

# Budget Hearing

## 2023/2024 Budget Amendments

## 2024/2025 Proposed Preliminary Budget

TRAVERSE CITY AREA PUBLIC SCHOOLS  
Traverse City, Michigan

June 10, 2024



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

**BUDGET HEARING**

**June 10, 2024**

**6:00 p.m.**

Held at

**Administration at Glenn Loomis**

1009 S. Oak Street, Traverse City, MI 49684

- Open Budget Hearing
- Discussion of Taxes
- Public Comment
- Close Budget Hearing

## **Memorandum**

**To:** Dr. John R. VanWagoner II, Superintendent  
**From:** Christine Thomas-Hill, Assistant Superintendent  
**Date:** June 10, 2024  
**RE:** Certification of 2024-2025 Taxes

The Board of Education is being asked to adopt a resolution certifying the tax levy for the 2024-2025 school year, to take effect on July 1, 2024. This certification is necessary for the July 1, 2024 preparation of the summer tax collection bills.

An appropriate motion to adopt this resolution would be:

Moved by \_\_\_\_\_, Supported by \_\_\_\_\_, to adopt the resolution certifying the tax levy for the 2024-2025 school year, dated July 1, 2024.

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

**RESOLUTION FOR ADOPTION  
June 10, 2024**

**FOR ACTION:**

**TOPIC:** Certification of Taxes for the 2024/2025 School Year

**RECOMMENDATION:**

It is recommended that the Board of Education adopt the resolution certifying the tax levy for the 2024/2025 school year at the following rates:

Operating Millage Rate (Non-Principal Residence Exemption)	18.0000
Debt Millage Rate (Homestead, Non-Principal Residence Exemption, and IFT/CFT)	3.1000

It is necessary to certify taxes so that the summer tax collection bills can be prepared by July 1, 2024. After applying the appropriate Headlee Rollback calculation to the authorized non-principal residence exemption millage rate, the District is still able to levy the full 18 mills required to receive the foundation amount.

**FINANCIAL IMPACT:** Projected proceeds from the above levies are as follows:

18.0 Mills Operating Non-Principal Residence Exemption	\$54,013,446
3.1 Mills Debt Service	\$22,892,192

**SOURCE PERSON:** Christine Thomas-Hill  
Assistant Superintendent  
Finance and Operations

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

**RESOLUTION FOR ADOPTION**

**June 10, 2024**

**CERTIFICATION OF TAXES**

This Resolution certifying taxes for the 2024-2025 school year shall take effect on July 1, 2024.

AYES:

NAYS:

Resolution adopted.

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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 regular meeting held on June 10, 2024, 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.

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

**2024 Tax Rate Request (This form must be completed and submitted on or before September 30, 2024)**  
MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes <b>Benzie, Grand Traverse, Leelanau</b>	2024 Taxable Value of ALL Properties in the Unit as of 5-28-2024 <b>7,384,578,201</b>
Local Government Unit Requesting Millage Levy <b>Traverse City Area Public Schools</b>	For LOCAL School Districts: 2024 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. <b>3,000,747,004</b>

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2024 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2023 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2024 Current Year "Headlee" Millage Reduction Fraction	(7) 2024 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Vote	Operating/ Non-Home	11-4-14	19.0961	17.4845	.9815	17.1610	1.0000	17.1610	17.1610		12-1-25
Extra Vote	Operating/ Non-Home	11-3-20	1.0000	.9553	.9815	.9376	1.0000	.9376	.8390		12-1-25
Extra Vote	Operating/ Non-Home	11-8-22	2.0000	2.00	.9815	1.9630	1.0000	1.9630	0		12-1-25
Extra Vote	Debt All	6-14-04	NA	NA	NA	NA	NA	NA	3.1000		N/A
		11-6-07									
		8-7-18									

Prepared by **Sandra Low** Telephone Number **(231) 933-1797** Title of Preparer **Director of Finance** Date **06/10/2024**

**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature	Print Name	Date
<input checked="" type="checkbox"/> Secretary		<b>Josey Ballenger</b>	<b>06/10/2024</b>
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President		<b>Scott Newman-Bale</b>	<b>6/10/2024</b>

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag., Qualified Forest and Industrial Personal	<b>0</b>
For Commercial Personal	<b>6.0000</b>
For all Other	<b>18.0000</b>

**\*\* IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

**2024 Tax Rate Request (This form must be completed and submitted on or before September 30, 2024)**

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes <b>Benzie, Grand Traverse, Leelanau</b>	2024 Taxable Value of ALL Properties in the Unit as of 5-28-2024 <b>7,384,578,201</b>
Local Government Unit Requesting Millage Levy <b>Traverse City Area Public Schools</b>	For LOCAL School Districts: 2024 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. <b>3,000,747,004</b>

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2024 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2023 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2024 Current Year "Headlee" Millage Reduction Fraction	(7) 2024 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Vote	Operating/ Non-Home	11-4-14	19.0961	17.4845	.9815	17.1610	1.0000	17.1610	17.1610	17.1610	12-1-25
Extra Vote	Operating/ Non-Home	11-3-20	1.0000	.9553	.9815	.9376	1.0000	.9376		.8390	12-1-25
Extra Vote	Operating/ Non-Home	11-8-22	2.0000	2.00	.9815	1.9630	1.0000	1.9630		0	12-1-25
Extra Vote	Debt All	6-14-04	NA	NA	NA	NA	NA	NA		3.1000	N/A
		11-6-07									
		8-7-18									

Prepared by <b>Sandra Low</b>	Telephone Number <b>(231) 933-1797</b>	Title of Preparer <b>Director of Finance</b>	Date <b>06/10/2024</b>
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**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature	Print Name	Date
<input checked="" type="checkbox"/> Secretary		<b>Josey Ballenger</b>	<b>06/10/2024</b>
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President		<b>Scott Newman-Bale</b>	<b>6/10/2024</b>

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2024 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag., Qualified Forest and Industrial Personal	0
For Commercial Personal	6.0000
For all Other	18.0000

**\*\* IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

## **Memorandum**

**To:** Dr. John R. VanWagoner II, Superintendent  
**From:** Christine Thomas-Hill, Assistant Superintendent of Finance and Operations  
**Date:** June 10, 2024  
**RE:** AMENDMENT II to 2023/2024 GENERAL FUND BUDGET and  
AMENDMENT II to 2023/2024 SPECIAL REVENUE FUND BUDGET

- Food Services
- Community Services
- Student/School Activity Fund

Attached please find the proposed final amendments to the 2023-2024 general fund budget and special revenue fund budget.

The general fund final amendment reflects a negative adjustment of \$132,529 from the first budget amendment. Individual explanations of these changes are included with the detailed budgets found immediately following this memo.

The general fund budgeted shortfall stands at approximately (\$1,469,898). Actual district revenues and expenditures historically show a budget variance, and it is anticipated that the district will have approximately \$1.5 million in variances in the current year. Taking this variance into account, I expect that our general fund surplus will be approximately \$30,000 once the books are closed, leaving the district with a fund balance of approximately \$14.1 million.

Also attached, please find the proposed final amendment to the 2023-2024 special revenue fund budget. This amendment aligns our budgets with our most current information and expectations. The food services fund shows a negative adjustment, which reflects a worst-case scenario primarily due to the costs associated with equipment purchases.

An appropriate motion to adopt these amendments would be:

**Moved by \_\_\_\_\_, Supported by \_\_\_\_\_, to adopt the resolution to approve the second amendment to the 2023-2024 General Fund Budget and the second amendment to the 2023-2024 Special Revenue Fund Budget, dated June 10, 2024.**



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

**RESOLUTION FOR ADOPTION  
June 10, 2024**

**FOR ACTION:**

**TOPIC:**

Amendment II to 2023-2024 General Fund Budget  
Amendment II to 2023-2024 Special Revenue Fund Budget:

- Food Services
- Community Services
- Student/School Activity Fund

**RECOMMENDATION:**

It is recommended that the Board of Education adopt the resolution to approve the budget amendments as shown in the attached schedules. The budget amendment summaries are being presented at this time of year to reflect those changes that will impact the district's financial operations for the year. The intent is to reflect, as accurately as possible, the district's current estimated financial position as the end of the fiscal year approaches.

**BUDGET INFORMATION:** These are revisions to Amendment I of the 2023-2024 Budgets.

**SOURCE PERSON:** Christine Thomas-Hill  
Assistant Superintendent

**ATTACHMENTS:**

2023-2024 General Fund Budget Final Amendment  
2023-2024 Special Revenue Fund Budget Final Amendment:

- Food Services
- Community Services
- Student/School Activity Fund

<b>Traverse City Area Public Schools</b>				
<b>General Fund Budget</b>				
<b>For the Fiscal Years Ending June 30</b>				

Revenue	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance*
Local Restricted and Unrestricted	45,739,525	51,991,301	51,324,801	(666,500)
State Unrestricted	51,202,238	47,604,342	48,508,026	903,684
State Restricted	18,116,125	21,982,066	23,802,041	1,819,975
Federal Restricted	5,663,785	6,375,571	6,775,505	399,934
Incoming Transfers/Other	2,687,229	2,973,024	3,369,589	396,565
<b>Total Revenues</b>	<b>123,408,902</b>	<b>130,926,304</b>	<b>133,779,962</b>	<b>2,853,658</b>

Expenditures				
Instruction				
Basic Instruction	59,449,211	60,538,621	62,039,277	1,500,656
Added Needs	11,978,579	13,072,023	13,384,531	312,508
<b>Total Instruction</b>	<b>71,427,790</b>	<b>73,610,644</b>	<b>75,423,808</b>	<b>1,813,164</b>
Support				
Pupil	5,854,758	6,509,015	6,463,576	(45,439)
Instructional Staff	7,994,016	8,375,940	8,771,979	396,039
General Administration	842,802	966,383	970,060	3,677
School Administration	8,967,856	9,832,305	9,844,336	12,031
Business Services	2,336,262	2,483,455	2,483,455	0
Operations and Maintenance	13,480,200	15,016,259	14,787,203	(229,056)
Pupil Transportation	7,212,623	7,587,207	7,585,328	(1,879)
Central Services	3,989,432	4,469,202	4,485,212	16,010
Student Support Services	2,328,858	2,466,042	2,529,583	63,541
<b>Total Support Services</b>	<b>53,006,807</b>	<b>57,705,808</b>	<b>57,920,732</b>	<b>214,924</b>
Community Services	131,716	412,721	608,320	195,599
Other Uses - Outgoing Transfers & Other	302,000	534,500	1,297,000	762,500
<b>Total Expenditures</b>	<b>124,868,313</b>	<b>132,263,673</b>	<b>135,249,860</b>	<b>2,986,187</b>
Excess Revenue/(Expenditures)	(1,459,411)	(1,337,369)	(1,469,898)	(132,529)
Fund Balance - July 1	14,055,534	14,055,534	14,055,534	0
Fund Balance - June 30	12,596,123	12,718,165	12,585,636	(132,529)
Less Non-Spendable and Assigned	1,669,207	1,334,724	1,467,462	132,738
<b>Unassigned Fund Balance</b>	<b>10,926,916</b>	<b>11,383,441</b>	<b>11,118,174</b>	<b>(265,267)</b>

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	50,000	50,000	50,000	0
Non-Spendable for Prepays	200,000	200,000	200,000	0
Assigned for Unrestricted "At Risk" Activities	0	0	0	0
Assigned for Curriculum Development	0	0	0	0
Assigned for Building Carryover	519,207	184,724	317,462	132,738
Assigned for Department Carryover	0	0	0	0
Assigned for Building Staff Carryover	0	0	0	0
Assigned for Severance Pay	900,000	900,000	900,000	0
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>1,669,207</b>	<b>1,334,724</b>	<b>1,467,462</b>	<b>132,738</b>

\* Please see attached pages for detailed breakdown of budget and explanation of fluctuations.

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

Revenue	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance *	Note
Local Unrestricted	45,732,262	51,497,065	50,830,565	(666,500)	1
State Unrestricted	51,202,238	47,604,342	48,508,026	903,684	2
State Restricted	10,156,050	11,511,188	11,500,614	(10,574)	
Federal Restricted	3,562,310	3,727,696	3,727,696	0	
Incoming Transfers/Other	2,551,962	2,794,658	3,169,658	375,000	3
<b>Total Revenues</b>	<b>113,204,822</b>	<b>117,134,949</b>	<b>117,736,559</b>	<b>601,610</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	58,523,086	59,182,136	59,195,931	13,795	
Added Needs	9,590,314	9,874,230	9,874,230	0	
<b>Total Instruction</b>	<b>68,113,400</b>	<b>69,056,366</b>	<b>69,070,161</b>	<b>13,795</b>	
<b>Support</b>					
Pupil	2,677,553	2,980,343	2,970,407	(9,936)	
Instructional Staff	5,717,097	5,384,801	5,387,806	3,005	
General Administration	842,802	901,511	904,965	3,454	
School Administration	8,967,856	9,832,305	9,844,336	12,031	
Business Services	2,336,262	2,483,455	2,483,455	0	
Operations and Maintenance	12,302,620	13,205,864	13,123,860	(82,004)	
Pupil Transportation	7,181,748	7,473,294	7,473,294	0	
Central Services	3,988,579	4,332,986	4,259,373	(73,613)	
Student Support Services	2,321,595	2,452,967	2,516,508	63,541	
<b>Total Support Services</b>	<b>46,336,112</b>	<b>49,047,526</b>	<b>48,964,004</b>	<b>(83,522)</b>	
Community Services	7,795	8,455	8,455	0	
Other Uses - Outgoing Transfers & Other	206,926	359,971	1,163,837	803,866	4
<b>Total Expenditures</b>	<b>114,664,233</b>	<b>118,472,318</b>	<b>119,206,457</b>	<b>734,139</b>	
Excess Revenue/(Expenditures)	(1,459,411)	(1,337,369)	(1,469,898)	(132,529)	
Fund Balance - July 1	14,055,534	14,055,534	14,055,534	0	
Fund Balance - June 30	12,596,123	12,718,165	12,585,636	(132,529)	
Less Non-Spendable and Assigned	1,669,207	1,334,724	1,467,462	132,738	
<b>Unassigned Fund Balance</b>	<b>10,926,916</b>	<b>11,383,441</b>	<b>11,118,174</b>	<b>(265,267)</b>	

<b>Fund Equity Non-Spendable and Assigned</b>					
Non-Spendable for Inventories	50,000	50,000	50,000	0	
Non-Spendable for Prepaids	200,000	200,000	200,000	0	
Assigned for Unrestricted "At Risk" Activities	0	0	0	0	
Assigned for Curriculum Development	0	0	0	0	
Assigned for Building Carryover	519,207	184,724	317,462	132,738	
Assigned for Department Carryover	0			0	
Assigned for Building Staff Carryover	0	0	0	0	
Assigned for Severance Pay	900,000	900,000	900,000	0	
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>1,669,207</b>	<b>1,334,724</b>	<b>1,467,462</b>	<b>132,738</b>	

\* Please see attached pages for detailed breakdown of budget and explanation of fluctuations.

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

- (1) Variance is the result of adjusting state and local funding related to the foundation allowance and a small increase in interest income.
- (2) Variance is the result of adjusting state and local funding related to the foundation allowance, updating state categorical funds, and accounting for a small decrease in the student count.
- (3) Variance is the result of a special education cost reimbursement.
- (4) Variance is the result of the printing department renovations at Sabin.

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

<b>Revenue</b>	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance	Note
Local Restricted	7,263	494,236	494,236	0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted				0	
Incoming Transfers/Other	135,267	178,366	199,931	21,565	5
<b>Total Revenues</b>	<b>142,530</b>	<b>672,602</b>	<b>694,167</b>	<b>21,565</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	0	0	0	0	
Added Needs	77,802	76,407	76,407	0	
<b>Total Instruction</b>	<b>77,802</b>	<b>76,407</b>	<b>76,407</b>	<b>0</b>	
<b>Support</b>					
Pupil	0	124,037	124,037	0	
Instructional Staff	45,536	212,035	212,035	0	
General Administration	0	64,872	64,872	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	0	0	0	
Pupil Transportation	0	0	0	0	
Central Services	0	45,526	45,526	0	
Student Support Services	7,263	13,075	13,075	0	
<b>Total Support Services</b>	<b>52,799</b>	<b>459,545</b>	<b>459,545</b>	<b>0</b>	
Community Services	6,724	127,931	149,496	21,565	5
Other Uses - Outgoing Transfers & Other	5,205	8,719	8,719	0	
<b>Total Expenditures</b>	<b>142,530</b>	<b>672,602</b>	<b>694,167</b>	<b>21,565</b>	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

(5) These variances are the result of fully implementing local grants awarded subsequent to our first budget amendment. See attached schedule for detail of all local restricted grants currently operated by TCAPS.

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

<b>Revenue</b>	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	7,960,075	10,470,878	12,301,427	1,830,549	6
Federal Restricted				0	
Incoming Transfers/Other				0	
<b>Total Revenues</b>	<b>7,960,075</b>	<b>10,470,878</b>	<b>12,301,427</b>	<b>1,830,549</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	926,125	1,356,485	2,833,692	1,477,207	6
Added Needs	1,227,408	2,018,304	2,057,759	39,455	6
<b>Total Instruction</b>	<b>2,153,533</b>	<b>3,374,789</b>	<b>4,891,451</b>	<b>1,516,662</b>	
<b>Support</b>					
Pupil	3,097,524	3,301,158	3,272,254	(28,904)	6
Instructional Staff	1,514,513	1,897,550	2,325,388	427,838	6
General Administration	0	0	223	223	6
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	1,177,580	1,805,531	1,625,992	(179,539)	6
Pupil Transportation	875	35,000	60,056	25,056	6
Central Services	700	1,900	71,513	69,613	6
Student Support Services	0	0	0	0	
<b>Total Support Services</b>	<b>5,791,192</b>	<b>7,041,139</b>	<b>7,355,426</b>	<b>314,287</b>	
Community Services	875	2,975	2,575	(400)	6
Other Uses - Outgoing Transfers & Other	14,475	51,975	51,975	0	
<b>Total Expenditures</b>	<b>7,960,075</b>	<b>10,470,878</b>	<b>12,301,427</b>	<b>1,830,549</b>	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

(6) These variances are the result of fully implementing state restricted programs once final numbers became known. See the attached schedule for detail of all state programs currently operated by TCAPS.

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

<b>Revenue</b>	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted	2,101,475	2,647,875	3,047,809	399,934	7
Incoming Transfers/Other				0	
<b>Total Revenues</b>	<b>2,101,475</b>	<b>2,647,875</b>	<b>3,047,809</b>	<b>399,934</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	0	0	9,654	9,654	7
Added Needs	1,083,055	1,103,082	1,376,135	273,053	7
<b>Total Instruction</b>	<b>1,083,055</b>	<b>1,103,082</b>	<b>1,385,789</b>	<b>282,707</b>	
<b>Support</b>					
Pupil	79,681	103,477	96,878	(6,599)	7
Instructional Staff	716,870	881,554	846,750	(34,804)	7
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	4,864	37,351	32,487	7
Pupil Transportation	30,000	78,913	51,978	(26,935)	7
Central Services	153	88,790	108,800	20,010	7
Student Support Services	0	0	0	0	
<b>Total Support Services</b>	<b>826,704</b>	<b>1,157,598</b>	<b>1,141,757</b>	<b>(15,841)</b>	
Community Services	116,322	273,360	447,794	174,434	7
Other Uses - Outgoing Transfers & Other	75,394	113,835	72,469	(41,366)	7
<b>Total Expenditures</b>	<b>2,101,475</b>	<b>2,647,875</b>	<b>3,047,809</b>	<b>399,934</b>	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

(7) These variances are the result of fully implementing federal restricted programs once final numbers became known. See the attached schedule for detail of all federal programs currently operated by TCAPS.

<b>Federal Grants Summary for Fiscal Year 2023-2024</b>
---

Restricted Federal Funds (11)	Allocation
ARP/ESSER III	\$3,707,696
Medicaid Outreach	\$20,000

Total: \$3,727,696

Restricted Federal Funds (14)	Allocation
Title I, Part A Basic	\$1,495,509
Title I, Part A Carryover	\$177,114
Title X McKinney Vento (Homeless Assistance)	\$80,289
Title X McKinney Vento (Homeless Assistance) Carryover	\$60,941
ARP I Homeless Grant (Carryover)	\$100,498
ARP II Homeless Grant	\$183,806
Title III LEP	\$33,458
Title III LEP Carryover	\$14,769
Title II Part A	\$273,211
Title II Part A Carryover	\$263,695
Title IV	\$100,606
Title IV Carryover-Regular	\$34,109
Title IX Indigenous Education	\$45,533
IDEA Pre-School Incentives	\$80,000
State Match Grant - PE Nut (Oct-Jun)	\$95,000
State Match Grant - PE Nut (Jul-Sep)	\$9,271

Total: \$3,047,809



**State Grants Summary for Fiscal Year 2023-2024**

Restricted State Funds (13)	Allocation
Social Workers, Counselors, Nurses - Section (31o)	\$413,055
Mental Health & Support Services - Section (31n)	\$508,626
At Risk - Section (31a)	\$3,800,000
At Risk - Section (31a) Carryover	\$592,641
Per-Pupil Mental Health Grant - (Section 31aa)	\$2,343,454
Bilingual - Section (41)	\$121,147
Bilingual - Section (41) Carryover	\$64,613
Great Start Readiness Program - Section (32d)	\$848,579
Great Start Readiness Program - Section (32d) Carryover	\$336,872
Great Start Readiness Program	\$28,800
Vocational Education - Section (61)	\$7,909
First Robotics - Section (99h)	\$85,656
First Robotics - Section (99h) Carryover	\$82,626
CTE Incentive - Section (61d)	\$30,402
CTE Incentive - Section (61d) Carryover	\$19,836
Early Literacy Targeted - Section (35a5)	\$119,206
Early Literacy Targeted - Section (35a5) Carryover	\$123,935
Literacy Improvement & Professional Development - Section (35j)	\$1,159,092
Mi Kids back on Track - Section (23g)	\$966,336
School Board Member Training	\$223
Benchmark Assessments - State - Section (104a/h)	\$70,913
Free Application for Federal Student Aid - Section (67f)	\$38,850
National Board Certification Fund - Section 27m)	\$14,100
Per-Pupil Student Safety Payment - Section (97)	\$413,598
School Resource Officer - Section (97b)	\$50,000
Critical Incident Mapping - Section (97d)	\$60,958

Total: \$12,301,427

**Local Grants Summary for Fiscal Year 2023-2024**

Restricted Local Funds (12)	Allocation
Grand Traverse Band of Ottawa and Chippewa Indians - Indigenous Education	\$68,000
Grand Traverse Band of Ottawa and Chippewa Indians - Indigenous Education Carryover	\$43,747
Grand Traverse Band of Ottawa and Chippewa Indians Indigenous Language	\$19,035
Grand Traverse Band of Ottawa and Chippewa Indians - Student Support Network	\$5,000
Grand Traverse Band of Ottawa and Chippewa Indians Homeless	\$56,968
GT County Health - Safe Schools	\$348,590
Learning and Movement Lab	\$68,936
Literacy	\$15,250
Student & Staff Health & Wellness	\$48,385
CLC Summer Work/Study Program	\$5,812
Social & Emotional Learning	\$1,157
Native American Heritage Grant	\$6,024
Maverick Enrichment Program	\$7,263

Total: \$694,167

**Food Service Grants Summary for Fiscal Year 2023-2024**

Restricted State and Federal Funds (25)	Allocation
10 cents a Meal Support of Local Produce in School Meals	\$50,000
Equipment Grant	\$49,992
Supply Chain Assistance Funds	\$219,953

Total: \$319,945

**Traverse City Public Schools  
Special Revenue Fund - Food Service Fund  
For the Fiscal Year Ending June 30,**

<b>Revenue</b>	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance	Note
Local	795,550	724,835	665,835	-59,000	1
State	1,724,511	2,114,816	2,766,203	651,387	2
Federal	3,439,939	4,150,349	3,607,962	-542,387	2
Incoming Transfers and Other	10,000	10,000	10,000	0	
<b>Total Revenues</b>	<b>5,970,000</b>	<b>7,000,000</b>	<b>7,050,000</b>	<b>50,000</b>	

<b>Expenditures</b>					
Salaries and Wages	1,788,870	1,872,726	1,938,433	65,707	3
Employee Benefits	1,239,538	1,353,274	1,425,719	72,445	3
Purchased Services	110,850	130,935	138,335	7,400	
Supplies and Other	2,555,742	3,040,073	3,144,521	104,448	4
Capital Outlay	15,000	314,992	364,992	50,000	5
Operating Transfer	260,000	288,000	288,000	0	
<b>Total Expenditures</b>	<b>5,970,000</b>	<b>7,000,000</b>	<b>7,300,000</b>	<b>300,000</b>	

<b>Revenues Over/(Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>-250,000</b>	<b>-250,000</b>	
<b>Beginning Fund Balance July 1</b>	<b>1,403,901</b>	<b>1,403,901</b>	<b>1,403,901</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>1,403,901</b>	<b>1,403,901</b>	<b>1,153,901</b>	<b>-250,000</b>	

**Variance Explanations**

- (1) Variance is the result of decreasing the a la carte revenue as more students are taking complete meals than expected.
- (2) Variance is the result of an increase in meal participation and a shift from federal to state reimbursement.
- (3) Variance is the result of adjusting for staff hours and a change with insurance census.
- (4) Variance is the result of increased cost for food expenses.
- (5) Variance is the result of an investment in equipment upgrades.

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

<b>Revenue</b>	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance	Notes
Local	2,866,928	3,168,186	3,272,365	104,179	
Federal Restricted	0	0	0	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	200,000	225,000	225,000	0	
<b>Total Revenues</b>	<b>3,066,928</b>	<b>3,393,186</b>	<b>3,497,365</b>	<b>104,179</b>	

<b>Expenditures</b>					
Salaries and Wages	1,786,886	1,971,279	2,001,315	30,036	
Employee Benefits	1,739,985	1,849,399	1,866,182	16,783	
Purchased Services	145,341	128,169	128,169	0	
Supplies and Other	333,144	369,546	389,406	19,860	
Capital Outlay	31,072	244,793	282,293	37,500	
Transfer to General Fund and Other	0	0	0	0	
<b>Total Expenditures</b>	<b>4,036,428</b>	<b>4,563,186</b>	<b>4,667,365</b>	<b>104,179</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>-969,500</b>	<b>-1,170,000</b>	<b>-1,170,000</b>	<b>0</b>	
<b>Beginning Fund Balance July 1</b>	<b>2,423,238</b>	<b>2,423,238</b>	<b>2,423,238</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>1,453,738</b>	<b>1,253,238</b>	<b>1,253,238</b>	<b>0</b>	

NOTE: This schedule combines Child Care, LEAP, and Community Service Federal Restricted Funds.

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

<b>Revenue</b>	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance	Notes
Local	2,356,428	2,614,186	2,697,365	83,179	1
Federal	0	0	0	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	0	0	0	0	
<b>Total Revenues</b>	<b>2,356,428</b>	<b>2,614,186</b>	<b>2,697,365</b>	<b>83,179</b>	

<b>Expenditures</b>					
Salaries and Wages	1,520,280	1,694,417	1,718,378	23,961	2
Employee Benefits	1,534,868	1,637,018	1,650,406	13,388	2
Purchased Services	46,400	46,000	46,000	0	
Supplies and Other	174,880	189,980	198,310	8,330	
Capital Outlay	10,000	216,771	254,271	37,500	3
Transfer to General Fund and Other	0	0	0	0	
<b>Total Expenditures</b>	<b>3,286,428</b>	<b>3,784,186</b>	<b>3,867,365</b>	<b>83,179</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>-930,000</b>	<b>-1,170,000</b>	<b>-1,170,000</b>	<b>0</b>	
<b>Beginning Fund Balance July 1</b>	<b>2,339,811</b>	<b>2,339,811</b>	<b>2,339,811</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>1,409,811</b>	<b>1,169,811</b>	<b>1,169,811</b>	<b>0</b>	

**Variance Explanations**

- (1) Variance is the result of adjusting revenue generated from the Child Care program offerings and participation.
- (2) Variance is the result of fully implementing Child Care program offerings and staff placement.
- (3) Variance is the result of adjusting for renovations to the Great Start Readiness Program classroom at Long Lake Elementary.

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

Revenue	2023-2024 Original	2023-2024 Amend I	2023-2024 Amend II	Variance	Notes
Local	510,500	554,000	575,000	21,000	1
Federal	0	0	0	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	200,000	225,000	225,000	0	
<b>Total Revenues</b>	<b>710,500</b>	<b>779,000</b>	<b>800,000</b>	<b>21,000</b>	

Expenditures					
Salaries and Wages	266,606	276,862	282,937	6,075	
Employee Benefits	205,117	212,381	215,776	3,395	
Purchased Services	98,941	82,169	82,169	0	
Supplies and Other	158,264	179,566	191,096	11,530	2
Capital Outlay	21,072	28,022	28,022	0	
Transfer to General Fund and Other	0	0	0	0	
<b>Total Expenditures</b>	<b>750,000</b>	<b>779,000</b>	<b>800,000</b>	<b>21,000</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>-39,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Beginning Fund Balance July 1</b>	<b>83,427</b>	<b>83,427</b>	<b>83,427</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>43,927</b>	<b>83,427</b>	<b>83,427</b>	<b>0</b>	

**Variance Explanations**

- (1) Variance is the result of adjusting for program participation.
- (2) Variance is the result of adjusting for program needs in supplies.

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

<b>Revenue</b>	<b>2023-2024 Original</b>	<b>2023-2024 Amend 1</b>	<b>2023-2024 Amend 2</b>	<b>Variance</b>	<b>Note</b>
Local	1,650,000	1,800,000	1,800,000	0	
State	0	0	0	0	
Federal	0	0	0	0	
Incoming Transfers and Other	0	0	0	0	
<b>Total Revenues</b>	<b>1,650,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>0</b>	

<b>Expenditures</b>					
Salaries and Wages	0	0	0	0	
Employee Benefits	0	0	0	0	
Purchased Services	0	0	0	0	
Supplies and Other	1,650,000	1,900,000	1,900,000	0	
Capital Outlay	0	0	0	0	
Operating Transfer	0	0	0	0	
<b>Total Expenditures</b>	<b>1,650,000</b>	<b>1,900,000</b>	<b>1,900,000</b>	<b>0</b>	

<b>Revenues Over/(Under) Expenditures</b>	<b>0</b>	<b>-100,000</b>	<b>-100,000</b>	<b>0</b>	
<b>Beginning Fund Balance July 1</b>	<b>1,332,622</b>	<b>1,332,622</b>	<b>1,332,622</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>1,332,622</b>	<b>1,232,622</b>	<b>1,232,622</b>	<b>0</b>	

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

**RESOLUTION FOR ADOPTION  
June 10, 2024**

**FINAL AMENDMENT**  
*2023-2024 GENERAL FUND BUDGET*  
*2023-2024 SPECIAL REVENUE FUND BUDGET*  
*(Food Services, Community Services, and Student/School Activity Fund)*

This Final 2023-2024 Budget Amendment shall take effect on June 10, 2024.

AYES:

NAYS:

**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 regular meeting held on June 10, 2024, the original of which is part of the Board's minutes, and further certifies that notice of the meeting 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

**2024-2025**

**Budget**

June 10, 2024

# Fiscal Year 2024/2025 Budget Assumptions

## Per Pupil Revenue:

2024	TOTAL	\$9,608
	<i>Per Pupil Increase*</i>	\$241
2025	TOTAL*	\$9,849

\*Estimated; state budget was not yet approved at time of production.

# Fiscal Year 2024/2025 Budget Assumptions

## Student Count:

2024	8,859
2025 (estimated)	8,784
Decrease	<u>75</u>

Net increase in revenue: \$1,396,344\*

\*8,859 Student Count x Estimated Foundation Increase \$241 = \$2,135,019  
Decrease in Student Count -75 x \$9,849 Foundation = -\$738,675

### History of Foundation Amounts

Fiscal Year	Foundation Amounts
2015/2016	\$7,391
2016/2017	\$7,511
2017/2018	\$7,631
2018/2019	\$7,871
2019/2020	\$8,111
2020/2021	\$8,111
2021/2022	\$8,700
2022/2023	\$9,150
2023/2024	\$9,608
2024/2025	\$9,849 *

### History of Student Count (total FTE)

Fiscal Year	Student Count
2015/2016	9,862
2016/2017	9,805
2017/2018	9,896
2018/2019	9,689
2019/2020	9,701
2020/2021	9,589
2021/2022	9,130
2022/2023	8,951
2023/2024	8,859
2024/2025	8,784*

\*Projected

### History of Fund Balance

Fiscal Year	Fund Balance
2015/2016	\$6,096,188
2016/2017	\$5,153,273
2017/2018	\$8,102,464
2018/2019	\$8,660,182
2019/2020	\$7,098,932
2020/2021	\$10,648,523
2021/2022	\$13,319,363
2022/2023	\$14,055,534
2023/2024	\$14,085,636*
2024/2025	\$11,181,199*

### 2024/2025 General Fund Spending

2024/2025 Budget General Fund Monies	
Salaries	49.60%
Benefits	38.34%
Purchased Services	6.52%
Supplies	4.77%
Other	0.77%

\*Projected



## Other Funds

### Special Revenue Fund: Food Service

#### Estimating a balanced budget in FY25

- Assumes free breakfast and lunch will continue through a state subsidy
- Exercising its exemption to maintain current lunch prices
- Cost controls
  - Labor
  - Inventory
  - Menu planning
- Commitment to quality meals and service

## Other Funds

### Special Revenue Fund: Community Services

- **Child Care Programs**
  - Fee-for-service program
  - Provides programming for over 1,045 students, toddler through fifth grade
- **Learning, Enrichment & Athletic Program (LEAP)**
  - Fee for participation
  - Provides opportunity & programming for over 5,000 students each year (K-12)





- **Debt Service**

- Accounts for tax collection and debt payments associated with district bonds
- Maintaining 3.1 mills on all property

- **Capital Projects**

- Long-term capital plan
- All projects completed on time and within budget





## Special Acknowledgement

A note of thanks to the staff in the Business Office for their commitment to the continuous improvement throughout the entire year. In particular, I would like to extend my thanks for the added effort put forth to prepare the budget and the annual financial report.

The 2023 audit received the Certificate of Excellence in Financial Reporting for the nineteenth consecutive year!

I would like to formally recognize the following individuals for their dedication, professionalism, and expertise.

Wes Souden

Sandy Low

Julie Gorter

Beckie Cairns

Cindy Farah

Keri McCumber

Dawn Smith

Ashley Wills

Sincerely,  
*Christine Thomas-Hill*  
Assistant Superintendent  
Finance and Operations

## **Memorandum**

**To:** Dr. John R. VanWagoner II, Superintendent  
**From:** Christine Thomas-Hill  
**Date:** June 10, 2024  
**RE:** 2024-2025 Original Budgets

Attached please find the 2024-2025 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, Community Services, and Student/School Activity programs). Budget amendments will be brought before the Board for approval as more information becomes available.

**TRAVERSE CITY AREA PUBLIC SCHOOLS  
BOARD OF EDUCATION  
RESOLUTION TO ADOPT  
2024-2025 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, 2024.

AYES:

NAYS:

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 regular meeting held on June 10, 2024, 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.

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

**TRAVERSE CITY AREA PUBLIC SCHOOLS**  
**1009 S. Oak Street**  
**Traverse City, MI 49684**

**ITEMIZED PRELIMINARY BUDGET**

**2024-2025**

Presented June 10, 2024

*The itemized portion of the 2024-2025 budgets is provided for informational purposes only and is broken down into the detailed reports listed below. This section includes the three-year budget reporting, as required by the State of Michigan.*

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Page 5.14 – Special Revenue Fund Student/School Activity Fund

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

<b>Revenue</b>	2021-2022 Actual	2022-2023 Actual	2023-2024 Amended	2024-2025 Original
Local Unrestricted	41,079,288	45,732,200	51,324,801	50,832,470
State Unrestricted	42,670,703	51,061,087	48,508,026	49,876,467
State Restricted	14,593,576	17,047,715	23,802,041	15,280,412
Federal Restricted	9,006,995	6,742,462	6,775,505	2,323,341
Incoming Transfers/Other	4,156,026	3,389,626	3,369,589	2,889,158
<b>Total Revenues</b>	<b>111,506,588</b>	<b>123,973,090</b>	<b>133,779,962</b>	<b>121,201,848</b>

<b>Expenditures</b>				
<b>Instruction</b>				
Basic Instruction	55,066,704	58,714,864	62,039,277	57,387,689
Added Needs	10,625,833	12,017,630	13,384,531	12,900,200
<b>Total Instruction</b>	<b>65,692,537</b>	<b>70,732,494</b>	<b>75,423,808</b>	<b>70,287,889</b>
<b>Support</b>				
Pupil	4,668,162	5,281,602	6,463,576	6,159,366
Instructional Staff	4,541,383	6,780,340	8,771,979	7,777,410
General Administration	686,697	802,318	970,060	808,433
School Administration	7,798,160	9,475,321	9,844,336	9,181,048
Business Services	1,936,535	2,221,801	2,483,455	2,436,964
Operations and Maintenance	10,655,850	13,527,196	14,787,203	14,360,160
Pupil Transportation	6,468,397	7,034,169	7,585,328	7,295,247
Central Services	3,929,629	4,511,127	4,485,212	4,153,377
Other Support Services	1,947,277	2,222,213	2,529,583	2,493,597
<b>Total Support Services</b>	<b>42,632,090</b>	<b>51,856,087</b>	<b>57,920,732</b>	<b>54,665,602</b>
Community Services	142,214	222,751	608,320	153,794
Other Uses - Outgoing Transfers & Other	368,907	425,587	1,297,000	497,000
<b>Total Expenditures</b>	<b>108,835,748</b>	<b>123,236,919</b>	<b>135,249,860</b>	<b>125,604,285</b>
Excess Revenue/(Expenditures)	2,670,840	736,171	(1,469,898)	(4,402,437)
Fund Balance - July 1	10,648,523	13,319,363	14,055,534	12,585,636
Fund Balance - June 30	13,319,363	14,055,534	12,585,636	8,183,199
Less Non-Spendable and Assigned	5,403,036	5,444,323	1,467,462	1,467,462
<b>Unassigned Fund Balance</b>	<b>7,916,327</b>	<b>8,611,211</b>	<b>11,118,174</b>	<b>6,715,737</b>

<b>Fund Equity Non-Spendable and Assigned</b>				
Non-Spendable for Inventories	110,890	85,081	50,000	50,000
Non-Spendable for Prepaid	830,716	791,642	200,000	200,000
Assigned for Building Carryover	904,942	503,922	317,462	317,462
Assigned for Department Carryover	595,249	690,024	0	0
Assigned for Building Staff Carryover	203,642	478,588	0	0
Assigned for Severance Pay	1,351,437	1,435,655	900,000	900,000
Assigned for subsequent year expenditures	1,406,160	1,459,411	0	0
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>5,403,036</b>	<b>5,444,323</b>	<b>1,467,462</b>	<b>1,467,462</b>

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**  
**May 30, 2024**

<b>Calculation of Projected FTE Students</b>			<b>2025</b>	<b>2024</b>
February Student Count (actual 2024)	8,843	10%	884	889
October Student Count (estimate 2024)	8,778	90%	7,900	7,970
<b>Total Fiscal year FTE</b>			<b>8,784</b>	<b>8,859</b>

<b>Total Foundation Allowance Calculation</b>		<b>2025</b>	<b>2024</b>
Total Fiscal year FTE		8,784	8,859
Foundation Amount per Student		9,849	9,608
<b>Total Foundation Allowance</b>		<b>86,513,616</b>	<b>85,117,272</b>

<b>State and Local Portion of Foundation</b>		<b>Current Year</b>	<b>Prior Year</b>
non-Principal Residence Exemption		3,000,747,004	2,718,931,833
18 mills			
<b>Local Portion of Foundation</b>		<b>54,013,446</b>	<b>48,940,773</b>
<b>State Portion of Foundation</b>		<b>32,500,170</b>	<b>36,176,499</b>

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

Revenue	2023-2024 Amended	2024-2025 Original
Local Unrestricted	50,830,565	50,496,470
State Unrestricted	48,508,026	49,876,467
State Restricted	11,500,614	7,194,366
Federal Restricted	3,727,696	20,000
Incoming Transfers/Other	3,169,658	2,794,658
<b>Total Revenues</b>	<b>117,736,559</b>	<b>110,381,961</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	59,195,931	56,577,104
Added Needs	9,874,230	9,674,739
<b>Total Instruction</b>	<b>69,070,161</b>	<b>66,251,843</b>
<b>Support</b>		
Pupil	2,970,407	3,577,549
Instructional Staff	5,387,806	5,147,254
General Administration	904,965	777,899
School Administration	9,844,336	9,181,048
Business Services	2,483,455	2,436,964
Operations and Maintenance	13,123,860	13,169,250
Pupil Transportation	7,473,294	7,255,097
Central Services	4,259,373	4,107,185
Student Support Services	2,516,508	2,493,597
<b>Total Support Services</b>	<b>48,964,004</b>	<b>48,145,843</b>
Community Services	8,455	7,738
Other Uses - Outgoing Transfers & Other	1,163,837	378,974
<b>Total Expenditures</b>	<b>119,206,457</b>	<b>114,784,398</b>
Excess Revenue/(Expenditures)	(1,469,898)	(4,402,437)
Fund Balance - July 1	14,055,534	12,585,636
<b>Fund Balance - June 30</b>	<b>12,585,636</b>	<b>8,183,199</b>
Less Non-Spendable and Assigned	1,467,462	1,467,462
<b>Unassigned Fund Balance</b>	<b>11,118,174</b>	<b>6,715,737</b>

<b>Fund Equity Non-Spendable and Assigned</b>		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepays	200,000	200,000
Assigned for Building Carryover	317,462	317,462
Assigned for Department Carryover	0	0
Assigned for Building Staff Carryover	0	0
Assigned for Severance Pay	900,000	900,000
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>1,467,462</b>	<b>1,467,462</b>

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

<b>Revenue</b>	<b>2023-2024 Amended</b>	<b>2024-2025 Original</b>
Local Unrestricted	494,236	336,000
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	199,931	94,500
<b>Total Revenues</b>	<b>694,167</b>	<b>430,500</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	0	0
Added Needs	76,407	50,514
<b>Total Instruction</b>	<b>76,407</b>	<b>50,514</b>
<b>Support</b>		
Pupil	124,037	102,737
Instructional Staff	212,035	196,215
General Administration	64,872	30,534
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	0	0
Central Services	45,526	45,452
Student Support Services	13,075	0
<b>Total Support Services</b>	<b>459,545</b>	<b>374,938</b>
Community Services	149,496	600
Other Uses - Outgoing Transfers & Other	8,719	4,448
<b>Total Expenditures</b>	<b>694,167</b>	<b>430,500</b>
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>



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

<b>Revenue</b>	2023-2024 Amended	2024-2025 Original
Local Unrestricted		
State Unrestricted		
State Restricted	12,301,427	8,086,046
Federal Restricted		
Incoming Transfers/Other		
<b>Total Revenues</b>	<b>12,301,427</b>	<b>8,086,046</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	2,833,692	810,585
Added Needs	2,057,759	1,897,092
<b>Total Instruction</b>	<b>4,891,451</b>	<b>2,707,677</b>
<b>Support</b>		
Pupil	3,272,254	2,445,463
Instructional Staff	2,325,388	1,724,919
General Administration	223	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	1,625,992	1,190,910
Pupil Transportation	60,056	150
Central Services	71,513	600
Student Support Services	0	0
<b>Total Support Services</b>	<b>7,355,426</b>	<b>5,362,042</b>
Community Services	2,575	750
Other Uses - Outgoing Transfers & Other	51,975	15,577
<b>Total Expenditures</b>	<b>12,301,427</b>	<b>8,086,046</b>
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Reserves and Designations	0	0
<b>Unreserved Fund Balance</b>	<b>0</b>	<b>0</b>

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

<b>Revenue</b>	<b>2023-2024 Amended</b>	<b>2024-2025 Original</b>
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	3,047,809	2,303,341
Incoming Transfers/Other		
<b>Total Revenues</b>	<b>3,047,809</b>	<b>2,303,341</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	9,654	0
Added Needs	1,376,135	1,277,855
<b>Total Instruction</b>	<b>1,385,789</b>	<b>1,277,855</b>
<b>Support</b>		
Pupil	96,878	33,617
Instructional Staff	846,750	709,022
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	37,351	0
Pupil Transportation	51,978	40,000
Central Services	108,800	140
Student Support Services	0	0
<b>Total Support Services</b>	<b>1,141,757</b>	<b>782,779</b>
Community Services	447,794	144,706
Other Uses - Outgoing Transfers & Other	72,469	98,001
<b>Total Expenditures</b>	<b>3,047,809</b>	<b>2,303,341</b>
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>

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

<b>Revenue</b>	2021-2022 Actual	2022-2023 Actual	2023-2024 Amended	2024-2025 Original
Local	509,361	1,967,292	665,835	665,835
State	618,697	649,066	2,766,203	2,821,203
Federal	5,294,170	3,107,816	3,607,962	3,627,962
Incoming Transfers and Other	10,023	9,997	10,000	10,000
<b>Total Revenues</b>	<b>6,432,251</b>	<b>5,734,171</b>	<b>7,050,000</b>	<b>7,125,000</b>

<b>Expenditures</b>				
Salaries and Wages	1,769,779	1,676,842	1,938,433	2,048,506
Employee Benefits	1,051,895	1,106,339	1,425,719	1,360,137
Purchased Services	98,760	121,019	138,335	138,335
Supplies and Other	2,637,093	2,362,209	3,144,521	3,240,022
Capital Outlay	79,739	12,020	364,992	50,000
Operating Transfer	260,000	260,000	288,000	288,000
<b>Total Expenditures</b>	<b>5,897,266</b>	<b>5,538,429</b>	<b>7,300,000</b>	<b>7,125,000</b>

<b>Revenues Over/(Under) Expenditures</b>	<b>534,985</b>	<b>195,742</b>	<b>(250,000)</b>	<b>0</b>
<b>Beginning Fund Balance July 1</b>	<b>673,174</b>	<b>1,208,159</b>	<b>1,403,901</b>	<b>1,153,901</b>
<b>Ending Fund Balance June 30</b>	<b>1,208,159</b>	<b>1,403,901</b>	<b>1,153,901</b>	<b>1,153,901</b>

NOTE: The numbers listed here represent estimates to establish the beginning funding levels and assumes free meals for all will continue. A subsequent final budget will more accurately reflect the direction of the programs listed. The District is exercising it's exemption to keep lunch prices the same for 2024/2025.

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

<b>Revenue</b>	2021-2022 Actual	2022-2023 Actual	2023-2024 Amended	2024-2025 Original
Local	2,594,138	2,809,351	3,272,365	3,533,400
Federal	1,263,571	2,311,699	0	0
Intermediate School District	0	0	0	0
Incoming Transfers/Other	177,512	200,000	225,000	225,000
<b>Total Revenues</b>	<b>4,035,221</b>	<b>5,321,050</b>	<b>3,497,365</b>	<b>3,758,400</b>
<b>Expenditures</b>				
Salaries and Wages	1,404,267	1,667,832	2,001,315	2,015,632
Employee Benefits	1,253,634	1,423,862	1,866,182	1,796,794
Purchased Services	168,559	141,170	128,169	123,479
Supplies and Other	308,459	359,944	389,406	394,995
Capital Outlay	38,345	384,217	282,293	72,500
Transfer to General Fund and Other	0	0	0	0
<b>Total Expenditures</b>	<b>3,173,264</b>	<b>3,977,025</b>	<b>4,667,365</b>	<b>4,403,400</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>861,957</b>	<b>1,344,025</b>	<b>(1,170,000)</b>	<b>(645,000)</b>
<b>Beginning Fund Balance July 1</b>	<b>217,256</b>	<b>1,079,213</b>	<b>2,423,238</b>	<b>1,253,238</b>
<b>Ending Fund Balance June 30</b>	<b>1,079,213</b>	<b>2,423,238</b>	<b>1,253,238</b>	<b>608,238</b>

NOTE: The TCAPS Special Revenue Fund - Community Service Fund 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. A subsequent final budget 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**

<b>Revenue</b>	<b>2023-2024 Amended</b>	<b>2024-2025 Original</b>
Local	2,697,365	2,938,400
Federal	0	0
Intermediate School District	0	0
Incoming Transfers/Other	0	0
<b>Total Revenues</b>	<b>2,697,365</b>	<b>2,938,400</b>
<b>Expenditures</b>		
Salaries and Wages	1,718,378	1,716,794
Employee Benefits	1,650,406	1,580,353
Purchased Services	46,000	45,900
Supplies and Other	198,310	197,853
Capital Outlay	254,271	42,500
Transfer to General Fund and Other	0	0
<b>Total Expenditures</b>	<b>3,867,365</b>	<b>3,583,400</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>(1,170,000)</b>	<b>(645,000)</b>
<b>Beginning Fund Balance July 1</b>	<b>2,339,811</b>	<b>1,169,811</b>
<b>Ending Fund Balance June 30</b>	<b>1,169,811</b>	<b>524,811</b>

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

<b>Revenue</b>	2023-2024 Amended	2024-2025 Original
Local	575,000	595,000
Federal	0	0
Intermediate School District	0	0
Incoming Transfers/Other	225,000	225,000
<b>Total Revenues</b>	<b>800,000</b>	<b>820,000</b>
<b>Expenditures</b>		
Salaries and Wages	282,937	298,838
Employee Benefits	215,776	216,441
Purchased Services	82,169	77,579
Supplies and Other	191,096	197,142
Capital Outlay	28,022	30,000
Transfer to General Fund and Other	0	0
<b>Total Expenditures</b>	<b>800,000</b>	<b>820,000</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance July 1</b>	<b>83,427</b>	<b>83,427</b>
<b>Ending Fund Balance June 30</b>	<b>83,427</b>	<b>83,427</b>

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

<b>Revenue</b>	<b>2021-2022 Actual</b>	<b>2022-2023 Actual</b>	<b>2023-2024 Amended</b>	<b>2024-2025 Original</b>
Local	1,527,490	1,597,153	1,800,000	1,800,000
State				
Federal				
Incoming Transfers and Other				
<b>Total Revenues</b>	<b>1,527,490</b>	<b>1,597,153</b>	<b>1,800,000</b>	<b>1,800,000</b>
<b>Expenditures</b>				
Salaries and Wages				
Employee Benefits				
Purchased Services				
Supplies and Other	1,480,866	1,635,445	1,900,000	1,900,000
Capital Outlay				
Operating Transfer				
<b>Total Expenditures</b>	<b>1,480,866</b>	<b>1,635,445</b>	<b>1,900,000</b>	<b>1,900,000</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>46,624</b>	<b>(38,292)</b>	<b>(100,000)</b>	<b>(100,000)</b>
<b>Beginning Fund Balance July 1</b>	<b>1,324,290</b>	<b>1,370,914</b>	<b>1,332,622</b>	<b>1,232,622</b>
<b>Ending Fund Balance June 30</b>	<b>1,370,914</b>	<b>1,332,622</b>	<b>1,232,622</b>	<b>1,132,622</b>

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## Summary:

# Traverse City Area Public Schools, Michigan; General Obligation

### Primary Credit Analyst:

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## Summary:

# Traverse City Area Public Schools, Michigan; General Obligation

### Credit Profile

US\$32.0 mil 2023 sch bldg & site bnnds (GO-unltd tax) ser III due 05/01/2033

*Long Term Rating* AA-/Stable New

Traverse City Area Pub Schs GO

*Long Term Rating* AA-/Stable Affirmed

### Credit Highlights

- S&P Global Ratings assigned its 'AA-' rating to Traverse City Area Public Schools, Mich.'s roughly \$32 million series 2023-III general obligation (GO) school-building-and-site bonds.
- S&P Global Ratings also affirmed its 'AA-' rating on the district's existing GO debt.
- The outlook is stable.

### Security

An unlimited full-faith-and-credit pledge secures the series 2023-III bonds and existing debt. Officials intend to use series 2023-III bond proceeds to finance:

- Athletic facility, classroom, and site improvements;
- Heating, ventilation, and air-conditioning upgrades; and
- Technology, bus, equipment, and furniture purchases.

### Credit overview

The roughly 300-square-mile district is primarily in Grand Traverse County and partially in Leelanau and Benzie counties. There has been strong property tax base growth recently, and the district's population has been increasing; however, enrollment--a major determinant of state aid and the leading operating revenue source at 50%-60% of revenue--is on a historical decrease due to lower birth rates. Despite this, reserves have improved during the past several fiscal years due to management's conservative budgeting, per-pupil funding increases, and COVID-19-related funding. Operating pressure could materialize if expenditures continue to increase while enrollment decreases, which would be exacerbated if there were state funding cuts or if there were evidence of COVID-19-related funding being used to achieve structural balance.

The district has been awarded \$20.4 million in COVID-19-related funding, or 20% of operating revenue and expenditures, which plays a major role in fiscal years 2021 and 2022 general fund surpluses considering it allocated more than half of COVID-19-related funding (\$11.9 million) to these years. Officials are mostly using funding for one-time costs and are projecting to have about \$3.5 million remaining at fiscal year-end 2023.

Management currently plans to issue \$10 million of additional GO bonds in 2025 and possibly more GO debt thereafter; debt-service costs could become elevated due to additional debt, but we do not expect debt to create budgetary pressure because all debt is secured by an unlimited property-tax levy, which has been 3.1 mills for more than 20 years.

The rating reflects our view of the district's:

- Large, mostly residential tax base; extremely strong wealth; and historically low taxpayer concentration;
- Below-average reserves compared with similar-rated peers and reserves that increased in fiscal 2022 due largely to \$3 million in COVID-19-related funding, which it used to increase general fund reserves;
- Enrollment that has annually decreased by 1.3%, on average, since fiscal 2014, and management's expectation for mild decreases during the next few years;
- Good financial-management policies, practices under our Financial Management Assessment (FMA) methodology, highlighted by monthly budget-to-actual reporting to the board, rolling multiyear financial projections, and adherence to a policy requiring a minimum general fund balance of 10% of expenditures;
- Property tax revenue that has annually increased since fiscal 2014 due to tax base growth; and
- Manageable debt despite additional debt plans, considering all debt is scheduled for retirement within the next 10 years.

### Environmental, social, and governance

In our view, the district faces elevated social risks due to negative demographic trends, which could pressure long-term financial and economic prospects. Environmental and governance factors are neutral in our credit analysis.

## Outlook

The stable outlook reflects S&P Global Ratings' view that the district's current financial position will be maintained during the two-year outlook, aided by a positive state funding environment.

### Downside scenario

We could lower the rating if the district were to enter a period of budgetary imbalance, leading to material reserve decreases. The likelihood of a lower rating could increase if enrollment losses were to accelerate, if it were to become apparent that stimulus funds were used for budgetary balance, or if debt were to increase materially.

### Upside scenario

We could raise the rating if reserves were maintained at higher levels and if enrollment were to stabilize.

#### Traverse City Area Public Schools, Michigan select key credit metrics

Characterization	Most recent	--Historical information--		
		2022	2021	2020
<b>Economic indicators</b>				
Population	--	--	86,820	86,497

Traverse City Area Public Schools, Michigan select key credit metrics (cont.)

	Characterization	Most recent	--Historical information--		
			2022	2021	2020
Median household effective buying income (EBI) as a % of U.S.	Good	--	--	107.0	102.0
Per capita EBI as a % of U.S.	Strong	--	--	114.0	111.0
Market value (\$000)		--	16,575,506	15,054,308	14,174,180
Market value per capita (\$)	Extremely strong	--	190,918	173,397	163,869
Top 10 taxpayers as a % of taxable value	Very diverse	--	3.0	2.6	2.7
<b>Financial indicators</b>					
Total available reserves (\$000)		--	12,377	9,618	6,442
Available reserves as a % of operating expenditures	Strong	--	11.4	9.5	6.5
Total government cash as a % of governmental fund expenditures		--	13.8	12.1	10.9
Operating fund result as a % of expenditures		--	2.5	3.5	(1.6)
Financial Management Assessment	Good				
Enrollment		8,946	9,124	9,209	9,723
<b>Debt and long-term liabilities</b>					
Overall net debt as a % of market value	Low	1.4	1.2	1.1	1.0
Overall net debt per capita (\$)	Moderate	2,610	2,204	1,977	1,709
Debt service as a % of governmental fund noncapital expenditures	Moderate	--	13.3	13.4	13.5
Direct debt 10-year amortization (%)	Rapid	100.0	100.0	100.0	100.0
Required pension contribution as a % of governmental fund expenditures		--	11.7	11.4	11.2
Other postemployment benefits actual contribution as a % of governmental fund expenditures		--	2.8	2.9	3.2
Minimum funding progress, largest pension plan (%)		--	97.0	75.5	77.3

## Related Research

- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

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