
Other Uses - Outgoing Transfers & Other	12,786	3,797
Total Expenditures	242,525	78,100
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	2020-2021 Amended	2021-2022 Original
Local Unrestricted		
State Unrestricted		
State Restricted	4,153,124	3,072,816
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	4,153,124	3,072,816

Expenditures		
Instruction		
Basic Instruction	391,291	0
Added Needs	2,141,267	1,550,933
Total Instruction	2,532,558	1,550,933
Support		
Pupil	1,315,715	1,382,559
Instructional Staff	241,517	120,020
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	3,777	0
Pupil Transportation	20,751	2,000
Central Services	0	0
Student Support Services	0	0
Total Support Services	1,581,760	1,504,579
Community Services	22,976	1,246
Other Uses - Outgoing Transfers & Other	15,830	16,058
Total Expenditures	4,153,124	3,072,816
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 - Restricted Federal Funds
For the Fiscal Years Ending June 30**

Revenue	2020-2021 Amended	2021-2022 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	2,373,956	1,875,066
Incoming Transfers/Other		
Total Revenues	2,373,956	1,875,066

Expenditures		
Instruction		
Basic Instruction	0	0
Added Needs	774,282	783,321
Total Instruction	774,282	783,321
Support		
Pupil	215,147	49,308
Instructional Staff	1,031,991	810,519
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	44,250	34,560
Central Services	61,396	1,159
Student Support Services	0	0
Total Support Services	1,352,784	895,546
Community Services	154,980	113,354
Other Uses - Outgoing Transfers & Other	91,910	82,845
Total Expenditures	2,373,956	1,875,066
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
Special Revenue Fund - Food Service Fund
For the Fiscal Years Ending June 30**

Revenue	2018-2019 Actual	2019-2020 Actual	2020-2021 Amended	2021-2022 Original
Local	2,100,873	1,598,284	155,225	670,925
State	302,012	291,299	372,032	350,053
Federal	2,164,583	2,319,442	4,312,743	4,749,022
Incoming Transfers and Other	9,999	10,080	10,000	10,000
Total Revenues	4,577,467	4,219,105	4,850,000	5,780,000

Expenditures				
Salaries and Wages	1,233,806	1,416,017	1,357,243	1,480,443
Employee Benefits	700,615	841,602	862,181	974,309
Purchased Services	114,521	116,270	86,346	95,646
Supplies and Other	2,061,663	1,872,902	2,154,230	2,939,602
Capital Outlay	87,514	39,670	30,000	30,000
Operating Transfer	260,000	260,000	260,000	260,000
Total Expenditures	4,458,119	4,546,461	4,750,000	5,780,000

Revenues Over/(Under) Expenditures	119,348	(327,356)	100,000	0
Beginning Fund Balance July 1	629,523	748,871	421,515	521,515
Ending Fund Balance June 30	748,871	421,515	521,515	521,515

NOTE: The numbers listed here represent estimates to establish the beginning funding levels. Subsequent budget amendments will more accurately reflect the direction of the programs listed. The district is exercising the exemption to keep lunch prices the same for 2021-2022.

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

	2018-2019 Actual	2019-2020 Actual	2020-2021 Amended	2021-2022 Original
Revenue				
Local	2,976,743	2,180,881	1,917,266	2,683,111
Federal	135,000	189,600	497,854	0
Intermediate School District	0	0	0	0
Incoming Transfers/Other	120,276	863,033	622,775	392,500
Total Revenues	3,232,019	3,233,514	3,037,895	3,075,611
Expenditures				
Salaries and Wages	1,456,261	1,602,997	1,355,906	1,395,161
Employee Benefits	1,171,529	1,361,279	1,274,665	1,314,693
Purchased Services	197,599	121,971	93,022	137,650
Supplies and Other	85,089	220,300	348,593	240,507
Capital Outlay	5,683	29,777	13,709	12,600
Transfer to General Fund and Other	317,787	0	0	0
Total Expenditures	3,233,948	3,336,324	3,085,895	3,100,611
Revenue Over/(Under) Expenditures	(1,929)	(102,810)	(48,000)	(25,000)
Beginning Fund Balance July 1	223,962	222,033	119,223	71,223
Ending Fund Balance June 30	222,033	119,223	71,223	46,223

NOTE: The TCAPS School Service Fund - Community Services is made up of three components: Child Care 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. Subsequent budget amendments will more accurately reflect the direction of the programs listed.

Traverse City Area Public Schools Special Revenue Fund - Community Service Fund - Child Care Programs For the Fiscal Years Ending June 30
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Revenue	2020-2021 Amended	2021-2022 Original
Local	1,687,766	2,328,111
Federal	497,854	0
Intermediate School District		
Incoming Transfers/Other	405,275	200,000
Total Revenues	2,590,895	2,528,111
Expenditures		
Salaries and Wages	1,190,689	1,217,547
Employee Benefits	1,146,987	1,178,914
Purchased Services	22,050	29,550
Supplies and Other	254,169	127,100
Capital Outlay	0	0
Transfer to General Fund and Other	0	0
Total Expenditures	2,613,895	2,553,111
Revenue Over/(Under) Expenditures	(23,000)	(25,000)
Beginning Fund Balance July 1	88,630	65,630
Ending Fund Balance June 30	65,630	40,630

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

Revenue	2020-2021 Amended	2021-2022 Original
Local	229,500	355,000
Federal		
Intermediate School District		
Incoming Transfers/Other	217,500	192,500
Total Revenues	447,000	547,500
Expenditures		
Salaries and Wages	165,217	177,614
Employee Benefits	127,678	135,779
Purchased Services	70,972	108,100
Supplies and Other	94,424	113,407
Capital Outlay	13,709	12,600
Transfer to General Fund and Other	0	
Total Expenditures	472,000	547,500
Revenue Over/(Under) Expenditures	(25,000)	0
Beginning Fund Balance July 1	30,593	5,593
Ending Fund Balance June 30	5,593	5,593

Traverse City Public Schools Special Revenue Fund - Student/School Activity Fund For the Fiscal Years Ending June 30

Revenue	2018-2019 Actual	2019-2020 Actual	2020-2021 Amended	2021-2022 Original
Local		1,787,102	1,100,000	1,500,000
State				
Federal				
Incoming Transfers and Other				
Total Revenues	0	1,787,102	1,100,000	1,500,000

Expenditures				
Salaries and Wages				
Employee Benefits				
Purchased Services				
Supplies and Other		1,623,083	1,100,000	1,500,000
Capital Outlay				
Operating Transfer				
Total Expenditures	0	1,623,083	1,100,000	1,500,000

Revenues Over/(Under) Expenditures	0	164,019	0	0
Beginning Fund Balance July 1	0	1,187,886	1,351,905	1,351,905
Ending Fund Balance June 30	0	1,351,905	1,351,905	1,351,905

NOTE: This was a new fund for fiscal year 2019-2020 related to the implementation of GASB #84 and the accounting change for student activity funds.