

Budget Hearing

2022/2023 Budget Amendments

2023/2024 Proposed Preliminary Budget

TRAVERSE CITY AREA PUBLIC SCHOOLS
Traverse City, Michigan

June 12, 2023



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

BUDGET HEARING

**June 12, 2023
6:00 p.m.**

Held at the
Tompkins Boardman Administration Center
412 Webster Street, Traverse City, MI 49686

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

MEMORANDUM

Christine Thomas-Hill
Assistant Superintendent
Finance and Operations

TO: Dr. John R. VanWagoner II, Superintendent
FROM: Christine Thomas-Hill, Assistant Superintendent
DATE: June 12, 2023
RE: CERTIFICATION OF 2023-2024 TAXES

The Board of Education is being asked to adopt a resolution certifying the tax levy for the 2023-2024 school year, to take effect on July 1, 2023. This certification is necessary for the July 1, 2023 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 2023-2024 school year, dated July 1, 2023.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 12, 2023

FOR ACTION:

TOPIC: Certification of Taxes for the 2023/2024 School Year

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution certifying the tax levy for the 2023/2024 school year at the following rates:

Operating Millage Rate (Non-Principal Residence Exemption)	18.000
Debt Millage Rate (Homestead, Non-Principal Residence Exemption, and IFT/CFT)	3.100

It is necessary to certify taxes so that the summer tax collection bills can be prepared by July 1, 2023. 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	\$48,940,773
3.1 Mills Debt Service	\$20,907,586

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

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

**RESOLUTION FOR ADOPTION
June 12, 2023**

CERTIFICATION OF TAXES

This Resolution certifying taxes for the 2023-2024 school year shall take effect on July 1, 2023.

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 12, 2023, 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

2023 Tax Rate Request (This form must be completed and submitted on or before September 30, 2023)

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.

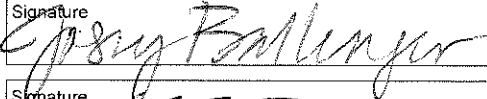

County(ies) Where the Local Government Unit Levies Taxes Benzie, Grand Traverse, Leelanau	2023 Taxable Value of ALL Properties in the Unit as of 5-22-2023 6,744,382,581
Local Government Unit Requesting Millage Levy Traverse City Area Public Schools	For LOCAL School Districts: 2023 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 2,718,931,833

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 2023 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2022 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2023 Current Year "Headlee" Millage Reduction Fraction	(7) 2023 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	1.0000	17.4845	1.0000	17.4845	17.4845		12/1/25
Extra Vote	Operating/ Non-Home	11/3/20	1.0000	.9553	1.0000	.9553	1.0000	.9553	.5155		12/1/25
Extra Vote	Operating/ Non-Home	11/8/22	2.0000	2.0000	1.0000	2.0000	1.0000	2.0000	0		12/1/25
Extra Vote	Debt All	6/14/04	NA	NA	NA	NA	NA	NA	3.1000		NA
		11/6/07									
		8/7/18									

Prepared by Sandra Low	Telephone Number 231.933.1797	Title of Preparer Director of Finance	Date 6/12/2023
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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 Josey Ballenger	Date 6/12/2023
<input checked="" type="checkbox"/> Secretary	Signature 	Print Name Scott Newman-Bale	Date 6/12/2023
<input type="checkbox"/> Chairperson			
<input checked="" type="checkbox"/> President			

* 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.

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

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2023 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	0.0000
For Commercial Personal	6.0000
For all Other	18.0000

2023 Tax Rate Request (This form must be completed and submitted on or before September 30, 2023)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

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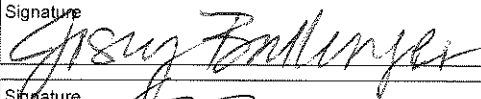

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This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2023 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2022 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2023 Current Year "Headlee" Millage Reduction Fraction	(7) 2023 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	1.0000	17.4845	1.0000	17.4845		17.4845	12/1/25
Extra Vote	Operating/ Non-Home	11/3/20	1.0000	.9553	1.0000	.9553	1.0000	.9553		.5155	12/1/25
Extra Vote	Operating/ Non-Home	11/8/22	2.0000	2.0000	1.0000	2.0000	1.0000	2.0000		0	12/1/25
Extra Vote	Debt All	6/14/04	NA	NA	NA	NA	NA	NA		3.1000	NA
		11/6/07									
		8/7/18									

Prepared by Sandra Low	Telephone Number 231.933.1797	Title of Preparer Director of Finance	Date 6/12/2023
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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 Josey Ballenger	Date 6/12/2023
<input checked="" type="checkbox"/> Secretary	Signature 	Print Name Scott Newman-Bale	Date 6/12/2023
<input type="checkbox"/> Chairperson			
<input checked="" type="checkbox"/> President			

* 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.

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

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2023 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	0.0000
For Commercial Personal	6.0000
For all Other	18.0000

Christine Thomas-Hill
Assistant Superintendent
Finance and Operations

MEMORANDUM

TO: Dr. John R. VanWagoner II, Superintendent
FROM: Christine Thomas-Hill, Assistant Superintendent
DATE: June 12, 2023
RE: **AMENDMENT II to 2022-2023 GENERAL FUND BUDGET and
AMENDMENT II to 2022-2023 SPECIAL REVENUE FUND BUDGET:**

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

Attached please find the proposed final amendments to the 2022-2023 general fund budget and special revenue fund budget.

The general fund final amendment reflects overall positive adjustments of \$40,595 from the first budget amendment. The increased revenue is mainly due to adjusting state and local funds related to the foundation allowance and state categoricals. Individual explanations of these changes are included with the detailed budgets found immediately following this memo.

The general fund budgeted shortfall stands at approximately (\$1,444,612). 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 \$55,388 once the books are closed, leaving the district with a fund balance of approximately \$13.37 million.

Also attached, please find the proposed final amendment to the 2022-2023 special revenue fund budget. This amendment aligns our budgets with our most current information and expectations. The community services fund shows a positive 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 positive adjustment, mostly the result of state categorical and federal supply chain funding.

An appropriate motion to adopt these amendments would be:

Moved by _____, Supported by _____, to adopt the resolution to approve the second amendment to the 2022-2023 General Fund Budget and the second amendment to the 2022-2023 Special Revenue Fund Budget, dated June 12, 2023.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 12, 2023

FOR ACTION:

TOPIC:

- Amendment II to 2022-2023 General Fund Budget
Amendment II to 2022-2023 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 the Preliminary 2022-2023 Budgets.

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

ATTACHMENTS:

- 2022-2023 General Fund Budget Final Amendment
2022-2023 Special Revenue Fund Budget Final Amendment:
- Food Services
 - Community Services
 - Student/School Activity Fund

Traverse City Area Public Schools General Fund Budget For the Fiscal Years Ending June 30				
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Revenue	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance*
Local Restricted and Unrestricted	40,914,064	46,226,855	46,008,013	(218,842)
State Unrestricted	47,750,357	44,439,655	45,124,879	685,224
State Restricted	13,818,787	19,015,541	25,098,164	6,082,623
Federal Restricted	7,026,210	7,338,276	7,669,042	330,766
Incoming Transfers/Other	2,951,962	2,971,145	2,886,145	(85,000)
Total Revenues	112,461,380	119,991,472	126,786,243	6,794,771

Expenditures				
Instruction				
Basic Instruction	54,564,456	56,071,861	59,831,328	3,759,467
Added Needs	11,626,225	12,409,225	12,523,713	114,488
Total Instruction	66,190,681	68,481,086	72,355,041	3,873,955
Support				
Pupil	4,478,178	5,753,912	6,098,698	344,786
Instructional Staff	7,255,580	8,069,529	8,261,440	191,911
General Administration	700,068	813,642	852,983	39,341
School Administration	8,462,579	8,853,166	9,478,162	624,996
Business Services	2,215,267	2,264,679	2,366,563	101,884
Operations and Maintenance	11,302,762	12,989,575	13,584,578	595,003
Pupil Transportation	6,911,691	6,988,736	7,445,895	457,159
Central Services	3,819,080	4,144,512	4,392,271	247,759
Student Support Services	2,129,102	2,308,030	2,418,308	110,278
Total Support Services	47,274,307	52,185,781	54,898,898	2,713,117
Community Services	108,052	435,682	544,439	108,757
Other Uses - Outgoing Transfers & Other	294,500	374,130	432,477	58,347
Total Expenditures	113,867,540	121,476,679	128,230,855	6,754,176
Excess Revenue/(Expenditures)	(1,406,160)	(1,485,207)	(1,444,612)	40,595
Fund Balance - July 1	13,319,363	13,319,363	13,319,363	0
Fund Balance - June 30	11,913,203	11,834,156	11,874,751	40,595
Less Non-Spendable and Assigned	1,805,827	1,527,042	1,669,207	142,165
Unassigned Fund Balance	10,107,376	10,307,114	10,205,544	(101,570)

Fund Equity Non-Spendable and Assigned				
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	655,827	377,042	519,207	142,165
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	1,805,827	1,527,042	1,669,207	142,165

* 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	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance *	Note
Local Unrestricted	40,914,064	45,867,658	45,643,816	(223,842)	1
State Unrestricted	47,750,357	44,439,655	45,124,879	685,224	2
State Restricted	9,668,984	10,016,480	16,003,520	5,987,040	3
Federal Restricted	5,051,261	4,391,057	4,391,057	0	
Incoming Transfers/Other	2,846,962	2,774,706	2,674,706	(100,000)	4
Total Revenues	106,231,628	107,489,556	113,837,978	6,348,422	

Expenditures					
Instruction					
Basic Instruction	53,736,527	54,716,398	58,582,502	3,866,104	5
Added Needs	8,820,776	9,439,133	9,474,893	35,760	
Total Instruction	62,557,303	64,155,531	68,057,395	3,901,864	
Support					
Pupil	2,961,893	2,658,343	2,658,398	55	
Instructional Staff	6,412,446	5,119,594	5,435,905	316,311	6
General Administration	700,068	766,674	804,429	37,755	
School Administration	8,462,579	8,853,166	9,478,162	624,996	7
Business Services	2,215,267	2,261,544	2,363,428	101,884	8
Operations and Maintenance	11,302,762	11,817,003	12,331,200	514,197	9
Pupil Transportation	6,874,816	6,901,648	7,328,572	426,924	10
Central Services	3,818,170	3,960,970	4,185,696	224,726	11
Student Support Services	2,129,102	2,302,218	2,409,496	107,278	12
Total Support Services	44,877,103	44,641,160	46,995,286	2,354,126	
Community Services	7,627	7,692	7,692	0	
Other Uses - Outgoing Transfers & Other	195,755	170,380	222,217	51,837	
Total Expenditures	107,637,788	108,974,763	115,282,590	6,307,827	
Excess Revenue/(Expenditures)	(1,406,160)	(1,485,207)	(1,444,612)	40,595	
Fund Balance - July 1	13,319,363	13,319,363	13,319,363	0	
Fund Balance - June 30	11,913,203	11,834,156	11,874,751	40,595	
Less Non-Spendable and Assigned	1,805,827	1,527,042	1,669,207	142,165	
Unassigned Fund Balance	10,107,376	10,307,114	10,205,544	(101,570)	

Fund Equity Non-Spendable and Assigned					
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	655,827	377,042	519,207	142,165	
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	1,805,827	1,527,042	1,669,207	142,165	

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

<p style="text-align: center;">Traverse City Area Public Schools General Fund Budget - Variance Explanation For the Fiscal Years Ending June 30</p>
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- (1) Variance is the result of adjusting state and local funding related to the foundation allowance, an increase in interest income, and a small decrease in other miscellaneous local revenue.
- (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 an increase in the section 147c MPSERS categorical allocation. This increase is also reflected in several of the expense functions and there is no net impact to the General Fund.
- (4) Variance is the result of removing the fund transfer from the Community Service Fund - Child Care program.
- (5) Variance is the result of adjusting for the section 147c MPSERS allocation.
- (6) Variance is the result of adjusting for the section 147c MPSERS allocation.
- (7) Variance is the result of adjusting for the section 147c MPSERS allocation and a small increase for temporary staff costs.
- (8) Variance is the result of adjusting for the section 147c MPSERS allocation.
- (9) Variance is the result of adjusting for the section 147c MPSERS allocation, and an increase for building repair materials.
- (10) Variance is the result of adjusting for the section 147c MPSERS allocation and the purchase of three vans.
- (11) Variance is the result of adjusting for the section 147c MPSERS allocation.
- (12) Variance is the result of adjusting for the section 147c MPSERS allocation.

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

Revenue	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance	Note
Local Restricted	0	359,197	364,197	5,000	13
State Unrestricted				0	
State Restricted				0	
Federal Restricted				0	
Incoming Transfers/Other	105,000	196,439	211,439	15,000	13
Total Revenues	105,000	555,636	575,636	20,000	

Expenditures					
Instruction					
Basic Instruction	0	0	0	0	
Added Needs	90,887	130,040	142,521	12,481	13
Total Instruction	90,887	130,040	142,521	12,481	
Support					
Pupil	0	160,508	162,508	2,000	13
Instructional Staff	8,957	24,740	12,259	(12,481)	13
General Administration	0	46,968	46,968	0	
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	847	0	(847)	13
Pupil Transportation	0	0	0	0	
Central Services	0	40,679	40,679	0	
Student Support Services	0	5,812	8,812	3,000	13
Total Support Services	8,957	279,554	271,226	(8,328)	
Community Services	1,050	130,114	145,114	15,000	13
Other Uses - Outgoing Transfers & Other	4,106	15,928	16,775	847	13
Total Expenditures	105,000	555,636	575,636	20,000	
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	

(13) 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	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	4,149,803	8,999,061	9,094,644	95,583	14
Federal Restricted				0	
Incoming Transfers/Other				0	
Total Revenues	4,149,803	8,999,061	9,094,644	95,583	

Expenditures					
Instruction					
Basic Instruction	827,929	1,234,027	1,043,058	(190,969)	14
Added Needs	1,604,992	1,749,417	1,663,084	(86,333)	14
Total Instruction	2,432,921	2,983,444	2,706,142	(277,302)	
Support					
Pupil	1,452,378	2,852,292	3,214,782	362,490	14
Instructional Staff	247,703	1,670,903	1,659,872	(11,031)	14
General Administration	0	0	1,586	1,586	14
School Administration	0	0	0	0	
Business Services	0	0	0	0	
Operations and Maintenance	0	1,171,725	1,249,693	77,968	14
Pupil Transportation	875	38,195	29,795	(8,400)	14
Central Services	350	68,378	71,150	2,772	14
Student Support Services	0	0	0	0	
Total Support Services	1,701,306	5,801,493	6,226,878	425,385	
Community Services	700	124,091	71,591	(52,500)	14
Other Uses - Outgoing Transfers & Other	14,876	90,033	90,033	0	
Total Expenditures	4,149,803	8,999,061	9,094,644	95,583	
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	

(14) 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	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted	1,974,949	2,947,219	3,277,985	330,766	15
Incoming Transfers/Other				0	
Total Revenues	1,974,949	2,947,219	3,277,985	330,766	

Expenditures					
Instruction					
Basic Instruction	0	121,436	205,768	84,332	15
Added Needs	1,109,570	1,090,635	1,243,215	152,580	15
Total Instruction	1,109,570	1,212,071	1,448,983	236,912	
Support					
Pupil	63,907	82,769	63,010	(19,759)	15
Instructional Staff	586,474	1,254,292	1,153,404	(100,888)	15
General Administration	0	0	0	0	
School Administration	0	0	0	0	
Business Services	0	3,135	3,135	0	
Operations and Maintenance	0	0	3,685	3,685	15
Pupil Transportation	36,000	48,893	87,528	38,635	15
Central Services	560	74,485	94,746	20,261	15
Student Support Services	0	0	0	0	
Total Support Services	686,941	1,463,574	1,405,508	(58,066)	
Community Services	98,675	173,785	320,042	146,257	15
Other Uses - Outgoing Transfers & Other	79,763	97,789	103,452	5,663	15
Total Expenditures	1,974,949	2,947,219	3,277,985	330,766	
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	

(15) 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 2022-2023

Restricted Federal Funds (11)	Allocation
ESSER Formula Funds II	\$ 1,003,488
ARP/ESSER III	\$ 3,217,552
ESSER III State Equalization (Section 11t)	\$ 150,017
Medicaid Outreach	\$ 20,000

Total: \$ 4,391,057

Restricted Federal Funds (14)	Allocation
Title I, Part A Basic	\$ 1,303,926
Title I, Part A Carryover	\$ 126,904
Title X McKinney Vento (Homeless Assistance)	\$ 74,839
Title X McKinney Vento (Homeless Assistance) Carryover	\$ 48,214
ARP I Homeless Grant (Carryover)	\$ 62,767
ARP II Homeless Grant	\$ 127,769
Title III LEP	\$ 30,038
Title III LEP Carryover	\$ 11,752
Title II Part A	\$ 266,946
Title II Part A Carryover	\$ 267,624
Title IV	\$ 91,566
Title IV Carryover-Regular	\$ 10,000
Title IV Carryover	\$ 19,554
Title IX Indigenous Education	\$ 49,803
ESSER II - Summer Programming Section (23b2a)	\$ 13,001
ESSER II - Credit Recovery 9-12 Section (23b2b)	\$ 64,023
GEER II - Learning Loss Section (98c)	\$ 472,109
Coronavirus State Fiscal Recovery-Federal Portion of GSRP	\$ 58,926
IDEA Pre-School Incentives	\$ 80,000
IDEA Part B Funded Initiative	\$ 5,453
Pandemic - EBT Local Costs	\$ 3,135
State Match Grant - PE Nut (Oct-Jun)	\$ 80,000
State Match Grant - PE Nut (Jul-Sep)	\$ 9,636

Total: \$ 3,277,985

State Grants Summary for Fiscal Year 2022-2023

Restricted State Funds (13)	Allocation
Social Workers, Counselors, Nurses - Section (31o)	\$ 527,665
Mental Health & Support Services - Section (31n)	\$ 308,166
At Risk - Section (31a)	\$ 3,200,000
At Risk - Section (31a) Carryover	\$ 797,044
Per-Pupil Mental Health Grant - (Section 31aa)	\$ 1,044,359
Bilingual - Section (41)	\$ 64,616
Bilingual - Section (41) Carryover	\$ 68,713
Great Start Readiness Program - Section (32d)	\$ 648,186
Great Start Readiness Program - Section (32d) Carryover	\$ 447,452
Great Start Readiness Program	\$ 25,200
Vocational Education - Section (61)	\$ 12,701
First Robotics - Section (99h)	\$ 80,875
First Robotics - Section (99h) Carryover	\$ 61,368
CTE Incentive - Section (61d)	\$ 26,362
CTE Incentive - Section (61d) Carryover	\$ 11,406
Early Literacy Targeted - Section (35a5)	\$ 123,936
Early Literacy Targeted - Section (35a5) Carryover	\$ 124,866
Benchmark Assessments - State - Section (104a/h)	\$ 70,450
Per-Pupil Student Safety Payment - Section (97)	\$ 1,045,776
Risk Assessments - Section (97c)	\$ 32,000
Critical Incident Mapping - Section (97d)	\$ 121,917
School Board Member Training	\$ 1,586
School Safety--MSP	\$ 250,000

Total: \$ 9,094,644

Local Grants Summary for Fiscal Year 2022-2023

Restricted Local Funds (12)	Allocation
Grand Traverse Band of Ottawa and Chippewa Indians - Indigenous Education	\$ 105,000
Grand Traverse Band of Ottawa and Chippewa Indians - Education Carryover	\$ 30,015
Grand Traverse Band of Ottawa and Chippewa Indians - Indigenous Language	\$ 24,143
Grand Traverse Band of Ottawa and Chippewa Indians - Student Support Network	\$ 5,000
Grand Traverse Band of Ottawa and Chippewa Indians - Homeless	\$ 40,000
Grand Traverse Band of Ottawa and Chippewa Indians - Homeless and Misc.	\$ 1,116
Grand Traverse County Health - Health Resource Advocate	\$ 185,636
Mental Health	\$ 47,000
Student & Staff Health & Wellness	\$ 116,156
TC Light & Power	\$ 5,477
CLC Summer Work/Study Program	\$ 5,812
Social & Emotional Learning	\$ 1,157
Native American Heritage Grant	\$ 6,124
Maverick Enrichment Program	\$ 3,000

Total: \$ 575,636

Restricted State and Federal Funds (23)	Allocation
ARP Child Care Stabilization Grant	\$ 2,311,699

Total: \$ 2,311,699

Food Service Grants Summary for Fiscal Year 2022-2023
--

Restricted State and Federal Funds (25)	Allocation
10 Cents a Meal Support of Local Produce in School Meals	\$ 40,000
Supply Chain Assistance Funds	\$ 369,462

Total: \$ 409,462

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

Revenue	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance	Note
Local	1,960,081	1,947,297	1,959,875	12,578	
State	384,854	451,497	607,186	155,689	1
Federal	2,545,065	2,676,206	2,939,939	263,733	2
Incoming Transfers and Other	10,000	10,000	10,000	0	
Total Revenues	4,900,000	5,085,000	5,517,000	432,000	

Expenditures					
Salaries and Wages	1,747,301	1,694,040	1,712,040	18,000	
Employee Benefits	1,134,910	1,093,498	1,113,302	19,804	
Purchased Services	94,982	105,960	110,850	4,890	
Supplies and Other	2,132,807	2,151,502	2,405,808	254,306	3
Capital Outlay	30,000	30,000	15,000	(15,000)	
Operating Transfer	260,000	260,000	260,000	0	
Total Expenditures	5,400,000	5,335,000	5,617,000	282,000	

Revenues Over/(Under) Expenditures	(500,000)	(250,000)	(100,000)	150,000	
Beginning Fund Balance July 1	1,208,159	1,208,159	1,208,159	0	
Ending Fund Balance June 30	708,159	958,159	1,108,159	150,000	

Variance Explanations

- (1) Variance is the result of a 31d lunch and 31f breakfast prior period adjustment.
- (2) Variance is the result of funds received from Round 3 Supply Chain Assistance and Local Food for Schools, an additional allocation of commodity and bonus entitlements, and a small increase in federal reimbursable meals.
- (3) Variance is the result of increased food expense as well as a correlating adjustment for commodity and bonus entitlements mentioned above.

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

Revenue	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance	Notes
Local	2,362,180	2,477,001	2,599,501	122,500	
Federal Restricted	836,367	2,311,699	2,311,699	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	192,500	192,500	200,000	7,500	
Total Revenues	3,391,047	4,981,200	5,111,200	130,000	
Expenditures					
Salaries and Wages	1,586,944	1,778,077	1,782,426	4,349	
Employee Benefits	1,459,006	1,565,072	1,568,238	3,166	
Purchased Services	157,392	194,462	171,030	(23,432)	
Supplies and Other	325,392	382,828	398,934	16,106	
Capital Outlay	17,313	532,761	601,072	68,311	
Transfer to General Fund and Other	0	100,000	0	(100,000)	
Total Expenditures	3,546,047	4,553,200	4,521,700	(31,500)	
Revenue Over/(Under) Expenditures	(155,000)	428,000	589,500	161,500	
Beginning Fund Balance July 1	1,079,213	1,079,213	1,079,213	0	
Ending Fund Balance June 30	924,213	1,507,213	1,668,713	161,500	

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

Revenue	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance	Notes
Local	1,954,680	2,034,501	2,129,501	95,000	1
Federal	836,367	2,311,699	2,311,699	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	0	0	0	0	
Total Revenues	2,791,047	4,346,200	4,441,200	95,000	
Expenditures					
Salaries and Wages	1,411,167	1,529,511	1,534,311	4,800	
Employee Benefits	1,318,445	1,388,254	1,392,130	3,876	
Purchased Services	36,900	111,900	72,089	(39,811)	2
Supplies and Other	179,535	236,535	240,670	4,135	
Capital Outlay	0	515,000	580,000	65,000	2
Transfer to General Fund and Other	0	100,000	0	(100,000)	3
Total Expenditures	2,946,047	3,881,200	3,819,200	(62,000)	
Revenue Over/(Under) Expenditures	(155,000)	465,000	622,000	157,000	
Beginning Fund Balance July 1	1,007,213	1,007,213	1,007,213	0	
Ending Fund Balance June 30	852,213	1,472,213	1,629,213	157,000	

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 adjusting for playground site repair, playground maintenance, and playground equipment.
- (3) Variance is the result of removing the fund transfer to the general fund.

<p align="center">Traverse City Area Public Schools Special Revenue Fund - Community Service Fund - Learning, Enrichment and Athletic Program For the Fiscal Years Ending June 30</p>
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Revenue	2022-2023 Original	2022-2023 Amend I	2022-2023 Amend II	Variance	Notes
Local	407,500	442,500	470,000	27,500	1
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	192,500	192,500	200,000	7,500	
Total Revenues	600,000	635,000	670,000	35,000	

Expenditures					
Salaries and Wages	175,777	248,566	248,115	(451)	
Employee Benefits	140,561	176,818	176,108	(710)	
Purchased Services	120,492	82,562	98,941	16,379	2
Supplies and Other	145,857	146,293	158,264	11,971	3
Capital Outlay	17,313	17,761	21,072	3,311	
Transfer to General Fund and Other	0	0	0	0	
Total Expenditures	600,000	672,000	702,500	30,500	
Revenue Over/(Under) Expenditures	0	(37,000)	(32,500)	4,500	
Beginning Fund Balance July 1	72,000	72,000	72,000	0	
Ending Fund Balance June 30	72,000	35,000	39,500	4,500	

Variance Explanations

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

<p style="text-align: center;">Traverse City Public Schools Special Revenue Fund - Student/School Activity Fund For the Fiscal Year Ending June 30</p>

Revenue	2022-2023 Original	2022-2023 Amend 1	2022-2023 Amend 2	Variance	Note
Local	1,500,000	1,500,000	1,650,000	150,000	1
State				0	
Federal				0	
Incoming Transfers and Other				0	
Total Revenues	1,500,000	1,500,000	1,650,000	150,000	

Expenditures					
Salaries and Wages				0	
Employee Benefits				0	
Purchased Services				0	
Supplies and Other	1,500,000	1,500,000	1,700,000	200,000	1
Capital Outlay				0	
Operating Transfer				0	
Total Expenditures	1,500,000	1,500,000	1,700,000	200,000	

Revenues Over/(Under) Expenditures	0	0	(50,000)	(50,000)	
Beginning Fund Balance July 1	1,370,914	1,370,914	1,370,914	0	
Ending Fund Balance June 30	1,370,914	1,370,914	1,320,914	(50,000)	

Variance Explanations

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

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

**RESOLUTION FOR ADOPTION
June 12, 2023**

FINAL AMENDMENT
2022-2023 GENERAL FUND BUDGET
2022-2023 SPECIAL REVENUE FUND BUDGET
(Food Services, Community Services and Student/School Activity Fund)

This Final 2022-2023 Budget Amendment shall take effect on June 12, 2023.

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 12, 2023, 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

2023-2024 Budget

June 12, 2023

FY 2023/2024 Budget Assumptions

Per Pupil Revenue:

2023	TOTAL	\$9,150
	<i>Per Pupil Increase*</i>	\$458
2024	TOTAL*	\$9,608

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

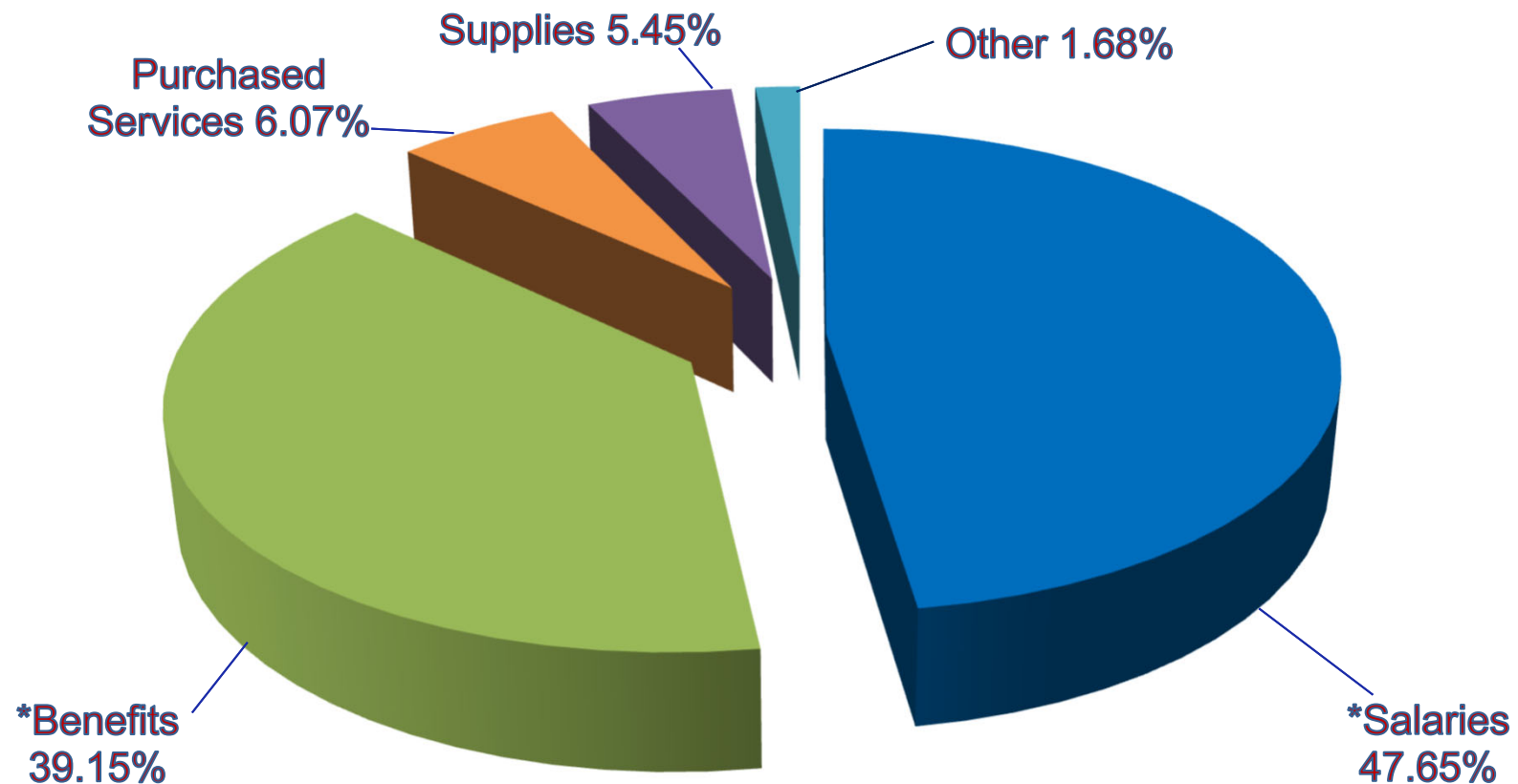
FY 2023/2024 Budget Assumptions

Student Count:

2023	8,951
2024 (estimated)	8,801
Decrease	<hr/> 150

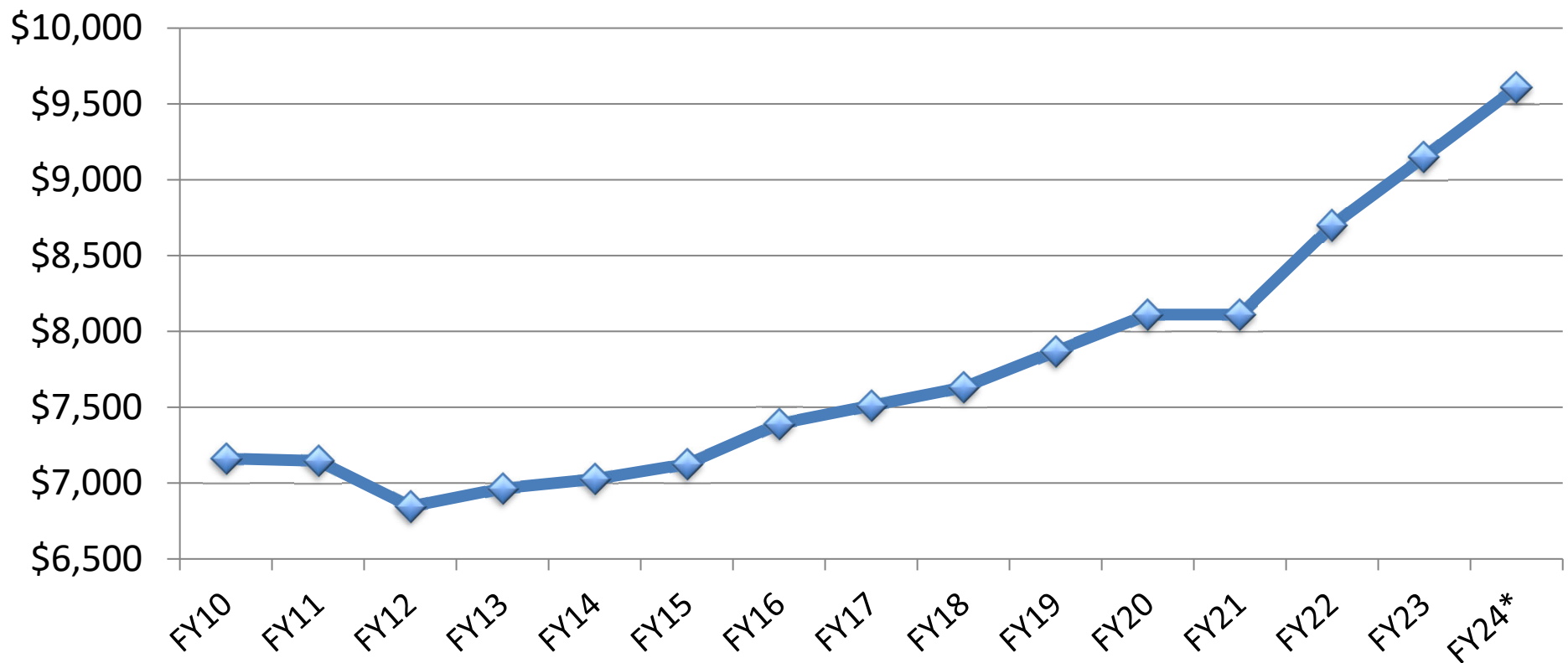
Net increase in revenue: \$2,658,358

2023/2024 Budget General Fund Monies



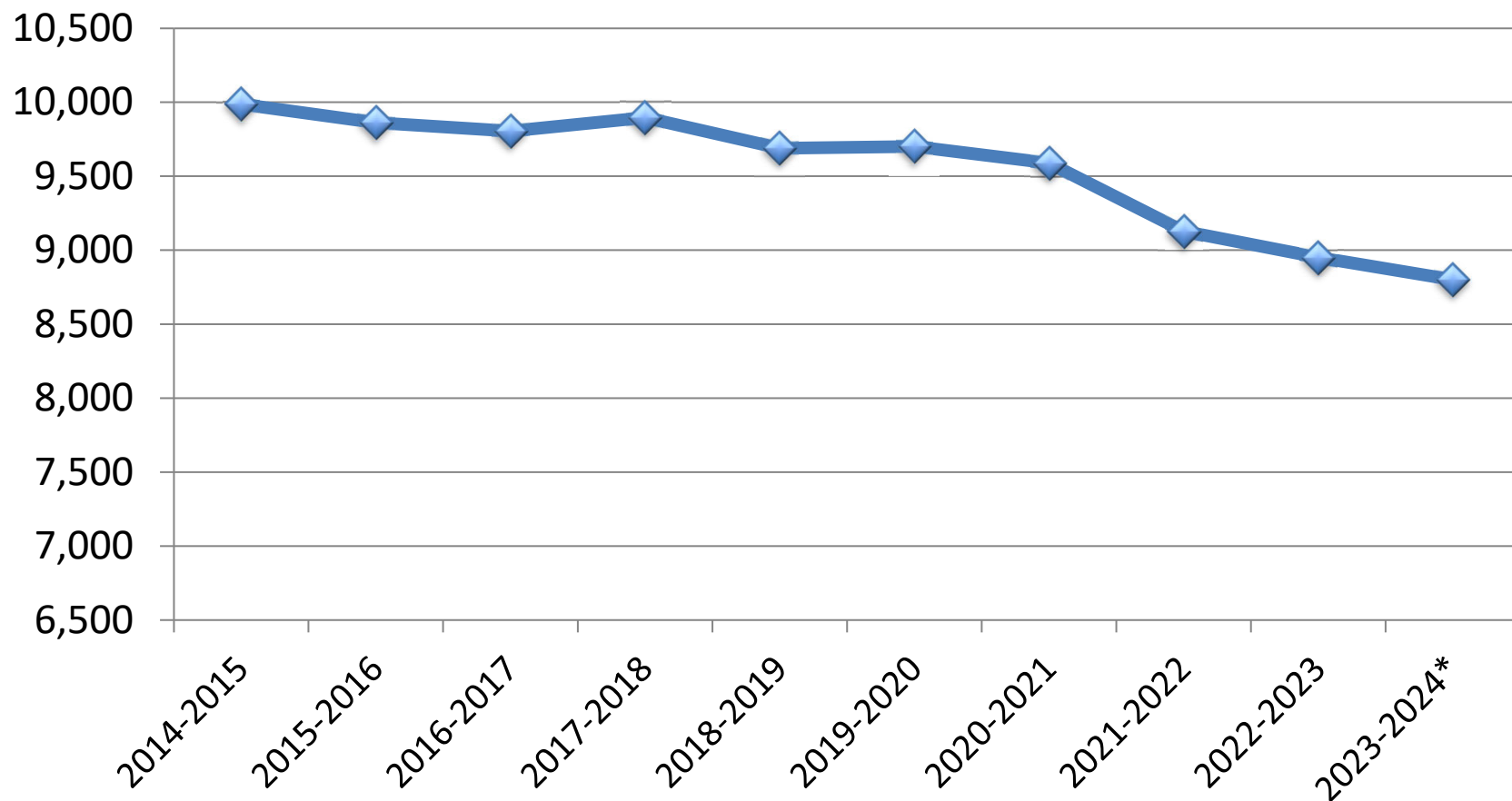
*Total Salaries and Benefits – 86.80%

History of Foundation Amounts (per-pupil)



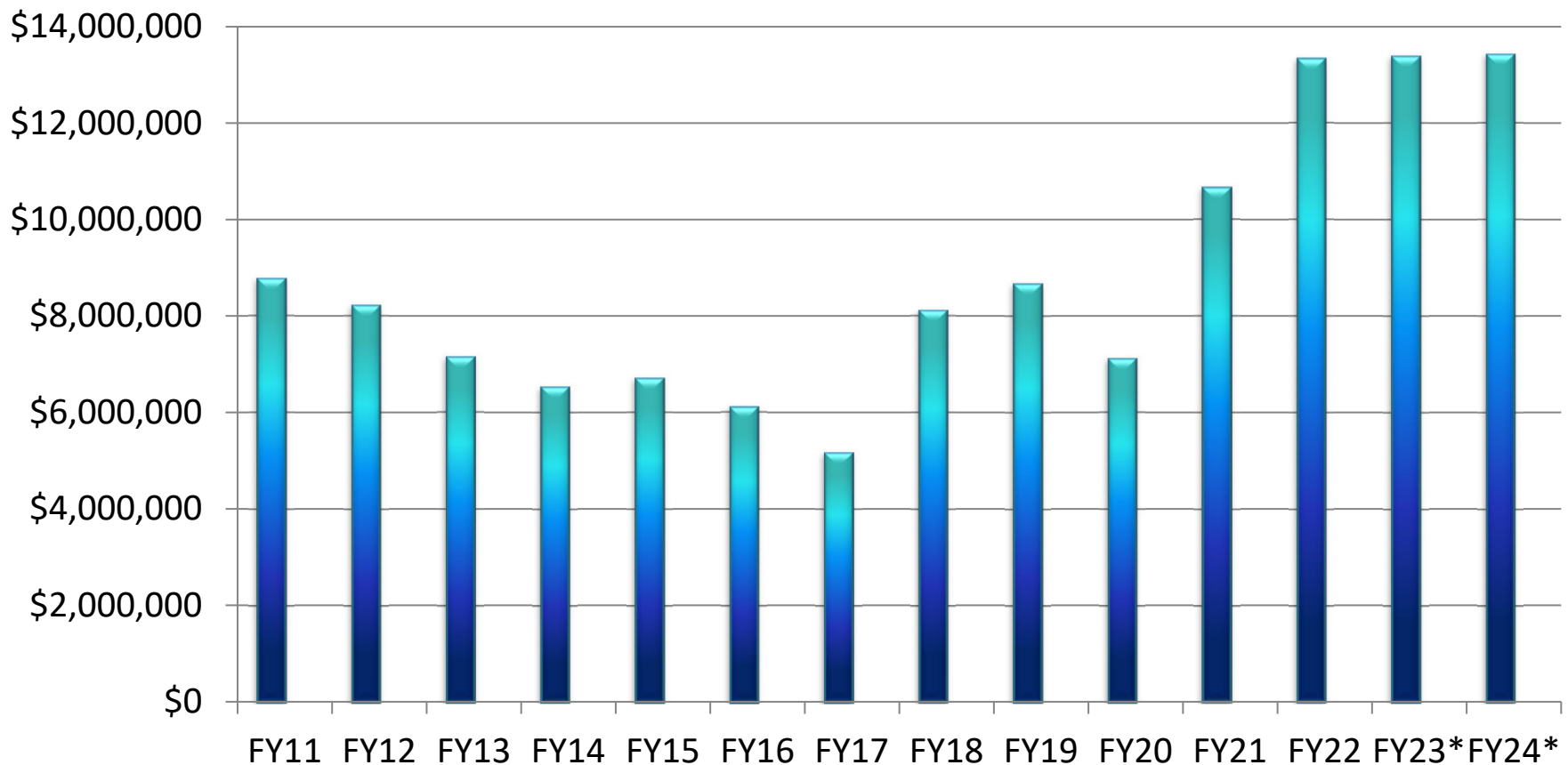
* Projections

History of Student Count (total FTE)



* Projections

History of Fund Balance



* Projections



Other Funds

➔ Special Revenue Fund: Food Services

- Estimating a balanced budget in FY24
 - Assumes free breakfast and lunch will be reinstated 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
 - Continuing to implement program efficiencies with added flexibility for parents

➔ Special Revenue Fund: Community Services

✓ Learning, Enrichment & Athletic Program (LEAP)

- Fee for participation
- Provides opportunity & programming for almost 5,000 students each year (K-12)



➡ Capital Projects

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

➡ Debt Service

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



Special Acknowledgement

A note of thanks to the staff in the Business Office for their commitment to 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 2022 audit received the Certificate of Excellence in Financial Reporting for the eighteenth 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

Christine Thomas-Hill
Assistant Superintendent
Finance and Operations

TO: Dr. John R. VanWagoner II, Superintendent
FROM: Christine Thomas-Hill, Assistant Superintendent
DATE: June 12, 2023
RE: **2023-2024 ORIGINAL BUDGETS**

Attached please find the 2023-2024 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 2023-2024 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, 2023.

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 12, 2023, 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
412 Webster Street
Traverse City, MI 49686

ITEMIZED PRELIMINARY BUDGET
2023-2024

Presented June 12, 2023

The itemized portion of the 2023-2024 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.

➡ **Table of Contents**

- Page 5.4 – General Fund Budget ~ 4 years
- Page 5.5 – Foundation Allowance Analysis
- Page 5.6 – Unrestricted Revenues
- Page 5.7 – Restricted Local Funds
- Page 5.8 – Restricted State Funds
- Page 5.9 – Restricted Federal Funds
- Page 5.10 – Special Revenue Fund ~ Food Services
- Page 5.11 – Special Revenue Fund ~ Community Services
- Page 5.12 – Special Revenue Fund Community Services ~ Child Care
- Page 5.13 – Special Revenue Fund Community Services ~ LEAP
- 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				
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Revenue	2020-2021 Actual	2021-2022 Actual	2022-2023 Amended	2023-2024 Original
Local Unrestricted	39,035,889	41,079,288	46,008,013	45,739,525
State Unrestricted	42,429,789	42,670,703	45,124,879	51,202,238
State Restricted	12,354,764	14,593,576	25,098,164	18,116,125
Federal Restricted	6,653,327	9,006,995	7,669,042	5,663,785
Incoming Transfers/Other	5,039,039	4,156,026	2,886,145	2,687,229
Total Revenues	105,512,808	111,506,588	126,786,243	123,408,902

Expenditures				
Instruction				
Basic Instruction	52,476,618	55,066,704	59,831,328	59,449,211
Added Needs	9,355,736	10,625,833	12,523,713	11,978,579
Total Instruction	61,832,354	65,692,537	72,355,041	71,427,790
Support				
Pupil	4,424,409	4,668,162	6,098,698	5,854,758
Instructional Staff	4,280,037	4,541,383	8,261,440	7,994,016
General Administration	696,132	686,697	852,983	842,802
School Administration	7,364,348	7,798,160	9,478,162	8,967,856
Business Services	1,851,116	1,936,535	2,366,563	2,336,262
Operations and Maintenance	10,283,981	10,655,850	13,584,578	13,480,200
Pupil Transportation	4,992,436	6,468,397	7,445,895	7,212,623
Central Services	3,513,850	3,929,629	4,392,271	3,989,432
Other Support Services	1,786,605	1,947,277	2,418,308	2,328,858
Total Support Services	39,192,914	42,632,090	54,898,898	53,006,807
Community Services	229,644	142,214	544,439	131,716
Other Uses - Outgoing Transfers & Other	708,305	368,907	432,477	302,000
Total Expenditures	101,963,217	108,835,748	128,230,855	124,868,313
Excess Revenue/(Expenditures)	3,549,591	2,670,840	(1,444,612)	(1,459,411)
Fund Balance - July 1	7,098,932	10,648,523	13,319,363	11,874,751
Fund Balance - June 30	10,648,523	13,319,363	11,874,751	10,415,340
Less Non-Spendable and Assigned	4,508,505	5,403,036	1,669,207	1,669,207
Unassigned Fund Balance	6,140,018	7,916,327	10,205,544	8,746,133

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	54,949	110,890	50,000	50,000
Non-Spendable for Prepaid	976,175	830,716	200,000	200,000
Assigned for Building Carryover	720,664	904,942	519,207	519,207
Assigned for Department Carryover	643,318	595,249	0	0
Assigned for Building Staff Carryover	95,574	203,642	0	0
Assigned for Severance Pay	1,217,699	1,351,437	900,000	900,000
Assigned for subsequent year expenditures	800,126	1,406,160	0	0
Total Fund Equity Non-Spendable and Assigned	4,508,505	5,403,036	1,669,207	1,669,207

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 1, 2023**

Calculation of Projected FTE Students			2024	2023
February Student Count (actual 2023)	8,886	10%	889	901
October Student Count (estimate 2023)	8,791	90%	7,912	8,050
Total Fiscal year FTE			8,801	8,951

Total Foundation Allowance Calculation		2024	2023
Total Fiscal year FTE		8,801	8,951
Foundation Amount per Student		9,608	9,150
Total Foundation Allowance		84,560,008	81,901,650

State and Local Portion of Foundation		Current Year	Prior Year
non-Principal Residence Exemption		2,718,931,833	2,448,578,541
18 mills			
Local Portion of Foundation		48,940,773	44,074,414
State Portion of Foundation		35,619,235	37,827,236

<p align="center">Traverse City Area Public Schools General Fund Budget - Unrestricted Revenues For the Fiscal Years Ending June 30</p>		
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Revenue	2022-2023 Amended	2023-2024 Original
Local Unrestricted	45,643,816	45,732,262
State Unrestricted	45,124,879	51,202,238
State Restricted	16,003,520	10,156,050
Federal Restricted	4,391,057	3,562,310
Incoming Transfers/Other	2,674,706	2,551,962
Total Revenues	113,837,978	113,204,822

Expenditures		
Instruction		
Basic Instruction	58,582,502	58,523,086
Added Needs	9,474,893	9,590,314
Total Instruction	68,057,395	68,113,400
Support		
Pupil	2,658,398	2,677,553
Instructional Staff	5,435,905	5,717,097
General Administration	804,429	842,802
School Administration	9,478,162	8,967,856
Business Services	2,363,428	2,336,262
Operations and Maintenance	12,331,200	12,302,620
Pupil Transportation	7,328,572	7,181,748
Central Services	4,185,696	3,988,579
Student Support Services	2,409,496	2,321,595
Total Support Services	46,995,286	46,336,112
Community Services	7,692	7,795
Other Uses - Outgoing Transfers & Other	222,217	206,926
Total Expenditures	115,282,590	114,664,233
Excess Revenue/(Expenditures)	(1,444,612)	(1,459,411)
Fund Balance - July 1	13,319,363	11,874,751
Fund Balance - June 30	11,874,751	10,415,340
Less Non-Spendable and Assigned	1,669,207	1,669,207
Unassigned Fund Balance	10,205,544	8,746,133

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepaids	200,000	200,000
Assigned for Building Carryover	519,207	519,207
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	1,669,207	1,669,207

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

Revenue	2022-2023 Amended	2023-2024 Original
Local Unrestricted	364,197	7,263
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	211,439	135,267
Total Revenues	575,636	142,530

Expenditures		
Instruction		
Basic Instruction	0	0
Added Needs	142,521	77,802
Total Instruction	142,521	77,802
Support		
Pupil	162,508	0
Instructional Staff	12,259	45,536
General Administration	46,968	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	0	0
Central Services	40,679	0
Student Support Services	8,812	7,263
Total Support Services	271,226	52,799
Community Services	145,114	6,724
Other Uses - Outgoing Transfers & Other	16,775	5,205
Total Expenditures	575,636	142,530
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	2022-2023 Amended	2023-2024 Original
Local Unrestricted		
State Unrestricted		
State Restricted	9,094,644	7,960,075
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	9,094,644	7,960,075

Expenditures		
Instruction		
Basic Instruction	1,043,058	926,125
Added Needs	1,663,084	1,227,408
Total Instruction	2,706,142	2,153,533
Support		
Pupil	3,214,782	3,097,524
Instructional Staff	1,659,872	1,514,513
General Administration	1,586	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	1,249,693	1,177,580
Pupil Transportation	29,795	875
Central Services	71,150	700
Student Support Services	0	0
Total Support Services	6,226,878	5,791,192
Community Services	71,591	875
Other Uses - Outgoing Transfers & Other	90,033	14,475
Total Expenditures	9,094,644	7,960,075
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	2022-2023 Amended	2023-2024 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	3,277,985	2,101,475
Incoming Transfers/Other		
Total Revenues	3,277,985	2,101,475

Expenditures		
Instruction		
Basic Instruction	205,768	0
Added Needs	1,243,215	1,083,055
Total Instruction	1,448,983	1,083,055
Support		
Pupil	63,010	79,681
Instructional Staff	1,153,404	716,870
General Administration	0	0
School Administration	0	0
Business Services	3,135	0
Operations and Maintenance	3,685	0
Pupil Transportation	87,528	30,000
Central Services	94,746	153
Student Support Services	0	0
Total Support Services	1,405,508	826,704
Community Services	320,042	116,322
Other Uses - Outgoing Transfers & Other	103,452	75,394
Total Expenditures	3,277,985	2,101,475
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	2020-2021 Actual	2021-2022 Actual	2022-2023 Amended	2023-2024 Original
Local	155,892	509,361	1,959,875	795,550
State	384,888	618,697	607,186	1,724,511
Federal	4,323,559	5,294,170	2,939,939	3,439,939
Incoming Transfers and Other	10,014	10,023	10,000	10,000
Total Revenues	4,874,353	6,432,251	5,517,000	5,970,000

Expenditures				
Salaries and Wages	1,331,157	1,769,779	1,712,040	1,788,870
Employee Benefits	842,459	1,051,895	1,113,302	1,239,538
Purchased Services	79,232	98,760	110,850	110,850
Supplies and Other	2,083,379	2,637,093	2,405,808	2,555,742
Capital Outlay	26,467	79,739	15,000	15,000
Operating Transfer	260,000	260,000	260,000	260,000
Total Expenditures	4,622,694	5,897,266	5,617,000	5,970,000

Revenues Over/(Under) Expenditures	251,659	534,985	(100,000)	0
Beginning Fund Balance July 1	421,515	673,174	1,208,159	1,108,159
Ending Fund Balance June 30	673,174	1,208,159	1,108,159	1,108,159

NOTE: The numbers listed here represent estimates to establish the beginning funding levels and assumes free meals for all will be reinstated. A subsequent final budget will more accurately reflect the direction of the programs listed. The District is exercising its' exemption to keep lunch prices the same for 2023/2024.

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

Revenue	2020-2021 Actual	2021-2022 Actual	2022-2023 Amended	2023-2024 Original
Local	1,856,251	2,594,138	2,599,501	2,866,928
Federal	497,854	1,263,571	2,311,699	0
Intermediate School District	0	0	0	0
Incoming Transfers/Other	622,774	177,512	200,000	200,000
Total Revenues	2,976,879	4,035,221	5,111,200	3,066,928

Expenditures				
Salaries and Wages	1,258,819	1,404,267	1,782,426	1,786,886
Employee Benefits	1,213,420	1,253,634	1,568,238	1,739,985
Purchased Services	84,336	168,559	171,030	145,341
Supplies and Other	307,595	308,459	398,934	333,144
Capital Outlay	14,676	38,345	601,072	31,072
Transfer to General Fund and Other	0	0	0	0
Total Expenditures	2,878,846	3,173,264	4,521,700	4,036,428
Revenue Over/(Under) Expenditures	98,033	861,957	589,500	(969,500)
Beginning Fund Balance July 1	119,223	217,256	1,079,213	1,668,713
Ending Fund Balance June 30	217,256	1,079,213	1,668,713	699,213

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.

<p style="text-align: center;">Traverse City Area Public Schools Special Revenue Fund - Community Service Fund - Child Care Programs For the Fiscal Years Ending June 30</p>

Revenue	2022-2023 Amended	2023-2024 Original
Local	2,129,501	2,356,428
Federal	2,311,699	0
Intermediate School District	0	0
Incoming Transfers/Other	0	0
Total Revenues	4,441,200	2,356,428

Expenditures		
Salaries and Wages	1,534,311	1,520,280
Employee Benefits	1,392,130	1,534,868
Purchased Services	72,089	46,400
Supplies and Other	240,670	174,880
Capital Outlay	580,000	10,000
Transfer to General Fund and Other	0	0
Total Expenditures	3,819,200	3,286,428
Revenue Over/(Under) Expenditures	622,000	(930,000)
Beginning Fund Balance July 1	1,007,213	1,629,213
Ending Fund Balance June 30	1,629,213	699,213

<p style="text-align: center;">Traverse City Area Public Schools Special Revenue Fund - Community Service Fund - Learning, Enrichment, and Athletic Program For the Fiscal Years Ending June 30</p>
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Revenue	2022-2023 Amended	2023-2024 Original
Local	470,000	510,500
Federal		
Intermediate School District		
Incoming Transfers/Other	200,000	200,000
Total Revenues	670,000	710,500

Expenditures		
Salaries and Wages	248,115	266,606
Employee Benefits	176,108	205,117
Purchased Services	98,941	98,941
Supplies and Other	158,264	158,264
Capital Outlay	21,072	21,072
Transfer to General Fund and Other	0	0
Total Expenditures	702,500	750,000
Revenue Over/(Under) Expenditures	(32,500)	(39,500)
Beginning Fund Balance July 1	72,000	39,500
Ending Fund Balance June 30	39,500	0

<p style="text-align: center;">Traverse City Public Schools Special Revenue Fund - Student/School Activity Fund For the Fiscal Years Ending June 30</p>
--

Revenue	2020-2021 Actual	2021-2022 Actual	2022-2023 Amended	2023-2024 Original
Local	932,594	1,527,490	1,650,000	1,650,000
State				
Federal				
Incoming Transfers and Other				
Total Revenues	932,594	1,527,490	1,650,000	1,650,000

Expenditures				
Salaries and Wages				
Employee Benefits				
Purchased Services				
Supplies and Other	960,209	1,480,866	1,700,000	1,650,000
Capital Outlay				
Operating Transfer				
Total Expenditures	960,209	1,480,866	1,700,000	1,650,000

Revenues Over/(Under) Expenditures	(27,615)	46,624	(50,000)	0
Beginning Fund Balance July 1	1,351,905	1,324,290	1,370,914	1,320,914
Ending Fund Balance June 30	1,324,290	1,370,914	1,320,914	1,320,914

RatingsDirect®

Summary:

Traverse City Area Public Schools, Michigan; General Obligation

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Summary:

Traverse City Area Public Schools, Michigan; General Obligation

Credit Profile		
US\$32.0 mil 2023 sch bldg & site bnds (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
Economic indicators					
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
Financial indicators					
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
Debt and long-term liabilities					
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

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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