

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

**RESOLUTION FOR ADOPTION
June 27, 2016**

FOR ACTION:

TOPIC: 2016/2017 Preliminary Budgets for Traverse City Area Public Schools (Appropriations Act)

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution appropriating funds for the 2016/2017 fiscal year (Preliminary Budgets). The Uniform Budgeting and Accounting Act requires that the appropriations for the General Operations and Special Service Funds of the School District be approved by the Board of Education. The tentative budgets for these funds are attached. These budgets are only preliminary, to permit the beginning revenue disposition and expenditure appropriations until such time that the District has the necessary information to provide the final budget to the public and to the Board of Education.

Major revenue data is based upon the following:

Estimated Taxable Value (ad valorem)	4,527,043,553
Homestead Taxable Value	2,713,788,032
Non-Principal Residence Exemption Taxable Value	1,813,255,521*
Operating Millage Levy (Non-principal residence exemption only)	18 mills
Operating Local Property Tax Revenue (Non-principal residence exemption only)	32,638,599
Estimated State Aid (foundation allowance) Formula:	
Foundation Allowance per Pupil	7,511
Local Tax Support per Pupil (Est. Pupils: 9,758)	3,345
State Aid per Pupil (Est. Pupils: 9,758)	4,166

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

Emphasis is made that the data provided herein in no way indicates final revenue or expenditure levels; estimates are merely being provided to receive authorization to begin the 2016/2017 school year.

SOURCE PERSON: Christine Thomas-Hill, Executive Director of Finance and Operations

ATTACHMENTS:

Resolution to Adopt 2016/2017 Preliminary Budgets
Three (3) year budget reporting required by the State of Michigan

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

**RESOLUTION TO ADOPT
2016/2017 PRELIMINARY BUDGETS**

RESOLVED, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2016/2017 fiscal year. A resolution to make appropriations, and to provide for the expenditure of the appropriations, and to provide for the disposition of all income received by the Traverse City Area Public Schools.

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

WHEREAS, the total revenues and un-appropriated fund balance estimated to be available for appropriations in the *General (Operating) Fund* of the Traverse City Area Public Schools for the fiscal year 2016/2017 are as follows:

Revenue

Local Sources	\$ 36,078,126
State Sources	52,457,584
Federal Sources	1,647,662
Incoming Transfers and Other Transactions	<u>2,345,214</u>

Total Revenue \$ **92,528,586**

Fund Balance (07/01/16 estimate) 4,635,382

Total Available to

Appropriate ~ General Fund \$ **97,163,968**

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

**RESOLUTION TO ADOPT
2016/2017 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that \$94,632,596 of the total available to appropriate in the *General Fund* is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures

Instruction:

Basic Programs	\$ 48,250,069
Added Needs	<u>9,455,583</u>
 Total Instruction	 \$ 57,705,652

Support Services:

Pupil Services	\$ 3,261,751
Instructional Staff	4,188,904
General Administration	602,939
School Administration	6,696,911
Business	1,754,596
Operations & Maintenance	9,004,081
Pupil Transportation Services	5,792,502
Central Services	2,847,284
Student	<u>2,337,948</u>

Total Support Services \$ 36,486,916

Community Services \$ 108,853

Outgoing Transfers and Other Transactions \$ 331,175

Total Appropriated ~ General Fund \$ 94,632,596

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

**RESOLUTION TO ADOPT
2016/2017 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Food Services* of the Traverse City Area Public Schools for the fiscal year 2016/2017 are as follows:

Revenue

Local Sources *	\$ 2,449,010
State Sources	283,540
Federal Sources	2,342,450
Incoming Transfers/Others	20,000
Total Revenue	\$ 5,095,000

Expenditures

Salaries	\$ 1,504,303
Benefits	816,879
Purchased Services	174,502
Supplies & Other Expenses	2,549,316
Capital Outlay	50,000
Operating Transfer	<u>0</u>
Total Expenditures	\$ 5,095,000

Excess of Revenues Over/(Under) Expenditures	\$ 0
Beginning Fund Balance (07/01/16 estimate)	\$ 655,408
Ending Fund Balance (06/30/17 estimate)	\$ 655,408

* The Local Revenue reflects a \$0.10 increase to breakfast and lunch.

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

**RESOLUTION TO ADOPT
2016/2017 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Community Services* of the Traverse City Area Public Schools for the fiscal year 2016/2017 are as follows:

Revenue

Local Sources	\$ 2,818,750
Federal Sources	135,000
Intermediate Sources	0
Operating Transfers In	<u>229,175</u>
Total Revenue	\$ 3,182,925

Expenditures

Salaries	\$ 1,527,708
Benefits	1,118,979
Purchased Services	225,718
Supplies and Other Expenses	279,347
Capital Outlay	26,335
Transfers to General Fund and Other	<u>135,686</u>
Total Expenditures	\$ 3,313,773

Excess of Revenues Over/(Under) Expenditures (\$ 130,848)

Beginning Fund Balance (07/01/16 estimate) \$ 553,282

Ending Fund Balance (06/30/17 estimate) \$ 422,434

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

**RESOLUTION TO ADOPT
2016/2017 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.

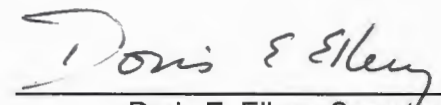
BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budget adopted by the Board of Education and shall hold the department heads responsible for performance of their responsibilities within the amounts appropriated by the Board of Education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

This Appropriations Resolution is to take effect on July 1, 2016.

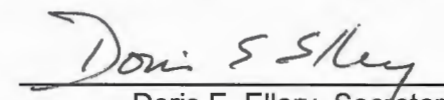
AYES: *APPEL, CLARK, CRANDALL, ELLERY, FALCONER, HARDY*

NAYS: *NONE (KELLY-ABSENT)*

Resolution adopted.


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

The undersigned duly qualified and acting Secretary of the Board of Education of Traverse City Area Public Schools, Traverse City, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education, Traverse City, Michigan at its study session meeting held on June 27, 2016, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.


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

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

Revenue	2013-2014 Actual	2014-2015 Actual	2015-2016 Amended	2016-2017 Original
Local Unrestricted	33,303,286	33,851,957	34,782,044	36,078,126
State Unrestricted	41,900,119	42,812,048	42,987,741	43,375,043
State Restricted	5,824,391	8,252,349	9,679,617	9,082,541
Federal Restricted	1,889,703	1,802,471	2,382,852	1,647,662
Incoming Transfers/Other	2,486,652	3,332,332	3,285,539	2,345,214
Total Revenues	85,404,151	90,051,157	93,117,793	92,528,586

Expenditures				
Instruction				
Basic Instruction	43,226,817	46,137,620	47,679,076	48,250,069
Added Needs	8,959,746	9,095,822	10,009,245	9,455,583
Total Instruction	52,186,563	55,233,442	57,688,321	57,705,652
Support				
Pupil	3,057,436	3,123,569	3,072,915	3,261,751
Instructional Staff	4,233,325	4,302,350	5,183,427	4,188,904
General Administration	572,208	529,320	588,489	602,939
School Administration	6,044,221	6,419,606	6,740,479	6,696,911
Business Services	1,357,359	1,413,471	1,613,334	1,754,596
Operations and Maintenance	8,723,332	8,993,881	9,016,133	9,004,081
Pupil Transportation	5,049,332	5,080,590	5,658,415	5,792,502
Central Services	2,658,630	2,651,351	2,927,184	2,847,284
Other Support Services	1,718,022	1,896,800	2,135,233	2,337,948
Total Support Services	33,413,865	34,410,938	36,935,609	36,486,916
Community Services	184,466	108,088	172,678	108,853
Other Uses - Outgoing Transfers & Other	229,843	124,903	378,326	331,175
Total Expenditures	86,014,737	89,877,371	95,174,934	94,632,596
Excess Revenue/(Expenditures)	(610,586)	173,786	(2,057,141)	(2,104,010)
Fund Balance - July 1	7,129,323	6,518,737	6,692,523	4,635,382
Fund Balance - June 30	6,518,737	6,692,523	4,635,382	2,531,372
Less Non-Spendable and Assigned	4,195,397	4,127,652	1,591,355	1,591,355
Unassigned Fund Balance	2,323,340	2,564,871	3,044,027	940,017

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	81,036	61,370	50,000	50,000
Non-Spendable for Prepaid	615,828	657,067	100,000	100,000
Assigned for Building Carryover	533,484	480,535	541,355	541,355
Assigned for Department Carryover	138,345	231,284	0	0
Assigned for Building Staff Carryover	131,614	0	0	0
Assigned for Severance Pay	1,227,623	1,212,467	900,000	900,000
Assigned for subsequent year expenditures	1,467,467	1,484,929	0	0
Total Fund Equity Non-Spendable and Assigned	4,195,397	4,127,652	1,591,355	1,591,355

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

**Traverse City Area Public Schools
Foundation Allowance Analysis
June 30, 2016**

Calculation of Projected FTE Students			2017	2016
February Student Count (actual 2016)	9,721	10%	972	987
October Student Count (estimate 2016)	9,762	90%	8,786	8,875
Total Fiscal year FTE			9,758	9,862

Total Foundation Allowance Calculation		2017	2016
Total Fiscal year FTE		9,758	9,862
Foundation Amount per Student		7,511	7,391
Total Foundation Allowance		73,292,338	72,890,042

State and Local Portion of Foundation		Current Year	Prior Year
non-Principal Residence Exemption		1,813,255,521	1,790,549,753
18 mills			
Local Portion of Foundation		32,638,599	32,229,896
State Portion of Foundation		40,653,739	40,660,146

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

Revenue	2015-2016 Amended	2016-2017 Original
Local Unrestricted	34,675,437	35,978,126
State Unrestricted	42,987,741	43,375,043
State Restricted	5,514,970	6,038,708
Federal Restricted	20,000	20,000
Incoming Transfers/Other	2,764,693	2,345,214
Total Revenues	85,962,841	87,757,091

Expenditures		
Instruction		
Basic Instruction	46,160,839	47,129,767
Added Needs	7,002,106	7,141,294
Total Instruction	53,162,945	54,271,061
Support		
Pupil	2,597,483	2,959,094
Instructional Staff	3,662,609	3,486,483
General Administration	588,489	602,939
School Administration	6,740,479	6,696,911
Business Services	1,613,334	1,754,596
Operations and Maintenance	9,012,273	9,004,081
Pupil Transportation	5,500,947	5,704,524
Central Services	2,875,554	2,846,784
Student Support Services	2,022,825	2,257,948
Total Support Services	34,613,993	35,313,360
Community Services	10,743	10,378
Other Uses - Outgoing Transfers & Other	232,301	266,302
Total Expenditures	88,019,982	89,861,101
Excess Revenue/(Expenditures)	(2,057,141)	(2,104,010)
Fund Balance - July 1	6,692,523	4,635,382
Fund Balance - June 30	4,635,382	2,531,372
Less Non-Spendable and Assigned	1,591,355	1,591,355
Unassigned Fund Balance	3,044,027	940,017

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepaids	100,000	100,000
Assigned for Building Carryover	541,355	541,355
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	1,591,355	1,591,355

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

Revenue	2015-2016 Amended	2016-2017 Original
Local Unrestricted	106,607	100,000
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	520,846	
Total Revenues	627,453	100,000

Expenditures		
Instruction		
Basic Instruction	71,000	0
Added Needs	183,864	95,464
Total Instruction	254,864	95,464
Support		
Pupil	300	0
Instructional Staff	262,857	561
General Administration		
School Administration		
Business Services		
Operations and Maintenance	3,860	0
Pupil Transportation	15,000	0
Central Services	0	0
Student Support Services	28,408	0
Total Support Services	310,425	561
Community Services	21,179	0
Other Uses - Outgoing Transfers & Other	40,985	3,975
Total Expenditures	627,453	100,000
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	2015-2016 Amended	2016-2017 Original
Local Unrestricted		
State Unrestricted		
State Restricted	4,164,647	3,043,833
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	4,164,647	3,043,833

Expenditures		
Instruction		
Basic Instruction	1,383,296	1,107,212
Added Needs	1,744,758	1,356,046
Total Instruction	3,128,054	2,463,258
Support		
Pupil	390,426	241,521
Instructional Staff	356,318	193,654
General Administration		
School Administration		
Business Services		
Operations and Maintenance		
Pupil Transportation	105,400	52,800
Central Services	51,230	0
Student Support Services	84,000	80,000
Total Support Services	987,374	567,975
Community Services	34,424	2,600
Other Uses - Outgoing Transfers & Other	14,795	10,000
Total Expenditures	4,164,647	3,043,833
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Reserves and Designations	0	0
Unreserved Fund Balance	0	0

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

Revenue	2015-2016 Amended	2016-2017 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	2,362,852	1,627,662
Incoming Transfers/Other		
Total Revenues	2,362,852	1,627,662

Expenditures		
Instruction		
Basic Instruction	63,941	13,090
Added Needs	1,078,517	862,779
Total Instruction	1,142,458	875,869
Support		
Pupil	84,706	61,136
Instructional Staff	901,643	508,206
General Administration		
School Administration		
Business Services		
Operations and Maintenance		
Pupil Transportation	37,068	35,178
Central Services	400	500
Student Support Services		
Total Support Services	1,023,817	605,020
Community Services	106,332	95,875
Other Uses - Outgoing Transfers & Other	90,245	50,898
Total Expenditures	2,362,852	1,627,662
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

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

Revenue	2013-2014 Actual	2014-2015 Actual	2015-2016 Amended	2016-2017 Original
Local	2,343,823	2,405,557	2,379,910	2,449,010
State	165,150	268,760	283,540	283,540
Federal	2,428,532	2,333,532	2,403,550	2,342,450
Incoming Transfers	30,050	31,670	20,000	20,000
Total Revenues	4,967,555	5,039,519	5,087,000	5,095,000

Expenditures				
Salaries and Wages	1,485,135	1,404,663	1,475,942	1,504,303
Employee Benefits	680,142	737,494	831,960	816,879
Purchased Services	163,028	130,884	178,002	174,502
Supplies and Other	2,865,747	2,670,727	2,586,096	2,549,316
Capital Outlay	1,184	13,145	50,000	50,000
Operating Transfer	0	0	0	0
Total Expenditures	5,195,236	4,956,913	5,122,000	5,095,000

Revenues Over/(Under) Expenditures	(227,681)	82,606	(35,000)	0
Beginning Fund Balance July 1	835,483	607,802	690,408	655,408
Ending Fund Balance June 30	607,802	690,408	655,408	655,408

NOTE: The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed. The Local Revenue reflects a \$0.10 increase to breakfast and lunch.

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

Revenue	2013-2014 Actual	2014-2015 Actual	2015-2016 Amended	2016-2017 Original
Local	2,483,558	2,671,291	2,887,750	2,818,750
Federal	123,296	135,000	135,000	135,000
Intermediate School District	0	0	0	0
Incoming Transfers/Other	199,526	132,741	232,044	229,175
Total Revenues	2,806,380	2,939,032	3,254,794	3,182,925

Expenditures				
Salaries and Wages	1,335,415	1,351,728	1,558,256	1,527,708
Employee Benefits	844,600	921,472	1,100,723	1,118,979
Purchased Services	167,414	233,500	232,784	225,718
Supplies and Other	203,026	217,558	280,387	279,347
Capital Outlay	10,755	25,005	23,635	26,335
Transfer to General Fund and Other	144,678	111,574	167,156	135,686
Total Expenditures	2,705,888	2,860,837	3,362,941	3,313,773
Revenue Over/(Under) Expenditures	100,492	78,195	(108,147)	(130,848)
Beginning Fund Balance July 1	482,742	583,234	661,429	553,282
Ending Fund Balance June 30	583,234	661,429	553,282	422,434

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

Traverse City Area Public Schools School Service Fund - Community Services - Childcare Programs For the Fiscal Years Ending June 30
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Revenue	2015-2016 Amended	2016-2017 Original
Local	2,525,250	2,436,250
Federal		
Intermediate School District		
Incoming Transfers/Other	39,544	36,675
Total Revenues	2,564,794	2,472,925

Expenditures		
Salaries and Wages	1,285,940	1,260,437
Employee Benefits	935,711	945,816
Purchased Services	87,100	83,600
Supplies and Other	201,800	183,600
Capital Outlay	0	0
Transfer to General Fund and Other	162,390	130,320
Total Expenditures	2,672,941	2,603,773
Revenue Over/(Under) Expenditures	(108,147)	(130,848)
Beginning Fund Balance July 1	603,703	495,556
Ending Fund Balance June 30	495,556	364,708

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

Revenue	2015-2016 Amended	2016-2017 Original
Local	5,000	5,000
Federal		
Intermediate School District		
Incoming Transfers/Other		
Total Revenues	5,000	5,000

Expenditures		
Salaries and Wages	400	400
Employee Benefits	176	178
Purchased Services	150	120
Supplies and Other	4,274	4,102
Capital Outlay	0	200
Transfer to General Fund and Other	0	0
Total Expenditures	5,000	5,000
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	0	0
Ending Fund Balance June 30	0	0

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

Revenue	2015-2016 Amended	2016-2017 Original
Local	357,500	377,500
Federal		
Intermediate School District		
Incoming Transfers/Other	192,500	192,500
Total Revenues	550,000	570,000

Expenditures		
Salaries and Wages	209,923	207,787
Employee Benefits	125,433	134,289
Purchased Services	125,694	118,118
Supplies and Other	66,015	83,871
Capital Outlay	22,935	25,935
Transfer to General Fund and Other	0	0
Total Expenditures	550,000	570,000
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	57,726	57,726
Ending Fund Balance June 30	57,726	57,726

Traverse City Area Public Schools School Service Fund - Community Services - Restricted Federal Funds For the Fiscal Years Ending June 30
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Revenue	2015-2016 Amended	2016-2017 Original
Local		
Federal	135,000	135,000
Intermediate School District		
Incoming Transfers/Other		
Total Revenues	135,000	135,000

Expenditures		
Salaries and Wages	61,993	59,084
Employee Benefits	39,403	38,696
Purchased Services	19,840	23,880
Supplies and Other	8,298	7,774
Capital Outlay	700	200
Transfer to General Fund and Other	4,766	5,366
Total Expenditures	135,000	135,000
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	0	0
Ending Fund Balance June 30	0	0