

Christine Thomas-Hill
Associate Superintendent
Finance and Operations
Julie Gorter
Executive Assistant

MEMORANDUM

TO: Dr. John R. VanWagoner II, Superintendent
FROM: Christine Thomas-Hill, Associate Superintendent
DATE: June 28, 2021
RE: **AMENDMENT II to 2020-2021 GENERAL FUND BUDGET and
AMENDMENT II to 2020-2021 SPECIAL REVENUE FUND BUDGET:**

- **FOOD SERVICES**
- **COMMUNITY SERVICES**
- **STUDENT/SCHOOL ACTIVITY FUND**

Attached please find the proposed final amendments to the 2020-2021 general fund budget and special revenue fund budget.

The general fund final amendment reflects overall positive adjustments of \$167,389 from the first budget amendment. The increased revenue is mainly due to adjusting state and local funds related to the foundation allowance. Individual explanations of these changes are included with the detailed budgets found immediately following this memo.

The general fund budgeted surplus stands at approximately \$1,107,332. 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, it is my expectation that our general fund surplus will be approximately \$2,607,332 once the books are closed, leaving the district with a fund balance of approximately \$9.7 million. As a reminder, part of this surplus is directly related to the state aid deduction our district received after we closed our books in FY20. That amount was approximately \$1.7 million and has been planned to be restored into fund balance since it occurred.

The \$9.7 million fund balance represents approximately 9% of our budgeted expenditures. Our fund balance is projected to meet the Board of Education's established target of 10% in FY22 and is projected to increase in the following two fiscal years as the state deals with additional federal funds awarded to the State. The challenges and opportunities in store for next year are discussed in more detail under Tab 3 of the budget hearing booklet.

Also attached, please find the proposed final amendment to the 2020-2021 special revenue fund budget. This amendment aligns our budgets with our most current information and expectations. The community services fund shows a negative bottom line adjustment that recognizes an adjustment to revenue generated from program offerings and participation over the first budget amendment. The food services fund shows a small positive adjustment, mostly the result of higher meal counts than expected. In addition, the Food Service department operated a weekend food distribution site at West Middle School, serving free breakfast and lunch to all students under the age of 18. As of the date of this letter, our dedicated employees have served nearly 75,000 meals during weekend distributions.

An appropriate motion to adopt these amendments would be:

Moved by Anderson, Supported by Moon Mohr, to adopt the resolution to approve the second amendment to the 2020-2021 General Fund Budget and the second amendment to the 2020-2021 Special Revenue Fund Budget, dated June 28, 2021.

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

Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance*
Local Restricted and Unrestricted	38,936,361	40,720,453	40,191,427	(529,026)
State Unrestricted	39,913,468	43,487,552	44,422,472	934,920
State Restricted	10,249,988	11,781,249	11,717,095	(64,154)
Federal Restricted	3,047,936	7,066,310	7,251,754	185,444
Incoming Transfers/Other	4,755,000	4,820,570	4,820,570	0
Total Revenues	96,902,753	107,876,134	108,403,318	527,184

Expenditures				
Instruction				
Basic Instruction	51,249,842	52,344,459	52,743,023	398,564
Added Needs	10,686,469	10,860,394	10,831,957	(28,437)
Total Instruction	61,936,311	63,204,853	63,574,980	370,127
Support				
Pupil	4,264,345	4,802,665	4,853,170	50,505
Instructional Staff	4,864,848	5,482,445	5,395,400	(87,045)
General Administration	735,384	747,641	747,641	0
School Administration	7,354,247	7,452,666	7,447,156	(5,510)
Business Services	2,099,311	2,062,446	2,062,477	31
Operations and Maintenance	9,731,015	10,768,359	10,719,555	(48,804)
Pupil Transportation	5,810,169	5,829,481	5,806,523	(22,958)
Central Services	3,253,663	3,524,854	3,565,871	41,017
Student Support Services	1,937,932	2,053,301	2,072,131	18,830
Total Support Services	40,050,914	42,723,858	42,669,924	(53,934)
Community Services	289,050	326,325	321,677	(4,648)
Other Uses - Outgoing Transfers & Other	322,000	681,155	729,405	48,250
Total Expenditures	102,598,275	106,936,191	107,295,986	359,795
Excess Revenue/(Expenditures)	(5,695,522)	939,943	1,107,332	167,389
Fund Balance - July 1	7,098,522	7,098,932	7,098,932	0
Fund Balance - June 30	1,403,000	8,038,875	8,206,264	167,389
Less Non-Spendable and Assigned	1,750,670	1,632,999	1,864,061	231,062
Unassigned Fund Balance	(347,670)	6,405,876	6,342,203	(63,673)

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	50,000	50,000	50,000	0
Non-Spendable for Prepays	100,000	100,000	400,000	300,000
Assigned for Unrestricted "At Risk" Activities	0	0	0	0
Assigned for Curriculum Development	0	0	0	0
Assigned for Building Carryover	700,670	582,999	514,061	(68,938)
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
Total Fund Equity Non-Spendable and Assigned	1,750,670	1,632,999	1,864,061	231,062

* 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	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance *	Note
Local Unrestricted	38,936,361	40,629,498	40,095,472	(534,026)	1
State Unrestricted	39,913,468	43,487,552	44,422,472	934,920	2
State Restricted	7,339,807	7,563,971	7,563,971	0	
Federal Restricted	1,050,828	4,692,354	4,877,798	185,444	3
Incoming Transfers/Other	4,674,000	4,674,000	4,674,000	0	
Total Revenues	91,914,464	101,047,375	101,633,713	586,338	

Expenditures					
Instruction					
Basic Instruction	51,249,842	51,867,690	52,340,054	472,364	4
Added Needs	8,114,817	7,836,800	7,804,827	(31,973)	
Total Instruction	59,364,659	59,704,490	60,144,881	440,391	
Support					
Pupil	3,046,747	3,231,963	3,277,468	45,505	
Instructional Staff	3,921,930	4,215,823	4,118,180	(97,643)	
General Administration	735,384	747,641	747,641	0	
School Administration	7,354,247	7,452,666	7,447,156	(5,510)	
Business Services	2,099,311	2,062,446	2,062,477	31	
Operations and Maintenance	9,731,015	10,763,735	10,714,931	(48,804)	
Pupil Transportation	5,775,533	5,763,880	5,741,522	(22,358)	
Central Services	3,239,717	3,464,218	3,504,475	40,257	
Student Support Services	1,937,932	2,047,489	2,066,319	18,830	
Total Support Services	37,841,816	39,749,861	39,680,169	(69,692)	
Community Services	175,241	92,452	92,452	0	
Other Uses - Outgoing Transfers & Other	228,270	560,629	608,879	48,250	
Total Expenditures	97,609,986	100,107,432	100,526,381	418,949	
Excess Revenue/(Expenditures)	(5,695,522)	939,943	1,107,332	167,389	
Fund Balance - July 1	7,098,522	7,098,932	7,098,932	0	
Fund Balance - June 30	1,403,000	8,038,875	8,206,264	167,389	
Less Non-Spendable and Assigned	1,750,670	1,632,999	1,864,061	231,062	
Unassigned Fund Balance	(347,670)	6,405,876	6,342,203	(63,673)	

Fund Equity Non-Spendable and Assigned					
Non-Spendable for Inventories	50,000	50,000	50,000	0	
Non-Spendable for Prepaids	100,000	100,000	400,000	300,000	
Assigned for Unrestricted "At Risk" Activities	0	0	0	0	
Assigned for Curriculum Development	0	0	0	0	
Assigned for Building Carryover	700,670	582,999	514,061	(68,938)	
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	
Total Fund Equity Non-Spendable and Assigned	1,750,670	1,632,999	1,864,061	231,062	

* 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.

- (2) Variance is the result of adjusting state and local funding related to the foundation allowance and categoricals and accounting for a small increase in the student count through section 25e.

- (3) Variance is the result of budgeting a portion of the ESSER II funding.

- (4) Variance is the result of increasing the allocation for curriculum purchases as well as aligning staffing and payroll related costs.

Traverse City Area Public Schools General Fund Budget - Restricted Local Funds For the Fiscal Years Ending June 30					
Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Note
Local Restricted	0	90,955	95,955	5,000	5
State Unrestricted				0	
State Restricted				0	
Federal Restricted				0	
Incoming Transfers/Other	81,000	146,570	146,570	0	
Total Revenues	81,000	237,525	242,525	5,000	
Expenditures					
Instruction					
Basic Instruction	0	11,678	11,678	0	
Added Needs	72,552	111,581	111,581	0	
Total Instruction	72,552	123,259	123,259	0	
Support					
Pupil	0	39,840	44,840	5,000	5
Instructional Staff	400	3,712	3,712	0	
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	847	847	0	
Pupil Transportation	0	0	0	0	
Central Services	0	0	0	0	
Student Support Services	0	5,812	5,812	0	
Total Support Services	400	50,211	55,211	5,000	
Community Services	4,694	51,269	51,269	0	
Other Uses - Outgoing Transfers & Other	3,354	12,786	12,786	0	
Total Expenditures	81,000	237,525	242,525	5,000	
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	
Unassigned Fund Balance	0	0	0	0	

(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					
Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	2,910,181	4,217,278	4,153,124	(64,154)	6
Federal Restricted				0	
Incoming Transfers/Other				0	
Total Revenues	2,910,181	4,217,278	4,153,124	(64,154)	
Expenditures					
Instruction					
Basic Instruction	0	465,091	391,291	(73,800)	6
Added Needs	1,751,013	2,138,131	2,141,267	3,136	6
Total Instruction	1,751,013	2,603,222	2,532,558	(70,664)	
Support					
Pupil	1,123,389	1,315,715	1,315,715	0	
Instructional Staff	21,859	229,759	241,517	11,758	6
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	3,777	3,777	0	
Pupil Transportation	0	21,351	20,751	(600)	6
Central Services	0	0	0	0	
Student Support Services	0	0	0	0	
Total Support Services	1,145,248	1,570,602	1,581,760	11,158	
Community Services	0	27,624	22,976	(4,648)	6
Other Uses - Outgoing Transfers & Other	13,920	15,830	15,830	0	
Total Expenditures	2,910,181	4,217,278	4,153,124	(64,154)	
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	
Unassigned Fund Balance	0	0	0	0	

(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					
Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted	1,997,108	2,373,956	2,373,956	0	
Incoming Transfers/Other				0	
Total Revenues	1,997,108	2,373,956	2,373,956	0	
Expenditures					
Instruction					
Basic Instruction	0	0	0	0	
Added Needs	748,087	773,882	774,282	400	7
Total Instruction	748,087	773,882	774,282	400	
Support					
Pupil	94,209	215,147	215,147	0	
Instructional Staff	920,659	1,033,151	1,031,991	(1,160)	7
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	0	0	0	
Pupil Transportation	34,636	44,250	44,250	0	
Central Services	13,946	60,636	61,396	760	7
Student Support Services	0	0	0	0	
Total Support Services	1,063,450	1,353,184	1,352,784	(400)	
Community Services	109,115	154,980	154,980	0	
Other Uses - Outgoing Transfers & Other	76,456	91,910	91,910	0	
Total Expenditures	1,997,108	2,373,956	2,373,956	0	
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	
Unassigned Fund Balance	0	0	0	0	

(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.

Federal Grants Summary for Fiscal Year 2020-2021

Restricted Federal Funds (11)	Allocation
MAISA Device Purchase	\$ 55,025
MAISA Connectivity	\$ 81,928
ESSER Educ Stabilization	\$ 1,030,828
ESSER II	\$ 175,000
District COVID Costs	\$ 119,520
Coronavirus Relief Funds	\$ 3,395,497

Total: \$ 4,857,798

Restricted Federal Funds (14)	Allocation
Title I, Part A Basic	\$ 1,249,390
Title I, Part A Carryover	\$ 125,212
Title X McKinney Vento (Homeless Assistance)	\$ 66,413
Title X McKinney Vento (Homeless Assistance) Carryover	\$ 21,678
Title III LEP	\$ 26,697
Title III LEP Carryover	\$ 19,748
Title II Part A	\$ 295,460
Title II Part A Carryover	\$ 194,290
Title IV	\$ 91,263
Title IV Carryover	\$ 51,461
Title IX Indigenous Education	\$ 51,646
Title IX Indigenous Education Carryover	\$ 6,955
IDEA Pre-School Incentives	\$ 85,000
State Match Grant - PE Nut (Oct-Jun)	\$ 80,000
State Match Grant - PE Nut (Jul-Sep)	\$ 8,743

Total: \$ 2,373,956

Local Grants Summary for Fiscal Year 2020-2021

Restricted Local Funds (12)	Allocation
GTB Indigenous Education	\$ 86,000
GTB Indigenous Education Carryover	\$ 13,385
GTB Indigenous Language	\$ 24,142
GTB Intense Student Support Network (ISSN)	\$ 5,000
GTB Homeless	\$ 5,102
GTB Homeless-Miscellaneous	\$ 35,000
BCBS-BHC Community	\$ 1,433
TC Light & Power	\$ 5,477
GTRCF Generations Ahead f/k/a Teen Parent Program	\$ 33,413
CLC Summer Work/Study Program	\$ 5,812
Movement Lab	\$ 14,820
Social & Emotional Learning	\$ 12,941

Total: \$ 242,525

Community Service Grants Summary for Fiscal Year 2020-2021

Restricted Federal Funds (23)	Allocation
Childcare Relief Funds	\$ 497,854

Total: \$ 497,854

Food Service Grants Summary for Fiscal Year 2020-2021

Restricted State Funds (25)	Allocation
10 cents a Meal Support of Local Produce in School Meals	\$ 40,000

Total: \$ 40,000

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

Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Note
Local	2,199,886	108,055	155,225	47,170	1
State	302,924	353,904	372,032	18,128	
Federal	2,562,190	4,163,041	4,312,743	149,702	2
Incoming Transfers and Other	10,000	10,000	10,000	0	
Total Revenues	5,075,000	4,635,000	4,850,000	215,000	

Expenditures					
Salaries and Wages	1,435,085	1,337,243	1,357,243	20,000	
Employee Benefits	894,263	852,107	862,181	10,074	
Purchased Services	121,723	94,578	86,346	(8,232)	
Supplies and Other	2,333,929	2,061,072	2,154,230	93,158	3
Capital Outlay	30,000	30,000	30,000	0	
Operating Transfer	260,000	260,000	260,000	0	
Total Expenditures	5,075,000	4,635,000	4,750,000	115,000	

Revenues Over/(Under) Expenditures	0	0	100,000	100,000	
Beginning Fund Balance July 1	421,515	421,515	421,515	0	
Ending Fund Balance June 30	421,515	421,515	521,515	100,000	

Variance Explanations

- (1) Variance is the result of adjusting for Pepsi's annual sponsorship and a small increase in catering revenue.
- (2) Variance is the result of higher meal counts than expected.
- (3) Variance is the result of additional operating expenses related to greater participation.

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

Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Notes
Local	3,158,196	2,110,213	1,917,266	(192,947)	
Federal Restricted	0	497,854	497,854	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	225,000	574,525	622,775	48,250	
Total Revenues	3,383,196	3,182,592	3,037,895	(144,697)	
Expenditures					
Salaries and Wages	1,518,173	1,412,733	1,355,906	(56,827)	
Employee Benefits	1,434,017	1,322,225	1,274,665	(47,560)	
Purchased Services	145,603	97,645	93,022	(4,623)	
Supplies and Other	277,437	386,280	348,593	(37,687)	
Capital Outlay	24,466	13,709	13,709	0	
Transfer to General Fund and Other	0	0	0	0	
Total Expenditures	3,399,696	3,232,592	3,085,895	(146,697)	
Revenue Over/(Under) Expenditures	(16,500)	(50,000)	(48,000)	2,000	
Beginning Fund Balance July 1	119,223	119,223	119,223	0	
Ending Fund Balance June 30	102,723	69,223	71,223	2,000	

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

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

Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Notes
Local	2,748,196	1,880,713	1,687,766	(192,947)	1
Federal		497,854	497,854	0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	65,000	357,025	405,275	48,250	2
Total Revenues	2,813,196	2,735,592	2,590,895	(144,697)	

Expenditures					
Salaries and Wages	1,348,436	1,244,840	1,190,689	(54,151)	3
Employee Benefits	1,304,462	1,193,083	1,146,987	(46,096)	3
Purchased Services	28,633	28,650	22,050	(6,600)	
Supplies and Other	148,165	294,019	254,169	(39,850)	4
Capital Outlay	0	0	0	0	
Transfer to General Fund and Other	0	0	0	0	
Total Expenditures	2,829,696	2,760,592	2,613,895	(146,697)	
Revenue Over/(Under) Expenditures	(16,500)	(25,000)	(23,000)	2,000	
Beginning Fund Balance July 1	88,630	88,630	88,630	0	
Ending Fund Balance June 30	72,130	63,630	65,630	2,000	

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 an incoming General Fund transfer.
- (3) Variance is the result of fully implementing Child Care program offerings and staff placement.
- (4) Variance is the result of adjusting for program needs in supplies, food and merchant fees.

Traverse City Area Public Schools Special Revenue Fund - Community Service Fund - Learning, Enrichment and Athletic Program For the Fiscal Years Ending June 30
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Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Notes
Local	410,000	229,500	229,500	0	
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	160,000	217,500	217,500	0	
Total Revenues	570,000	447,000	447,000	0	

Expenditures					
Salaries and Wages	169,737	167,893	165,217	(2,676)	
Employee Benefits	129,555	129,142	127,678	(1,464)	
Purchased Services	116,970	68,995	70,972	1,977	
Supplies and Other	129,272	92,261	94,424	2,163	
Capital Outlay	24,466	13,709	13,709	0	
Transfer to General Fund and Other	0	0	0	0	
Total Expenditures	570,000	472,000	472,000	0	
Revenue Over/(Under) Expenditures	0	(25,000)	(25,000)	0	
Beginning Fund Balance July 1	30,593	30,593	30,593	0	
Ending Fund Balance June 30	30,593	5,593	5,593	0	

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

Revenue	2020-2021 Original	2020-2021 Amend I	2020-2021 Amend II	Variance	Note
Local	2,000,000	2,000,000	1,100,000	(900,000)	
State				0	
Federal				0	
Incoming Transfers and Other				0	
Total Revenues	2,000,000	2,000,000	1,100,000	(900,000)	

Expenditures					
Salaries and Wages				0	
Employee Benefits				0	
Purchased Services				0	
Supplies and Other	2,000,000	2,000,000	1,100,000	(900,000)	
Capital Outlay				0	
Operating Transfer				0	
Total Expenditures	2,000,000	2,000,000	1,100,000	(900,000)	

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

Variance Explanations

(1) Variance is the result of aligning revenue and expenditures.



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

**RESOLUTION FOR ADOPTION
June 28, 2021**

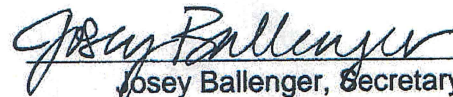
**FINAL AMENDMENT
2020-2021 GENERAL FUND BUDGET
2020-2021 SPECIAL REVENUE FUND BUDGET
(Food Services, Community Services and Student/School Activity Fund)**

This Final 2020-2021 Budget Amendment shall take effect on June 28, 2021.


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

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