

# Budget Hearing

## 2014/2015 Budget Amendments

## 2015/2016 Proposed Preliminary Budget

TRAVERSE CITY AREA PUBLIC SCHOOLS  
Traverse City, Michigan

June 22, 2015



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

**BUDGET HEARING**

**June 22, 2015**

**6:00 p.m.**

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

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

**Wesley Souden**  
Director of Finance &  
Business Technology

## **MEMORANDUM**

**TO:** Paul Soma, Superintendent  
**FROM:** Wes Souden, Director  
**DATE:** June 19, 2015  
**RE:** **AMENDMENT II to 2014/2015 GENERAL FUND BUDGET and  
AMENDMENT II to 2014/2015 SPECIAL REVENUE FUND BUDGET:**

- **FOOD SERVICES**
- **COMMUNITY SERVICES**

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Attached please find the proposed final amendments to the 2014/2015 General Fund Budget and Special Revenue Fund Budget.

The General Fund final amendment reflects a positive adjustment of \$215,990 from the first budget amendment. This variance is a result of the international exchange program expansion and some one time revenues. These are the only material changes to the budget since the first amendment.

As is expected, other minor adjustments have been made to the budget since the first amendment. These adjustments are considered minor given the size of the general fund budget and generally are adjustments made to align expenditures with proper account codes rather than a change in authorized spending levels. Individual explanations of these changes are included with the detailed budgets found immediately following this memo.

The general fund budgeted shortfall stands at approximately \$1.8 million. As has been discussed in the past, actual expenditures by law must not exceed the total budget. Actual district revenues and expenditures historically show a budget variance of approximately 1%, and we expect that this will occur again in the current year. Taking this variance into account, it is my expectation that our general fund shortfall will be approximately \$300,000 once the books are closed, leaving the district with a fund balance of approximately \$6.2 million.

The \$6.2 million fund balance represents approximately 6.7% of our budgeted expenditures. This amount is below the board-established target of 10%. The good news is that it appears the 2015/16 school year may end in a balanced position and hence stop the trend of spending down the district's fund balance. The district will need to continue to work on a plan to return to a 10% position. Stopping the downward trend is a good first step.

2.1

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 2014/2015 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 increase in program revenues over the first budget amendment. The Food Services fund shows no bottom line adjustment. The revenues and expenses have been reduced equally to reflect participation levels. It is my expectation that the Food Service shortfall will be less than the \$75,000 budgeted. The Food Service Department is working toward a structurally balanced budget for Fiscal Year 2016.

An appropriate motion to adopt these amendments would be:

**Moved by \_\_\_\_\_, Supported by \_\_\_\_\_, to adopt the resolution to approve the second amendment to the 2014/2015 General Fund Budget and the second amendment to the 2014/2015 Special Revenue Fund Budget, dated June 22, 2015.**

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

**RESOLUTION FOR ADOPTION  
June 22, 2015**

**FOR ACTION:**

**TOPIC:**

- Amendment II to 2014/2015 General Fund Budget
- Amendment II to 2014/2015 School Service Fund Budget:
  - Food Services
  - Community Services

**RECOMMENDATION:**

It is recommended that the Board of Education adopt the resolution to approve the budget amendments as shown in the attached schedules. These 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 2014/2015 Budgets.

**SOURCE PERSON:** Wes Souden, Director of Finance & Business Technology

**ATTACHMENTS:**

- 2014/2015 General Fund Budget Final Amendment
- 2014/2015 School Service Fund Budget Final Amendment:
  - Food Services
  - Community Services

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1*	2014-2015 Amend 2*	Variance*
Local Restricted and Unrestricted	33,293,704	34,374,176	34,237,866	(136,310)
State Unrestricted	44,088,515	43,306,994	43,280,599	(26,395)
State Restricted	5,219,023	8,876,920	8,085,980	(790,940)
Federal Restricted	1,776,500	2,250,209	2,273,994	23,785
Incoming Transfers/Other	3,165,142	3,267,181	3,482,681	215,500
<b>Total Revenues</b>	<b>87,542,884</b>	<b>92,075,480</b>	<b>91,361,120</b>	<b>(714,360)</b>

<b>Expenditures</b>				
<b>Instruction</b>				
Basic Instruction	44,945,087	47,221,900	46,583,369	(638,531)
Added Needs	9,182,597	9,776,059	9,633,110	(142,949)
<b>Total Instruction</b>	<b>54,127,684</b>	<b>56,997,959</b>	<b>56,216,479</b>	<b>(781,480)</b>
<b>Support</b>				
Pupil	2,888,401	3,268,679	3,228,225	(40,454)
Instructional Staff	4,399,273	4,870,622	4,963,663	93,041
General Administration	474,962	599,200	596,822	(2,378)
School Administration	6,114,848	6,538,989	6,544,602	5,613
Business Services	1,665,900	1,676,050	1,555,077	(120,973)
Operations and Maintenance	8,903,705	9,006,394	9,029,253	22,859
Pupil Transportation	5,447,951	5,647,576	5,545,979	(101,597)
Central Services	2,742,230	2,866,078	2,812,118	(53,960)
Student Support Services	1,852,813	2,012,098	1,975,806	(36,292)
<b>Total Support Services</b>	<b>34,490,083</b>	<b>36,485,686</b>	<b>36,251,545</b>	<b>(234,141)</b>
Community Services	79,555	240,718	309,443	68,725
Other Uses - Outgoing Transfers & Other	313,029	346,410	362,956	16,546
<b>Total Expenditures</b>	<b>89,010,351</b>	<b>94,070,773</b>	<b>93,140,423</b>	<b>(930,350)</b>
Excess Revenue/(Expenditures)	(1,467,467)	(1,995,293)	(1,779,303)	215,990
Fund Balance - July 1	6,518,737	6,518,737	6,518,737	0
Fund Balance - June 30	5,051,270	4,523,444	4,739,434	215,990
Less Non-Spendable and Assigned	1,482,091	1,477,671	1,533,265	55,594
<b>Unassigned Fund Balance</b>	<b>3,569,179</b>	<b>3,045,773</b>	<b>3,206,169</b>	<b>160,396</b>

<b>Fund Equity Non-Spendable and Assigned</b>				
Non-Spendable for Inventories	50,000	50,000	50,000	0
Non-Spendable for Prepaid	100,000	100,000	100,000	0
Assigned for Unrestricted "At Risk" Activities	0	0	0	0
Assigned for Curriculum Development	0	0	0	0
Assigned for Building Carryover	432,091	427,671	483,265	55,594
Assigned for Department Carryover	0	0	0	0
Assigned for Building Staff Carryover	0	0	0	0
Assigned for Computer Notes and Leases	0	0	0	0
Assigned for Severance Pay	900,000	900,000	900,000	0
Assigned for Building Supplies	0	0	0	0
Assigned for Budget Stabilization	0	0	0	0
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>1,482,091</b>	<b>1,477,671</b>	<b>1,533,265</b>	<b>55,594</b>

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

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1*	2014-2015 Amend 2*	Variance	Note
Local Unrestricted	33,222,824	34,269,992	34,130,552	(139,440)	1
State Unrestricted	44,088,515	43,306,994	43,280,599	(26,395)	
State Restricted	2,402,187	4,733,398	4,201,959	(531,439)	2
Federal Restricted	5,354	5,354	5,354	0	
Incoming Transfers/Other	2,811,689	2,871,088	2,981,088	110,000	3
<b>Total Revenues</b>	<b>82,530,569</b>	<b>85,186,826</b>	<b>84,599,552</b>	<b>(587,274)</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	44,029,122	45,576,220	45,209,317	(366,903)	4
Added Needs	6,808,127	7,040,525	6,840,602	(199,923)	5
<b>Total Instruction</b>	<b>50,837,249</b>	<b>52,616,745</b>	<b>52,049,919</b>	<b>(566,826)</b>	
<b>Support</b>					
Pupil	2,429,857	2,624,466	2,608,199	(16,267)	
Instructional Staff	3,483,919	3,569,698	3,575,100	5,402	
General Administration	474,962	599,200	596,822	(2,378)	
School Administration	6,114,848	6,538,989	6,544,602	5,613	
Business Services	1,665,900	1,676,050	1,555,077	(120,973)	6
Operations and Maintenance	8,855,325	8,958,014	8,959,243	1,229	
Pupil Transportation	5,317,828	5,493,907	5,459,607	(34,300)	
Central Services	2,741,980	2,848,728	2,794,768	(53,960)	
Student Support Services	1,848,883	2,007,428	1,971,136	(36,292)	
<b>Total Support Services</b>	<b>32,933,502</b>	<b>34,316,480</b>	<b>34,064,554</b>	<b>(251,926)</b>	
Community Services	0	0	0	0	
Other Uses - Outgoing Transfers & Other	227,285	248,894	264,382	15,488	
<b>Total Expenditures</b>	<b>83,998,036</b>	<b>87,182,119</b>	<b>86,378,855</b>	<b>(803,264)</b>	
Excess Revenue/(Expenditures)	(1,467,467)	(1,995,293)	(1,779,303)	215,990	
Fund Balance - July 1	6,518,737	6,518,737	6,518,737	0	
Fund Balance - June 30	5,051,270	4,523,444	4,739,434	215,990	
Less Non-Spendable and Assigned	1,482,091	1,477,671	1,533,265	55,594	
<b>Unassigned Fund Balance</b>	<b>3,569,179</b>	<b>3,045,773</b>	<b>3,206,169</b>	<b>160,396</b>	

<b>Fund Equity Non-Spendable and Assigned</b>					
Non-Spendable for Inventories	50,000	50,000	50,000	0	
Non-Spendable for Prepaid	100,000	100,000	100,000	0	
Assigned for Unrestricted "At Risk" Activities	0	0	0	0	
Assigned for Curriculum Development	0	0	0	0	
Assigned for Building Carryover	432,091	427,671	483,265	55,594	
Assigned for Department Carryover	0	0	0	0	
Assigned for Building Staff Carryover	0	0	0	0	
Assigned for Computer Notes and Leases	0	0	0	0	
Assigned for Severance Pay	900,000	900,000	900,000	0	
Assigned for Building Supplies	0	0	0	0	
Assigned for Budget Stabilization	0	0	0	0	
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>1,482,091</b>	<b>1,477,671</b>	<b>1,533,265</b>	<b>55,594</b>	



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

- (1) Variance is the result of our projected year-end accounting entry to close out our Printing Department operations for the fiscal year. The impact of this entry is to decrease expenditures and revenues by the same amount, therefore having no bottom-line impact on the overall budget of the district.
- (2) Variance is the result of the State reducing the Section 147d MPSERS allocation. Expenditures in all functions will be reduced by an equal amount, therefore having no bottom-line impact on the overall budget of the district.
- (3) Variance is the result of a transfer from the Community Services-Childcare programs and a one-time increase from the sale of obsolete equipment.
- (4) Variance is the result of charging the actual retirement rate after the State's reduction of Section 147d MPSERS categorical revenues, as well as a decrease in staff contingency related to the international exchange program.
- (5) Variance is the result of charging the actual retirement rate after the State's reduction of Section 147d MPSERS categorical revenues, as well as a decrease in staff contingency related to the special education program.
- (6) Variance is the result of our projected year-end accounting entry to close out our Printing Department operations for the fiscal year. The impact of this entry is to decrease expenditures and revenues by the same amount, therefore having no bottom-line impact on the overall budget of the district.

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1*	2014-2015 Amend 2*	Variance	Note
Local Restricted	70,880	104,184	107,314	3,130	7
State Unrestricted				0	
State Restricted				0	
Federal Restricted				0	
Incoming Transfers/Other	353,453	396,093	501,593	105,500	7
<b>Total Revenues</b>	<b>424,333</b>	<b>500,277</b>	<b>608,907</b>	<b>108,630</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	22,500	69,000	72,500	3,500	7
Added Needs	109,570	101,644	171,644	70,000	7
<b>Total Instruction</b>	<b>132,070</b>	<b>170,644</b>	<b>244,144</b>	<b>73,500</b>	
<b>Support</b>					
Pupil	0	8,070	8,070	0	
Instructional Staff	239,953	212,319	215,819	3,500	7
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance	48,380	48,380	70,010	21,630	7
Pupil Transportation	0	15,900	15,900	0	
Central Services	0	14,600	14,600	0	
Student Support Services	3,930	4,670	4,670	0	
<b>Total Support Services</b>	<b>292,263</b>	<b>303,939</b>	<b>329,069</b>	<b>25,130</b>	
Community Services	0	21,963	31,963	10,000	7
Other Uses - Outgoing Transfers & Other	0	3,731	3,731	0	
<b>Total Expenditures</b>	<b>424,333</b>	<b>500,277</b>	<b>608,907</b>	<b>108,630</b>	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

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

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1*	2014-2015 Amend 2*	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	2,816,836	4,143,522	3,884,021	(259,501)	8
Federal Restricted				0	
Incoming Transfers/Other				0	
<b>Total Revenues</b>	<b>2,816,836</b>	<b>4,143,522</b>	<b>3,884,021</b>	<b>(259,501)</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	891,885	1,570,081	1,299,972	(270,109)	8
Added Needs	1,109,232	1,412,758	1,393,936	(18,822)	8
<b>Total Instruction</b>	<b>2,001,117</b>	<b>2,982,839</b>	<b>2,693,908</b>	<b>(288,931)</b>	
<b>Support</b>					
Pupil	399,367	525,855	544,677	18,822	8
Instructional Staff	265,538	377,374	390,489	13,115	8
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	108,757	127,334	59,072	(68,262)	8
Central Services				0	
Student Support Services				0	
<b>Total Support Services</b>	<b>773,662</b>	<b>1,030,563</b>	<b>994,238</b>	<b>(36,325)</b>	
Community Services	17,057	105,120	170,875	65,755	8
Other Uses - Outgoing Transfers & Other	25,000	25,000	25,000	0	
<b>Total Expenditures</b>	<b>2,816,836</b>	<b>4,143,522</b>	<b>3,884,021</b>	<b>(259,501)</b>	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

(8) These variances are the result of fully implementing state restricted programs once final numbers became known. These grants include the At-Risk grant and the At-Risk carover, the Great Start Readiness Program, and others. Please see attached schedule for detail of all state programs currently operated by TCAPS.

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1*	2014-2015 Amend 2*	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted	1,771,146	2,244,855	2,268,640	23,785	9
Incoming Transfers/Other				0	
<b>Total Revenues</b>	<b>1,771,146</b>	<b>2,244,855</b>	<b>2,268,640</b>	<b>23,785</b>	

<b>Expenditures</b>					
<b>Instruction</b>					
Basic Instruction	1,580	6,599	1,580	(5,019)	9
Added Needs	1,155,668	1,221,132	1,226,928	5,796	9
<b>Total Instruction</b>	<b>1,157,248</b>	<b>1,227,731</b>	<b>1,228,508</b>	<b>777</b>	
<b>Support</b>					
Pupil	59,177	110,288	67,279	(43,009)	9
Instructional Staff	409,863	711,231	782,255	71,024	9
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	21,366	10,435	11,400	965	9
Central Services	250	2,750	2,750	0	
Student Support Services				0	
<b>Total Support Services</b>	<b>490,656</b>	<b>834,704</b>	<b>863,684</b>	<b>28,980</b>	
Community Services	62,498	113,635	106,605	(7,030)	9
Other Uses - Outgoing Transfers & Other	60,744	68,785	69,843	1,058	9
<b>Total Expenditures</b>	<b>1,771,146</b>	<b>2,244,855</b>	<b>2,268,640</b>	<b>23,785</b>	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

(9) 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 2014-2015**

Restricted Federal Funds (14)	Allocation
IDEA Pre-School Incentives	\$ 85,641.00
State Match Grant - PE Nut (Oct-Jun)	\$ 70,000.00
Title I	\$ 1,205,791.00
Title I Carryover	\$ 144,357.00
Title II Part A	\$ 428,254.00
Title II Part A Carryover	\$ 185,428.00
Title III LEP	\$ 22,704.00
Title III LEP Carryover	\$ 3,932.00
Title IX Indian Education	\$ 61,619.00
Title X McKinney Vento (Homeless Assistance)	\$ 58,299.00
Title X McKinney Vento (Homeless Assistance) Carryover	\$ -
Transition Special Ed	\$ 2,615.00

Total: \$ 2,268,640.00

**State Grants Summary for Fiscal Year 2014-2015**

Restricted State Funds (13)	Allocation
At Risk	\$ 1,500,000.00
At Risk Carryover	\$ 579,777.00
Great Start Readiness Program	\$ 1,220,392.00
Great Start Readiness Program Carryover	\$ 203,779.00
Tech Infrastructure 22i	\$ 231,054.00
Vocational Education	\$ 50,000.00
Vocational Education Carryover	\$ 1,685.00
First Robotics	\$ 24,500.00
Early College (Transfer Articulation Grant)	\$ 72,834.00

Total: \$ 3,884,021.00

**Local Grants Summary for Fiscal Year 2014-2015**

Restricted Local Funds (12)	Allocation
GTB ActivBoard Carryover	\$ 214.00
GTB Assembly Carryover	\$ 300.00
GTB Enrichment - Old Mission Carryover	\$ 1,101.00
GTB Gender Equity Carryover	\$ 4,871.00
GTB Homeless	\$ 10,000.00
GTB Homeless Carryover	\$ 7,770.00
GTB Indian Education	\$ 100,000.00
GTB Indian Education Carryover	\$ 5,661.00
GTB Indian Ed Language	\$ 30,000.00
GTB Special Ed Swimming Carryover	\$ 3,543.00
GTB Tribal Flags - West Middle School Carryover	\$ 580.00
GTB Boots for Kids	\$ -
GTB - Sci Ma Tech	\$ 4,000.00
GTB - TH Solar Panels	\$ 22,000.00
TC Light and Power	\$ 10,000.00
Learning Points #1 Carryover	\$ 14,994.00
Way to Grow - Matching	\$ 13,640.00
Front Street Writers	\$ 64,010.00
IB Kellogg	\$ 268,053.00
IB Kellogg Yr2	\$ -
IB Kellogg MM	\$ 3,500.00
Youth Corps	\$ 4,670.00
School Safety MI Police	\$ 40,000.00

Total: \$ 608,907.00

**Community Service Grants Summary for Fiscal Year 2014-2015**

Restricted Community Service Funds (2F)	Allocation
21st Century CLC	\$ 135,000.00

Total: \$ 135,000.00

**Food Service Grants Summary for Fiscal Year 2014-2015**

Restricted Federal Funds (25)	Allocation
Fresh Fruit & Vegetable - TH	\$ 13,662.00

Total: \$ 13,662.00

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1	2014-2015 Amend 2	Variance	Note
Local	2,485,011	2,454,966	2,412,625	(42,341)	1
State	186,941	251,333	276,762	25,429	2
Federal	2,477,898	2,455,701	2,403,613	(52,088)	1
Incoming Transfers	25,000	25,000	25,000	0	
<b>Total Revenues</b>	<b>5,174,850</b>	<b>5,187,000</b>	<b>5,118,000</b>	<b>(69,000)</b>	

<b>Expenditures</b>					
Salaries and Wages	1,528,546	1,508,152	1,479,359	(28,793)	3
Employee Benefits	710,147	807,676	797,894	(9,782)	3
Purchased Services	154,567	137,567	139,314	1,747	
Supplies and Other	2,837,590	2,788,605	2,756,433	(32,172)	3
Capital Outlay	20,000	20,000	20,000	0	
Operating Transfer	0	0	0	0	
<b>Total Expenditures</b>	<b>5,250,850</b>	<b>5,262,000</b>	<b>5,193,000</b>	<b>(69,000)</b>	

<b>Revenues Over/(Under) Expenditures</b>	<b>(76,000)</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>0</b>	
<b>Beginning Fund Balance July 1</b>	<b>607,802</b>	<b>607,802</b>	<b>607,802</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>531,802</b>	<b>532,802</b>	<b>532,802</b>	<b>0</b>	

**Variance Explanations**

- (1) Variance is from updating revenues with actual participation.
- (2) Variance is from a one-time adjustment of State Aid Section 31(d) revenue.
- (3) Variance is from reducing labor and food cost to reflect actual participation.

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1	2014-2015 Amend 2	Variance	Notes
Local	2,426,500	2,471,000	2,567,000	96,000	
Federal Restricted	135,000	135,000	135,000	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	199,959	226,349	228,131	1,782	
<b>Total Revenues</b>	<b>2,761,459</b>	<b>2,832,349</b>	<b>2,930,131</b>	<b>97,782</b>	

<b>Expenditures</b>					
Salaries and Wages	1,433,481	1,425,335	1,425,506	171	
Employee Benefits	906,766	975,712	960,742	(14,970)	
Purchased Services	200,207	215,926	252,989	37,063	
Supplies and Other	192,342	226,767	227,687	920	
Capital Outlay	10,000	18,930	20,905	1,975	
Transfer to General Fund and Other	7,649	8,167	58,167	50,000	
<b>Total Expenditures</b>	<b>2,750,445</b>	<b>2,870,837</b>	<b>2,945,996</b>	<b>75,159</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>11,014</b>	<b>(38,488)</b>	<b>(15,865)</b>	<b>22,623</b>	
<b>Beginning Fund Balance July 1</b>	<b>583,234</b>	<b>583,234</b>	<b>583,234</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>594,248</b>	<b>544,746</b>	<b>567,369</b>	<b>22,623</b>	

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



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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1	2014-2015 Amend 2	Variance	Notes
Local	2,186,500	2,211,500	2,286,750	75,250	1
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	29,959	33,849	35,631	1,782	1
<b>Total Revenues</b>	<b>2,216,459</b>	<b>2,245,349</b>	<b>2,322,381</b>	<b>77,032</b>	
<b>Expenditures</b>					
Salaries and Wages	1,203,801	1,197,200	1,187,094	(10,106)	2
Employee Benefits	781,382	830,687	813,377	(17,310)	2
Purchased Services	62,082	67,050	97,825	30,775	2
Supplies and Other	154,780	175,500	181,550	6,050	2
Capital Outlay	0	0	0	0	
Transfer to General Fund and Other	3,400	3,400	53,400	50,000	3
<b>Total Expenditures</b>	<b>2,205,445</b>	<b>2,273,837</b>	<b>2,333,246</b>	<b>59,409</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>11,014</b>	<b>(28,488)</b>	<b>(10,865)</b>	<b>17,623</b>	
<b>Beginning Fund Balance July 1</b>	<b>503,006</b>	<b>503,006</b>	<b>503,006</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>514,020</b>	<b>474,518</b>	<b>492,141</b>	<b>17,623</b>	

**Variance Explanations**

- (1) Variance is the result of adjusting revenue generated from Childcare program offerings and participation.
- (2) Variance is the result of fully implementing Childcare program offerings.
- (3) Variance is the result of reducing the general fund transfer for universal preschool.

<b>Traverse City Area Public Schools</b> <b>School Service Fund - Community Services - Learning, Enrichment and Athletic Program</b> <b>For the Fiscal Years Ending June 30</b>
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Revenue	2014-2015 Original	2014-2015 Amend 1	2014-2015 Amend 2	Variance	Notes
Local	240,000	259,500	280,250	20,750	1
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	170,000	192,500	192,500	0	
<b>Total Revenues</b>	<b>410,000</b>	<b>452,000</b>	<b>472,750</b>	<b>20,750</b>	
<b>Expenditures</b>					
Salaries and Wages	169,440	166,947	177,224	10,277	1
Employee Benefits	91,088	107,638	109,978	2,340	1
Purchased Services	113,310	128,360	134,648	6,288	1
Supplies and Other	26,162	45,325	40,195	(5,130)	1
Capital Outlay	10,000	13,730	15,705	1,975	1
Transfer to General Fund and Other	0	0	0	0	
<b>Total Expenditures</b>	<b>410,000</b>	<b>462,000</b>	<b>477,750</b>	<b>15,750</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>0</b>	<b>(10,000)</b>	<b>(5,000)</b>	<b>5,000</b>	
<b>Beginning Fund Balance July 1</b>	<b>80,228</b>	<b>80,228</b>	<b>80,228</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>80,228</b>	<b>70,228</b>	<b>75,228</b>	<b>5,000</b>	

**Variance Explanations**

(1) Variance is the result of fully implementing LEAP offerings.

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

<b>Revenue</b>	2014-2015 Original	2014-2015 Amend 1	2014-2015 Amend 2	Variance	Notes
Local				0	
Federal	135,000	135,000	135,000	0	1
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)				0	
<b>Total Revenues</b>	<b>135,000</b>	<b>135,000</b>	<b>135,000</b>	<b>0</b>	
<b>Expenditures</b>					
Salaries and Wages	60,240	61,188	61,188	0	1
Employee Benefits	34,296	37,387	37,387	0	1
Purchased Services	24,815	20,516	20,516	0	1
Supplies and Other	11,400	5,942	5,942	0	1
Capital Outlay	0	5,200	5,200	0	1
Transfer to General Fund and Other	4,249	4,767	4,767	0	1
<b>Total Expenditures</b>	<b>135,000</b>	<b>135,000</b>	<b>135,000</b>	<b>0</b>	
<b>Revenue Over/(Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Beginning Fund Balance July 1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Ending Fund Balance June 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Variance Explanations**

- (1) 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.

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

**RESOLUTION FOR ADOPTION  
June 22, 2015**

**FINAL AMENDMENT**  
*2014/2015 GENERAL FUND BUDGET*  
*2014/2015 SPECIAL REVENUE FUND BUDGET*  
*(Food Services and Community Services)*

This Final 2014/2015 Budget Amendment shall take effect on June 22, 2015.

AYES:

NAYS:

Resolution adopted.

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Megan M. Crandall, 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 22, 2015, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.

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Megan M. Crandall, Secretary  
Board of Education  
Traverse City Area Public Schools

## **MEMORANDUM**

**TO:** Board of Education  
**FROM:** Paul Soma, Superintendent  
**DATE:** June 19, 2015  
**RE: BUDGET HEARING**  
**2014/2015 Final Budget Amendments**  
**2015/2016 Proposed Preliminary Budgets**

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As our 2015 fiscal year draws to a close, it is time to wrap up our current fiscal year and formally adopt our 2016 preliminary budget. This memo, which has become part of our annual budget adoption process, is included to essentially serve two purposes. First, it provides a recap of highlights from the year just ended. Second, it provides the basis for the expectations and assumptions we used to develop our fiscal year 2016 budget. As assumptions change or further information is made clear throughout the year, the District will, as it has done in the past, make the necessary budget amendments.

### **Overview**

The budgets presented in this booklet represent our best estimate of how fiscal year 2015 will end and give an initial look at what is in store for fiscal year 2016. As required by law, we are adopting our 2016 budget prior to the beginning of the fiscal year.

The State House and Senate approved the Conference Committee's State Aid budget recommendations in time for us to incorporate those State Aid numbers into our preliminary budgets. The Governor has since signed the State Aid budget (on the afternoon of June 17<sup>th</sup>) with no changes to the Conference Committee recommendations. However, other variables used in our preliminary budgets, such as the number of pupils, interest revenue, natural gas and diesel fuel costs, and state, federal and local grants, require estimates.

As we have discussed, the State continues to “cap” retirement costs by providing state dollars to districts to offset increases in the retirement rate. This disproportionately benefits wealthy districts that pay higher salaries, and has had the effect of offsetting any perceived gains in closing the equity gap in other line items within the state budget. This is a critical point and one that needs continued focus in order to educate legislators and others of the true impact of these categorical funds. Uncapping the retirement rate and distributing the money (almost \$1 billion) on a 2x basis would add dollars to the classroom for low funded districts like TCAPS.

How we deal with the major assumptions being incorporated into this budget is spelled out in the remainder of this memo. It is important to remember that in many cases these are fluid assumptions that can and will change throughout the year. As in the past, we will bring a budget amendment forward during the year when there is greater clarity around these uncertain variables.

### **General Fund – Revenues**

Public schools in Michigan are primarily state-funded institutions. As a result, funding for schools is subject to current economic conditions as well as the whims of the state legislature. As we have seen in the past three years, funding originally intended for K-12 education has been returned to tax payers in the form of corporate tax relief or redirected to other sources such as community colleges or road funding. Prior to that, the decade of the “great recession” guaranteed that funding for schools could not keep pace with inflation.

In the current year, the State has provided a net per pupil increase of \$90 per student. This is the result of a \$140 foundation increase coupled with a \$50 decrease in the Best Practice categorical. The State also has provided a \$41 increase to At-Risk funds. These funds come with certain restrictions but are a welcome addition to help serve a population of students that come to us with challenging backgrounds.

The State is eliminating a number of categorical line items in the 2016 budget and is replacing them with other categorical line items. The impact of the categoricals that are being eliminated (equity payment, performance, best practices, etc.) is included in the budget. We continue to monitor the long list of new categoricals and have not yet determined if TCAPS could possibly benefit from this new funding. As such, any new categorical funding from the added line items will be included in an amendment once the amounts are determined.

The total foundation amount we receive is a function of both the state-determined per pupil amount and the number of pupils we educate. Like many districts in Michigan, our overall student population has declined over the last 10 years. Specifically, our budget in 2016 reflects 9,900 students vs. 9,988 in 2015. The combination of a \$90 increase in state per pupil allocations, coupled with a decrease of 88 students, results in an increase of approximately \$248,512.

Our state-determined per pupil amounts (noted above) make up approximately 79.4% of our total revenue budget and approximately 84.4% of our “unrestricted” revenues and, hence, make up the most important source of revenues for the district by a far margin.

As discussed in the introduction of this memo, the State continues their attempt to “cap” the retirement rates for schools. The actual implementation of the cap is nothing more than a designation of State Aid monies specifically for the retirement system. The State is doing this in the form of a categorical allocation from Sections 147a and 147c of the State Aid Act. In the case of Section 147c, the State is going to make eleven equal payments to TCAPS (and every other district in the state) as part of the normal state aid process. The retirement system is then going to bill our district the exact amount of the Section 147c payments on a monthly basis. Because we are billed for the exact amount received, these funds do not have an impact on the District’s bottom line. The total allocation for these sections has not yet been determined. It is expected that the total, when finally calculated by the State, will gross up the District’s revenues (and expenses) by approximately \$5.5 million.

As has been the case for the last five years, interest revenues are not expected to be substantial in the 2016 fiscal year. Due to extremely low interest rates in the current interest environment, TCAPS will budget only \$50,000 for interest revenue in 2016, which represents no change from the 2015 amount.

Revenue in the form of incoming transfers from TBAISD (Traverse Bay Area Intermediate School District) is budgeted to be the same in fiscal 2016 as it was in fiscal 2015. The District currently budgets approximately \$2.3 million in transfers from the ISD for a variety of items including tax collections, curriculum services, Act 18 Special Education funding, and Medicaid.

Other revenue sources provide valuable and necessary resources for our district. Categorical state funding (e.g., At Risk, Vocational Education added cost, Great Start Readiness Program, etc.), which make up approximately 3.66%, and Restricted Federal Funding (e.g., Title grants for school improvement, education for homeless children and youth, etc.), which make up approximately 1.86% of total General Fund revenues, are sources we rely on to fund vital programs throughout the district. These funding sources are projected to be down approximately \$506,000 and \$553,000 respectively in the 2016 year as compared to 2015. The decreases are attributable to carryover funds in the 2015 year that are not currently part of the 2016 budget.

Keep in mind that many of these programs have fiscal year-ends other than June 30, which makes reporting on them at this time somewhat confusing. Some of the funds noted as fiscal 2015 will wind up as “carry-over” grants in 2016. We will report more fully on federal funding at our first budget amendment.

TCAPS is appreciative of local grants received throughout the year. These grants make up less than 0.5% of General Fund revenues.

Other revenue adjustments in 2016 include the following:

International Exchange Program	\$100,000
School Service Transfer to General Fund	\$100,000

The International Exchange Program continues to expand. This program operates in the black and has become a valuable revenue source for TCAPS. Early childhood programs (preschool, extended day and summer camp) that operate in the School Service fund are also operating in the black and therefore allow for the transfer to the General Fund noted above.

## General Fund – Expenditures

The District has a well-documented history of living within its means. This has not been easy. We have made over \$13 million in budget cuts in the past seven years, which have been necessitated by the inequitable and declining funding levels we have received from the State over that time, coupled with large increases in pension and health care costs.

In spite of the funding increase noted above, the District will again have to make reductions. The minor increase in unrestricted state revenues and other revenue sources were not enough to balance the District's finances on their own. The District continues to make budget reductions in the 2016 fiscal year. These reductions are being made for the dual purpose of reducing the budget as well as to allow for redirection of resources to more pressing needs. The reductions being incorporated into the 2016 budget are as follows:

Central Services	(\$26,000)
Technology (contracted services reduction)	
Instruction (eliminate Courtade Montessori)	(\$90,000)
One Time Items	(\$403,319)
Building Carryover	
Department Carryover	
Textbooks related to switch to semesters	
Miscellaneous other one-time items	
Transportation Routes	(\$100,000)
<b>Total Reduction:</b>	<b>(\$619,319)</b>

While these budget reductions were not easy, it should be pointed out that many of them were made possible by the District's strong commitment to fiscally responsible budget management and our commitment to watching every last dollar. We continue to review all programs and services to make certain they are being run in the most efficient and effective manner possible.

All but one of the employee group contracts have been settled through June 2016 and the parameters for them are known. This provides the District with a level of certainty regarding these costs. The impacts of the contract settlements, as well as other cost increases associated with the 2016 budget, are as follows:

Contract settlements	\$1,313,851
Building carryover	\$ 200,000
<b>Total cost increases</b>	<b>\$1,513,851</b>

The contract settlements include the estimated costs associated with benefit increases as well as salaries. Building carryover amounts are the result of TCAPS' site-based budgeting methodology which allows buildings to use a multi-year approach to the management of their resources. This strategy has served TCAPS well and is a more responsible management philosophy than the traditional "use it or lose it" method.



## General Fund – Fund Balance

The 2016 budget shows that we are starting the year with a budgeted shortfall of approximately \$1,484,929. As is the case every year, our budget experience is that our final position will end up with a positive budget variance of approximately 0.75% to 1% of total budgeted expenditures and revenues (approximately \$1.5 million). Taking this variance into account in the upcoming year, it is expected that we will finish the year “in the black.” This reverses the trend of spending down fund balance that started in 2007 and has continued through 2014 (the 2015 year end is not closed as of the date of this memo but 2015 is expected to come in close to being balanced).

This is positive news. It is the result of a multi-year strategy that included over \$13 million in budget reductions in the past seven years, a strategic spend down of reserves to soften the blow of these cuts, and finally, an increase in the amount of revenues received from the State in both 2015 and 2016.

It is important to note that, in spite of the well documented challenges posed by the funding climate for schools over the last six years, the District never stopped responding to the evolving needs of our customers: the students and parents we serve. This is a point of pride for our school system. In the past six years we’ve started or expanded numerous programs that have benefitted a wide range of our constituents. Examples of such programs and initiatives include, but are not limited to, the following:

- International School at Bertha Vos
- International School at Interlochen
- Middle School International School at both West Middle School and East Middle School
- World Language K-12
- Learning, Enrichment, and Athletic Programs K-8 (LEAP)
- One2World Technology Initiative
- Updated Health and Nutrition Policy
- Community Eligibility Option (CEO) food program for Blair and Traverse Heights
- Universal Breakfast for Interlochen
- Expansion of First Robotics and Lego League
- Expanded Dual Enrollment opportunities
- Early College collaborative with NMC
- Development of Chinese and other exchange partnerships
- Increased building security initiatives
- All Day Kindergarten district-wide

All of these programs were started while keeping our successful traditional school day and extra-curricular offerings/programs going strong. It is a noteworthy accomplishment that we have been able to balance the District’s financial position in spite of being a base funded district and in spite of the overall decline in resources over the last six years, while at the same time continuing to serve the students of our district at a high level.

It is also important to note that the District continues to monitor all programs relative to their fiscal viability. In the 2015 school year, it became clear that the Montessori program at Courtade did not garner the expected increase in students necessary to make that program

sustainable. As noted earlier, the program was eliminated for the 2016 school year. This was a difficult decision but was necessary to ensure the fiscal health and stability of the District moving forward. It is likely that the District will continue to have to make decisions like this in order to achieve a financially balanced position.

While the District's financially balanced position is good news, it is important to remember that our fund balance is projected to remain below the Board of Education's established target of 10%. State funding remains precarious and our recent history shows funding has been inconsistent at best. The funding environment remains difficult. Within this environment we must develop a plan that results in bringing the District back to its target fund balance percentage. This will require vigilance and discipline as we move ahead.

The importance of maintaining healthy fund balance of at least 10% is self-evident. Financial analysts, the Michigan School Business Officials (MSBO), independent auditors, bond counsel and numerous others all recommend having a 10% minimum fund balance for a healthy organization. Failure to maintain adequate reserves creates a downward spiral toward fiscal insolvency in which the District must begin to live "paycheck to paycheck." Cash flow becomes a challenge and the District would be forced into borrowing money just to make payroll. Borrowing for operations leads to "interest costs" instead of "interest income" which means less money is available for classroom instruction. Inadequate reserves lead to lower bond ratings, which translate directly to higher costs for taxpayers on district bonds. Deficit spending without reserves can lead to state intervention in the District's operations. Maintaining fund balance below 10% is simply bad business practice and changes the District's focus from serving the needs of children to instead trying to survive. A healthy fund balance and a healthy district go hand in hand. Without one, the other suffers.

### **Special Revenue Fund**

The Special Revenue Fund consists of the Food Services and the Community Services programs. It is the intention of the District that these funds are self-supporting in that they rely on fee-based revenues or revenue sources other than the General Fund to sustain their operations.

The Food Service program, as noted in the 2015 budget, has had to weather a number of difficult challenges. These challenges included new federal school lunch legislation, increases in retirement costs, wage increases, inflation, and approximately 20 lost school days over the last two years. These pressures resulted in a \$227,000 shortfall in the 2014 Food Service Fund. The department created a two year plan to bring the Food Service Fund back into balance. The 2015 school year was the first year of the plan's implementation and reduced the budgeted shortfall to \$75,000. Through a combination of cost controls and revenue enhancements, the Food Service budget is expected to be balanced in the 2016 year in accordance with the two-year plan. It is important to note that the department will accomplish this without having to increase prices in the 2016 school year.

The Community Services programs include fee-for-service Childcare Programs and the District's Learning, Enrichment, and Athletic Program (LEAP).

The Childcare Programs within the Community Services Fund were separated from the General Fund in fiscal 2002 and have contributed funds back to the General Fund to help offset certain administrative costs. As part of the District's strategic plan, a goal has been established to provide affordable or no cost preschool options to every family in the school system. As a result of prudent management, careful planning, and societal focus on early childhood in the form of additional state grants, this goal is within reach. These programs are operating in the black and are providing opportunities for children who would otherwise not have such opportunities.

The results are impressive. While it is important to note that the early childhood programs are collectively operating in the black, it is perhaps more important to note the impact these programs are having on children. In the last four years, TCAPS has seen the number of students entering kindergarten who are considered "ready for kindergarten" (as measured by the Boehm assessment) increase from 44% to 68%. These gains are material and will result in long-term benefits for our students.

One area that has been a problem for the Childcare Program in the past is the follow-up on overdue or uncollected accounts. Program administrators have instituted procedures that have reduced outstanding and delinquent accounts by 99% (from over \$100,000 to approximately \$1,000). The efforts to address these delinquent account challenges have enhanced the sustainability and ultimately the expandability of these programs.

LEAP was created at the start of the 2012 school year in part to provide fee-based athletic opportunities for middle school students after the district-funded middle school athletic program was eliminated as part of the 2012 budget cuts. LEAP offerings were further expanded to include elementary fee-based athletics and to include offerings as diverse as drama and Latin. The vision for this program is that it will ultimately operate similar to a community education program that provides self-supporting supplemental educational and recreational programming based on demands of student and adult populations of our district.

While it is the goal of LEAP to be self-supportive in the long term, the Board and Administration recognized that start-up and transition costs would need to be absorbed in the early years of the program. In the current fiscal year (2015) and in fiscal 2016, the Board has budgeted for a contribution of \$192,500 to LEAP as a subsidy through a fund transfer. It is expected that the actual transfer will in fact be lower than the amount budgeted. Sponsorship revenues and increases to fee structures are expected to fully fund LEAP in future years.

## **Other Funds**

Other funds of note include our Debt Retirement Fund and our Capital Projects Fund. These funds are not required to have formally adopted budgets.

Our Debt Retirement Fund is funded directly by local taxpayers. As promised to taxpayers, we have structured our debt and have been prudent with our refinancing so that we can maintain our millage rate at 3.1 mills, even as we issue new debt to pay for capital projects. Information regarding the calculation of that rate and board certification is included in Tab 8 of this booklet.

The funds generated from our bond sales are important for the continuation of long-term infrastructure improvements and other capital acquisitions such as technology and buses. These resources serve many essential needs of our district. Without them we would be required to finance buses and technology from our operational proceeds, which would place an additional \$3 million burden per year on the General Fund budget.

It should be noted that our current capital program, as supported by our bond authorization, can fund critical capital needs, bus replacements and technology upgrades for the next six years. There is, however, not enough to fund major renovations and reconstructions. In order to fund major projects, the District will need to pass a new bond authorization. With property values stabilizing and increasing slightly in our region, it is possible we may be able to propose a no millage increase ballot question sometime in the next three years to infuse much needed dollars into the capital plan. Millage requests that would have resulted in slightly higher debt levies were defeated in both 2012 and 2013. This is an important and visible area of work for our district over the upcoming one to two years.

In relation to our current Capital Projects Fund, we have included a section in this Budget Hearing booklet (Tab 7) that shows expenditures to-date and projects currently underway or completed that are from our 2001, 2004, and 2007 bond authorizations. We will continue to provide this type of reporting to our board and the public in order to keep all interested parties aware of how bond funds are being used. As one can see from these schedules, the bond funds are being used as the District indicated in its campaigns. The continued implementation of these well-established capital plans is serving TCAPS well. All projects undertaken within our bond program have been completed on time and within budget.

The Capital Project Funds are subject to many restrictions by the State and are given special attention by our auditors during our annual audit. These funds, by law, cannot be used for the general operation of the school district (supplies, salaries, benefits, etc.).

## **Conclusion**

TCAPS continues to manage its limited resources well. In spite of the very challenging funding climate in which the State provides us with the lowest level of per pupil funding possible, TCAPS has managed to maintain a varied and comprehensive educational program while at the same time operating within its means. We have strategically used fund balance reserves to offset dramatic cuts over the course of many years. The 2016 fiscal year is projected to end in a balanced position. While there are certainly challenges ahead, from many perspectives the future of TCAPS and the students we serve is bright.

# **TRAVERSE CITY AREA PUBLIC SCHOOLS**

## **2015-2016 Budget Hearing**

**June 22, 2015**

# Making Sense of Budget Information

- ✓ **Review of packet**
- ✓ **Budget is an ongoing process**
- ✓ **Budget should not be “new information”**
  - It is simply a formal snapshot of where we are now
  - It should be reviewed in conjunction with our Audit Report to help frame an understanding of our financial situation

# Fiscal Year (FY) 2014/2015 Close

<b>Beginning Fund Equity</b>	<b>\$6,518,737</b>
Budgeted Revenues	\$91,361,120
Budgeted Expenditures	(\$93,140,423)
	<hr/>
	(\$1,779,303)
Projected Variance	\$1,500,000
<b>Ending 2015 Fund Equity</b> (approximate)	<b>\$6,200,000</b>
<b>Ending Fund Equity</b>	<b>6.7%</b>

# FY 2015/16 Budget Assumptions

## *Per Pupil Revenue:*

2015	TOTAL		\$7,301
2016	Reduction in financial best practices	(\$50)	
	Base foundation	\$140	
2016	TOTAL		\$7,391
2016	INCREASE		\$90



# FY 2015/2016 Budget Assumptions continued

## *Student Count:*

2015	9,988
2016	9,900
Decrease	88

*Net increase in Per Pupil Revenue: \$248,512*

## *Other:*

- ➔ \$2.3 million TBAISD revenues budgeted (same as current year)
- ➔ Section 147c: \$5,500,000
- ➔ Retirement Cost: \$5,500,000

# FY 2015/2016 Budget Assumptions continued

## *Expenses:*

- ➔ 1% salary increase
- ➔ Step increase
- ➔ Retirement rate of 36.31%
- ➔ Health insurance actual
- ➔ Other structural adjustments

# Other Adjustments in FY 2015/2016 Budget

<b>Revenue</b>	International Exchange Program	\$100,000
	School Service transfer to General Fund	100,000
		<b>\$200,000</b>

<b>Planned <i>Reductions</i></b>	Technology	\$26,000
	Courtade Montessori	90,000
	One-time items	403,319
	Transportation routes	100,000
		<b>\$619,319</b>

# Other Adjustments in FY 2015/2016 Budget

*continued*

<b>Estimated EE Contract</b>	Salary Increase: 1%	\$564,765
<b>Increases</b>	Step Increase	937,873
	Health Insurance Increase (actual)	469,034
	Retirement savings impact	(657,821)
		<hr/>
		<b>\$1,313,851</b>
<b>Carryover</b>	Building staff carryover	<b>\$200,000</b>

# FY 2015/2016 Fund Balance Projection

<b>Beginning Fund Equity</b>	<b>\$6,200,000</b>
Budgeted Revenue	\$92,177,788
Budgeted Expenditures	(\$93,662,717)
Budgeted Shortfall	(\$1,484,929)
Projected Variance	\$1,500,000
Projected Surplus	\$15,071
<b>Ending 2016 Fund Equity</b> (approximate)	<b>\$6,215,000</b>
<b>Ending Fund Equity</b>	<b>6.7%</b>

# Variables to Impact FY 2015/2016 Bottom-line and Budget

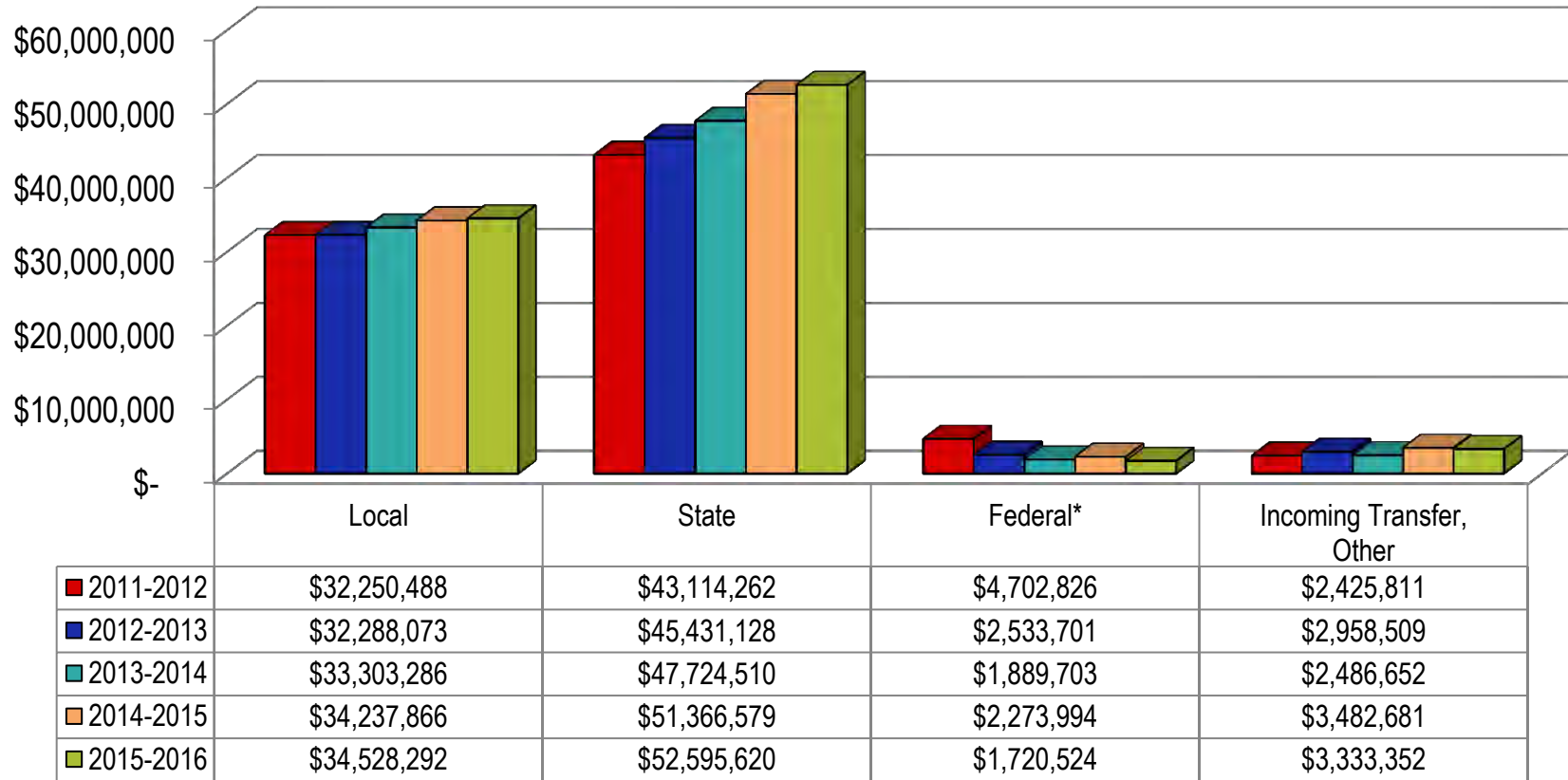
- ➔ # of Students (+ or -)
- ➔ Health census (+ or -)
- ➔ ISD revenues (+ or -)
- ➔ Replacement teacher costs (+ or -)

# Where Does Funding Come From?



- ➔ Local
- ➔ State
- ➔ Federal

# Budget Comparison ~ Revenue Source



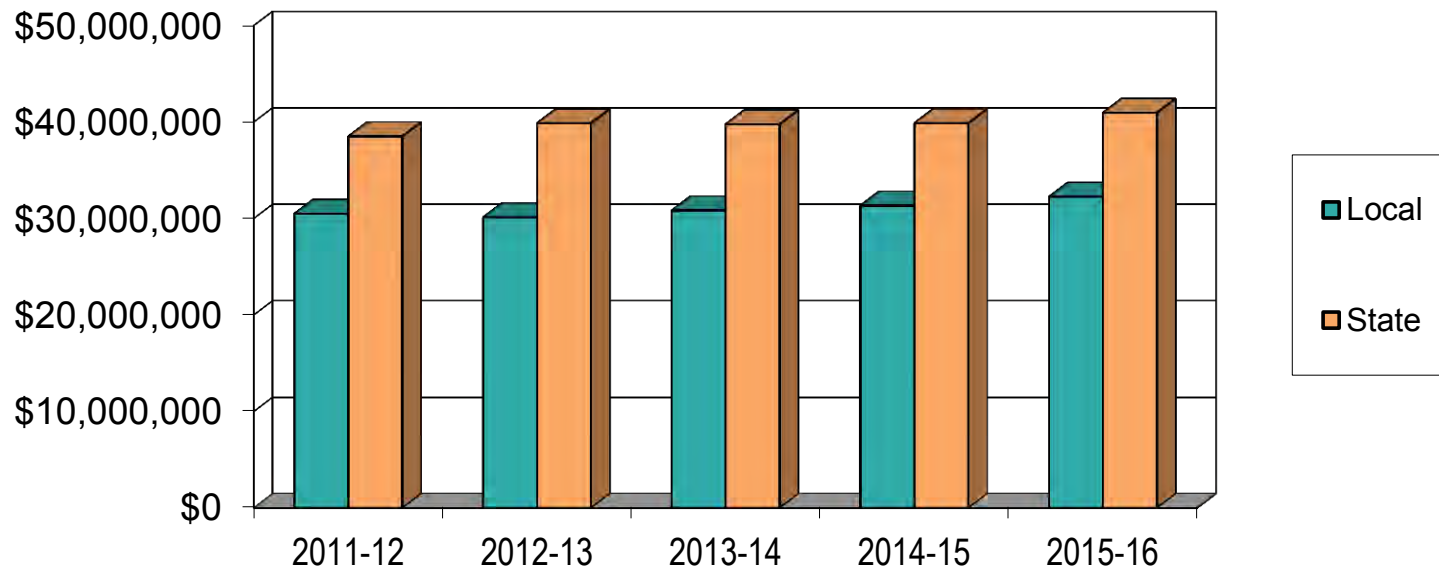
\* Many federal programs have fiscal year-ends that are other than June 30.

Funds not spent by June 30, 2015 will be "carried over" to fiscal 2016 in accordance with federal program guidelines.



# Revenue Budget ~ Foundation Funding Assumptions

	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
Full-time Equivalent Students	10,073	10,041	10,062	9,988	9,900
Foundation Allowance	\$6,846	\$6,966	\$7,026	\$7,126	\$7,391
Revenue from Foundation	\$68,959,758	\$69,945,606	\$70,695,612	\$71,174,488	\$73,170,900

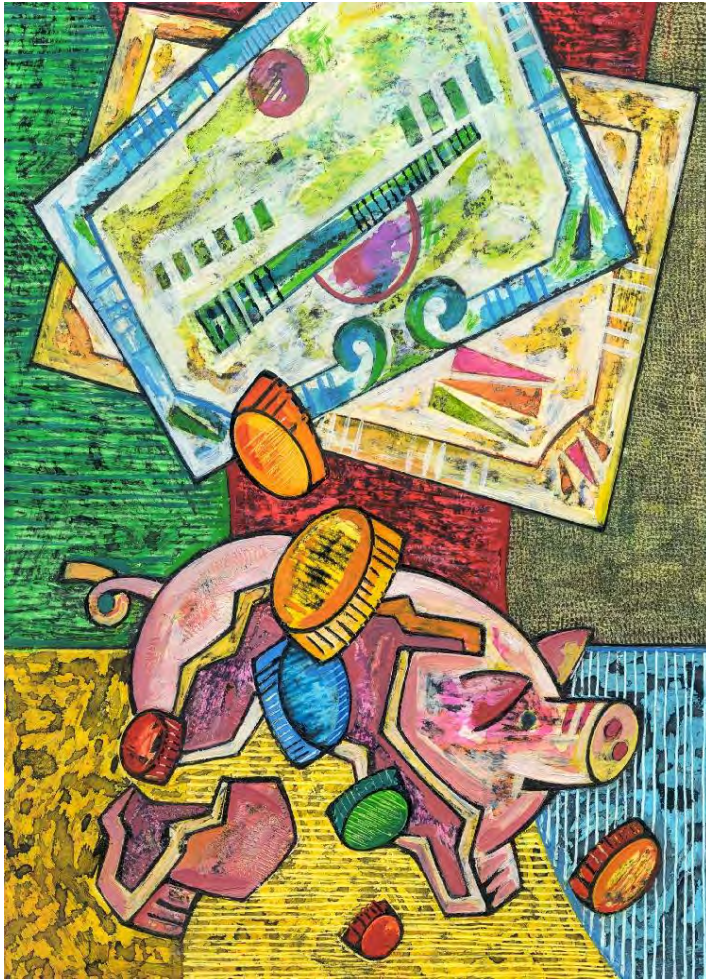


## Additional Funding Source

“All of the non-homestead<sup>1</sup> revenues that districts raise locally are completely offset by corresponding reductions in state aid within the state funding formula. As a result, property taxes to support schools are effectively STATE rather than local sources.”

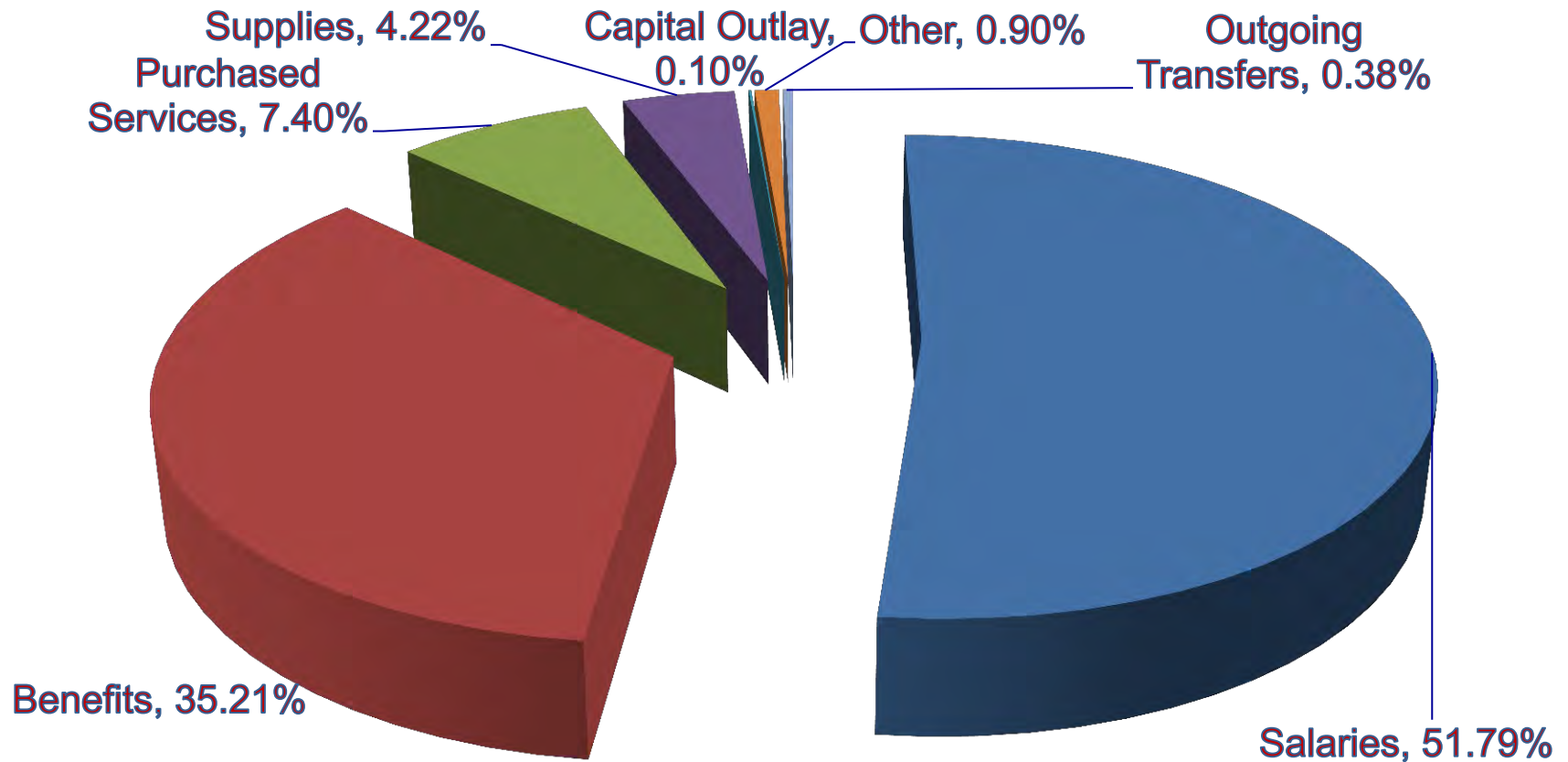
<sup>1</sup> “Non-homestead” is currently referred to as “Non-Principal Residence Exemption”

(Reference: *Michigan School Finance Under Proposal A – State Control, Local Consequences*; David Plank)

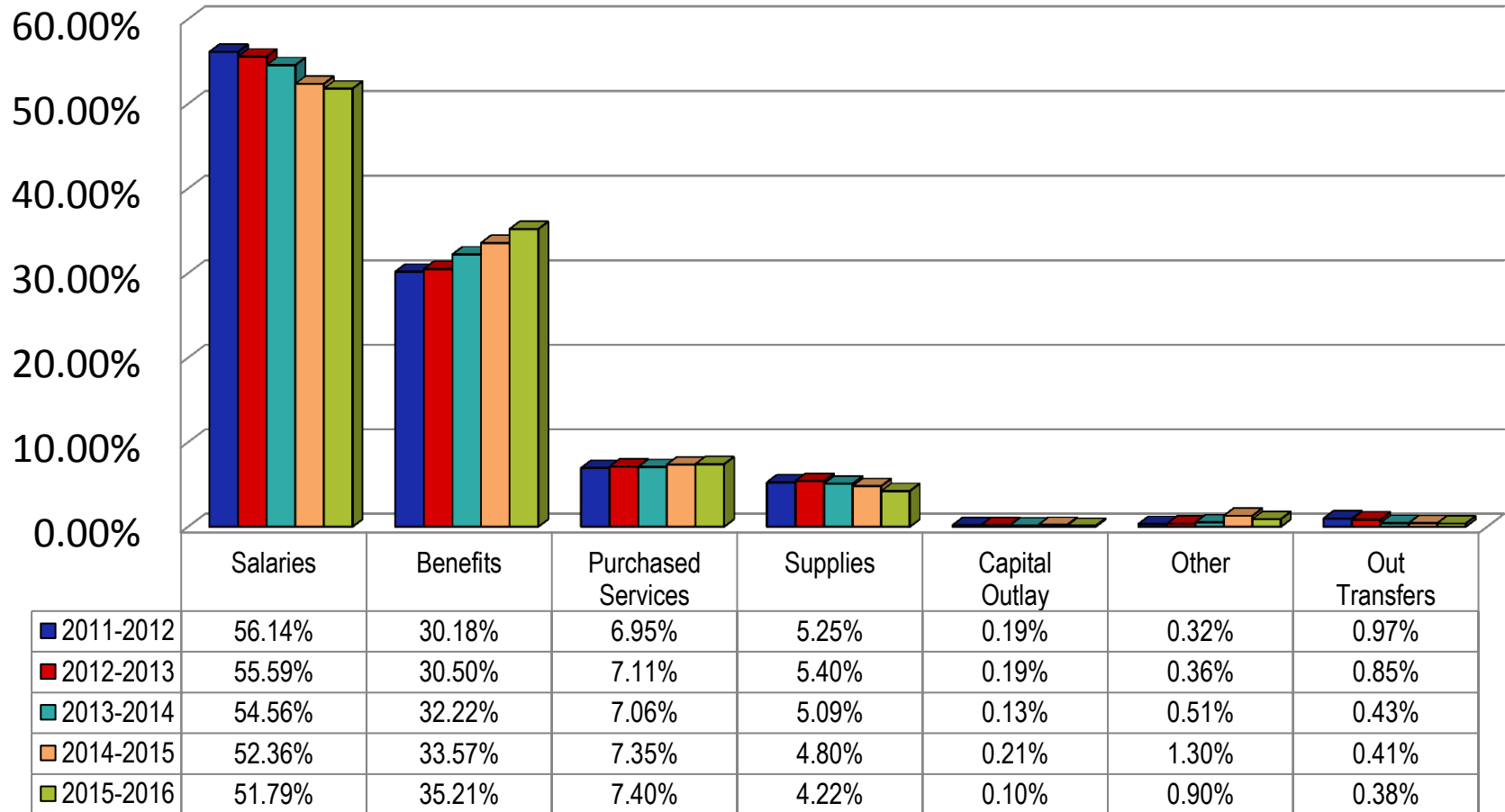


# Where does the money go?

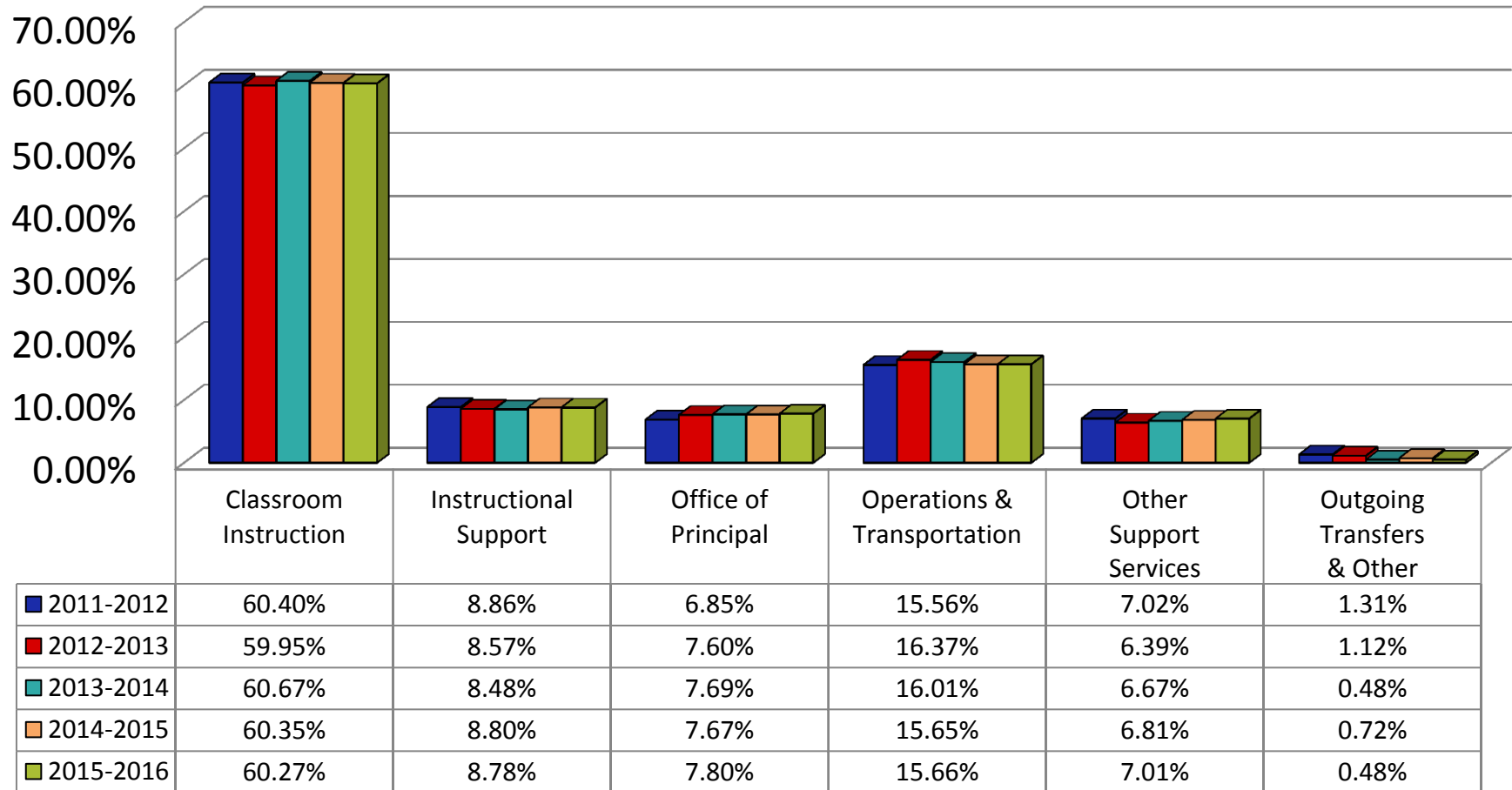
# 2015-2016 Budget **General Fund Monies**



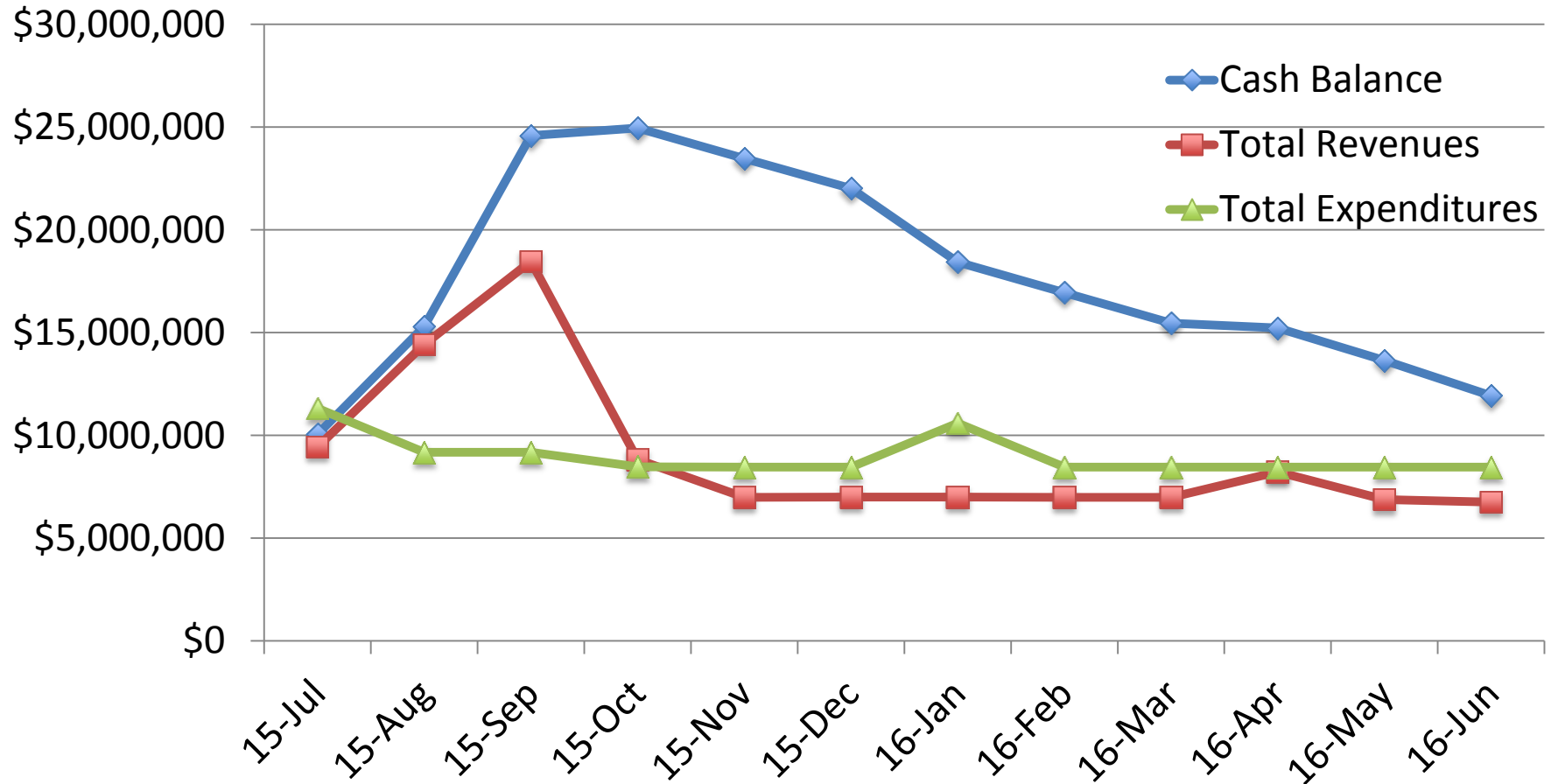
# Budget Comparison By Object



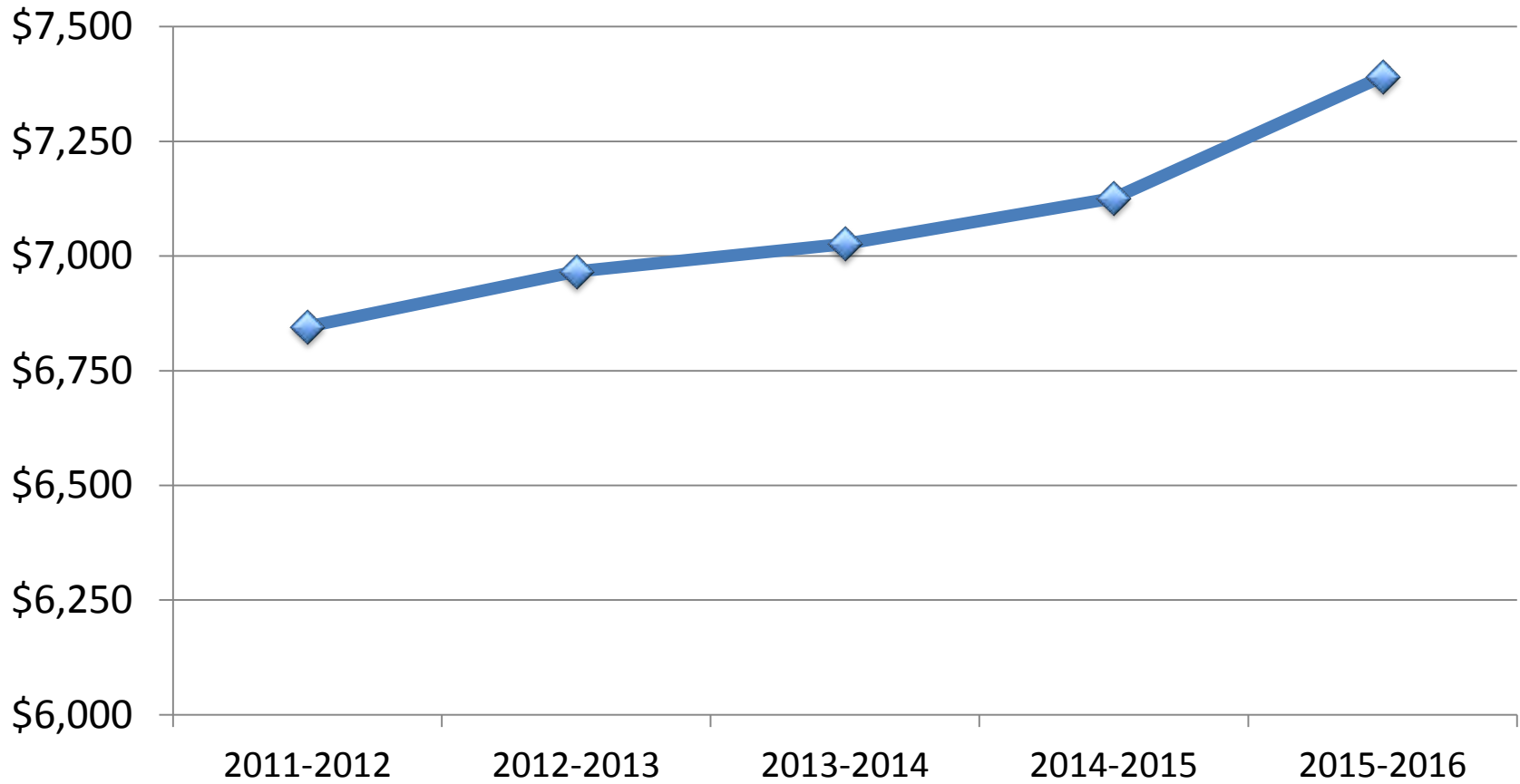
# Budget Comparison By Function



# Cash Flow Projections ~ Fiscal 2016

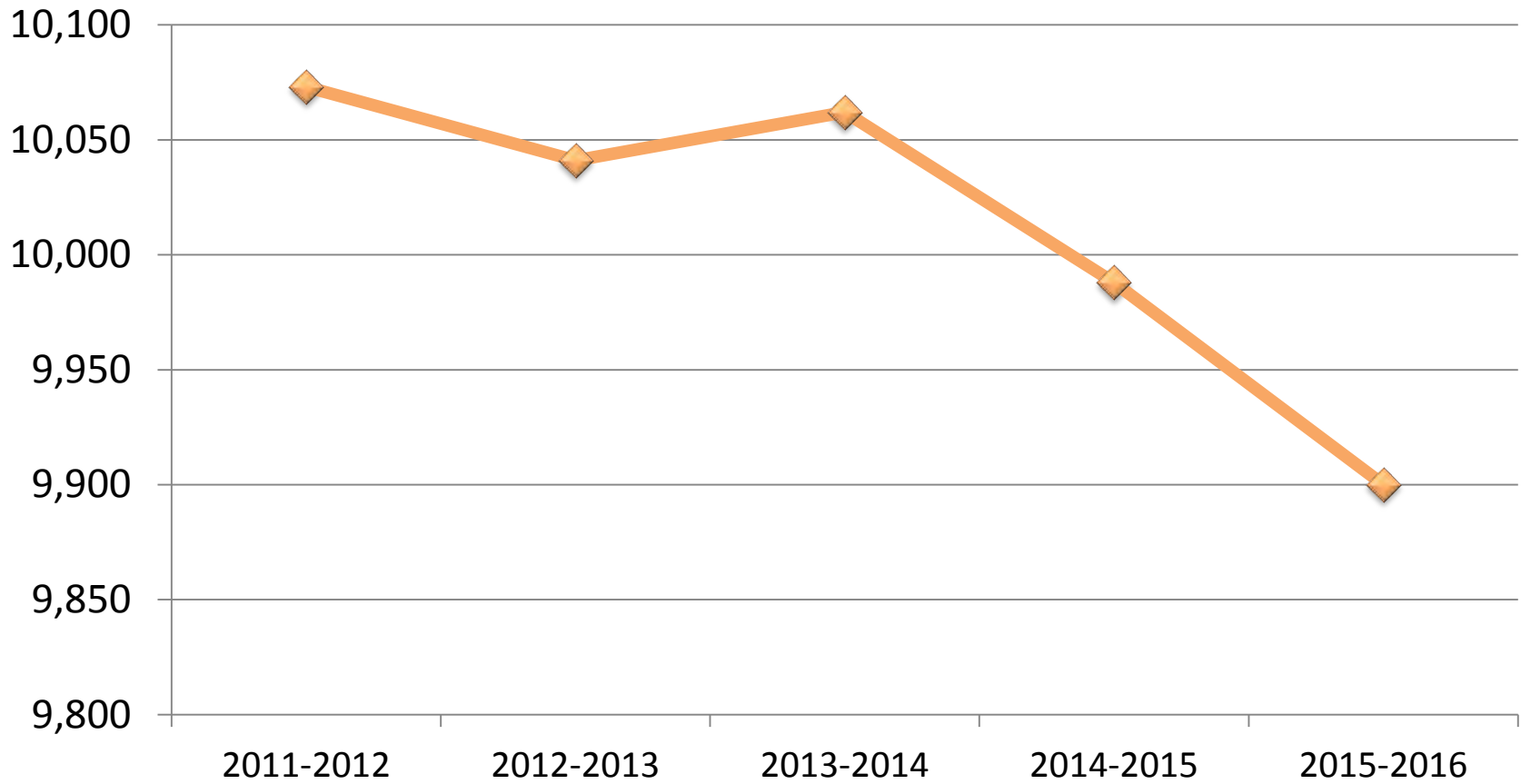


# History of Foundation Amounts (Per-pupil)

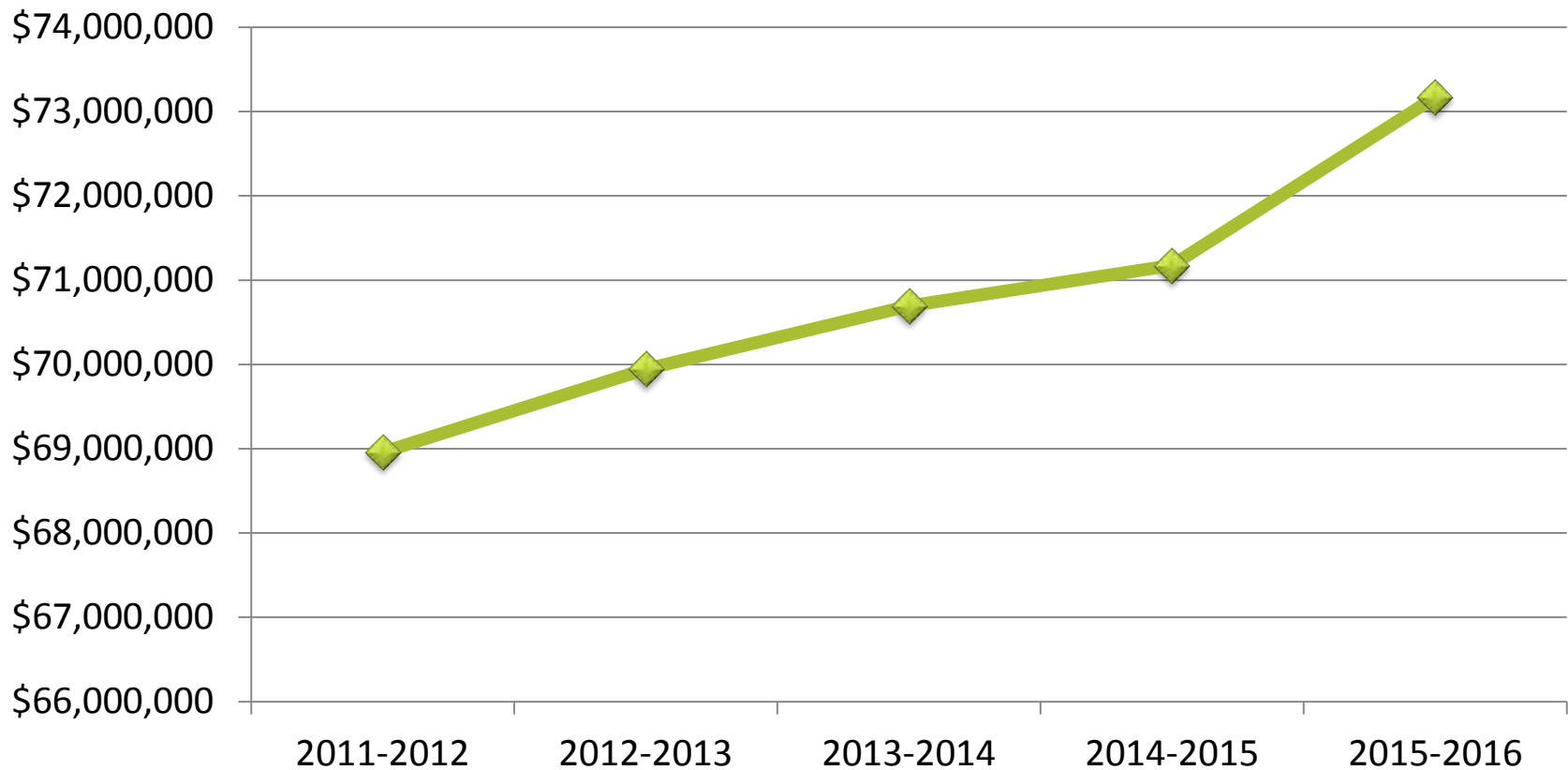




# History of Student Count (Total FTE)

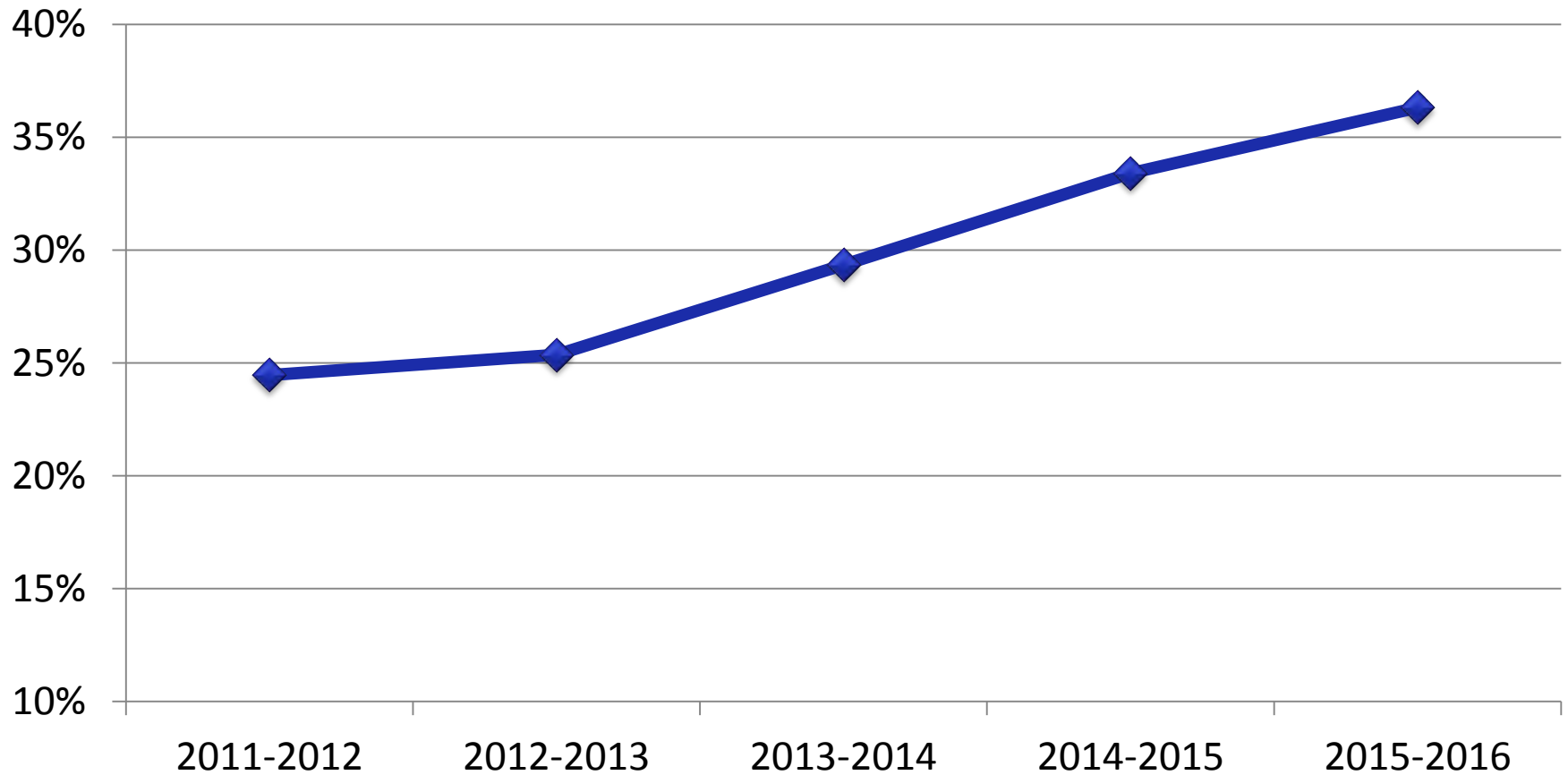


# History of Total Foundation Revenue

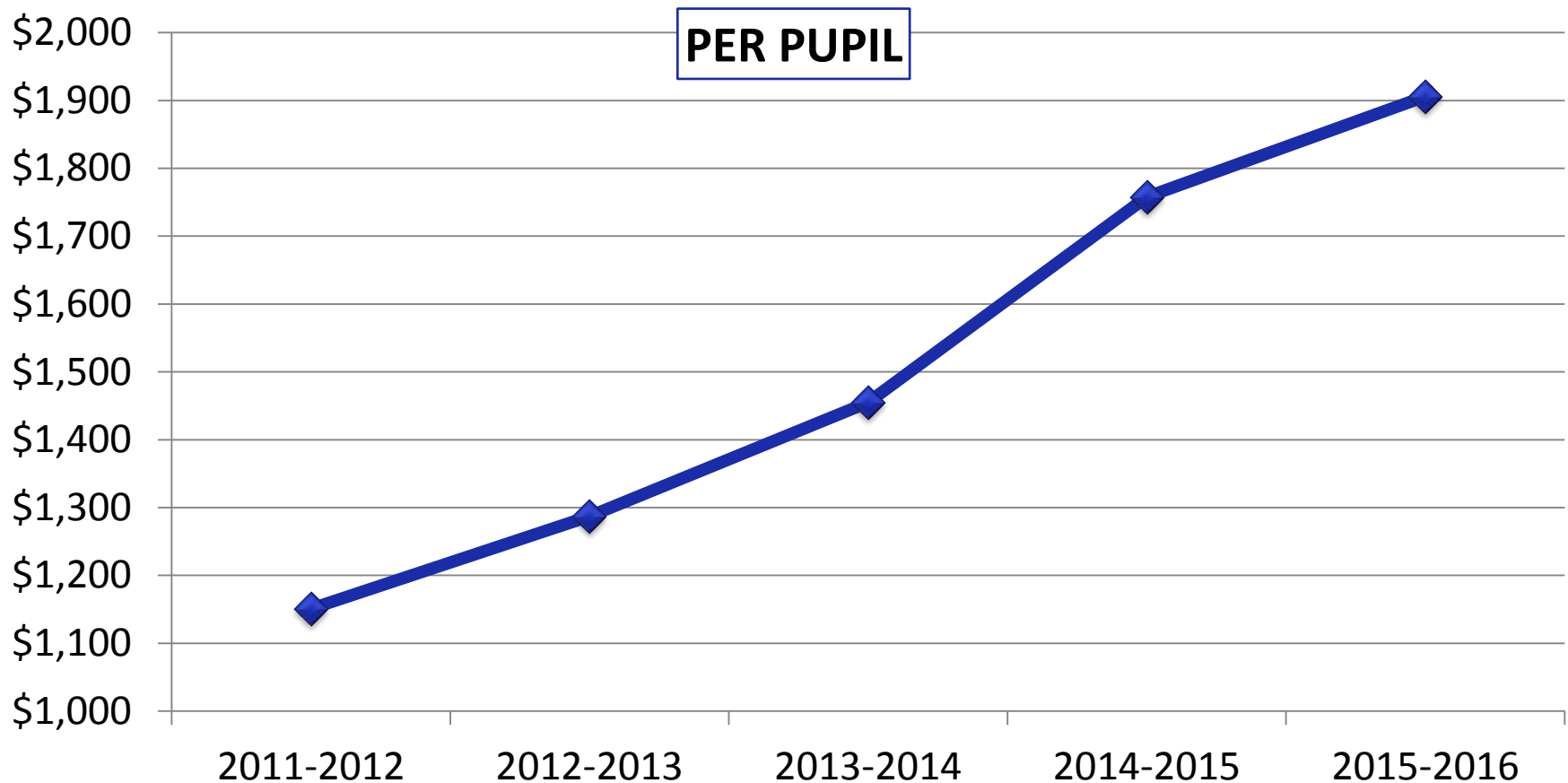


NOTE: This chart does not reflect Equity and Best Practice payments that were removed from the current year.

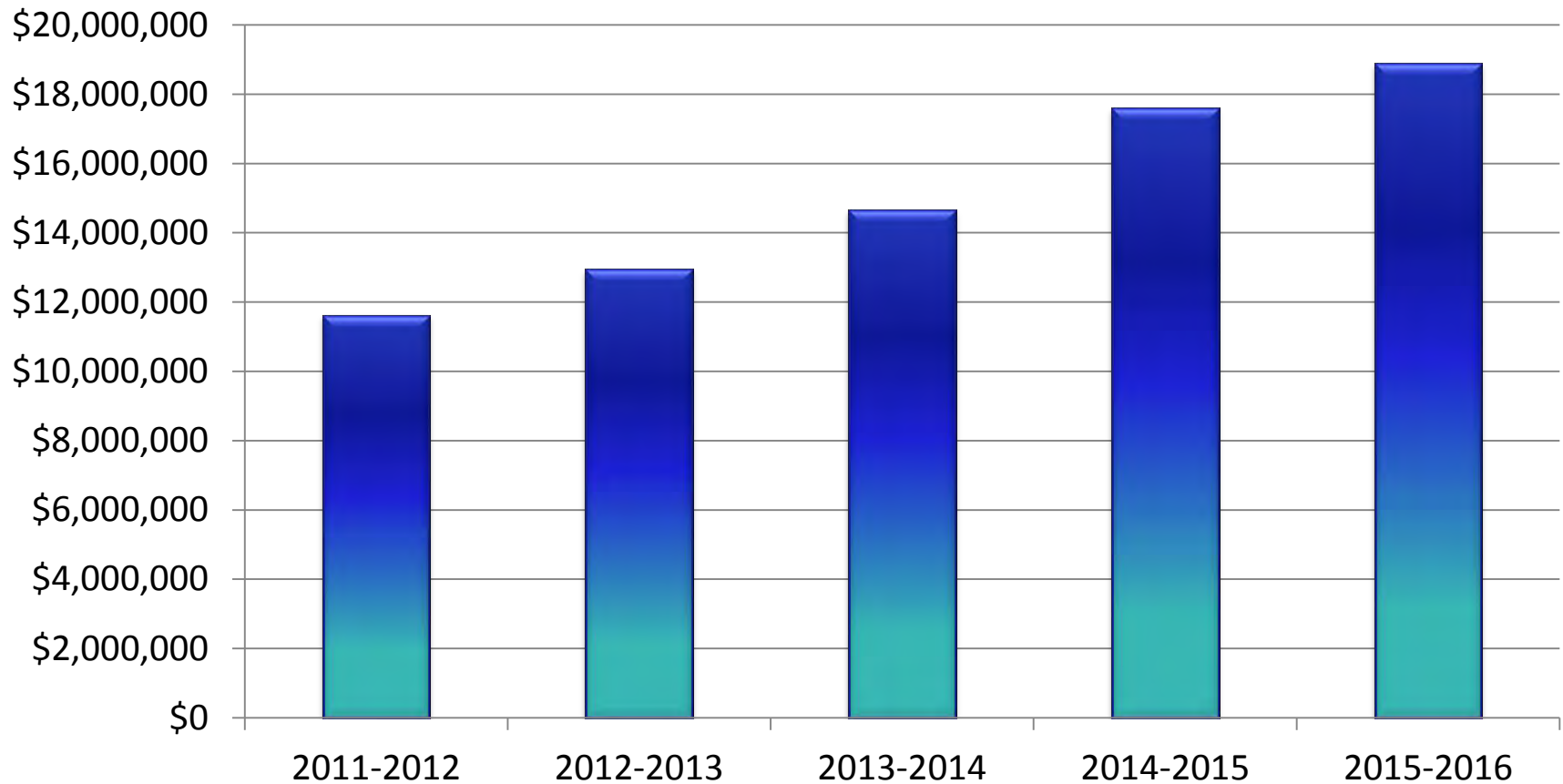
# History of Retirement Rates



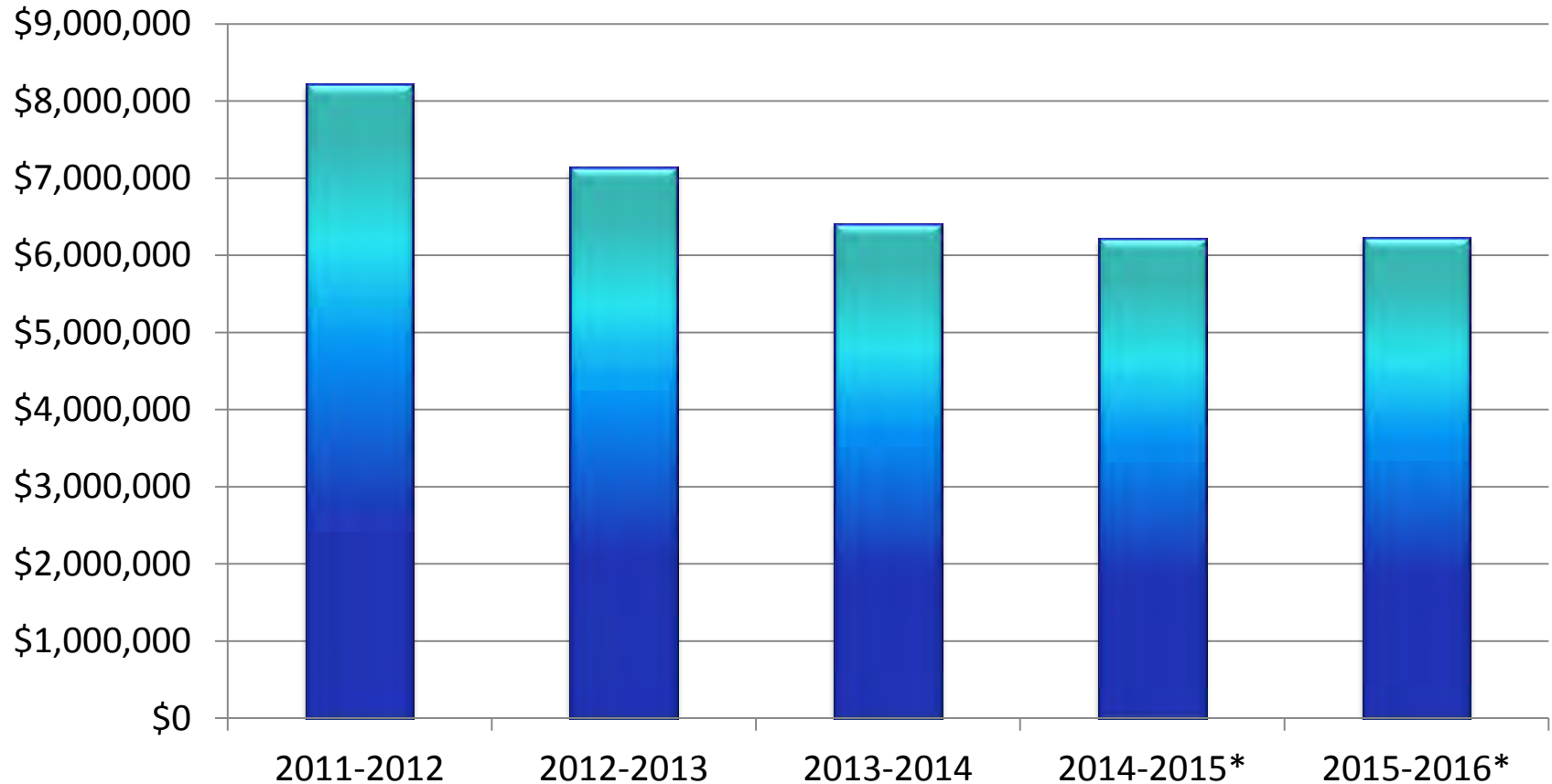
# History of TCAPS' Retirement Costs



# History of TCAPS' Retirement Costs



# History of Fund Balance



\* Estimated amounts, not budgeted amounts.

# Other Funds

## ➔ Special Revenue Fund: Food Services

- Finishing year one of a two-year plan to be structurally balanced
- Reduced FY15 shortfall to \$75,000
- Expecting FY16 to be structurally balanced
  - No price increases
  - Cost controls
    - Labor
    - Inventory
    - Menu planning

## Other Funds continued

### ➔ **Special Revenue Fund: Food Services** (continued)

- Revenue Enhancements
  - Meals-to-go
  - Vended meals/snacks
  - Lunches on half-days
- Commitment to quality meals/service
  - Ongoing universal breakfast and CEP (Community Eligibility Provision) programs
  - Continue to focus on expansion of Farm to School Programs



## Other Funds continued

### ➔ Special Revenue Fund: Community Services

#### ✓ Childcare Programs

- Fee-for-service program; offsets some General Fund costs (registration fees, overhead, profit margin)
- Goal is universal preschool
- Implemented program efficiencies
  - Reduced outstanding balances
  - Restructured program manager time to utilize funding to provide paid professional development
  - Implementing proven system with Extended Day and Montessori programs to increase collections

## Other Funds continued

### ➔ Special Revenue Fund: Community Services

#### ✓ Learning, Enrichment & Athletic Program (LEAP)

- Fee for participation
- Established to provide athletic options for middle school students
- Expanded to include elementary athletics and other options
- Working toward self-sustainability by increasing sponsorship programs and grant opportunities

## Other Funds continued

### ➔ Capital Projects

- Revised long-term capital plan
- All projects completed on time and within budget
- Refer to detail in Tab 7 of Budget Hearing booklet

### ➔ Debt Service

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

## External Audits conducted in 2014/2015

*The following four slides provide a list of the majority of external audits that were conducted during the 2014/2015 fiscal year. This list is being provided to emphasize how TCAPS' financial data and various programs are closely scrutinized, not only internally but by various external entities.*

# External Audits conducted in 2014/2015

*continued*

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
<b>Financial Audit</b>	District accounts audited by a firm of licensed certified public accountants; preparation of district's financial statements; complete filing requirements by November 1st.	State of MI	May through October (annual)	Business Office	200+ hours
<b>Graduation Appeals Audit</b>	The ability to correct graduation status for all students within the last four years.	TBAISD (Traverse Bay Area Intermediate School District)	July – August (annual)	Human Resources	5 hours
<b>Civil Rights Compliance Audit</b>	Randomly selected; civil rights compliance plan & modifications for career and technical education programs (notifications, physical barriers, etc.)	MDE (Michigan Department of Education) Office of Career & Technical Education	June 2013 - November 2014	Human Resources and Operations Department	464 hours
<b>Special Education</b>	Continuous Improvement & Monitoring System (CIMS)	MDE	4 times per year	Special Education Office (Executive Director)	Varies
<b>Student FTE (Full-Time Equivalent) Audit</b>	General student FTE collection.	TBAISD	Fall & Spring each year	Human Resources	240 hours in Fall 160 hours in Spring
<b>SRM (Student Record Maintenance) - Section 25 Audit</b>	The ability to capture student funding for students enrolled between the Fall and Spring count days.	TBAISD	Within 30 days of student enrollment from Fall to Spring count days	Human Resources	40 hours

# External Audits conducted in 2014/2015

*continued*

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
<b>Child and Adult Care Food Program</b>	To ensure TCAPS is following food safety and administrative regulations related to our GSRP snacks and adult meals.	Child & Adult Care Food Program (MDE)	Fall 2014 (every three years)	Food Service Department and Business Office	16 hours
<b>Michigan Fingerprint Audit</b>	An audit to review compliance with obtaining fingerprints on employees and contractors.	MI State Police	October 2014	Human Resources	12 hours
<b>Civil Rights/EEO5 Audit</b>	General employee demographic data on race, ethnicity, etc.	EEOC (Equal Employment Opportunity Commission)	November 2014	Human Resources	8 hours
<b>MTRAx (Michigan's Technology Readiness Tool) Technology</b>	Evaluated on number, type and capabilities for devices and network infrastructure and readiness for online testing.	State of Michigan	November 2014	Technology Department	16 Hours
<b>District-Provided Professional Development (DPPD)</b>	Audit/compliance with MCL 380.1526 to supply 30 hours of DPPD annually to teachers.	MDE	February-March 2015	Human Resources	16 hours
<b>New Teacher Professional Development (PD) Audit</b>	Audit/compliance with MCL 380.1527 to confirm 90 hours of new teacher PD within the first three years of teaching.	MDE	February-March 2015	Human Resources	80 hours

# External Audits conducted in 2014/2015

*continued*

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
<b>Charter Authorizer - Assurances and Verification (THE GREENSPIRE SCHOOL)</b>	As charter authorizer, TCAPS is responsible for ensuring that The Greenspire School complies with all requirements set forth by the State and by the reauthorization contract; including, but not limited to, the completion of items as pointed out in the reporting calendar.	MDE	March 2015 Assurances and Verification Visit MDE Public School Academy Unit	Curriculum Office and Business Office	40+ hours
<b>STEP (Students in Transition Empowerment Program On-site Review)</b>	To fulfill MDE's oversight responsibilities, encourage program coordination and collaboration, help MDE consultants identify program development, and identify effective program and practices.	MDE	May 2015	STEP Coordinator, Principal, Curriculum Office and Business Office	86 hours
<b>Evaluation of Preschool Special Education</b>	To understand curricula and interventions that are used with preschool children with disabilities to promote their learning of language, literacy, and social-emotional skills.	U.S. Department of Education	May 2015	Special Education Office (Executive Director)	1 hour online survey
<b>Teacher certification and highly qualified audit</b>	Audit of certification and highly qualified status of teachers.	MDE	May 2015	Human Resources	8 hours
<b>Michigan State Police School Bus Inspection</b>	The Pupil Transportation Act 187 of 1990 (257.1839 Inspections) requires the department of state police to inspect each school bus annually	Michigan State Police	Annual (dates vary)	Transportation Department (Manager-Vehicle Maintenance)	3-4 weeks/year

# External Audits conducted in 2014/2015

*continued*

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
<b>Michigan Occupational Safety and Health Association (MI-OSHA) Compliance Audit</b>	The evaluation and review of district compliance with legal safety requirements.	MI-OSHA	June 2015	Human Resources	5 hours
<b>Student FTE Audit (Certification)</b>	General student FTE end of year certification	TBAISD	June 2015	Human Resources	80 hours



## *A Special Thank You*

A note of thanks to the entire staff of TCAPS' Business Office for all of the extra effort contributed throughout the entire year and, in particular, the added effort put forth to prepare the budget.

I would like to formally recognize the following individuals who comprise the best school district business office in the State of Michigan.

Wes Souden

Sandy Low

Michele Greenan

Natallia Bumazhkova  
Beckie Cairns

Cindy Farah  
Audrey Jacquain

Cindy Niswonger  
Carrie Sattler

Sincerely,  
Paul A. Soma  
Superintendent

**Wesley Souden**  
Director of Finance &  
Business Technology

## **MEMORANDUM**

**TO:** Paul Soma, Superintendent  
**FROM:** Wes Souden, Director  
**DATE:** June 19, 2015  
**RE:** **2015/2016 ORIGINAL BUDGETS**

---

Attached please find the 2015/2016 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 and Community Services programs). Major revenue assumptions are detailed on the budget resolution (page 5.3) and budget detail (page 6.2). Budget amendments will be brought before the Board for approval as more information becomes available.

An appropriate motion would be:

**Moved by \_\_\_\_\_, and Supported by \_\_\_\_\_, to adopt a resolution to approve the original 2015/2016 General Fund Budget and the original 2015/2016 Special Revenue Fund Budget, dated July 1, 2015.**

# TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

## RESOLUTION FOR ADOPTION June 22, 2015

**FOR ACTION:**

**TOPIC:** 2015/2016 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 2015/2016 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)	4,443,644,125
Homestead Taxable Value	2,653,094,372
Non-Principal Residence Exemption Taxable Value	1,790,549,753*
Operating Millage Levy (Non-principal residence exemption only)	18 mills
Operating Local Property Tax Revenue (Non-principal residence exemption only)	32,229,896
Estimated State Aid (foundation allowance) Formula:	
Foundation Allowance per Pupil	7,391
Local Tax Support per Pupil (Est. Pupils: 9,900)	3,256
State Aid per Pupil (Est. Pupils: 9,900)	4,135

\* 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 2015/2016 school year.*

**SOURCE PERSON:** Wesley Souden, Director of Finance & Business Technology

**ATTACHMENTS:**

- Resolution to Adopt 2015/2016 Preliminary Budgets
- Three (3) year budget reporting required by the State of Michigan (refer to Tab 6)

## TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

### RESOLUTION TO ADOPT 2015/2016 PRELIMINARY BUDGETS

**RESOLVED**, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2015/2016 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 2015/2016 are as follows:

**Revenue**

Local Sources	\$ 34,528,292
State Sources	52,595,620
Federal Sources	1,720,524
Incoming Transfers and Other Transactions	<u>3,333,352</u>

<b>Total Revenue</b>	<b>\$ 92,177,788</b>
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Fund Balance (07/01/15 estimate)	4,739,434
----------------------------------	-----------

**Total Available to**

Appropriate ~ General Fund	<b>\$ 96,917,222</b>
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**TRAVERSE CITY AREA PUBLIC SCHOOLS  
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT  
2015/2016 PRELIMINARY BUDGETS**

**BE IT FURTHER RESOLVED**, that \$93,662,717 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	\$ 46,674,119
Added Needs	<u>9,778,310</u>
 Total Instruction	 \$ 56,452,429

Support Services:

Pupil Services	\$ 3,435,299
Instructional Staff	4,786,980
General Administration	590,458
School Administration	6,713,245
Business	1,710,057
Operations & Maintenance	9,126,785
Pupil Transportation Services	5,546,428
Central Services	2,806,302
Student	<u>2,046,093</u>

Total Support Services \$ 36,761,647

Community Services \$ 121,270

Outgoing Transfers and Other Transactions \$ 327,371

**Total Appropriated ~ General Fund \$ 93,662,717**

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

**RESOLUTION TO ADOPT  
2015/2016 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 2015/2016 are as follows:

**Revenue**

Local Sources	\$ 2,453,977
State Sources	255,072
Federal Sources	2,429,951
Incoming Transfers/Others	0
<b>Total Revenue</b>	<b>\$ 5,139,000</b>

**Expenditures**

Salaries	\$ 1,487,132
Benefits	819,779
Purchased Services	139,314
Supplies & Other Expenses	2,672,775
Capital Outlay	20,000
Operating Transfer	<u>0</u>
<b>Total Expenditures</b>	<b>\$ 5,139,000</b>

**Excess of Revenues Over/(Under) Expenditures** \$ 0

**Beginning Fund Balance** (07/01/15 estimate) \$ 532,802

**Ending Fund Balance** (06/30/16 estimate) \$ 532,802

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

**RESOLUTION TO ADOPT  
2015/2016 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 2015/2016 are as follows:

**Revenue**

Local Sources	\$ 2,600,800
Federal Sources	135,000
Intermediate Sources	0
Operating Transfers In	<u>232,223</u>
<b>Total Revenue</b>	<b>\$ 2,968,023</b>

**Expenditures**

Salaries	\$ 1,418,903
Benefits	1,032,752
Purchased Services	272,921
Supplies and Other Expenses	217,134
Capital Outlay	15,705
Transfers to General Fund and Other	<u>155,670</u>
<b>Total Expenditures</b>	<b>\$ 3,113,085</b>

**Excess of Revenues Over/(Under) Expenditures** (\$ 145,062)

**Beginning Fund Balance** (07/01/15 estimate) \$ 567,369

**Ending Fund Balance** (06/30/16 estimate) \$ 422,307

## TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

### RESOLUTION TO ADOPT 2015/2016 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, 2015.

AYES:

NAYS:

Resolution adopted.

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Megan M. Crandall, 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 22, 2015, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.

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Megan M. Crandall, Secretary  
Board of Education  
Traverse City Area Public Schools



**TRAVERSE CITY AREA PUBLIC SCHOOLS**  
**412 Webster Street**  
**Traverse City, MI 49686**

**ITEMIZED PRELIMINARY BUDGET**  
**2015/2016**

Presented June 22, 2015

*The itemized portion of the 2015/2016 budgets is provided for informational purposes only and is broken down into more detail than the formal budget adopted by the Board of Education (presented in Tab 5). This section also includes the three-year budget reporting, as required by the State of Michigan.*

**➔ Table of Contents**

Page 6.2 – General Fund Budget ~ 4 years

Page 6.3 – Foundation Allowance Analysis

Page 6.4 – Unrestricted Revenues

Page 6.5 – Restricted Local

Page 6.6 – Restricted State Funds

Page 6.7 – Federal Funds

Page 6.8 – School Service Fund ~ Food Services

Page 6.9 – School Service Fund ~ Community Services

Page 6.10 – Community Services ~ Childcare

Page 6.11 – Community Services ~ LEAP

Page 6.12 – Community Services ~ Federal Programs

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

<b>Revenue</b>	2012-2013 Actual	2013-2014 Actual	2014-2015 Amended	2015-2016 Original
Local Unrestricted	32,288,073	33,303,286	34,237,866	34,528,292
State Unrestricted	43,381,320	44,051,161	43,280,599	43,726,717
State Restricted	2,049,808	3,673,349	8,085,980	8,868,903
Federal Stabilization	0	0	0	0
Federal Ed Jobs	0	0	0	0
Federal IDEA Unrestricted	0	0	0	0
Federal Restricted	2,533,701	1,889,703	2,273,994	1,720,524
Incoming Transfers/Other	2,958,509	2,486,652	3,482,681	3,333,352
<b>Total Revenues</b>	<b>83,211,411</b>	<b>85,404,151</b>	<b>91,361,120</b>	<b>92,177,788</b>

<b>Expenditures</b>				
<b>Instruction</b>				
Basic Instruction	41,895,112	43,226,817	46,583,369	46,674,119
Added Needs	8,640,550	8,959,746	9,633,110	9,778,310
<b>Total Instruction</b>	<b>50,535,662</b>	<b>52,186,563</b>	<b>56,216,479</b>	<b>56,452,429</b>
<b>Support</b>				
Pupil	3,138,060	3,057,436	3,228,225	3,435,299
Instructional Staff	4,084,582	4,233,325	4,963,663	4,786,980
General Administration	581,881	572,208	596,822	590,458
School Administration	5,822,051	6,044,221	6,544,602	6,713,245
Business Services	1,373,402	1,357,359	1,555,077	1,710,057
Operations and Maintenance	8,882,897	8,723,332	9,029,253	9,126,785
Pupil Transportation	4,918,620	5,049,332	5,545,979	5,546,428
Central Services	2,516,703	2,658,630	2,812,118	2,806,302
Other Support Services	1,492,934	1,718,022	1,975,806	2,046,093
<b>Total Support Services</b>	<b>32,811,130</b>	<b>33,413,865</b>	<b>36,251,545</b>	<b>36,761,647</b>
Community Services	235,645	184,466	309,443	121,270
Other Uses - Outgoing Transfers & Other	706,636	229,843	362,956	327,371
<b>Total Expenditures</b>	<b>84,289,073</b>	<b>86,014,737</b>	<b>93,140,423</b>	<b>93,662,717</b>
Excess Revenue/(Expenditures)	(1,077,662)	(610,586)	(1,779,303)	(1,484,929)
Fund Balance - July 1	8,206,985	7,129,323	6,518,737	4,739,434
Fund Balance - June 30	7,129,323	6,518,737	4,739,434	3,254,505
Less Non-Spendable and Assigned	5,266,072	4,195,397	1,533,265	1,533,265
<b>Unassigned Fund Balance</b>	<b>1,863,251</b>	<b>2,323,340</b>	<b>3,206,169</b>	<b>1,721,240</b>

<b>Fund Equity Non-Spendable and Assigned</b>				
Non-Spendable for Inventories	52,631	81,036	50,000	50,000
Non-Spendable for Prepaid	620,343	615,828	100,000	100,000
Assigned for Unrestricted "At Risk" Activities	0	0	0	0
Assigned for Curriculum Development	0	0	0	0
Assigned for Building Carryover	741,181	533,484	483,265	483,265
Assigned for Department Carryover	80,000	138,345	0	0
Assigned for Building Staff Carryover	0	131,614	0	0
Assigned for Computer Notes and Leases	0	0	0	0
Assigned for Severance Pay	1,261,018	1,227,623	900,000	900,000
Assigned for Budget Stabilization	0	0	0	0
Assigned for contract settlements	0	0	0	0
Assigned for subsequent year expenditures	2,510,899	1,467,467	0	0
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>5,266,072</b>	<b>4,195,397</b>	<b>1,533,265</b>	<b>1,533,265</b>

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

**Traverse City Area Public Schools  
Foundation Allowance Analysis  
June 30, 2015**

<b>Calculation of Projected FTE Students</b>			<b>2016</b>	<b>2015</b>
February Student Count (actual 2015)	9,876	10%	988	988
October Student Count (estimate 2015)	9,903	90%	8,912	9,000
<b>Total Fiscal year FTE</b>			<b>9,900</b>	<b>9,988</b>

<b>Total Foundation Allowance Calculation</b>		<b>2016</b>	<b>2015</b>
Total Fiscal year FTE		9,900	9,988
Foundation Amount per Student		7,391	7,126
<b>Total Foundation Allowance</b>		<b>73,170,900</b>	<b>71,174,488</b>

<b>State and Local Portion of Foundation</b>		<b>Current Year</b>	<b>Prior Year</b>
non-Principal Residence Exemption		1,790,549,753	1,739,861,067
<b>Local Portion of Foundation</b>		<b>32,229,896</b>	<b>31,317,499</b>
<b>State Portion of Foundation</b>		<b>40,941,004</b>	<b>39,856,989</b>

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

<b>Revenue</b>	2014-2015 Amended	2015-2016 Original
Local Unrestricted	34,130,552	34,508,292
State Unrestricted	43,280,599	43,726,717
State Restricted	4,201,959	5,491,078
Federal Stabilization	0	0
Federal EdJobs	0	0
Federal Restricted	5,354	5,354
Incoming Transfers/Other	2,981,088	2,961,674
<b>Total Revenues</b>	<b>84,599,552</b>	<b>86,693,115</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	45,209,317	45,329,935
Added Needs	6,840,602	7,456,205
<b>Total Instruction</b>	<b>52,049,919</b>	<b>52,786,140</b>
<b>Support</b>		
Pupil	2,608,199	2,977,021
Instructional Staff	3,575,100	3,642,858
General Administration	596,822	590,458
School Administration	6,544,602	6,713,245
Business Services	1,555,077	1,710,057
Operations and Maintenance	8,959,243	9,126,785
Pupil Transportation	5,459,607	5,512,472
Central Services	2,794,768	2,806,052
Student Support Services	1,971,136	2,046,093
<b>Total Support Services</b>	<b>34,064,554</b>	<b>35,125,041</b>
Community Services	0	0
Other Uses - Outgoing Transfers & Other	264,382	266,863
<b>Total Expenditures</b>	<b>86,378,855</b>	<b>88,178,044</b>
Excess Revenue/(Expenditures)	(1,779,303)	(1,484,929)
Fund Balance - July 1	6,518,737	4,739,434
<b>Fund Balance - June 30</b>	<b>4,739,434</b>	<b>3,254,505</b>
Less Non-Spendable and Assigned	1,533,265	1,533,265
<b>Unassigned Fund Balance</b>	<b>3,206,169</b>	<b>1,721,240</b>

<b>Fund Equity Non-Spendable and Assigned</b>		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepaids	100,000	100,000
Assigned for Unrestricted "At Risk" Activities	0	0
Assigned for Curriculum Development	0	0
Assigned for Building Carryover	483,265	483,265
Assigned for Department Carryover	0	0
Assigned for Building Staff Carryover	0	0
Assigned for Computer Notes and Leases	0	0
Assigned for Severance Pay	900,000	900,000
Assigned for Building Supplies	0	0
Assigned for Budget Stabilization	0	0
<b>Total Fund Equity Non-Spendable and Assigned</b>	<b>1,533,265</b>	<b>1,533,265</b>

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

<b>Revenue</b>	2014-2015 Amended	2015-2016 Original
Local Unrestricted	107,314	20,000
State Unrestricted		
State Restricted		
Federal Stabilization		
Federal Jobs		
Federal Restricted		
Incoming Transfers/Other	501,593	371,678
<b>Total Revenues</b>	<b>608,907</b>	<b>391,678</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	72,500	67,939
Added Needs	171,644	96,469
<b>Total Instruction</b>	<b>244,144</b>	<b>164,408</b>
<b>Support</b>		
Pupil	8,070	0
Instructional Staff	215,819	223,739
General Administration		
School Administration		
Business Services		
Operations and Maintenance	70,010	0
Pupil Transportation	15,900	0
Central Services	14,600	0
Student Support Services	4,670	0
<b>Total Support Services</b>	<b>329,069</b>	<b>223,739</b>
Community Services	31,963	0
Other Uses - Outgoing Transfers & Other	3,731	3,531
<b>Total Expenditures</b>	<b>608,907</b>	<b>391,678</b>
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>

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

<b>Revenue</b>	2014-2015 Amended	2015-2016 Original
Local Unrestricted		
State Unrestricted		
State Restricted	3,884,021	3,377,825
Federal Stabilization		
Federal EdJobs		
Federal Restricted		
Incoming Transfers/Other		
<b>Total Revenues</b>	<b>3,884,021</b>	<b>3,377,825</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	1,299,972	1,261,987
Added Needs	1,393,936	1,370,594
<b>Total Instruction</b>	<b>2,693,908</b>	<b>2,632,581</b>
<b>Support</b>		
Pupil	544,677	323,562
Instructional Staff	390,489	326,682
General Administration		
School Administration		
Business Services		
Operations and Maintenance		
Pupil Transportation	59,072	10,000
Central Services		
Student Support Services		
<b>Total Support Services</b>	<b>994,238</b>	<b>660,244</b>
Community Services	170,875	85,000
Other Uses - Outgoing Transfers & Other	25,000	0
<b>Total Expenditures</b>	<b>3,884,021</b>	<b>3,377,825</b>
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Reserves and Designations	0	0
<b>Unreserved Fund Balance</b>	<b>0</b>	<b>0</b>

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

<b>Revenue</b>	2014-2015 Amended	2015-2016 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Stabilization		
Federal EdJobs		
Federal Restricted	2,268,640	1,715,170
Incoming Transfers/Other		
<b>Total Revenues</b>	<b>2,268,640</b>	<b>1,715,170</b>

<b>Expenditures</b>		
<b>Instruction</b>		
Basic Instruction	1,580	14,258
Added Needs	1,226,928	855,042
<b>Total Instruction</b>	<b>1,228,508</b>	<b>869,300</b>
<b>Support</b>		
Pupil	67,279	134,716
Instructional Staff	782,255	593,701
General Administration		
School Administration		
Business Services		
Operations and Maintenance		
Pupil Transportation	11,400	23,956
Central Services	2,750	250
Student Support Services		
<b>Total Support Services</b>	<b>863,684</b>	<b>752,623</b>
Community Services	106,605	36,270
Other Uses - Outgoing Transfers & Other	69,843	56,977
<b>Total Expenditures</b>	<b>2,268,640</b>	<b>1,715,170</b>
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
<b>Unassigned Fund Balance</b>	<b>0</b>	<b>0</b>

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

<b>Revenue</b>	2012-13 Actual	2013-2014 Actual	2014-2015 Amended	2015-2016 Original
Local	2,340,875	2,343,823	2,412,625	2,453,977
State	129,861	165,150	276,762	255,072
Federal	2,423,620	2,428,532	2,403,613	2,429,951
Incoming Transfers	24,980	30,050	25,000	0
<b>Total Revenues</b>	<b>4,919,336</b>	<b>4,967,555</b>	<b>5,118,000</b>	<b>5,139,000</b>

<b>Expenditures</b>				
Salaries and Wages	1,409,502	1,485,135	1,479,359	1,487,132
Employee Benefits	575,105	680,142	797,894	819,779
Purchased Services	257,845	163,028	139,314	139,314
Supplies and Other	2,756,781	2,865,747	2,756,433	2,672,775
Capital Outlay	13,685	1,184	20,000	20,000
Operating Transfer	0	0	0	0
<b>Total Expenditures</b>	<b>5,012,918</b>	<b>5,195,236</b>	<b>5,193,000</b>	<b>5,139,000</b>

<b>Revenues Over/(Under) Expenditures</b>	<b>(93,582)</b>	<b>(227,681)</b>	<b>(75,000)</b>	<b>0</b>
<b>Beginning Fund Balance July 1</b>	<b>929,065</b>	<b>835,483</b>	<b>607,802</b>	<b>532,802</b>
<b>Ending Fund Balance June 30</b>	<b>835,483</b>	<b>607,802</b>	<b>532,802</b>	<b>532,802</b>

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.



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

<b>Revenue</b>	2012-2013 Actual	2013-2014 Actual	2014-2015 Amended	2015-2016 Original
Local	2,346,667	2,483,558	2,567,000	2,600,800
Federal	123,296	123,296	135,000	135,000
Intermediate School District	0	0	0	0
Incoming Transfers/Other	310,011	199,526	228,131	232,223
<b>Total Revenues</b>	<b>2,779,974</b>	<b>2,806,380</b>	<b>2,930,131</b>	<b>2,968,023</b>

<b>Expenditures</b>				
Salaries and Wages	1,434,255	1,335,415	1,425,506	1,418,903
Employee Benefits	845,302	844,600	960,742	1,032,752
Purchased Services	178,094	167,414	252,989	272,921
Supplies and Other	154,045	203,026	227,687	217,134
Capital Outlay	10,347	10,755	20,905	15,705
Transfer to General Fund and Other	4,765	144,678	58,167	155,670
<b>Total Expenditures</b>	<b>2,626,808</b>	<b>2,705,888</b>	<b>2,945,996</b>	<b>3,113,085</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>153,166</b>	<b>100,492</b>	<b>(15,865)</b>	<b>(145,062)</b>
<b>Beginning Fund Balance July 1</b>	<b>329,576</b>	<b>482,742</b>	<b>583,234</b>	<b>567,369</b>
<b>Ending Fund Balance June 30</b>	<b>482,742</b>	<b>583,234</b>	<b>567,369</b>	<b>422,307</b>

NOTE: The TCAPS School Service Fund - Community Services is made up of three components: Childcare programs, 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**

<b>Revenue</b>	2014-2015 Amended	2015-2016 Original
Local	2,286,750	2,306,750
Federal		
Intermediate School District		
Incoming Transfers/Other	35,631	39,723
<b>Total Revenues</b>	<b>2,322,381</b>	<b>2,346,473</b>

<b>Expenditures</b>		
Salaries and Wages	1,187,094	1,187,809
Employee Benefits	813,377	879,281
Purchased Services	97,825	87,725
Supplies and Other	181,550	181,050
Capital Outlay	0	0
Transfer to General Fund and Other	53,400	155,670
<b>Total Expenditures</b>	<b>2,333,246</b>	<b>2,491,535</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>(10,865)</b>	<b>(145,062)</b>
<b>Beginning Fund Balance July 1</b>	<b>503,006</b>	<b>492,141</b>
<b>Ending Fund Balance June 30</b>	<b>492,141</b>	<b>347,079</b>

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

<b>Revenue</b>	2014-2015 Amended	2015-2016 Original
Local	280,250	294,050
Federal		
Intermediate School District		
Incoming Transfers/Other	192,500	192,500
<b>Total Revenues</b>	<b>472,750</b>	<b>486,550</b>
<b>Expenditures</b>		
Salaries and Wages	177,224	177,495
Employee Benefits	109,978	117,618
Purchased Services	134,648	139,648
Supplies and Other	40,195	36,084
Capital Outlay	15,705	15,705
Transfer to General Fund and Other	0	0
<b>Total Expenditures</b>	<b>477,750</b>	<b>486,550</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>(5,000)</b>	<b>0</b>
<b>Beginning Fund Balance July 1</b>	<b>80,228</b>	<b>75,228</b>
<b>Ending Fund Balance June 30</b>	<b>75,228</b>	<b>75,228</b>

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

<b>Revenue</b>	2014-2015 Amended	2015-2016 Original
Local		
Federal	135,000	135,000
Intermediate School District		
Incoming Transfers/Other		
<b>Total Revenues</b>	<b>135,000</b>	<b>135,000</b>
<b>Expenditures</b>		
Salaries and Wages	61,188	53,599
Employee Benefits	37,387	35,853
Purchased Services	20,516	45,548
Supplies and Other	5,942	0
Capital Outlay	5,200	0
Transfer to General Fund and Other	4,767	0
<b>Total Expenditures</b>	<b>135,000</b>	<b>135,000</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance July 1</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance June 30</b>	<b>0</b>	<b>0</b>



Traverse City Area Public Schools  
Great Community, Great Schools

## Capital Projects - Summary

	2001 Voter Approval 18 Million Authorization	2004 Voter Approval 42 Million Authorization	2007 Voter Approval 105 Million Authorization	<i>Total</i> <i>Voter Approval</i> <i>165 Million Authorization</i>
<b>Bonds Sold</b>				
August 29, 2001	10,000,000			10,000,000
June 9, 2004	4,000,000			4,000,000
May 11, 2005		11,000,000		11,000,000
April 10, 2007	4,000,000	5,960,000		9,960,000
May 1, 2008		11,500,000	18,500,000	30,000,000
June 8, 2010		2,150,000	21,100,000	23,250,000
June 28, 2012		2,800,000	8,200,000	11,000,000
June 24, 2014		1,850,000	11,650,000	13,500,000
Sub-Total	<b>18,000,000</b>	<b>35,260,000</b>	<b>59,450,000</b>	<b>112,710,000</b>
<b>Projected Bond Sales</b>				
May 2016		6,740,000	9,260,000	16,000,000
May 2018			18,000,000	18,000,000
May 2020			18,290,000	18,290,000
Sub Total	<b>0</b>	<b>6,740,000</b>	<b>45,550,000</b>	<b>52,290,000</b>
<b>Total</b>	<b>18,000,000</b>	<b>42,000,000</b>	<b>105,000,000</b>	<b>165,000,000</b>

**Capital Projects  
2001 Voter Approval  
18 Million Authorization**

	Bonds Sold	Delivery Date
Series I	10,000,000	8/29/2001
Series II	4,000,000	6/9/2004
Series III	4,000,000	4/10/2007
<b>Total</b>	<b>18,000,000</b>	

Revenue	Series I Series I was completed as of 06-30-2005	
Bond Sale	10,000,000	
Earnings on Investments	244,840	
	<b>10,244,840</b>	
Expenditures	Series I	
Central Grade-Montessori	708,008	Interior classroom renovations that included all facility upgrades in support of the overall Montessori Program. Classroom renovations included new bathroom facilities, lighting upgrades, casework and cabinetry, flooring, ceiling and wall finishes upgrades. Renovations also brought all codes up to compliance for those areas including classroom sizes, bathroom and toilet facilities, ADA and Barrier Free access upgrades.
Westwoods	815,793	New addition to existing facility which included the addition of 4 classrooms, toilet facilities, storage space, connector corridor, lockers and all interiors necessary to provide standard classroom set-ups. Addition was approximately 6,000 square feet.
West Junior High	1,511,904	The work included elevator addition for ADA access, barrier free lifting device, corridor and connector upgrade, full and extensive Mechanical, Electrical and Lighting Upgrades. Also, included upgrades to Cafeteria, fire protection systems, locker room and shower facility changes and upgrades along with team room upgrades for sports support facilities. Also included were renovations to Choir Room, Orchestra Room, Band Room and other support facilities.
Central Senior High	2,678,280	The work included an elevator addition to the gym facility for ADA access, locker room changes and upgrades for both Physical Education and Athletic Rooms, and full Mechanical, Electrical and Lighting upgrades for Gym Building, F-Wing, Music Building (H Building) including Band, Orchestra and Choir. Also, included infrastructure work to support upgraded Mechanical and Electrical distribution. In addition, sectional roofing replacements occurred along with some flooring upgrades in common spaces to support unified flooring systems.
Traverse City Senior High	346,439	Scope of work included complete exterior window replacements along with new exterior building EIFS and dryvit system. Complete renovation to connecting corridor over creek between two buildings. Also, included renovations to Cafeteria space along with the addition of an entrance vestibule. Site renovation included the development and expansion of the parking lot, curbs, islands and the repaving of portion of the East parking lot.
Transportation - Buses	1,478,652	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Technology	1,625,743	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades).
Furniture, Fixtures and Equipment	816,857	Started the replacement of old and worn out equipment at the school sites.
District Flooring	92,416	Replacement of district floors and carpet.
Bond Sale Costs	162,881	Bond Discount 100K, plus cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing.
Arbitrage Expense		
Other Expense	7,867	Bank Fees and newspaper bid ads. Small misc projects.
	<b>10,244,840</b>	

All project actual expenditures and budgeted expenditures as of June 30, 2010

**Capital Projects  
2001 Voter Approval  
18 Million Authorization**

Revenue	Series II Series II was completed as of 9-30-2007	
Bond Sale	4,000,000	
Earnings on Investments	173,108	
	<b>4,173,108</b>	
Expenditures	Series II	
Central Grade-Montessori		
Westwoods		
West Junior High		
Central Senior High		
Traverse City Senior High		
Transportation - Buses	1,577,980	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Technology	1,918,069	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades).
Furniture, Fixtures and Equipment	638,236	Furniture & Equipment monies to be utilized in the furnishing of Old Mission school and Traverse Heights School. Also, some district equipment needs such as a new postage meter.
District Flooring		
Bond Sale Costs	38,823	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing.
Arbitrage Expense		
Other Expense		
	<b>4,173,108</b>	

All project actual expenditures and budgeted expenditures as of June 30, 2010

**Capital Projects  
2001 Voter Approval  
18 Million Authorization**

Revenue	Series III Series III Bonds - was completed as of 3-18-2010		Summary All Series
Bond Sale	4,000,000		18,000,000
Earnings on Investments	287,766		705,714
	<b>4,287,766</b>		<b>18,705,714</b>
Expenditures	Series III		Summary All Series
Central Grade-Montessori			708,008
Westwoods			815,793
West Junior High			1,511,904
Central Senior High			2,678,280
Traverse City Senior High			346,439
Transportation - Buses	1,499,333	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	4,555,965
Technology	1,922,858	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades).	5,466,670
Furniture, Fixtures and Equipment	841,954	Furniture & Equipment monies to be utilized in the furnishing of the Cherry Knoll reconstruction, additions at Courtade and Willow Hill, and secondary school projects. Also, some district equipment.	2,297,047
District Flooring			92,416
Bond Sale Costs	23,621	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing.	225,325
Arbitrage Expense		Arbitrage calculation and reserve for arbitrage liability.	0
Other Expense	0	Money from investment earning to be added to one of the above projects.	7,867
	<b>4,287,766</b>		<b>18,705,714</b>

All project actual expenditures and budgeted expenditures as of June 30, 2010



**Capital Projects  
2004 Voter Approval  
42 Million Authorization**

	<b>Bonds Sold</b>	<b>Delivery Date</b>
Series I	11,000,000	5/11/2005
Series II	5,960,000	4/10/2007
Series III	11,500,000	5/1/2008
Series IV	2,150,000	6/8/2010
Series V	2,800,000	6/28/2012
Series VI	1,850,000	6/24/2014
<b>Total</b>	<b>35,260,000</b>	

<b>Revenue</b>	<b>Series I</b> Series I was completed as of 11-1-2007	
Bond Sale	11,000,000	
Earnings on Investments	511,376	
	<b>11,511,376</b>	
<b>Expenditures</b>	<b>Series I</b>	
Elementary Facilities	0	
Furniture, Fixtures and Equipment		
Misc. Site Work - Elementary		
Elementary Driveway and Parking lot improvements		
PA system replacement		
Central Grade - Classrooms	258,335	Renovation of six classrooms, this completes the first three year of the Central Grade room renovation project
Central Grade Roofing Project		
Central Grade - Lars Auditorium		
Montessori Classroom	11,484	Limited renovation of classroom 109 for the Montessori programs use. (Old nurses area)
Courtade Addition		
Willow Hill Addition		
Willow Hill Site Improvement		
Old Mission School	4,055,489	Complete reconstruction of the Old Mission school.
Traverse Heights School	3,889,718	Complete reconstruction of the Traverse Heights school. Part of this project will be paid for from the next bond sale
Cherry Knoll School		
Long Lake Elementary Reconstruction		
Glenn Loomis - Montessori		
Elementary Schools	20,402	A&E work on all Elementary schools for development of district standards
Transportation - Buses	980,920	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Technology	1,312,904	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades) First two years of the authorization
Technology		
Maint & Operations Equip.	246,000	Replace Maintenance Equipment required to maintain Buildings & Grounds.
Music Equipment	282,935	Music equipment replacements.
Athletic Department	308,961	Complete resurface of the EMS and WMS track. Resurface 8 tennis courts at EMS
Annual Audit Cost		
Bond Sale Costs	59,580	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing
Arbitrage Expense	84,648	Arbitrage calculation and reserve for arbitrage liability
Other Expense	0	Money from investment earning to be added to one of the above projects
	<b>11,511,376</b>	

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2004 Voter Approval  
42 Million Authorization**

Revenue	Series II	
Bond Sale	5,970,512	Series II was completed as of 3-18-2010
Earnings on Investments	317,802	
	<b>6,288,314</b>	
Expenditures	Series II	
Elementary Facilities	0	Unallocated funds
Furniture, Fixtures and Equipment		
Misc. Site Work - Elementary		
Elementary Driveway and Parking lot improvements		
PA system replacement		
Central Grade - Classrooms		
Central Grade Roofing Project		
Central Grade - Lars Auditorium		
Montessori Classroom		
Courtade Addition	1,646,571	Money available for the planning, A&E and construction work for the addition to Courtade Elementary ( 8 rooms). 80K FF&E will be funded in the 2007 capital projects 2001 voter approval
Willow Hill Addition	80,726	Gym Floor Replacement
Willow Hill Site Improvement		
Old Mission School		
Traverse Heights School	174,660	Complete reconstruction of the Traverse Heights school.
Cherry Knoll School	331,752	Start Architectural, engineering and planning for the reconstruction of Cherry Knoll Elementary
Long Lake Elementary Reconstruction		
Glenn Loomis - Montessori	53,746	Collaboration with The City of Traverse City to make improvements to Griffin Street and the Montessori driveway
Elementary Schools	28,159	A&E work on all Elementary schools for development of district standards
Transportation - Buses	691,987	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Technology	3,038,668	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades) Years three through five of the authorization
Technology		
Maint & Operations Equip.	70,435	Replace Maintenance Equipment required to maintain Buildings & Grounds.
Music Equipment	125,279	Music equipment replacements.
Athletic Department		
Annual Audit Cost		
Bond Sale Costs	46,331	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing
Arbitrage Expense	0	Arbitrage calculation and reserve for arbitrage liability
Other Expense	0	Money from investment earning to be added to one of the above projects
	<b>6,288,314</b>	

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2004 Voter Approval  
42 Million Authorization**

Revenue	Series III	
	Series III was completed as of 03-23-2012	
Bond Sale	11,500,000	
Earnings on Investments	171,737	
	<b>11,671,737</b>	
Expenditures	Series III	
Elementary Facilities	0	Unallocated funds
Furniture, Fixtures and Equipment	96,535	Furniture, Fixtures and Equipment for the Data Center, Elementary Schools, West Middle School and West Senior High
Misc. Site Work - Elementary	6,170	Bus Radius work Silver Lake and Westwoods
Elementary Driveway and Parking lot improvements		
PA system replacement		
Central Grade - Classrooms	172,064	Renovation of several classrooms, relocation of teacher's lounge, and literacy library media storage area relocation, this completes year 4 & 5 of the Central Grade room renovation project
Central Grade Roofing Project	177,360	Re-roofing project for Central Grade
Central Grade - Lars Auditorium	24,970	Asbestos removal and level and re-cement the floor
Montessori Classroom		
Courtade Addition		
Willow Hill Addition	2,053,650	Money available for the planning, A&E and construction work for the addition to Willow Hill Elementary ( 5 rooms). 60K FF& E will be funded in the 2007 capital projects 2001 voter approval
Willow Hill Site Improvement	20,304	Drainage improvement
Old Mission School		
Traverse Heights School		
Cherry Knoll School	6,490,559	Complete reconstruction of the Cherry Knoll school. This includes the projects contingency funds. Unused contingency funds will be reallocated upon project completion. 400K FF&E will be funded in the 2007 capital projects 2001 voter approval
Long Lake Elementary Reconstruction	863,599	Start the A&E work on the Long Lake Elementary Reconstruction
Glenn Loomis - Montessori		
Elementary Schools	8,415	Design work Interlochen, Montessori, and Eastern
Transportation - Buses		
Technology	1,259,695	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Technology		
Maint & Operations Equip.	33,578	Replace Maintenance Equipment required to maintain Buildings & Grounds.
Music Equipment	100,010	Music equipment replacements.
Athletic Department	328,404	Create a soccer official game field inside the track at West Senior High. In addition, bleachers, lighting and supportive infrastructure.
Annual Audit Cost		
Bond Sale Costs	36,424	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing
Arbitrage Expense	0	Arbitrage calculation and reserve for arbitrage liability
Other Expense	0	Money from investment earning to be added to one of the above projects
	<b>11,671,737</b>	

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2004 Voter Approval  
42 Million Authorization**

Revenue	Series IV Series IV for Fiscal Years 2011, 2012	
Bond Sale	2,150,000	
Earnings on Investments	3,543	
	<b>2,153,543</b>	
Expenditures	Series IV	
Elementary Facilities	0	Unallocated funds
Furniture, Fixtures and Equipment		
Misc. Site Work - Elementary		
Elementary Driveway and Parking lot improvements	48,096	Blair, Silver lake, Westwoods: Parking lot and driveway improvements.
PA system replacement		
Central Grade - Classrooms	108,399	Renovation of several classrooms, relocation of teacher's lounge, and literacy library media storage area relocation, this completes year 6 & 7 of the Central Grade room renovation project
Central Grade Roofing Project		
Central Grade - Lars Auditorium		
Montessori Classroom		
Courtade Addition		
Willow Hill Addition		
Willow Hill Site Improvement		
Old Mission School		
Traverse Heights School		
Cherry Knoll School		
Long Lake Elementary Reconstruction		
Glenn Loomis - Montessori		
Elementary Schools		
Transportation - Buses	1,037,008	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Technology	588,533	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Technology	29,509	Technology for the International School at Bertha Vos
Maint & Operations Equip.	98,434	Replace Maintenance Equipment required to maintain Buildings & Grounds.
Music Equipment	194,373	Music equipment replacements.
Athletic Department	48,566	CSH - Small gym, interior renovation
Annual Audit Cost	625	Annual Audit cost
Bond Sale Costs	0	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing.
Arbitrage Expense	0	Arbitrage calculation and reserve for arbitrage liability.
Other Expense	0	Money from investment earning to be added to one of the above projects.
	<b>2,153,543</b>	

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2004 Voter Approval  
42 Million Authorization**

Revenue	Series V Series V for Fiscal Years 2013, 2014	
Bond Sale	2,800,000	
Earnings on Investments	3,990	
	<b>2,803,990</b>	
Expenditures	Series V	
Elementary Facilities	4,422	Unallocated funds
Furniture, Fixtures and Equipment		
Misc. Site Work - Elementary		
Elementary Driveway and Parking lot improvements		
PA system replacement	65,000	PA system replacement for Eastern Elementary, Glenn Loomis Montessori, and Central Grade Elementary.
Central Grade - Classrooms	265,000	Renovation of several classrooms, relocation of teacher's lounge, and literacy library media storage area relocation, this competes year 8, 9 & 10 of the Central Grade room renovation project.
Central Grade Roofing Project		
Central Grade - Lars Auditorium		
Montessori Classroom		
Courtade Addition		
Willow Hill Addition		
Willow Hill Site Improvement	26,817	Willow Hill - Roof Drains
Old Mission School		
Traverse Heights School		
Cherry Knoll School		
Long Lake Elementary Reconstruction		
Glenn Loomis - Montessori		
Elementary Schools		
Transportation - Buses		
Technology	1,961,958	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Technology		
Maint & Operations Equip.	101,566	Replace Maintenance Equipment required to maintain Buildings & Grounds.
Music Equipment	176,543	Music equipment replacements.
Athletic Department	201,434	Physical Education Facilities
Annual Audit Cost	1,250	Annual Audit cost
Bond Sale Costs	0	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing.
Arbitrage Expense	0	Arbitrage calculation and reserve for arbitrage liability.
Other Expense	0	Money from investment earning to be added to one of the above projects
	<b>2,803,990</b>	

All project actual expenditures and budgeted expenditures as of March 17, 2015

**Capital Projects  
2004 Voter Approval  
42 Million Authorization**

Revenue	Series VI Series VI for Fiscal Years 2015, 2016		Summary All Series
Bond Sale	1,850,000		35,270,512
Earnings on Investments	4,621		1,013,069
	<b>1,854,621</b>		<b>36,283,581</b>
Expenditures	Series VI		Summary All Series
Elementary Facilities	4,621	Unallocated funds	9,043
Furniture, Fixtures and Equipment			96,535
Misc. Site Work - Elementary			6,170
Elementary Driveway and Parking lot improvements			48,096
PA system replacement			65,000
Central Grade - Classrooms			803,798
Central Grade Roofing Project			177,360
Central Grade - Lars Auditorium			24,970
Montessori Classroom			11,484
Courtade Addition			1,646,571
Willow Hill Addition			2,134,376
Willow Hill Site Improvement			47,121
Old Mission School			4,055,489
Traverse Heights School			4,064,378
Cherry Knoll School			6,822,311
Long Lake Elementary Reconstruction			863,599
Glenn Loomis - Montessori			53,746
Elementary Schools			56,976
Transportation - Buses	700,000	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	3,409,915
Technology	1,000,000	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	9,161,758
Technology			29,509
Maint & Operations Equip.	50,000	Replace Maintenance Equipment required to maintain Buildings & Grounds.	600,013
Music Equipment			879,140
Athletic Department	100,000	Physical Education Facilities	987,365
Annual Audit Cost	0	Annual Audit cost	1,875
Bond Sale Costs	0	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing.	142,335
Arbitrage Expense	0	Arbitrage calculation and reserve for arbitrage liability.	84,648
Other Expense	0	Money from investment earning to be added to one of the above projects	0
	<b>1,854,621</b>		<b>36,283,581</b>

All project actual expenditures and budgeted expenditures as of March 17, 2015

**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

	<b>Bonds Sold</b>	<b>Delivery Date</b>
Series I	18,500,000	5/1/2008
Series II	21,100,000	6/8/2010
Series III	8,200,000	6/28/2012
Series IV	11,650,000	6/24/2014
Series V		
<b>Total</b>	<b>59,450,000</b>	

<b>Revenue</b>	<b>Series I</b> Series I was completed as of 03-23-2012	
Bond Sale	18,500,000	
Earnings on Investments	269,488	
	<b>18,769,488</b>	
<b>Expenditures</b>	<b>Series I</b>	
Secondary and Elementary Facilities	0	Unallocated funds
District Wide Campus Security	1,068,442	System design, planning and installation
International School at Bertha Vos		
Phase III Security System		
Central Senior High - Building Addition	3,303,232	Project for Physical Education and Athletic programs. Scope includes addition for physical education, including weight room, aerobics, wrestling room, locker room, connecting corridor. Architectural engineering and design, Facility construction and furnishings.
Central Senior High - Interior room	691,710	Renovate two Science Lab spaces. Creation of classrooms and support spaces in current or existing weight room area
Central Senior High - Parking Lot	863,817	Complete resurfacing project includes asphalt, curbs, gutter, sidewalk and approaches. Phase II Bus Driveway
Central Senior High - Storage Building	146,826	Construction of track storage and football storage buildings and ticket box for Main Entrance
Long lake Elementary		
Furniture, Fixtures and Equipment	12,093	Cash counting equipment and check scanners for the secondary schools. Sound equipment for use at events and TV98 productions

All project actual expenditures and budgeted expenditures as of June 11, 2015





**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

	<b>Bonds Sold</b>	<b>Delivery Date</b>
Series I	18,500,000	5/1/2008
Series II	21,100,000	6/8/2010
Series III	8,200,000	6/28/2012
Series IV	11,650,000	6/24/2014
Series V		
<b>Total</b>	<b>59,450,000</b>	

<b>Expenditures</b>	<b>Series I</b>	
West Middle School - Site Work	2,133,509	Complete site work re-evaluation, redesign and improved site changes
Bus Garage - Fuel Island	420,770	Upgrades to fuel tanks filling pumps for buses
Transportation - Buses	0	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Video Recording and tracking equipment	242,398	Video Recording and tracking equipment for busses
Technology	992,441	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Collator	89,450	
Operational Equipment	299,543	Replace Maintenance Equipment required to maintain Buildings and Grounds.
Physical Education Facilities	209,559	Central High School Bleacher Replacement including track reconfiguration and entry site modifications.
Thirby Field	200,000	Installation Water and Sewer, Other site work
Visual and Performing Arts	229,149	Wireless sound system for WSH and CSH auditoriums first project, Music equipment, Art, and Photography Equipment
Annual Audit Cost		
Bond Sale Costs	59,408	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing
Arbitrage Expense		Arbitrage calculation and reserve for arbitrage liability
Other Expense	0	Money from investment earning to be added to one of the above projects
	<b>18,769,488</b>	

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

Revenue	Series II Series II for Fiscal Years 2011, 2012	
Bond Sale	21,100,000	
Earnings on Investments	38,202	
	<b>21,138,202</b>	
Expenditures	Series II	
Secondary and Elementary Facilities	0	Unallocated funds
District Wide Campus Security	1,775,686	Phase II, system design, planning and installation
	417,421	Re-roofing project for Willow Hill and Traverse City High School
	242,814	East Middle School interior upgrades : flooring and walls
	151,204	East Middle School driveway and parking lot improvements
	79,646	Willow Hill Flooring: Replace all existing asbestos tile hallway flooring in old existing building
	400,524	Heat Pump and Mechanical Equipment Replacement - West Senior High
	397,934	Mechanical controls replacement to all new building automation system at Central Senior High
	166,990	Design energy efficient lighting upgrades at Central Senior High, West Middle School, Traverse City High School
International School at Bertha Vos	529,533	Site work at Bertha Vos for the Montessori and IB program
	460,000	District copier purchase
Phase III Security System	513,712	Security System -Remaining Elementary sites
	9,359	Central High School - Find way sign package
	3,334	Cherry Knoll - Window energy efficiencies
Central Senior High - Building Addition		
Central Senior High - Interior room		
Central Senior High - Parking Lot		
Central Senior High - Storage Building		
Long lake Elementary	8,053,358	Complete reconstruction of the Long Lake Elementary. This includes all furniture, fixtures and equipment. Also contains project contingency budget amount
Furniture, Fixtures and Equipment	6,079	Narrow Band Radio Equipment
	54,828	Two Way Radio System
	55,903	Equipment - Furniture and Fixtures
	41,473	HVAC - Mechanical Equipment Central High School and Traverse City High School
	137,007	Central High School: Replace 3 main heat pumps supporting the auditorium and replace 1 heat pump supporting the network communications room
	327,750	Glenn Loomis Montessori - Complete roof replacement
	325,929	Video Security - Interlochen, Eastern, Montessori
	370,638	West Senior High: Complete mechanical controls replacement to all new building automation system, which is Johnson Control metasys.
	96,132	Design work for Interlochen Elementary School

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

Expenditures continued	Series II	
	40,137	Playground equipment - Interlochen Elementary School
	44,489	Bus Hoist - Transportation Garage
	42,890	Silver Lake - Replacement of all classroom flooring
	788,910	Voice over Internet Protocol - Phone System
	981,011	Blair Elementary addition - preschool classrooms
	412	Create a data Center in the Gym area at Sabin
	24,418	Technology Office Relocation and Training Classrooms - Data Center

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

<b>Expenditures</b>	<b>Series II</b>	
West Middle School - Site Work		
Bus Garage - Fuel Island		
Transportation - Buses		
Video Recording and tracking equipment	56,299	Video Recording and tracking equipment for busses
Technology	3,448,196	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Collator		
Operational Equipment	300,163	Replace Maintenance Equipment required to maintain Buildings and Grounds.
Physical Education Facilities	353,984	East and West Middle schools bleacher system and press box. West Senior High gym lighting retrofit, Central Senior High Small gym lighting retrofit
	45,182	West Senior High Gym lighting retrofit
Thirby Field		
Visual and Performing Arts	304,329	Visual and Performing Arts installation of new dust collection systems and upgraded ventilation systems. See project list for other planned projects
Annual Audit Cost	625	Annual Audit Cost
Bond Sale Costs	89,903	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing
Arbitrage Expense	0	
Other Expense	0	Money from investment earning to be added to one of the above projects
	<b>21,138,202</b>	

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

Revenue	Series III Series III for Fiscal Years 2013, 2014	
Bond Sale	8,200,000	
Earnings on Investments	6,765	
	<b>8,206,765</b>	
Expenditures	Series III	
Secondary and Elementary Facilities	247,634	Unallocated funds
District Wide Campus Security		
International School at Bertha Vos	370,467	Site work at Bertha Vos for the Montessori and IB program
Phase III Security System		
	11,380	Cherry Knoll - Window energy efficiencies
Central Senior High - Building Addition		
Central Senior High - Interior room		
Central Senior High - Parking Lot		
Central Senior High - Storage Building		
Long lake Elementary		
Furniture, Fixtures and Equipment		
	10,841	HVAC - Mechanical Equipment Central High School

All project actual expenditures and budgeted expenditures as of June 11, 2015



**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

<b>Expenditures</b>	<b>Series III</b>	
West Middle School - Site Work		
Bus Garage - Fuel Island		
Transportation - Buses	2,007,099	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Video Recording and tracking equipment		
Technology	1,799,315	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Collator		
Operational Equipment	300,294	Replace Maintenance Equipment required to maintain Buildings and Grounds.
Physical Education Facilities	201,186	West High School - Track and tennis court resurfacing
	211,684	Physical Education Facilities
Thirby Field		
Visual and Performing Arts	297,025	Visual and Performing Arts installation of new dust collection systems and upgraded ventilation systems. See project list for other planned projects
Annual Audit Cost	1,250	Annual Audit Cost
Bond Sale Costs	61,105	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing
Arbitrage Expense	0	
Other Expense	0	Money from investment earning to be added to one of the above projects
	<b>8,206,765</b>	

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

<b>Revenue</b>	<b>Series IV</b> Series IV for Fiscal Years 2015, 2016		<b>Summary All Series</b>
Bond Sale	11,650,000		59,450,000
Earnings on Investments	10,030		324,485
	<b>11,660,030</b>		<b>59,774,485</b>
<b>Expenditures</b>	<b>Series IV</b>		<b>Summary All Series</b>
Secondary and Elementary Facilities	4,107	Unallocated funds	251,741
District Wide Campus Security			2,844,128
			417,421
			242,814
			151,204
			79,646
			400,524
			397,934
			166,990
International School at Bertha Vos			900,000
			460,000
Phase III Security System			513,712
			9,359
			14,714
Central Senior High - Building Addition			3,303,232
Central Senior High - Interior room			691,710
Central Senior High - Parking Lot			863,817
Central Senior High - Storage Building			146,826
Long lake Elementary			8,053,358
Furniture, Fixtures and Equipment			18,172
			54,828
			55,903
			52,314
			137,007
			327,750
			325,929
			370,638
			96,132

All project actual expenditures and budgeted expenditures as of June 11, 2015



**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

<b>Expenditures continued</b>	<b>Series IV</b>		<b>Summary All Series</b>
			40,137
			44,489
			42,890
			370,396
			349,604
			788,910
			435,000
	40,000	Elementary school educational architectural standards design.	40,000
			1,542,923
			4,415
			361,837
			376,934
			69,046
			7,500
			34,291
			11,550
			105,000
	450,000	Central High School - Utility tunnel infrastructure upgrade	450,000
	406,939	West High School - floor replacement classroom, hallways and corridors	406,939
	400,000	Thirlby Field - bleacher seating replacement	400,000
	40,000	West Middle School - replace air handler system	40,000
	100,000	Blair Elementary - floor replacement classroom	100,000
	2,700,000	Central High School - renovation and infrastructure upgrades to existing auditorium space	2,700,000
	1,806,000	West high School- replace heat pumps	1,806,000
	485,000	Safety and Security - The Boot System	485,000
West Senior High - Building Addition			2,976,493
West Senior High - Interior Room			668,411
Traverse City High School - Building Addition			1,001,036
Data Center			2,824,640
Technology Office Relocation and Training Classrooms - Data Center			86,394
Office Renovations - Boardman Building			13,806
East Middle School - Entry and Office			226,222
East Middle School			34,969

All project actual expenditures and budgeted expenditures as of June 11, 2015

**Capital Projects  
2007 Voter Approval  
105 Million Authorization**

<b>Expenditures</b>	<b>Series IV</b>		<b>Summary All Series</b>
West Middle School - Site Work			2,133,509
Bus Garage - Fuel Island			420,770
Transportation - Buses	1,305,893	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	3,312,992
Video Recording and tracking equipment			298,697
Technology	3,000,000	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	9,239,952
Collator			89,450
Operational Equipment	250,000	Replace Maintenance Equipment required to maintain Buildings and Grounds.	1,150,000
Physical Education Facilities			764,729
			45,182
	154,200	West High School - Bleacher and press box	154,200
	145,800	Physical Education Facilities	357,484
Thirby Field			200,000
Visual and Performing Arts	300,000	Visual and Performing Arts installation of new dust collection systems and upgraded ventilation systems. See project list for other planned projects	1,130,503
Annual Audit Cost	0	Annual Audit Cost	1,875
Bond Sale Costs	72,091	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	282,507
Arbitrage Expense	0		0
Other Expense	0	Money from investment earning to be added to one of the above projects	0
	<b>11,660,030</b>		<b>59,774,485</b>

All project actual expenditures and budgeted expenditures as of June 11, 2015

## Bond Programming & Facility Planning Forecasted Project Planning

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
1	Courtade Building Construction / Addition in preparation of Bertha Vos students attending Courtade	Nov 2007-August 2008	2004	\$2,220,000	\$2,100,000	\$1,742,316	Completed	Sept 2008	Completed
2	Willow Hill Building Construction / Addition in preparation of Norris students attending Willow Hill	Dec 2007-August 2008	2004	\$2,440,000	\$2,330,000	\$2,199,700	Completed	Sept 2008	Completed
3	Cherry Knoll complete building Reconstruction Project - Architectural Design, Engineering and Construction Planning	Oct 2007-April 2008	2004		NA		Completed	NA	Completed
4	Cherry Knoll complete building Reconstruction Project - Demolition, Construction and Furnishings of Building	June 2008-August 2009	2004	\$8,700,000	\$8,300,000	\$7,218,019	Completed	August 2009	Completed
5	West Senior High - Interior Room Renovations in preparation for Changing Graduation Requirements, middle school conversion and transition requirements	Nov 2007-August 2008	2007	\$628,350	\$662,200	\$668,411	Completed	Sept 2008	Completed
6	Renovations in preparation for changing graduation requirements, middle school conversion and transition requirements (Renovate 2 Science Lab spaces)	Nov 2007-August 2008	2007	\$699,500	\$650,000	\$691,710	Completed	Sept 2008	Completed
7	Traverse City High School Building Addition Project to support Science Lab Requirements, activity spaces and Art Programs - Design and Engineering completed on Science Portion Only	Oct 2007-Sept 2008	2007	\$2,000,000	\$1,075,000	\$1,003,192	Completed	Sept 2008	Completed
8	Central High School - Parking Lot complete resurfacing project including asphalt, curbs, gutter, sidewalk and approaches	Dec 2007-August 2008	2007	\$1,100,000	\$1,000,000	863,817	Completed	Sept 2008	Completed
9	Central High School - Building Addition Project for Physical Education and Athletic Programs. Building addition project facilitates/supports graduation requirement changes, grade configurations and change in athletic seasons. Scope includes addition for physical education including weight room, aerobics, wrestling room, locker room, connecting corridor. Architectural / engineering and design development.	Jan 2008-Sept 2008	2007				Completed	Aug 2009	Completed
10	Central High School - Building Addition Project for Physical Education and Athletic Programs. Building addition project facilitates/supports graduation requirement changes, grade configurations and change in athletic seasons. Scope includes addition for physical education including weight room, aerobics, wrestling room, locker room, connecting corridor. Construction of Facility and Furnishings	2009	2007	\$3,544,600	\$3,544,600	\$3,339,540	Completed	Sept 2009	Completed
11	West Senior High - Athletic Addition encompassing auxiliary gym space, locker space, storage and office components (East Master Plan addition)	2008/2009	2007	\$3,500,000	\$3,500,000	\$3,125,995	Completed	Sept 2009	Completed
12	Perimeter Security System, Phase I, for all secondary school locations	2009	2007	\$1,090,000	\$990,000	\$984,370	Completed	Oct 2009	Completed
13	East Middle School - Main Entry / Office Configuration Changes to provide greater monitoring and line of sight	2009	2007	\$400,000	\$250,000	\$226,222	Completed	Sept 2009	Completed
14	West Middle School - Complete Site Work Re-evaluation, Redesign and improved site changes	2009	2007	\$2,000,000	\$2,000,000	\$2,027,789	Completed	Sept 2009	Completed
15	Central Grade - Remodel four classrooms.	Jan-Sept 2009	2004	\$200,000	\$200,000	\$172,063	Completed	Sept 2009	Completed
16	Video recording and tracking equipment	2009	2007	\$300,000	\$300,000	\$257,461	Completed	NA	Completed

COLOR CODE KEY:	
	Completed
	Project planning/research
	Project approved, competitive bidding
	Project approved, construction underway





**Bond Programming & Facility Planning  
Forecasted Project Planning**

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
17	Collator	2009	2007	\$125,000	\$125,000	\$89,450	Completed	NA	Completed
18	Fuel Island Reconstruction	2009	2007	\$400,000	\$400,000	\$420,770	Completed	Sept 2009	Completed
19	Unallocated Funds 2004 Voter Authorization	2009	2004	\$9,043	NA	NA	Project Planning	NA	Projects Evaluation
20	Unallocated Funds 2007 Voter Authorization	2009	2007	\$251,741	NA	NA	Project Planning	NA	Projects Evaluation
21	Central High School Bleacher Replacement, Press Box, and entry site modifications.	June-August 2009	2007	\$200,000	\$200,000	Contract Agreement offset between WSH & CHS \$209,559	Completed	Sept 2009	Completed
22	Create a soccer official game field at West Senior High. In addition, bleachers, supportive infrastructure, and field lighting.	June-August 2009	2004	\$350,000	\$350,000	\$309,283	Completed	Sept 2009	Completed
23	Visual and Performing Arts Installation of New Dust Collection Systems and upgraded Ventilation Systems	2011	2007	\$150,000	\$150,000	\$136,014	Completed	Sep-11	Completed
24	Long Lake Elementary Reconstruction	2010/2011	2007	\$9,500,000	\$9,200,000	8,916,958	Completed	Sept 2011	Completed
25	Interlochen Elementary School	TBD	2007	TBD	TBD	TBD	On Hold	TBD	Board Direction on Bond Program
26	Montessori Glenn Loomis Reconstruction	TBD	2007	TBD	TBD	TBD	On Hold	TBD	Board Direction on Bond Program
27	Eastern Elementary Reconstruction	TBD	2007	TBD	TBD	TBD	On Hold	TBD	Board Direction on Bond Program
28	Data Center Project - Conversion of the existing Sabin Elementary School gymnasium into the TCAPS Data/Communications Center.	2010/2011	2007	\$3,200,000	\$3,200,000	\$2,959,233	Completed	Aug-11	Completed
29	Griffin Street - Improve the traffic issues at Montessori @ Glenn Loomis Elementary School.	2009	2007	\$60,000	\$55,000	\$53,745	Completed	Sep-09	Completed
30	Access Control & Video Surveillance Security System - Phase II	2011	2007	\$1,800,000	\$1,800,000	\$1,775,687	Completed	Nov-11	Completed
31	Phase III Wireless Point to Point System Redundancy for Wireless Tower Redundancy. Along with Bandwidth upgrades to Ceragon Radio communications from Phase I & II.	2011	2007	\$337,886	\$350,000	\$346,621	Completed	Sep-11	Completed
32	Interior Gym Renovation to (old) Small Gym-CHS	2011	2007	\$53,000	\$53,000	\$48,566	Completed	Jul-11	Completed
33	Construction of Track/Football Buildings/Entrance/Ticket Booth-CHS	2011	2007	\$158,000	\$158,000	\$146,827	Completed	Jul-11	Completed
34	Construction and Installation of 500 Seat Bleacher System, Press Box and Concessions at EMS & WMS	2010/2011	2007	\$354,300	\$354,300	\$353,984	Completed	Jul-11	Completed
35	Complete Gymnasium Lighting Retrofit at WSH	2010	2007	\$48,200	\$48,200	\$45,182	Completed	Sep-10	Completed
36	Installation of J-drain Site Drainage System at WSH Soccer Field	2010	2007	\$22,500	\$22,500	\$19,122	Completed	Aug-10	Completed
37	Conversion of Existing Analog Phone System to Complete Voice Over Internet Protocol	2013	2007	\$1,800,000	\$1,000,000	\$782,161	Final Close-out Information	Dec-13	Project Close-out
38	Complete (large and small) Gymnasium Lighting Retrofit at EMS	2010	Capital Project Fund	\$39,000	\$39,000	34,969	Completed	Sep-10	Completed
39	Preliminary "Elementary Standards Programming" for New School Design along with Preliminary Schematic Concept Design for next Elementary School Reconstruction	2012-2013	2004/2007 Bond	\$40,000	TBD	TBD	On Hold Pending Bond Program Direction	TBD	Educational Design
40	Central Grade School 2011 Classroom Renovation	2011	2007	\$200,000	\$116,567	\$108,399	Completed	Sep-11	Completed

COLOR CODE KEY:
Completed
Project planning/research
Project approved, competitive bidding
Project approved, construction underway

**Bond Programming & Facility Planning  
Forecasted Project Planning**

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
41	Energy Efficient Lighting Upgrades at Central High School, West Middle School and Traverse City High School.	2011	2007	\$200,000	\$167,069	\$166,991	Completed	Nov-11	Completed
42	Technology Office Relocation to Sabin Complex	2011	2007	\$150,000	\$150,000	\$86,394	Completed	Oct-12	Completed
43	Re-Roofing Project for Central Grade, Willow Hill and Traverse City High School	2011	2007	\$700,000	\$600,000	\$594,782	Completed	Sep-11	Completed
44	East Middle School Interior Finishes: Upgrade flooring and paint	2011	2007	\$275,000	\$245,414	\$242,815	Completed	Sep-11	Completed
45	East Middle School driveway and parking lot improvements	2011	2007	\$185,000	\$151,205	\$151,205	Completed	Oct-11	Completed
46	Willow Hill Flooring: Replace all existing asbestos tile hallway flooring in old existing building.	2012	2007	\$186,000	\$186,000	\$79,646	Completed	Sep-12	Completed
48	Complete mechanical controls replacement to all new building automation system, which is Johnson Controls Metasys at Central High School	2012	2007	\$460,000	\$460,000	\$397,426	Completed	Oct-12	Final Training
49	VPAA Project: WSH Mezzanine for Scene Shop	2012	2007	\$80,000	\$85,000	\$53,945	Completed	Sep-12	Project Close-out
50	Office Renovation at Administration Building	2011	2007	\$20,000	\$15,000	\$13,806	Completed	Dec-11	Completed
51	Purchase of Copiers for District. Eliminate leased copiers 2012	2012	2007	\$460,000	\$460,000	\$460,000	Completed	Feb-2012	Completed
52	Bertha Vos New Flooring	2012	2007	All Bertha Vos Projects are being funded from the \$900,000 Bond allocation	\$95,000	\$529,893	Completed	Sep-12	Completed
53	Bertha Vos Wall Finishes/Painting	2012	2007		\$45,000		Completed	Sep-12	Completed
54	Bertha Vos General Trades Work	2012	2007		\$35,000		Completed	Sep-12	Completed
55	Bertha Vos Site Repaving	2012	2007		\$55,000		Paving Completed	Aug-12	Completed
56	Bertha Vos Food Service Equipment	2012	2007		\$65,000		Equipment installed	Aug-12	Completed
57	Bertha Vos Phones	2012	2007		\$38,000		Completed	Aug-12	Completed
58	Bertha Vos Wireless Point to Point Communications Tower	2012	2007		\$150,000		Completed	Aug-12	Completed
59	Bertha Vos Playground	2012	2007		\$45,000		Completed	Aug-12	Completed
60	Phase III Access Control Security System Project for Eastern, Montessori, Bertha Vos and Interlochen	2012	2007		\$500,000		\$500,000	\$513,713	Completed
61	Blair Silver Lake, Westwoods: Crack Fill and Seal Coal Driveways and parking lots	2013	2007	\$60,000	\$55,000	\$48,097	Completed	Sep-13	Completed
62	CHS: replace three main heat pumps supporting auditorium and replace 1 heat pump supporting network communications room	2014	2007	\$200,000	\$180,000	\$137,007	Completed	Oct-13	Completed
63	Energy Efficiency Projects, Phase II and III: CO, WW, SL, BL, CE, OP, WH and Administration	2013-14	2007	\$720,000	\$720,000	\$370,396	Phase II Completed	2013-2014	Phase III to be completed in summer 2014
64	Silver Lake Flooring: Replacement of all classroom flooring	2013	2007	\$150,000	\$100,000	\$42,890	Completed	Oct-13	Completed
65	WSH Mechanical Controls Replacement to Metasys Automation. Current system is unsupported.	2013	2007	\$400,000	\$400,000	\$373,958	Project Close-out Process	Nov-13	Project Close-out Information
66	WMS Mechanical Controls Replacement to Metasys Automation. Current system is unsupported.	2014	2007	\$435,000	\$435,000	413396	Contractor Mobilization	Nov-14	Construction
67	Phase IV Video Security Installation for Interlochen, Glenn Loomis and Eastern Elementary Schools.	2013	2007	\$450,000	\$380,000	\$325,929	Completed	Oct-13	Completed

COLOR CODE KEY:	
	Completed
	Project planning/research
	Project approved: competitive bidding
	Project approved: construction underway

**Bond Programming & Facility Planning  
Forecasted Project Planning**

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
68	Montessori @ Glenn Loomis: Complete replacement of old existing roof. Existing roof is failing.	2013	2007	\$450,000	\$425,000	\$327,750	Completed	Oct-13	Completed
69	West Senior High School Track Resurfacing	2013	2007	\$200,000	\$170,000	\$138,574	Completed	Sep-13	Completed
70	West Senior High School Tennis Court Resurfacing	2013	2007	\$160,000	\$90,000	\$62,612	Completed	Sep-13	Completed
71	Central High School Motorized Scrim	2013	2007	\$80,000	\$72,000	\$61,106	Completed	Sep-13	Completed
72	West Senior High School Heat Pump Replacement (36 Heat Pumps to be replaced throughout the school)	2013	2007	\$700,000	\$550,000	\$400,524	Completed	Oct-13	Completed
73	VPAA Project West Middle School Kiln: Burner Upgrades	2013	2007	\$15,000	\$15,000	\$10,407	Substantial Completion	Dec-13	Substantial Completion
74	VPAA West Senior High Motorized Scrim	2013	2007	\$80,000	\$80,000	\$66,212	Completed	Apr-13	Completed
75	Radio Purchase	2013	2007	\$55,000	\$55,000	\$54,829	Completed	Oct-13	Completed
76	Blair Elementary addition - preschool classrooms	2013-2014	2007	\$2,215,000	\$1,800,000	\$1,542,923	Completed	Sep-14	Completed
77	Central Grade School 2014 Classroom Renovation	2014	2004	\$300,000	\$265,000	\$152,608	Completed	Sep-14	Completed
78	VPAA: CHS & WMS Locker storage for musical instruments	2014	2007	\$170,000	\$170,000	\$146,643	Completed	Sep-14	Completed
79	Athletics: New scoreboards for Field Facilities	2014	2007	\$220,000	\$310,000	\$275,510	Completed	Sep-14	Completed
80	Interlochen Gym Floor Replacement	2014	2007	\$75,000	\$75,000	\$69,046	Completed	Jan-15	Completed
81	Eastern Roof Replacement	2014	2007	\$450,000	\$450,000	\$361,837	Completed	Sep-14	Completed
82	Interlochen Roof Replacement	2014	2007	\$450,000	\$450,000	\$376,934	Completed	Sep-14	Completed
83	West Senior High School flooring replacement in classrooms, corridors, main and counseling offices	2014	2007	\$650,000	\$450,000	\$406,940	Completed	Sep-14	Completed
84	Thirby Field Bleacher Replacement Project	2015	2007	\$400,000	\$156,000	\$128,500	Bleachers installed	Aug-15	Next phase
85	Eastern Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$11,110	Completed	Mar-15	Completed
86	Interlochen Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$7,500	Completed	Mar-15	Completed
87	Central Grade Elementary: PA System Replacement	2014	2007	\$35,000	\$15,000	TBD	Re-scoping project	TBD	Design
88	Montessori @ Glenn Loomis: PA System Replacement	2014	2007	\$15,000	\$15,000	TBD	Re-scoping project	TBD	Design
89	Purchase of 45 new Security Cameras to replace obsolete Pelco Cameras	2014	2007	\$35,000	\$35,000	\$34,291	Completed	Oct-14	Completed
90	Willow Hill Roof Drains	2014	2007	\$30,000	\$30,000	\$26,817	Completed	Sep-14	Completed
91	Safety and Security - The Boot System	2014	2007	\$485,000	\$485,000	\$485,000	Completed	Oct-14	Warranty and additional work
92	VPAA Central High School Production Studio	2014	2007	\$70,000	\$85,000	\$82,202	Completed	Oct-14	Completed
93	VPAA West Senior High Auditorium light board	2014	2007	\$12,000	\$11,500	\$11,273	Completed	Aug-14	Completed
94	Central High School track resurfacing	2015	2007	\$181,200	\$152,000	TBD	Construction underway	Jul-15	Close-out
95	West Senior High track bleachers and press box	2015	2007	\$350,000	\$154,200	TBD	Construction underway	Jun-15	Close-out

COLOR CODE KEY:	
	Completed
	Project planning/research
	Project approved; competitive bidding
	Project approved; construction underway

**Bond Programming & Facility Planning  
Forecasted Project Planning**

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
96	Central High School renovation and infrastructure upgrades to existing auditorium space	2015	2007	\$2,700,000	\$2,700,000	TBD	Construction underway	Oct-15	Substantial Completion
97	Blair Elementary classroom and corridor flooring replacement	2015	2007	\$180,000	\$100,000	TBD	Awarded	Aug-15	Installation
98	Fingerprint equipment	2015	2007	\$11,500	\$11,500	\$11,170	Awarded	Jul-15	Purchase
99	Eastern Elementary, Central Grade, Central High School and West Senior High exterior door replacement	2015	2007	\$105,000	\$105,000	TBD	Bidding	Sep-15	Contract Award
100	Central High School reconstruction of utility tunnel sections and removal of abandoned utilities	2015	2007	\$450,000	TBD	TBD	Bidding	Sep-15	Contract Award
101	Westwoods Elementary PA system replacement	2015	2007	\$15,000	TBD	\$5,900	Awarded	Jul-15	Installation
102	Silver Lake Elementary PA system replacement	2015	2007	\$15,000	TBD	TBD	Re-scoping project	TBD	Design

COLOR CODE KEY:	
	Completed
	Project planning/research
	Project approved; competitive bidding
	Project approved; construction underway

**Wesley Souden**  
Director of Finance &  
Business Technology

## **MEMORANDUM**

**TO:** Paul Soma, Superintendent  
**FROM:** Wes Souden, Director  
**DATE:** June 19, 2015  
**RE:** **CERTIFICATION OF 2015/2016 TAXES**

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The Board of Education is being asked to adopt a resolution certifying the tax levy for the 2015/2016 school year, to take effect on July 1, 2015. This certification is necessary for the July 1, 2015 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 2015/2016 school year, dated July 1, 2015.**



# TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

## RESOLUTION FOR ADOPTION June 22, 2015

### FOR ACTION:

**TOPIC:** Certification of Taxes for the 2015/2016 School Year

### **RECOMMENDATION:**

It is recommended that the Board of Education adopt the resolution certifying the tax levy for the 2015/2016 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, 2015. 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	\$32,229,896
3.1 Mills Debt Service	\$13,775,297

**SOURCE PERSON:** Wes Souden, Director of Finance & Business Technology

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

**RESOLUTION FOR ADOPTION  
June 22, 2015**

**CERTIFICATION OF TAXES**

This Resolution certifying taxes for the 2015/2016 school year shall take effect on July 1, 2015.

AYES:

NAYS:

Resolution adopted.

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Megan M. Crandall, 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 22, 2015, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.

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Megan M. Crandall, Secretary  
Board of Education  
Traverse City Area Public Schools

**2015 Tax Rate Request (This form must be completed and submitted on or before September 30, 2015)**

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

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


County(ies) Where the Local Government Unit Levies Taxes <b>Benzie, Grand Traverse &amp; Leelanau</b>	2015 Taxable Value of ALL Properties in the Unit as of 5-26-15 <b>4,443,644,125</b>
Local Government Unit Requesting Millage Levy <b>Traverse City Area Public Schools</b>	For LOCAL School Districts: 2015 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. <b>1,790,549,753</b>

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2015 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5)** 2014 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2015 Current Year "Headlee" Millage Reduction Fraction	(7) 2015 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 Vot	OP NH	06/10/96	18.0000	16.2229	1.0000	16.2229	N/A	16.2229	16.2229		12/2015
Extra Vot	OP NH	06/14/99	1.0000	0.9194	1.0000	0.9194	N/A	0.9194	0.9194		12/2015
Extra Vot	OP NH	06/09/03	1.0000	0.9647	1.0000	0.9647	N/A	0.9647	0.8577		12/2015
Extra Vot	OP NH	11/07/06	1.0000	0.9891	1.0000	0.9891	N/A	0.9891	0.0000		12/2015
Extra Vot	Debt-All	06/12/95	N/A	N/A	N/A	N/A	N/A	N/A	3.1000		N/A
		06/11/01									
		06/14/04									
		11/06/07									

Prepared by <b>Sandra Low</b>	Telephone Number <b>231.933.1797</b>	Title of Preparer <b>Finance Manager</b>	Date <b>06/22/2015</b>
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**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature 	Print Name <b>Megan M. Crandall</b>	Date <b>06/22/2015</b>
<input checked="" type="checkbox"/> Secretary	Signature 	Print Name <b>Gary W. Appel</b>	Date <b>06/22/2015</b>

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

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2015 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	0.0
For Commercial Personal	6.0
For all Other	18.0

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

**2015 Tax Rate Request (This form must be completed and submitted on or before September 30, 2015)**

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

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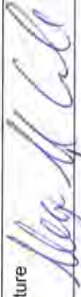

County(ies) Where the Local Government Unit Levies Taxes <b>Benzie, Grand Traverse &amp; Leelanau</b>	2015 Taxable Value of ALL Properties in the Unit as of 5-26-15 <b>4,443,644,125</b>
Local Government Unit Requesting Millage Levy <b>Traverse City Area Public Schools</b>	For LOCAL School Districts: 2015 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. <b>1,790,549,753</b>

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2015 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2014 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2015 Current Year "Headlee" Millage Reduction Fraction	(7) 2015 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 Vot	OP NH	06/10/96	18.0000	16.2229	1.0000	16.2229	N/A	16.2229	16.2229	16.2229	12/2015
Extra Vot	OP NH	06/14/99	1.0000	0.9194	1.0000	0.9194	N/A	0.9194	0.9194	0.9194	12/2015
Extra Vot	OP NH	06/09/03	1.0000	0.9647	1.0000	0.9647	N/A	0.9647	0.9647	0.8577	12/2015
Extra Vot	OP NH	11/07/06	1.0000	0.9891	1.0000	0.9891	N/A	0.9891	0.0000	0.0000	12/2015
Extra Vot	Debt-All	06/12/95	N/A	N/A	N/A	N/A	N/A	N/A	3.1000	3.1000	N/A
		06/11/01									
		06/14/04									
		11/06/07									

Prepared by **Sandra Low** Telephone Number **231.933.1797** Title of Preparer **Finance Manager** Date **06/22/2015**

**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 <b>Megan M. Crandall</b>	Date <b>06/22/2015</b>
<input checked="" type="checkbox"/> Secretary	Signature 	Print Name <b>Gary W. Appel</b>	Date <b>06/22/2015</b>
<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 3 of 2015 for instructions on completing this section.	Rate
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	0.0
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	6.0
For Commercial Personal	18.0
For all Other	

**Rating Update: Moody's affirms Aa2 on Traverse City Area Public Schools, MI's GO debt; assigns negative outlook**

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Global Credit Research - 18 Sep 2014

**\$41.3M of Moody's rated debt affected**

TRAVERSE CITY AREA PUBLIC SCHOOLS, MI  
Public K-12 School Districts  
MI

**Opinion**

NEW YORK, September 18, 2014 --Moody's Investors Service has affirmed the Aa2 underlying rating on Traverse City Area Public Schools, MI's general obligation (GO) debt. Concurrently, Moody's has assigned a negative outlook. Debt service on the district's outstanding bonds is secured by its GO tax pledge without limitation as to rate or amount. The district has \$74.8 million of GO debt, \$41.3 million of which is rated by Moody's.

**SUMMARY RATING RATIONALE**

The Aa2 rating reflects the district's large tax base, low debt burden and relatively stable enrollment trend. Also incorporated into the Aa2 rating are the district's narrowing, though still satisfactory operating reserves, limited revenue raising flexibility and long term operating risk posed by exposure to an underfunded cost-sharing retirement plan.

The negative outlook reflects the district's multi-year trend of operating deficits. Failure to achieve balanced financial operations in fiscal 2015, as projected, would likely result in downward rating movement.

**STRENGTHS**

- Large tax base
- Relatively stable enrollment trend
- Low debt

**CHALLENGES**

- Multi-year trend of operating deficits
- Limited revenue raising flexibility
- Long-term risk posed by exposure to an underfunded retirement plan

**DETAILED CREDIT DISCUSSION**

**MULTI-YEAR TREND OF OPERATING DEFICITS; BALANCED OPERATIONS EXPECTED IN FISCAL 2015**

The district's financial operations are expected to stabilize following a multi-year trend of operating deficits. The district has faced budgetary challenges in recent years as declines in operating revenues have outpaced expenditure controls. The district has posted six consecutive operating deficits with the General Fund balance falling from \$12.2 million or an adequate 14% of revenues in fiscal 2008 to \$7.1 million or a still satisfactory 8.6% of revenues in fiscal 2013. Though enrollment for the district has remained relatively stable since fiscal 2011, stagnant to declining per pupil foundation funding and rising pension costs have pressured operations. Though audited results are not yet available, officials expect to record a \$600,000 General Fund operating deficit in fiscal 2014, bringing General Fund balance to \$6.5 million or 7.8% of revenues. While the district implemented modest personnel cuts and achieved savings through attrition, adjustments were not sufficient to forestall a seventh consecutive operating deficit.

For fiscal 2015, officials expect to achieve balanced operations due to a \$175 increase in per pupil foundation funding and \$795,000 in expenditure cuts. In fiscal 2015, enrollment is expected to remain flat at 10,057, which would result in \$1.7 million in additional operating revenues given the increase in per pupil funding. The fiscal 2015 budget also incorporates recent collective bargaining terms that modestly increase effective wages for teachers.

The primary source of funding for Michigan school districts is the state foundation allowance, which is funded through a combination of locally raised property taxes and state aid, and allocated on a per-pupil basis. Individual districts cannot seek voter approval for operating millages to generate additional revenue. Between fiscal year 2009 and fiscal year 2014, the district's enrollment declined by a modest 0.5% annually on average. The relatively stable enrollment trend is attributable to continued population growth in the area and a net gain of students from neighboring districts through Michigan's school of choice program.

#### LARGE, DIVERSE TAX BASE; GROWING POPULATION

The district serves residents of Traverse City (NR) and several nearby townships within Grand Traverse County (Aa2). The district has a large, mostly residential tax base that has declined by a moderate 2.4% on an average annual basis over the past five years. In fiscal 2013, the district's full value totaled \$9.8 billion, down 14% from its 2009 peak of \$11.4 billion. Favorably, the district's taxable valuation increased by a reported 1.4% in 2014. Officials attribute this modest improvement to appreciation in the local housing stock. The Traverse City area is a regional economic hub that has traditionally been anchored by tourism with a significant vacation home presence. Median family income is 99.7% of the national figure, according to the 2008-2012 American Community Survey. The unemployment rate in Grand Traverse County was 6.4% as of July 2014, below the state rate of 8.6% during the same period.

#### LOW DEBT BURDEN WITH RAPID AMORTIZATION

The district's direct debt burden is a low 0.8% of full valuation and will likely remain manageable based on limited borrowing plans. The district has a total of \$74.8 million of GO unlimited tax debt, of which \$41.3 million is rated by Moody's. The district maintains voter authorization for \$52 million in additional bonds. Management expects to issue this remainder evenly in fiscal 2016, 2018, and 2020. Principal amortization is rapid with 100% of outstanding GO debt principal scheduled to be repaid within ten years, and with 85% payout in the next five years. The district has no variable rate debt and is not party to any swap agreements.

#### EXPOSURE TO UNDERFUNDED COST-SHARING RETIREMENT PLAN POSES ONGOING OPERATIONAL RISKS

Growth in retirement costs has been a key source of operating pressure in recent years as payments to MPERS have comprised a growing share of the district's annual operating costs. Statutory contributions for all school districts in Michigan increased from 16.5% of payroll in 2009 to approximately 26% of payroll in 2014. Exposure to the underfunded status of the plan will continue to pose operational risks for school districts as a need to improve plan status may require increased payments. Legislation adopted in 2012 essentially limits the share of payroll contributed by school districts to MPERS and shifts any increase in costs to the state. However, growth in those costs may result in the diversion, by the state, of resources otherwise available for school district operations to the funding of retirement liabilities. The district's contribution to MPERS for both pension and other post retirement benefits was in fiscal 2013 was \$12.9 million, or 13.4% of operating revenue.

Moody's has allocated the unfunded pension liability of MPERS to the district based on its share of annual contributions. On a reported basis, the district's allocated unfunded pension liability was \$124.4 million as of the September 30, 2012 actuarial valuation date. The district's adjusted net pension liability (ANPL), under Moody's methodology for adjusting reported pension data, is \$332.3 million. In the three years through fiscal 2013, the district's average ANPL was above average at 2.9% full valuation and 2.9 times annual operating revenues.

#### OUTLOOK

The negative outlook reflects the district's multi-year trend of operating deficits. Failure to achieve balanced financial operations in fiscal 2015, as projected, would likely result in downward rating movement.

#### WHAT COULD MOVE THE RATING UP (OR REMOVE THE NEGATIVE OUTLOOK)

- Sustained trend of operating surpluses resulting in stabilization and growth in reserves

#### WHAT COULD MOVE THE RATING DOWN

- Further narrowing of reserves
- Significant growth in the district's debt burden
- Substantial declines in tax base valuations or deterioration of local socioeconomic profile

#### KEY STATISTICS

Estimated 2014 full valuation: \$9.8 billion

Estimated 2014 full valuation per capita: \$123,174

Estimated median family income as a % of the US: 99.7%

Fiscal 2013 Available fund balance / operating revenue: 6.7%

5-year change in available fund balance / operating revenue: -5.8%

Fiscal 2013 Net cash balance / operating revenue: 10.0%

5-year change in net cash balance / operating revenue: -4.3%

Institutional framework score: Baa

5-year average of operating revenue / operating expenditures: 0.99x

Net direct debt / full valuation: 0.76%

Net direct debt / operating revenue: 0.78x

3-year average Moody's ANPL: 2.9% of full value; 2.9x operating revenue

#### RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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## 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\$13.5 mil sch bldg & site bnds (GO-unltd tax) ser 2014 due 05/01/2024

*Long Term Rating* AA-/Stable New

Traverse City Area Pub Schs GO

*Long Term Rating* AA-/Stable Downgraded

#### **Traverse City Area Pub Schs GO**

*Unenhanced Rating* AA-(SPUR)/Stable Downgraded

#### **Traverse City Area Pub Schs GO (CIFG)**

*Unenhanced Rating* AA-(SPUR)/Stable Downgraded

## Rationale

Standard & Poor's Ratings Services lowered its long-term and underlying rating (SPUR) to 'AA-' from 'AA' on Traverse City Area Public Schools, Mich.'s existing general obligation (GO) bonds. At the same time, Standard & Poor's assigned its 'AA-' long-term rating to the district's series 2014 unlimited-tax GO school building and site bonds. The outlook is stable.

The downgrade is based on our view of the district's weakened financial position after chronic operating deficits.

The 'AA-' rating reflects our assessment of the district's:

- Participation in the diverse Grand Traverse County area economic base;
- Strong income and very strong market value per capita levels; and
- Low-to-moderate debt levels, coupled with rapid debt amortization.

Offsetting the above strengths are our view of the district's:

- Lack of revenue-raising flexibility; and
- Reliance on state aid to fund operations, with cuts in the past several fiscal years as the state attempts to balance its budget.

• The series 2014 bonds are being issued from the district's 2004 and 2007 bond authorizations to fund various capital improvements throughout the district's school facilities. The district plans to issue additional debt under these authorizations for improvements to existing school facilities every other year.

Traverse City Area Public Schools is in the northwestern portion of Michigan's lower peninsula. The 300-square-mile district serves an estimated population of nearly 80,000, in Traverse City, Mich., and portions of 13 townships in Grand

Traverse, Leelanau, and Benzie counties. The area is known for year-round tourism and is considered the region's economic center. According to the Bureau of Labor Statistics, Grand Traverse County's unemployment rate averaged 7.6% in 2013, compared to the state's 8.8% rate.

In our view, the district's 2013 median household effective buying income level was a strong 113% of the national average. The majority of the district's property tax base is residential (73%), followed by commercial properties accounting for 19% of the tax base. The district's taxable valuation grew 3% year over year, its first increase since 2009. The estimated market value is \$10.0 billion or \$125,492 per capita, which we consider extremely strong. The tax base is very diverse in our view, since the 10 leading taxpayers account for just 3.1% of taxable value.

The district's student enrollment, which heavily influences state-aid receipts, has hovered at just more than 10,000 students for the past four years. For the 2013-2014 school year, enrollment stood at 10,057 and officials expect enrollment to remain stable for the foreseeable future.

The district's finances have been challenged by declining state aid and rising pension and healthcare costs. Despite cost cutting efforts, the district has reported chronic deficits since fiscal 2008. For the current fiscal year ending June 30, 2014, the district's budget calls for a nearly \$2 million general fund deficit and, if realized, a general fund balance of \$5 million or 6% of expenditures, which we consider good. However, officials made cost cuts and now expect that underspending may allow them to narrow the gap to \$700,000. The district has not yet adopted a 2015 general fund budget, but officials expect they may be able to adopt a close to balanced budget. Looking back, fiscal 2013 ended with a nearly \$1.1 million deficit, equivalent to 1.3% of the budget. The district's total fund balance stood at \$7.1 million or 8.5% of expenditures, which we consider strong; however, only \$1.9 million is unassigned (in our view, an adequate 2% of expenditures). The district had assigned \$4.6 million of its total fund balance for items such as subsequent-year expenditures (\$2.5 million), severance pay (\$1.3 million), and other items.

Standard & Poor's revised its assessment of the district's management practices and now deems them "standard" from "good" under its Financial Management Assessment (FMA) methodology, indicating the district maintains adequate policies in some but not all key areas. Primarily contributing to this revision is the district's reserves decreasing to a level below its 10% fund balance goal.

Overall net debt, including overlapping debt, remains a moderate \$2,207 per capita, and a low 1.8% of market value. Carrying charges are moderate in our view at approximately 12.5% of the district's total governmental expenditures, and debt amortizes rapidly -- nearly all of the district's \$78 million outstanding is due to retire within 10 years. The district plans to issue debt in two years to pay for various capital improvements.

The district participates in the Michigan Public School Employees' Retirement System (MPERS), a cost-sharing, multiple-employer, defined-benefit pension plan. The district is required to pay the full actuarial funding contribution amount to the pension plan and additional amounts to cover retiree healthcare benefits (other postemployment benefits or OPEB). The district does not offer any additional OPEB benefits over and above what the MPERS plan provides. The district's \$12.9 million contribution to the plan in fiscal 2013 was equivalent to 11.5% of total governmental expenditures.

## Outlook

The stable outlook reflects our expectation that management will continue to make budget adjustments that will allow it to close its budget gap without any significant reliance on reserves. We do not anticipate changing the rating within the two-year outlook horizon, however, should the district's finances become structurally balanced and reserve levels significantly replenished, the outlook could be revised to positive or we could raise the rating. The rating could be lowered further if officials fail to close the budget gap and reserve levels erode to an adequate level.

## Related Criteria And Research

### Related Criteria

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality, April 2, 2008
- USPF Criteria: Financial Management Assessment, June 27, 2006

### Ratings Detail (As Of June 4, 2014)

#### Traverse City Area Pub Schs 2005 sch bldg & site bnds (GO - unltd tax)

*Unenhanced Rating*

AA-(SPUR)/Stable

Downgraded

Many issues are enhanced by bond insurance.

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## **TCAPS Audit Schedule (2014/2015)**

The following schedule provides information on the majority of external audits that were conducted at TCAPS during the 2014/2015 fiscal year. This list is being provided to emphasize how TCAPS' financial data and various programs are closely scrutinized, not only internally but by various external entities as well.



# TCAPS Audit Schedule (2014/2015)

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
<b>Financial Audit</b>	District accounts audited by a firm of licensed certified public accountants; preparation of district's financial statements; complete filing requirements by November 1st.	State of MI	May through October (annual)	Business Office	200+ hours
<b>Graduation Appeals Audit</b>	The ability to correct graduation status for all students within the last four years.	TBAISD (Traverse Bay Area Intermediate School District)	July – August (annual)	Human Resources	5 hours
<b>Civil Rights Compliance Audit</b>	Randomly selected; civil rights compliance plan & modifications for career and technical education programs (notifications, physical barriers, etc.)	MDE (Michigan Department of Education) Office of Career & Technical Education	June 2013 - November 2014	Human Resources and Operations Department	464 hours
<b>Special Education</b>	Continuous Improvement & Monitoring System (CIMS)	MDE	4 times per year	Special Education Office (Executive Director)	Varies
<b>Student FTE (Full-Time Equivalent) Audit</b>	General student FTE collection.	TBAISD	Fall & Spring each year	Human Resources	240 hours in Fall 160 hours in Spring
<b>SRM (Student Record Maintenance) - Section 25 Audit</b>	The ability to capture student funding for students enrolled between the Fall and Spring count days.	TBAISD	Within 30 days of student enrollment from Fall to Spring count days	Human Resources	40 hours
<b>Child and Adult Care Food Program</b>	To ensure TCAPS is following food safety and administrative regulations related to our GSRP snacks and adult meals.	Child & Adult Care Food Program (MDE)	Fall 2014 (every three years)	Food Service Department and Business Office	16 hours
<b>Michigan Fingerprint Audit</b>	An audit to review compliance with obtaining fingerprints on employees and contractors.	MI State Police	October 2014	Human Resources	12 hours
<b>Civil Rights/EEO5 Audit</b>	General employee demographic data on race, ethnicity, etc.	EEOC (Equal Employment Opportunity Commission)	November 2014	Human Resources	8 hours
<b>MTRAx (Michigan's Technology Readiness Tool) Technology</b>	Evaluated on number, type and capabilities for devices and network infrastructure and readiness for online testing.	State of Michigan	November 2014	Technology Department	16 Hours
<b>District-Provided Professional Development (DPPD)</b>	Audit/compliance with MCL 380.1526 to supply 30 hours of DPPD annually to teachers.	MDE	February-March 2015	Human Resources	16 hours
<b>New Teacher Professional Development (PD) Audit</b>	Audit/compliance with MCL 380.1527 to confirm 90 hours of new teacher PD within the first three years of teaching.	MDE	February-March 2015	Human Resources	80 hours

# TCAPS Audit Schedule (2014/2015)

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBLE DEPARTMENT(S)	TOTAL HOURS devoted to completion
<b>Charter Authorizer - Assurances and Verification (THE GREENSPIRE SCHOOL)</b>	As charter authorizer, TCAPS is responsible for ensuring that The Greenspire School complies with all requirements set forth by the State and by the reauthorization contract; including, but not limited to, the completion of items as pointed out in the reporting calendar.	MDE	March 2015 Assurances and Verification Visit MDE Public School Academy Unit	Curriculum Office and Business Office	40+ hours
<b>STEP (Students in Transition Empowerment Program On-site Review)</b>	To fulfill MDE's oversight responsibilities, encourage program coordination and collaboration, help MDE consultants identify program development, and identify effective program and practices.	MDE	May 2015	STEP Coordinator, Principal, Curriculum Office and Business Office	86 hours
<b>Evaluation of Preschool Special Education</b>	To understand curricula and interventions that are used with preschool children with disabilities to promote their learning of language, literacy, and social-emotional skills.	U.S. Department of Education	May 2015	Special Education Office (Executive Director)	1 hour online survey
<b>Teacher certification and highly qualified audit</b>	Audit of certification and highly qualified status of teachers.	MDE	May 2015	Human Resources	8 hours
<b>Michigan State Police School Bus Inspection</b>	The Pupil Transportation Act 187 of 1990 (257.1839 Inspections) requires the department of state police to inspect each school bus annually	Michigan State Police	Annual (dates vary)	Transportation Department (Manager-Vehicle Maintenance)	3-4 weeks/year
<b>Michigan Occupational Safety and Health Association (MI-OSHA) Compliance Audit</b>	The evaluation and review of district compliance with legal safety requirements.	MI-OSHA	June 2015	Human Resources	5 hours
<b>Student FTE Audit (Certification)</b>	General student FTE end of year certification	TBAISD	June 2015	Human Resources	80 hours

