



TCAPS
Traverse City Area Public Schools

Budget Hearing

2013/2014 Budget Amendments

2014/2015 Proposed Preliminary Budget

TRAVERSE CITY AREA PUBLIC SCHOOLS
Traverse City, Michigan

June 23, 2014



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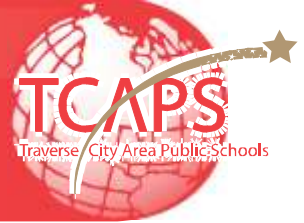
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**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**BUDGET HEARING
June 23, 2014
6:00 p.m.**

**Held at
Tompkins Boardman
Administration Building**

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



MEMORANDUM



TO: Steve Cousins, Superintendent

FROM: Paul Soma, CPA

Associate Superintendent

DATE: June 20, 2014

**RE: AMENDMENT II TO 2013/2014 GENERAL FUND BUDGET and
AMENDMENT II TO 2013/2014 SPECIAL REVENUE FUND BUDGET:**

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

Paul A. Soma, CPA
Associate Superintendent
Of Finance and Operations

Michele Greenan
Executive Assistant

Attached please find the proposed final amendments to the 2013/2014 General Fund Budget and Special Revenue Fund Budget.

The General Fund final amendment reflects a negative adjustment of \$243,442 from the first budget amendment. This variance is almost entirely the result of modifying our budget to reflect the impact of the harsh winter on our utility and snow plowing budgets. This is the only material change 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 \$2.2 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 \$700,000 once the books are closed, leaving the district with a fund balance of approximately \$6.4 million.

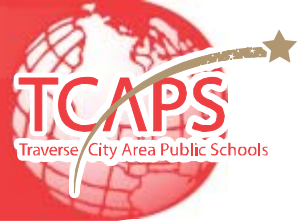
The \$6.4 million fund balance represents approximately 7.1% of our budgeted expenditures. This amount is below the board-established target of 10%. The good news is that it appears the 2014/15 school year may end in a balanced position and hence stop the trend of spending down the district's fund balance. 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.

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 2013/2014 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 original budget. The Food Services fund shows a negative bottom line adjustment that is primarily the result of participation levels coming in under the original budget. Snow days accounted for 11 less serving days this year which negatively impacts the district's food service revenue stream. A prior period adjustment to Section 31d also had a negative impact on the program's bottom line.

An appropriate motion to adopt these amendments would be:

Moved by _____, Supported by _____, to adopt the resolution to approve the second amendment to the 2013/2014 General Fund Budget and the second amendment to the 2013/2014 Special Revenue Fund Budget, dated June 23, 2014.



TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

June 23, 2014

FOR ACTION:

TOPIC:

- Amendment II to 2013/2014 General Fund Budget
Amendment II to 2013/2014 School Service Fund Budget:
- Food Services
 - Community Services

RECOMMENDATION:

That the Board of Education approve the amendments as shown on the attached. These budget amendment summaries are being presented at this time of year to reflect those changes that will impact our financial operations for the year. The intent is to, as accurately as possible, reflect our current estimated financial position as we approach the end of our fiscal year.

BUDGET INFORMATION:

These are revisions to the Preliminary 2013/2014 Budgets.

SOURCE PERSON:

Paul A. Soma, CPA, Associate Superintendent of Finance & Operations

ATTACHMENTS:

- 2013/2014 General Fund Budget Final Amendment
2013/2014 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**

| Revenue | 2013-2014 Original | 2013-2014 Amend 1* | 2013-2014 Amend 2* | Variance* |
|-----------------------------------|-----------------------|-----------------------|-----------------------|----------------|
| Local Restricted and Unrestricted | 32,349,271 | 33,758,117 | 33,379,657 | (378,460) |
| State Unrestricted | 43,274,840 | 42,226,555 | 42,542,434 | 315,879 |
| State Restricted | 5,253,190 | 6,134,985 | 6,126,785 | (8,200) |
| Federal Restricted | 1,802,570 | 2,241,928 | 2,241,927 | (1) |
| Incoming Transfers/Other | 2,811,622 | 3,023,702 | 3,354,971 | 331,269 |
| Total Revenues | 85,491,493 | 87,385,287 | 87,645,774 | 260,487 |

| Expenditures | | | | |
|---|-------------------|-------------------|-------------------|------------------|
| Instruction | | | | |
| Basic Instruction | 44,575,005 | 44,022,277 | 43,969,806 | (52,471) |
| Added Needs | 9,461,751 | 9,448,085 | 9,780,689 | 332,604 |
| Total Instruction | 54,036,756 | 53,470,362 | 53,750,495 | 280,133 |
| Support | | | | |
| Pupil | 2,908,783 | 3,147,165 | 3,145,977 | (1,188) |
| Instructional Staff | 4,098,019 | 5,003,614 | 4,953,781 | (49,833) |
| General Administration | 606,750 | 598,687 | 598,687 | 0 |
| School Administration | 6,009,813 | 6,140,743 | 6,140,578 | (165) |
| Business Services | 1,619,883 | 1,629,278 | 1,519,769 | (109,509) |
| Operations and Maintenance | 8,666,053 | 8,705,563 | 8,939,477 | 233,914 |
| Pupil Transportation | 5,077,075 | 5,287,099 | 5,288,800 | 1,701 |
| Central Services | 2,688,909 | 2,689,012 | 2,832,484 | 143,472 |
| Student Support Services | 1,643,372 | 1,975,406 | 1,974,516 | (890) |
| Total Support Services | 33,318,657 | 35,176,567 | 35,394,069 | 217,502 |
| Community Services | 139,790 | 265,589 | 256,944 | (8,645) |
| Other Uses - Outgoing Transfers & Other | 507,189 | 456,166 | 459,567 | 3,401 |
| Total Expenditures | 88,002,392 | 89,368,684 | 89,861,075 | 492,391 |
| Excess Revenue/(Expenditures) | (2,510,899) | (1,983,397) | (2,215,301) | (231,904) |
| Fund Balance - July 1 | 7,129,323 | 7,129,323 | 7,129,323 | 0 |
| Fund Balance - June 30 | 4,618,424 | 5,145,926 | 4,914,022 | (231,904) |
| Less Non-Spendable and Assigned | 1,676,816 | 1,470,553 | 1,482,091 | 11,538 |
| Unassigned Fund Balance | 2,941,608 | 3,675,373 | 3,431,931 | (243,442) |

| Fund Equity Non-Spendable and Assigned | | | | |
|---|------------------|------------------|------------------|---------------|
| Non-Spendable for Inventories | 50,000 | 50,000 | 50,000 | 0 |
| Non-Spendable for Prepays | 100,000 | 100,000 | 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 | 626,816 | 420,553 | 432,091 | 11,538 |
| 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 |
| Total Fund Equity Non-Spendable and Assigned | 1,676,816 | 1,470,553 | 1,482,091 | 11,538 |

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

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Note |
|--------------------------|-----------------------|----------------------|----------------------|-----------------|-------|
| Local Unrestricted | 32,278,391 | 33,652,267 | 33,273,807 | (378,460) | 1 , 4 |
| State Unrestricted | 43,274,840 | 42,226,555 | 42,542,434 | 315,879 | 2 |
| State Restricted | 2,579,403 | 2,504,149 | 2,502,187 | (1,962) | |
| Federal Restricted | 0 | 5,354 | 5,354 | 0 | |
| Incoming Transfers/Other | 2,711,622 | 2,838,581 | 2,838,581 | 0 | |
| Total Revenues | 80,844,256 | 81,226,906 | 81,162,363 | (64,543) | |

| Expenditures | | | | | |
|---|-------------------|-------------------|-------------------|------------------|---|
| Instruction | | | | | |
| Basic Instruction | 44,062,405 | 43,095,110 | 43,065,315 | (29,795) | |
| Added Needs | 6,637,466 | 6,506,231 | 6,510,408 | 4,177 | |
| Total Instruction | 50,699,871 | 49,601,341 | 49,575,723 | (25,618) | |
| Support | | | | | |
| Pupil | 2,469,948 | 2,657,385 | 2,656,284 | (1,101) | |
| Instructional Staff | 3,520,925 | 3,724,951 | 3,675,092 | (49,859) | 3 |
| General Administration | 606,750 | 598,687 | 598,687 | 0 | |
| School Administration | 6,009,813 | 6,140,743 | 6,140,578 | (165) | |
| Business Services | 1,619,883 | 1,629,278 | 1,519,769 | (109,509) | 4 |
| Operations and Maintenance | 8,618,173 | 8,657,683 | 8,891,597 | 233,914 | 5 |
| Pupil Transportation | 5,064,258 | 5,193,274 | 5,170,324 | (22,950) | |
| Central Services | 2,687,109 | 2,682,384 | 2,825,856 | 143,472 | 6 |
| Student Support Services | 1,643,372 | 1,972,325 | 1,971,435 | (890) | |
| Total Support Services | 32,240,231 | 33,256,710 | 33,449,622 | 192,912 | |
| Community Services | 0 | 0 | 0 | 0 | |
| Other Uses - Outgoing Transfers & Other | 415,053 | 352,252 | 352,319 | 67 | |
| Total Expenditures | 83,355,155 | 83,210,303 | 83,377,664 | 167,361 | |
| Excess Revenue/(Expenditures) | (2,510,899) | (1,983,397) | (2,215,301) | (231,904) | |
| Fund Balance - July 1 | 7,129,323 | 7,129,323 | 7,129,323 | 0 | |
| Fund Balance - June 30 | 4,618,424 | 5,145,926 | 4,914,022 | (231,904) | |
| Less Non-Spendable and Assigned | 1,676,816 | 1,470,553 | 1,482,091 | 11,538 | |
| Unassigned Fund Balance | 2,941,608 | 3,675,373 | 3,431,931 | (243,442) | |

| Fund Equity Non-Spendable and Assigned | | | | | |
|---|------------------|------------------|------------------|---------------|--|
| Non-Spendable for Inventories | 50,000 | 50,000 | 50,000 | 0 | |
| Non-Spendable for Prepaids | 100,000 | 100,000 | 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 | 626,816 | 420,553 | 432,091 | 11,538 | |
| 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 | |
| Total Fund Equity Non-Spendable and Assigned | 1,676,816 | 1,470,553 | 1,482,091 | 11,538 | |

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

- (1) Variance is the result of adjusting state and local funding related to the foundation allowance. This decrease was partially offset by an increase in other local revenue of approximately \$47,000.
- (2) Variance is the result of adjusting state and local funding related to the foundation allowance.
- (3) Variance is the result of aligning some Technology Department purchases into the appropriate function. This decrease was partially offset by an increase in professional development.
- (4) 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.
- (5) Variance is the result of adjusting electricity, natural gas and snow plowing due to the harsh winter.
- (6) Variance is the result of aligning some Technology Department purchases into the appropriate function.

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Note |
|--------------------------|-----------------------|----------------------|----------------------|----------------|------|
| Local Restricted | 70,880 | 105,850 | 105,850 | 0 | |
| State Unrestricted | | | | 0 | |
| State Restricted | | | | 0 | |
| Federal Restricted | | | | 0 | |
| Incoming Transfers/Other | 100,000 | 185,121 | 516,390 | 331,269 | 7 |
| Total Revenues | 170,880 | 290,971 | 622,240 | 331,269 | |

| Expenditures | | | | | |
|---|----------------|----------------|----------------|----------------|---|
| Instruction | | | | | |
| Basic Instruction | 23,000 | 23,000 | 23,000 | 0 | |
| Added Needs | 96,136 | 121,447 | 121,447 | 0 | |
| Total Instruction | 119,136 | 144,447 | 144,447 | 0 | |
| Support | | | | | |
| Pupil | 0 | 10,912 | 10,912 | 0 | |
| Instructional Staff | 0 | 51,756 | 373,025 | 321,269 | 7 |
| General Administration | | | | 0 | |
| School Administration | | | | 0 | |
| Business Services | | | | 0 | |
| Operations and Maintenance | 47,880 | 47,880 | 47,880 | 0 | |
| Pupil Transportation | 0 | 4,110 | 4,110 | 0 | |
| Central Services | | | | 0 | |
| Student Support Services | 0 | 3,081 | 3,081 | 0 | |
| Total Support Services | 47,880 | 117,739 | 439,008 | 321,269 | |
| Community Services | 0 | 24,303 | 34,303 | 10,000 | 7 |
| Other Uses - Outgoing Transfers & Other | 3,864 | 4,482 | 4,482 | 0 | |
| Total Expenditures | 170,880 | 290,971 | 622,240 | 331,269 | |
| Excess Revenue/(Expenditures) | 0 | 0 | 0 | 0 | |
| Fund Balance - July 1 | 0 | 0 | 0 | 0 | |
| Fund Balance - June 30 | 0 | 0 | 0 | 0 | |
| Less Non-Spendable and Assigned | 0 | 0 | 0 | 0 | |
| Unassigned Fund Balance | 0 | 0 | 0 | 0 | |

(7) Variances are the result of additional local grants awarded subsequent to our original budget adoption. See the attached schedule for detail of all local restricted grants currently operated by TCAPS.

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Note |
|--------------------------|-----------------------|----------------------|----------------------|----------------|------|
| Local Restricted | | | | 0 | |
| State Unrestricted | | | | 0 | |
| State Restricted | 2,673,787 | 3,630,836 | 3,624,598 | (6,238) | 8 |
| Federal Restricted | | | | 0 | |
| Incoming Transfers/Other | | | | 0 | |
| Total Revenues | 2,673,787 | 3,630,836 | 3,624,598 | (6,238) | |

| Expenditures | | | | | |
|---|------------------|------------------|------------------|-----------------|---|
| Instruction | | | | | |
| Basic Instruction | 489,600 | 904,167 | 880,647 | (23,520) | 8 |
| Added Needs | 1,677,037 | 1,807,794 | 1,801,156 | (6,638) | 8 |
| Total Instruction | 2,166,637 | 2,711,961 | 2,681,803 | (30,158) | |
| Support | | | | | |
| Pupil | 382,150 | 438,087 | 438,087 | 0 | |
| Instructional Staff | 0 | 251,358 | 251,358 | 0 | |
| General Administration | | | | 0 | |
| School Administration | | | | 0 | |
| Business Services | | | | 0 | |
| Operations and Maintenance | | | | 0 | |
| Pupil Transportation | 0 | 85,002 | 108,922 | 23,920 | 8 |
| Central Services | | 4,828 | 4,828 | 0 | |
| Student Support Services | | | | 0 | |
| Total Support Services | 382,150 | 779,275 | 803,195 | 23,920 | |
| Community Services | 100,000 | 110,981 | 110,981 | 0 | |
| Other Uses - Outgoing Transfers & Other | 25,000 | 28,619 | 28,619 | 0 | |
| Total Expenditures | 2,673,787 | 3,630,836 | 3,624,598 | (6,238) | |
| Excess Revenue/(Expenditures) | 0 | 0 | 0 | 0 | |
| Fund Balance - July 1 | 0 | 0 | 0 | 0 | |
| Fund Balance - June 30 | 0 | 0 | 0 | 0 | |
| Less Non-Spendable and Assigned | 0 | 0 | 0 | 0 | |
| Unassigned Fund Balance | 0 | 0 | 0 | 0 | |

(8) 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 carryover, Great Start Readiness Program, and others. 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**

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Note |
|--------------------------|-----------------------|----------------------|----------------------|------------|------|
| Local Restricted | | | | 0 | |
| State Unrestricted | | | | 0 | |
| State Restricted | | | | 0 | |
| Federal Restricted | 1,802,570 | 2,236,574 | 2,236,573 | (1) | 9 |
| Incoming Transfers/Other | | | | 0 | |
| Total Revenues | 1,802,570 | 2,236,574 | 2,236,573 | (1) | |

| Expenditures | | | | | |
|---|------------------|------------------|------------------|------------------|---|
| Instruction | | | | | |
| Basic Instruction | 0 | 0 | 844 | 844 | 9 |
| Added Needs | 1,051,112 | 1,012,613 | 1,347,678 | 335,065 | 9 |
| Total Instruction | 1,051,112 | 1,012,613 | 1,348,522 | 335,909 | |
| Support | | | | | |
| Pupil | 56,685 | 40,781 | 40,694 | (87) | 9 |
| Instructional Staff | 577,094 | 975,549 | 654,306 | (321,243) | 9 |
| General Administration | | | | 0 | |
| School Administration | | | | 0 | |
| Business Services | | | | 0 | |
| Operations and Maintenance | | | | 0 | |
| Pupil Transportation | 12,817 | 4,713 | 5,444 | 731 | 9 |
| Central Services | 1,800 | 1,800 | 1,800 | 0 | |
| Student Support Services | | | | 0 | |
| Total Support Services | 648,396 | 1,022,843 | 702,244 | (320,599) | |
| Community Services | 39,790 | 130,305 | 111,660 | (18,645) | 9 |
| Other Uses - Outgoing Transfers & Other | 63,272 | 70,813 | 74,147 | 3,334 | 9 |
| Total Expenditures | 1,802,570 | 2,236,574 | 2,236,573 | (1) | |
| Excess Revenue/(Expenditures) | 0 | 0 | 0 | 0 | |
| Fund Balance - July 1 | 0 | 0 | 0 | 0 | |
| Fund Balance - June 30 | 0 | 0 | 0 | 0 | |
| Less Non-Spendable and Assigned | 0 | 0 | 0 | 0 | |
| Unassigned Fund Balance | 0 | 0 | 0 | 0 | |

(9) 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 2013-2014 |
|---|

| Restricted Federal Funds (14) | Allocation |
|--|-----------------|
| IDEA Pre-School Incentives | \$ 81,536.00 |
| State Match Grant - PE Nut (Oct-Jun) | \$ 74,440.00 |
| Title I | \$ 1,304,260.00 |
| Title I Carryover | \$ 107,259.00 |
| Title II Part A | \$ 406,020.00 |
| Title II Part A Carryover | \$ 119,989.00 |
| Title III LEP | \$ 21,108.00 |
| Title III LEP Carryover | \$ 17,101.00 |
| Title IX Indian Education | \$ 57,017.00 |
| Title X McKinney Vento (Homeless Assistance) | \$ 40,304.00 |
| Title X McKinney Vento (Homeless Assistance) Carryover | \$ 7,539.00 |

Total: \$ 2,236,573.00

| |
|---|
| State Grants Summary for Fiscal Year 2013-2014 |
|---|

| Restricted State Funds (13) | Allocation |
|---|-----------------|
| At Risk | \$ 1,557,094.00 |
| At Risk Carryover | \$ 757,756.00 |
| Great Start Readiness Program | \$ 1,001,805.00 |
| Great Start Readiness Program Carryover | \$ 34,150.00 |
| Tech Infrastructure 22i | \$ 200,500.00 |
| Vocational Education | \$ 48,793.00 |
| First Robotics | \$ 19,500.00 |
| Early College (Transfer Articulation Grant) | \$ 105,000.00 |

Total: \$ 3,724,598.00

Local Grants Summary for Fiscal Year 2013-2014

| 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 | \$ 10,612.00 |
| GTB Indian Education | \$ 100,000.00 |
| GTB Indian Education Carryover | \$ 15,965.00 |
| GTB Special Ed Swimming Carryover | \$ 8,221.00 |
| GTB Tribal Flags - West Middle School Carryover | \$ 580.00 |
| GTB Boots for Kids | \$ 10,000.00 |
| Learning Points #1 Carryover | \$ 18,249.00 |
| Way to Grow - Matching | \$ 13,640.00 |
| Front Street Writers | \$ 70,880.00 |
| IB Kellogg | \$ 115,073.00 |
| IB Kellogg Yr2 | \$ 239,453.00 |
| Youth Corps | \$ 3,081.00 |

Total: \$ 622,240.00

Community Service Grants Summary for Fiscal Year 2013-2014

| Restricted Community Service Funds (2F) | Allocation |
|---|---------------|
| 21st Century CLC | \$ 123,296.00 |

Total: \$ 123,296.00

Food Service Grants Summary for Fiscal Year 2013-2014

| Restricted Federal Funds (25) | Allocation |
|-------------------------------|--------------|
| Fresh Fruit & Vegetable - TH | \$ 17,710.00 |

Total: \$ 17,710.00

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Note |
|-----------------------|-----------------------|----------------------|----------------------|------------------|------|
| Local | 2,410,064 | 2,504,220 | 2,405,019 | (99,201) | 1 |
| State | 139,308 | 204,325 | 166,633 | (37,692) | 2 |
| Federal | 2,437,110 | 2,500,670 | 2,422,898 | (77,772) | 1 |
| Incoming Transfers | 25,000 | 25,000 | 25,000 | 0 | |
| Total Revenues | 5,011,482 | 5,234,215 | 5,019,550 | (214,665) | |

| Expenditures | | | | | |
|---------------------------|------------------|------------------|------------------|------------------|---|
| Salaries and Wages | 1,425,819 | 1,515,116 | 1,501,250 | (13,866) | |
| Employee Benefits | 562,814 | 716,273 | 717,894 | 1,621 | |
| Purchased Services | 255,443 | 197,067 | 164,567 | (32,500) | 3 |
| Supplies and Other | 2,757,406 | 2,885,759 | 2,811,789 | (73,970) | 3 |
| Capital Outlay | 10,000 | 20,000 | 3,000 | (17,000) | 4 |
| Operating Transfer | 0 | 0 | 0 | 0 | |
| Total Expenditures | 5,011,482 | 5,334,215 | 5,198,500 | (135,715) | |

| | | | | | |
|---|----------------|------------------|------------------|-----------------|--|
| Revenues Over/(Under) Expenditures | 0 | (100,000) | (178,950) | (78,950) | |
| Beginning Fund Balance July 1 | 835,483 | 835,483 | 835,483 | 0 | |
| Ending Fund Balance June 30 | 835,483 | 735,483 | 656,533 | (78,950) | |

Variance Explanations

- (1) Variance is the result of meal participation not meeting expectations.
- (2) Variance is the result of a prior period adjustment in Section 31(d) funding.
- (3) Variance is the result of decreased costs from lower participation than expected.
- (4) Variance is the result of not needing to purchase capital equipment.

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 20123-2014 Amend 2 | Variance | Notes |
|--|-----------------------|----------------------|-----------------------|---------------|-------|
| Local | 2,380,000 | 2,360,000 | 2,409,200 | 49,200 | |
| Federal Restricted | 123,296 | 123,296 | 123,296 | 0 | |
| Intermediate School District | 0 | 0 | 0 | 0 | |
| Incoming Transfers/Other (Sponsorship Revenue) | 260,189 | 209,166 | 209,166 | 0 | |
| Total Revenues | 2,763,485 | 2,692,462 | 2,741,662 | 49,200 | |

| Expenditures | | | | | |
|--|------------------|------------------|------------------|---------------|--|
| Salaries and Wages | 1,533,170 | 1,450,395 | 1,429,526 | (20,869) | |
| Employee Benefits | 900,919 | 898,819 | 904,040 | 5,221 | |
| Purchased Services | 193,097 | 192,504 | 198,707 | 6,203 | |
| Supplies and Other | 161,277 | 180,457 | 190,623 | 10,166 | |
| Capital Outlay | 9,660 | 9,660 | 10,000 | 340 | |
| Transfer to General Fund and Other | 4,765 | 57,649 | 57,649 | 0 | |
| Total Expenditures | 2,802,888 | 2,789,484 | 2,790,545 | 1,061 | |
| | | | | | |
| Revenue Over/(Under) Expenditures | (39,403) | (97,022) | (48,883) | 48,139 | |
| Beginning Fund Balance July 1 | 482,742 | 482,742 | 482,742 | 0 | |
| Ending Fund Balance June 30 | 443,339 | 385,720 | 433,859 | 48,139 | |

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Notes |
|--|-----------------------|----------------------|----------------------|---------------|-------|
| Local | 2,158,000 | 2,138,000 | 2,173,500 | 35,500 | 1 |
| Federal | | | | 0 | |
| Intermediate School District | | | | 0 | |
| Incoming Transfers/Other (Sponsorship Revenue) | 90,189 | 39,166 | 39,166 | 0 | |
| Total Revenues | 2,248,189 | 2,177,166 | 2,212,666 | 35,500 | |

| Expenditures | | | | | |
|--|------------------|------------------|------------------|-----------------|---|
| Salaries and Wages | 1,297,708 | 1,225,380 | 1,208,780 | (16,600) | 1 |
| Employee Benefits | 778,902 | 769,746 | 780,007 | 10,261 | 1 |
| Purchased Services | 65,932 | 66,732 | 62,082 | (4,650) | 1 |
| Supplies and Other | 145,050 | 158,930 | 157,280 | (1,650) | 1 |
| Capital Outlay | 0 | 0 | 0 | 0 | |
| Transfer to General Fund and Other | 0 | 53,400 | 53,400 | 0 | |
| Total Expenditures | 2,287,592 | 2,274,188 | 2,261,549 | (12,639) | |
| Revenue Over/(Under) Expenditures | (39,403) | (97,022) | (48,883) | 48,139 | |
| Beginning Fund Balance July 1 | 405,568 | 405,568 | 405,568 | 0 | |
| Ending Fund Balance June 30 | 366,165 | 308,546 | 356,685 | 48,139 | |

Variance Explanations

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

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Notes |
|--|-----------------------|----------------------|----------------------|---------------|-------|
| Local | 222,000 | 222,000 | 235,700 | 13,700 | 1 |
| Federal | | | | 0 | |
| Intermediate School District | | | | 0 | |
| Incoming Transfers/Other (Sponsorship Revenue) | 170,000 | 170,000 | 170,000 | 0 | |
| Total Revenues | 392,000 | 392,000 | 405,700 | 13,700 | |

| Expenditures | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Notes |
|--|-----------------------|----------------------|----------------------|---------------|-------|
| Salaries and Wages | 180,824 | 171,938 | 167,669 | (4,269) | 1 |
| Employee Benefits | 94,022 | 99,278 | 94,238 | (5,040) | 1 |
| Purchased Services | 100,827 | 100,957 | 111,810 | 10,853 | 1 |
| Supplies and Other | 6,667 | 10,167 | 21,983 | 11,816 | 1 |
| Capital Outlay | 9,660 | 9,660 | 10,000 | 340 | 1 |
| Transfer to General Fund and Other | 0 | 0 | 0 | 0 | |
| Total Expenditures | 392,000 | 392,000 | 405,700 | 13,700 | |
| Revenue Over/(Under) Expenditures | 0 | 0 | 0 | 0 | |
| Beginning Fund Balance July 1 | 77,174 | 77,174 | 77,174 | 0 | |
| Ending Fund Balance June 30 | 77,174 | 77,174 | 77,174 | 0 | |

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

| Revenue | 2013-2014 Original | 2013-2014 Amend 1 | 2013-2014 Amend 2 | Variance | Notes |
|--|-----------------------|----------------------|----------------------|----------|-------|
| Local | | | | 0 | |
| Federal | 123,296 | 123,296 | 123,296 | 0 | |
| Intermediate School District | | | | 0 | |
| Incoming Transfers/Other (Sponsorship Revenue) | | | | 0 | |
| Total Revenues | 123,296 | 123,296 | 123,296 | 0 | |
| Expenditures | | | | | |
| Salaries and Wages | 54,638 | 53,077 | 53,077 | 0 | |
| Employee Benefits | 27,995 | 29,795 | 29,795 | 0 | |
| Purchased Services | 26,338 | 24,815 | 24,815 | 0 | |
| Supplies and Other | 9,560 | 11,360 | 11,360 | 0 | |
| Capital Outlay | 0 | 0 | 0 | 0 | |
| Transfer to General Fund and Other | 4,765 | 4,249 | 4,249 | 0 | |
| Total Expenditures | 123,296 | 123,296 | 123,296 | 0 | |
| Revenue Over/(Under) Expenditures | 0 | 0 | 0 | 0 | |
| Beginning Fund Balance July 1 | 0 | 0 | 0 | 0 | |
| Ending Fund Balance June 30 | 0 | 0 | 0 | 0 | |

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

RESOLUTION FOR FINAL AMENDMENT:

2013/2014 GENERAL FUND BUDGET

*2013/2014 SPECIAL REVENUE FUND BUDGET
(Food Services and Community Services)*

This Final Amendment shall take effect on this date: June 23, 2014

AYES:

NAYS:

Resolution adopted.

Scott C. Hardy, 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 23, 2014, 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.

Scott C. Hardy, Secretary
Board of Education
Traverse City Area Public Schools

MEMORANDUM

TO: Steve Cousins, Superintendent
FROM: Paul Soma, CPA
Associate Superintendent
DATE: June 20, 2014
RE: BUDGET HEARING
2013/2014 Final Budget Amendments
2014/2015 Proposed Preliminary Budgets

Paul A. Soma, CPA
Associate Superintendent
Of Finance and Operations

Michele Greenan
Executive Assistant

As our 2014 fiscal year draws to an end, it is time to wrap up our current fiscal year and formally adopt our 2015 initial 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 our expectations and assumptions that are used to develop our fiscal year 2015 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 2014 will end and give an initial look at what is in store for fiscal year 2015. As required by law, we are adopting our 2015 budget prior to the beginning of the fiscal year.

While the state did not wrap up the State Aid budget process by their self-imposed deadline of June 1 (the budget still has not been signed by the governor as of the writing of this memo), the conference committee recommendation has been approved by both chambers. As a result, we are able to incorporate state aid numbers into our preliminary budgets with a high level of certainty. Other variables, however, such as the number of pupils, interest revenue, natural gas and diesel fuel costs, and state, federal and local grants, require estimates.

Additionally, while there is more certainty this year regarding the state's methodology surrounding the "buy down" of the retirement rate, how we handle its impact on special revenue and grant funds is going to be a challenge.

It will be important to remember that the idea that the state is "buying down" the retirement rate and therefore helping schools is a misnomer. The state is using school aid funds to buy down the rate. This is sometimes incorrectly presented as a "bonus" for schools. In fact, this buy down is being funded by state school aid dollars and therefore does not result

in extra money for schools. Additionally, because of its distribution methodology, this buy down actually increases the equity gap between lowest and highest funded schools. This point was very critical in developing the 2015 school aid budget, and will be critical going forward as a talking point for low funded schools.

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 two 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. 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 legislature is cognizant of the upcoming November gubernatorial election and the perception that this legislature has not supported schools. To this end, it appears that they have tried to come up with a funding proposal that provides a meaningful increase to districts throughout the state. This is a difficult task given the inequities that exist. Low funded districts like TCAPS argue for funding increases to catch up to others, while well-funded districts pressure the legislature for their own increases. The state accomplished this balance through a mixture of one time revenues, foundation enhancements, and additional dollars devoted to capping retirement obligations.

The bottom line for TCAPS is that the district’s per pupil funding has increased by approximately \$173 per pupil. This is seen by summarizing the changes in the following State Aid line item funding sources:

- Reduction in “financial best practice” incentive \$ 2 decrease
- Increase equity payment \$ 75 increase
- 2015 foundation allowance \$ 100 increase

While the “financial best practices” and the “equity payment” are still technically labeled as “one time,” these line items have been in the State Aid Act for a number of years. It seems unlikely they will completely disappear in future years and, hence, can be counted on moving forward. The state has again included money for districts that meet certain criteria related to student performance. The criteria are complex in their calculation and use state test data that date back as much as 5 years. For the second year in a row, TCAPS has not met any of the requirements for this funding. Given that it is possible to achieve up to \$100 per student (over \$1 million for TCAPS), this is a material loss for the district. With

uncertainty surrounding the future regarding state administered tests, it is uncertain if this funding will be available in future years.

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. In the last 4 years however, our enrollment has stabilized and we expect that we will only have a modest decrease of 26 students in 2015 compared to 2014. Specifically, our budget in 2015 reflects 10,036 students vs. 10,062 in 2014. The combination of a \$173 increase in state per pupil allocations (including foundation and so called “one time” amounts), coupled with a decrease of 26 students, results in an increase of approximately \$1,550,900. This is the largest funding increase we have seen on a per pupil basis in a number of years and, coupled with spending cuts, will help the district achieve a balanced financial position in fiscal 2015.

Our state-determined per-pupil amounts (noted above) make up approximately 83.7% of our total revenue budget and approximately 88.8% of our “unrestricted” revenues and, hence, make up the most important source of revenues for the district by a far margin.

Continued with the 2015 budget is the State’s implementation of their attempt to “cap” the retirement rates for schools. As mentioned in the introduction to this letter, 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 147c and 147d of the State Aid Act. Section 147d is new this year but operates the same as Section 147c. In both cases, the State is going to make 11 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 and 147d 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 \$4 million. We will reflect actual amounts in the first budget amendment.

As has been the case for the last five years, interest revenues are not expected to be substantial in the 2014 fiscal year. Due to extremely low interest rates in the current interest environment, TCAPS will budget only \$50,000 for interest revenue in 2015, which represents no change from the 2014 amount.

Revenue in the form of incoming transfers from the ISD (Intermediate School District) is budgeted to be the same in fiscal 2015 as it was in 2014. 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 3.22%, and Restricted Federal

Funding (e.g., Title grants for school improvement, education for homeless children and youth, etc.), which make up approximately 2.02% 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 \$808,000 and \$465,000 respectively in the 2015 year as compared to 2014. The decreases are attributable to carryover funds in the 2014 year that are not currently part of the 2015 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 2014 will wind up as “carry-over” grants in 2015. 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.

General Fund – Expenditures

The District has a well-documented history of living within its means. This has not been easy. We have made over \$12.5 million in budget cuts in the past six 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 continues to make budget reductions. 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 2015 budget are as follows:

| | |
|--|--------------------|
| Executive Administration | (\$260,000) |
| Eliminate executive team member | |
| One time superintendent transition savings | |
| Instruction (reinstate semesters) | (\$300,000) |
| Operations and Maintenance | (\$185,000) |
| Eliminate one maintenance position | |
| Institute Energy Reduction Initiative | |
| Transportation Routes | (\$ 50,000) |
| <i>Total Reduction:</i> | <i>(\$795,000)</i> |

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 contracts have been settled through June of 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 2015 budget are as follows:

| | |
|------------------------------------|--------------------|
| Contract Settlements | \$1,664,500 |
| World Languages | \$ 125,000 |
| Maintenance and Repairs | \$ 270,000 |
| Dual Enrollment support (one time) | \$ 72,000 |
| <i>Total cost increases</i> | <i>\$2,131,500</i> |

The contract settlements include the estimated costs associated with benefit increases as well as salaries. The district is continuing its implementation of K-12 world language by introducing language at the 2nd grade level. This implementation completes the three-year phase-in that resulted in language at all grade levels. The district has increased the repairs and maintenance budget, which was necessary due to the defeat of the recent bond issue. Finally, in order to maintain continuity in high level world language offerings, the district added staff on a one time basis to the high schools so that dual enrollment offerings would be adequately funded.

It should be noted that the approximately \$1.1 million in cost reductions and revenue enhancements implemented in 2014 will continue into the 2015 fiscal year.

General Fund – Fund Balance

The 2015 budget shows that we are starting the year with a budgeted shortfall of approximately \$1,467,467. As is the case every year, our budget experience is that our final position will end up with a positive budget variance of approximately .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” for the first time since 2007!

This is positive news. It is the result of a multi-year strategy that included over \$12 million in budget reductions in the past 6 years, a strategic spend down of reserves to soften the blow of these cuts, and finally, a material increase in the amount of revenues we will receive from the state in 2015 (after years of cuts or very minor increases).

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 6 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:

- 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
- Expansion of Montessori to Courtade Elementary
- Learning, Enrichment, and Athletic Programs K-8 (Leap)
- One to World 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 and 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 6 years, while at the same time continuing to serve the students of our district at a high level.

The district's financially balanced position is good news. At the same time, it is important to remember that our fund balance is projected to remain below the board established target of 10%. State funding remains precarious and while the legislature appeared to be in a generous mood this election year, 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 equity 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 at least 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 equity 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 revenues sources rather than the general fund to sustain their operations.

In the case of the Food Services programs, cost increases for food supplies, increases in the employee retirement rate, and changes to federal school lunch legislation (Healthy, Hunger-free Kids Act of 2010) have combined in each of the last two years to cause a price increase recommendation. The 2015 prices for breakfast and elementary lunch will each be adjusted by \$0.15, while secondary lunches will increase by \$0.10. This increase in prices is necessary to keep the Food and Nutrition Services Department in a fiscally stable position. While the department does currently have a responsible fund balance, it did finish the 2013 and 2014 year with a revenue shortfall. Addressing the budget and keeping the department structurally balanced will be an overriding priority in the coming fiscal year. A plan is in place to return the food service budget to a structurally balanced position within the next two years. It should be noted that the food service program does not rely on any subsidies from the General Fund and pays all overhead costs from its operating revenues, inclusive of reimbursing the General Fund for utility costs. Additionally, the program has lost a total of 21 serving days due to snow day cancellations in the last two years. The loss of these serving days directly impacts the program's bottom line in a negative fashion.

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 programs 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. This goal, as well as the economic climate we live in, has created financial challenges for the childcare operation. As a result of prudent management and careful planning, however, this goal appears to be within reach.

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 new procedures that have reduced outstanding and delinquent accounts by approximately 90% (from over \$100,000 to less than \$10,000). 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 (2014), the Board contributed \$170,000 to LEAP as a subsidy through a fund transfer. 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. In November of 2007 we asked taxpayers to allow us to maintain the millage rate at 3.1 mills. The voters supported this request by a large margin, ultimately allowing TCAPS \$105 million for bond projects scheduled through 2017.

This bond authorization is an important source of funds 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 ability to sustain our bond program and keep the millage rate at 3.1 mills was contingent upon the taxable value of property in our district increasing. Property values around the state have decreased dramatically. While the estimates we used to project our millage rates were conservative, they did call for minor increases. These recent decreases in property values required that the District re-evaluate its bond sale strategy and adjust the long-term capital planning program to reflect a lower level of funding. This re-evaluation of the long-term capital plan was a major District initiative in 2012 and resulted in November 2012 and 2013 bond proposals that were rejected by the voters. The lack of new bond authorization has had a dramatic impact on the district's long term capital plan. Without new dollars available to replace the district's aging infrastructure, limited dollars are being used for band aid approaches that include putting new roofs on buildings that have exceeded their useful lives. The district is forced to continue to make such expenditures until such time that the taxpayers approve new funds for schools. The current plan calls for putting a capital bond question before the taxpayers in November of 2015.

On the bright side, we have received information that the 2014 property values will increase by 1.8%. This is the second year in a row that values have increased. Continued increases of this magnitude will relieve pressure on the millage rate and will have a positive impact on the District's long-term capital plan.

In relation to our 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.). Even so, these funds have been crucial in helping us maintain an adequate bus fleet, update technology district-wide, purchase instructional and operational equipment and complete certain specific long-term improvements to various buildings. These accomplishments are all important aspects of our long-range capital and infrastructure planning and our ability to fund these projects with bond dollars relieves pressure on the general fund. It is imperative therefore, that the district passes a bond proposal in the near future to keep these funds in place. Failure to do so will have a material impact on our ability to manage our facilities and will result in drastic changes to the organization.

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. This work has paid off and for the first time in 7 years, we start the year with a fiscally balanced position.

The district's one page strategic plan, balanced financial position, and a funding climate that is slowly improving, set the stage for a successful future. We have survived tough times and served our students and community well. With the environment turning positive, the future looks very bright for the students of TCAPS.



TRAVERSE CITY AREA PUBLIC SCHOOLS

2014-2015 Budget Hearing

June 23, 2014



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 used in conjunction with our Audit Report to help frame an understanding of our financial situation



2014 Close

| | |
|--|-----------------------|
| Beginning Fund Equity | \$7,129,323 |
| Budgeted Revenues | \$87,645,774 |
| Budgeted Expenditures | <u>(\$89,861,075)</u> |
| | (\$2,215,301) |
| Projected Variance | \$1,500,000 |
| Ending 2014 Fund Equity <small>(approximate)</small> | \$6,400,000 |
| Ending Fund Equity | 7.12% |



Variables to Impact 2014

★ ISD revenue

★ Variance estimated

★ Accounting for MPSERS

- Gross up Revenues: \$2,470,820
- Gross up Expenditures: \$2,470,820



Fiscal Year 2014/15 Budget Assumptions

Per Pupil Revenue:

| | | | |
|------|---------------------------------------|-------|---------|
| 2014 | TOTAL | | \$7,128 |
| 2015 | Reduction in financial best practices | (\$2) | |
| | Base foundation and equity increase | \$175 | |
| 2015 | TOTAL | | \$7,301 |
| 2015 | INCREASE | | \$173 |



Fiscal Year 2014/15 Budget Assumptions continued

Student Count:

| | |
|----------|----------|
| 2014 | 10,062 |
| 2015 | 10,036 |
| Decrease | <hr/> 26 |

Net increase in Per Pupil Revenue: \$1,550,900

Other:

- \$2.3 million TBAISD revenues budgeted
(same as current year)



Fiscal Year 2014/15 Budget Assumptions continued

Expenses:

- 1% salary increase
- Step increase
- Retirement rate of 30.34% (approximately 1% increase)
- Health insurance actual
- Other structural adjustments



Other Adjustments in 2014/15 Budget

| STRUCTURAL COSTS | |
|-------------------------|---------------|
| Contract Settlements | (\$1,664,500) |
| World Language | (\$125,000) |
| Maintenance and Repairs | (\$270,000) |

| ONE-TIME COSTS | |
|-------------------------|------------|
| Dual Enrollment Support | (\$72,000) |



Other Adjustments in 2014/15 Budget continued

| STRUCTURAL REDUCTIONS | |
|-----------------------------------|------------------|
| Executive Administration | \$160,000 |
| Instruction (Reinstate Semesters) | \$300,000 |
| Operations and Maintenance | \$185,000 |
| Transportation Routes | \$50,000 |
| Total Reductions | \$695,000 |

| ONE-TIME REDUCTION | |
|-----------------------------------|-----------|
| Superintendent Transition Savings | \$100,000 |



2015 Fund Balance Projection

| | |
|--|--------------------|
| Beginning Fund Equity | \$6,400,000 |
| Budgeted Revenue | \$87,542,884 |
| Budgeted Expenditures | (\$89,010,351) |
| Budgeted Shortfall | (\$1,467,467) |
| Building Carryover & Projected Variance | \$1,500,000 |
| Projected Surplus | \$32,533 |
| Ending 2015 Fund Equity (approximate) | \$6,430,000 |
| Ending Fund Equity | 7.22% |



Variables to Impact 2015 Bottom-line and Budget

- ★ # of Students (+ or -)
- ★ Methodology for counting students (+ or -)
- ★ Actual retirement costs (-)
- ★ Health census (+ or -)
- ★ ISD revenues (+ or -)
- ★ Replacement teacher costs (+ or -)
- ★ Accounting for MPERS reform (Neutral)



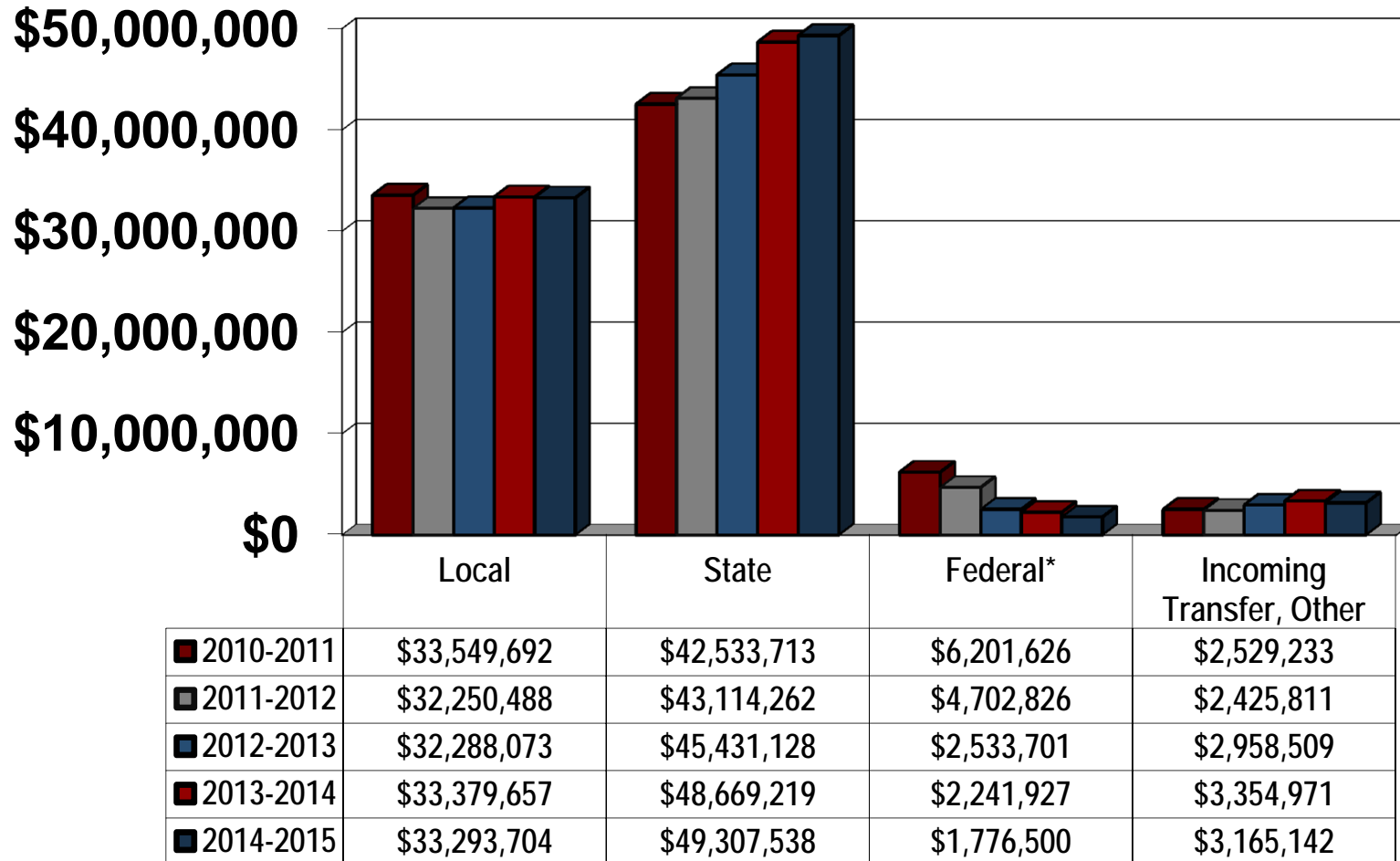
Where Does Funding Come From?



- ★ Local
- ★ State
- ★ Federal



Budget Comparison ~ Revenue Source

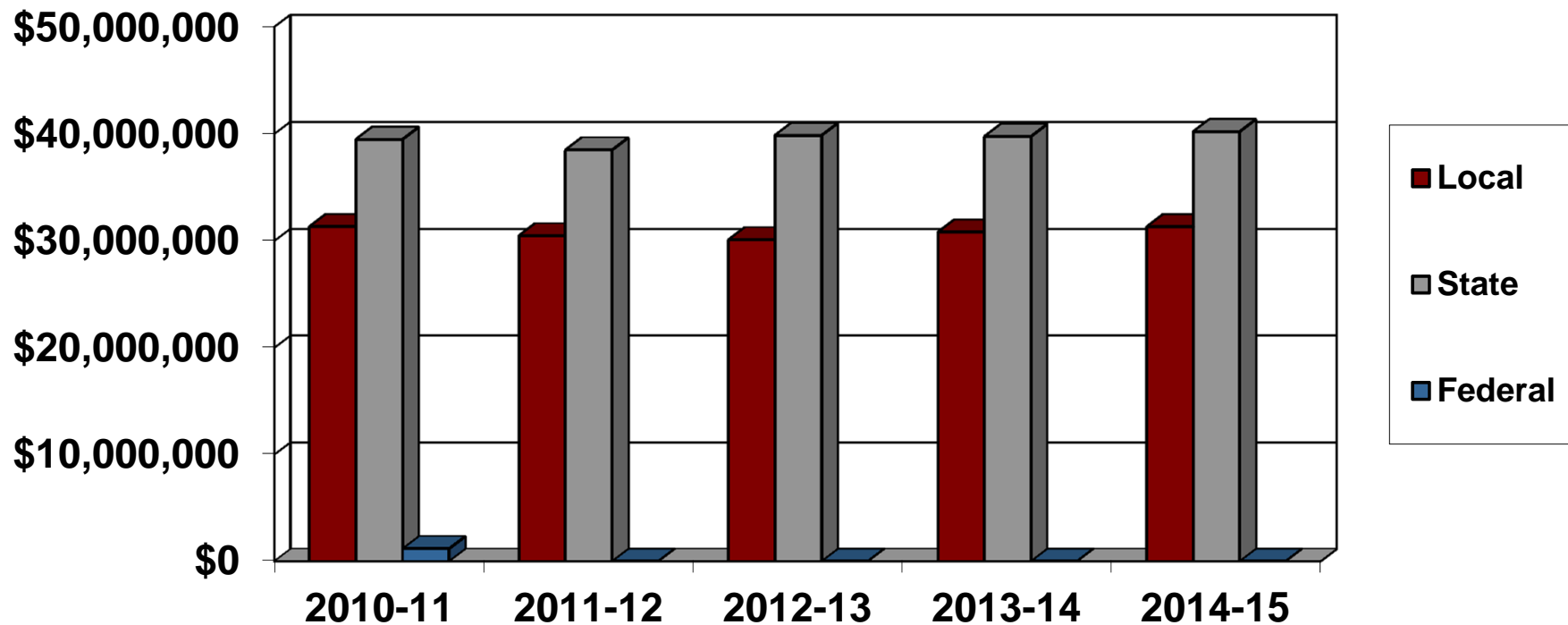


- Many federal programs have fiscal year-ends that are other than June 30. Funds not spent by June 30, 2014 will be “carried over” to fiscal 2015 in accordance with federal program guidelines.



Revenue Budget ~ Foundation Funding Assumptions

| | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Full-time Equivalent Students | 10,073 | 10,073 | 10,041 | 10,062 | 10,036 |
| Foundation Allowance | \$7,146 | \$6,846 | \$6,966 | \$7,026 | \$7,126 |
| Revenue from Foundation | \$71,981,658 | \$68,959,758 | \$69,945,606 | \$70,695,612 | \$71,516,536 |





Additional Funding Source

“All of the non-homestead¹ 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.”

¹ “Non-homestead” is currently referred to as “Non-Principal Residence Exemption”

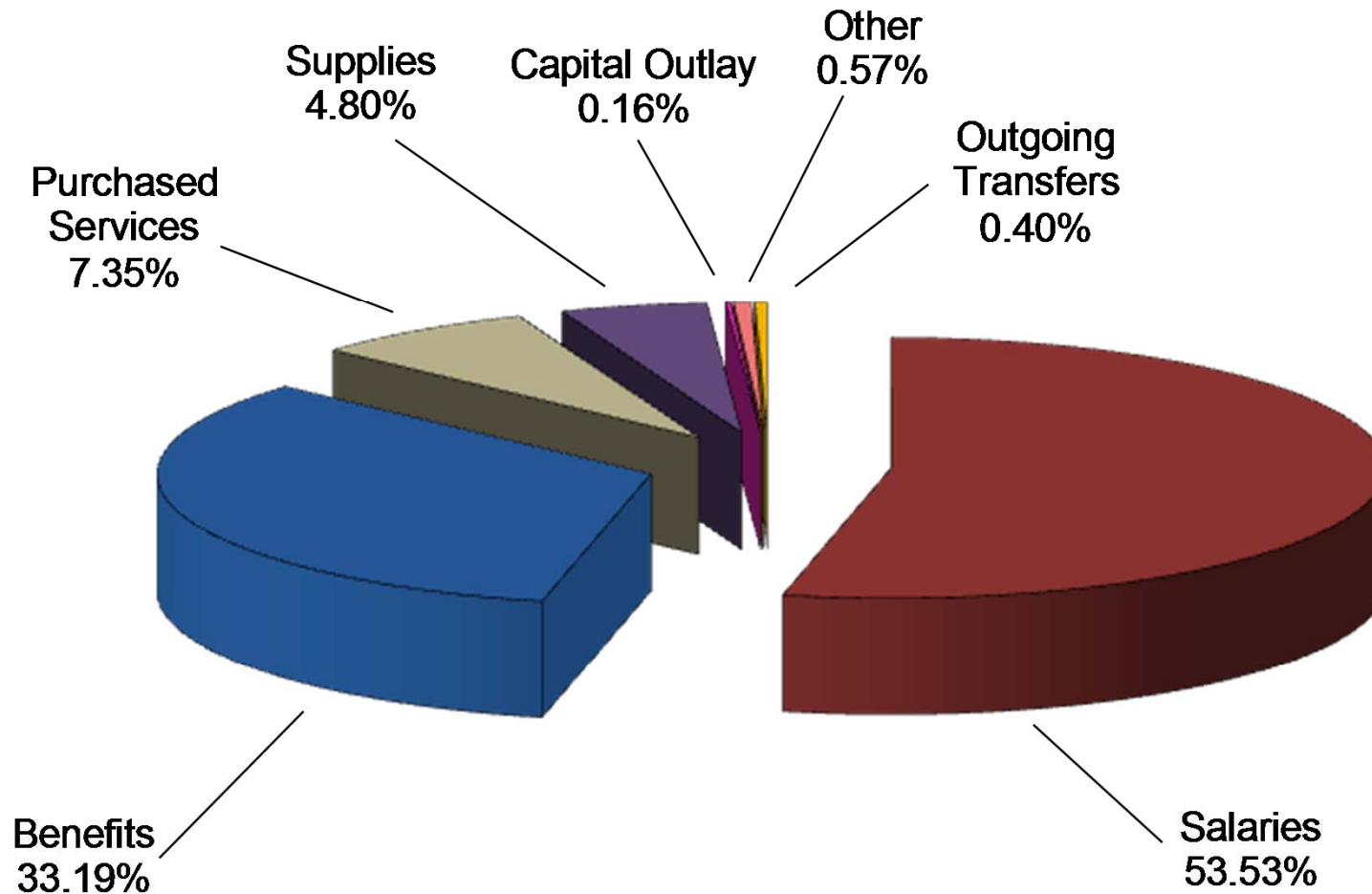
(Reference: *Michigan School Finance Under Proposal A – State Control, Local Consequences*, David Plank)



Where does
the money
go?

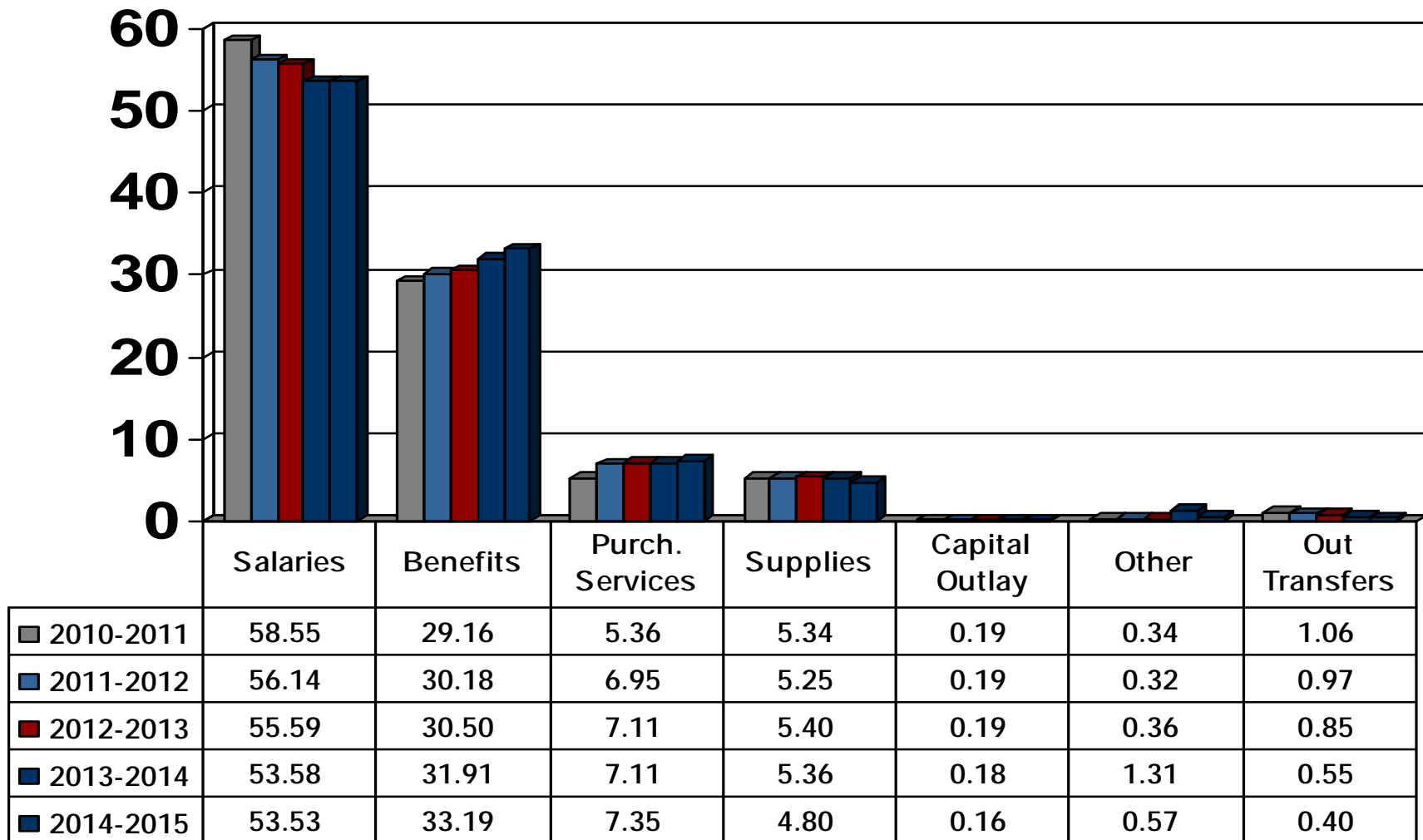


2014-2015 Budget **General Fund Monies**



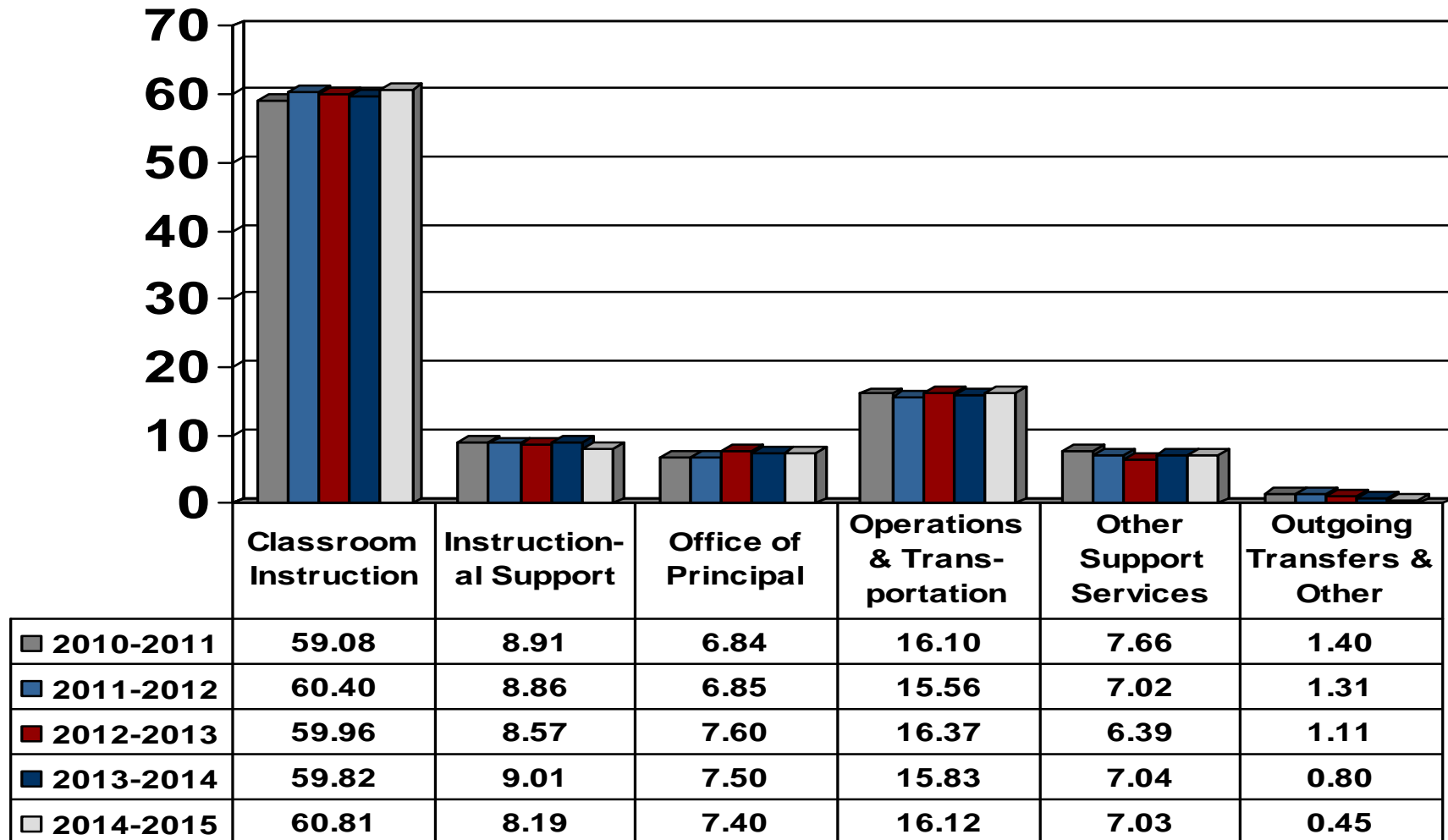


Budget Comparison By Object (Percentage)



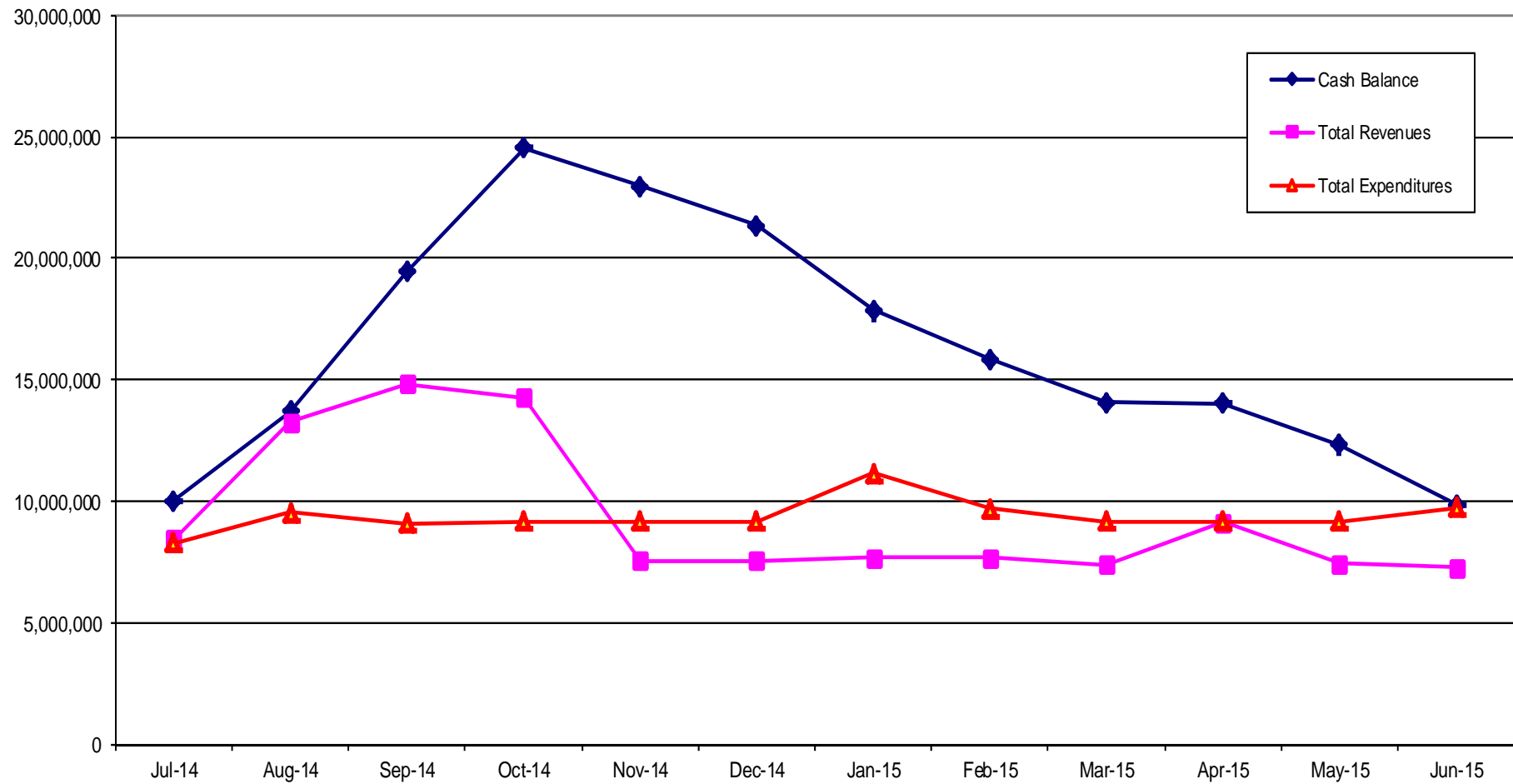


Budget Comparison By Function (Percentage)



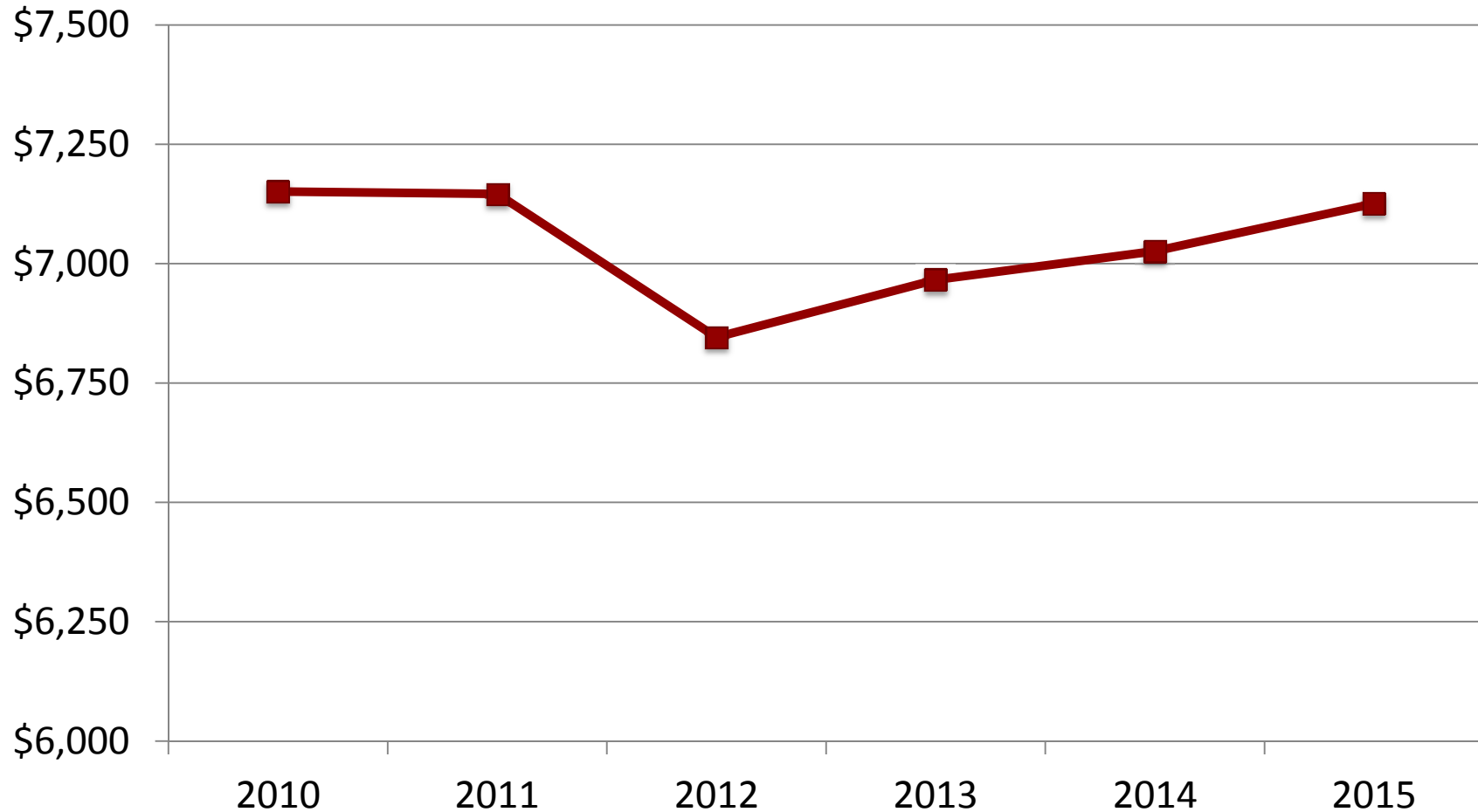


Cash Flow Projections ~ Fiscal 2015



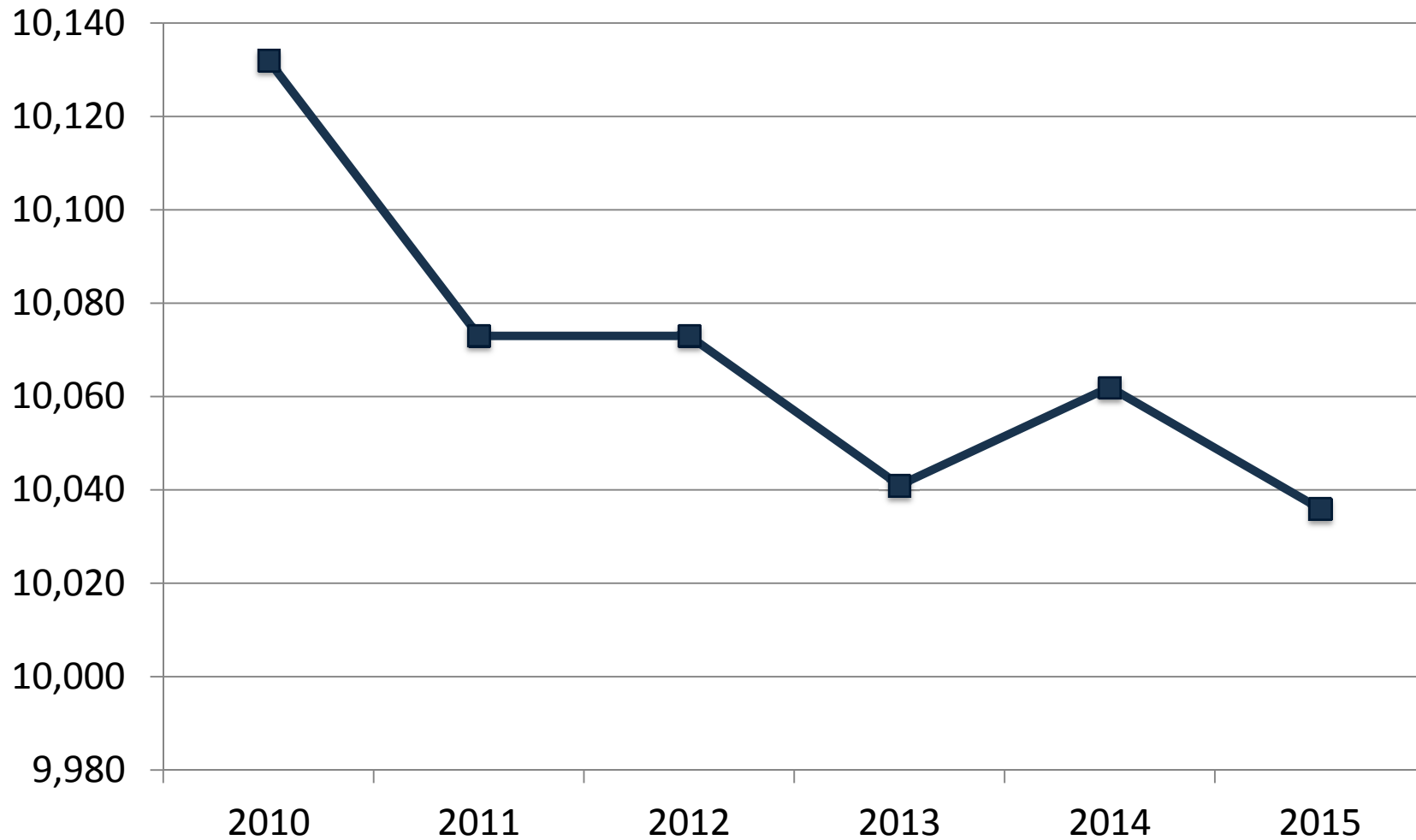


History of Foundation Amounts (Per-pupil)



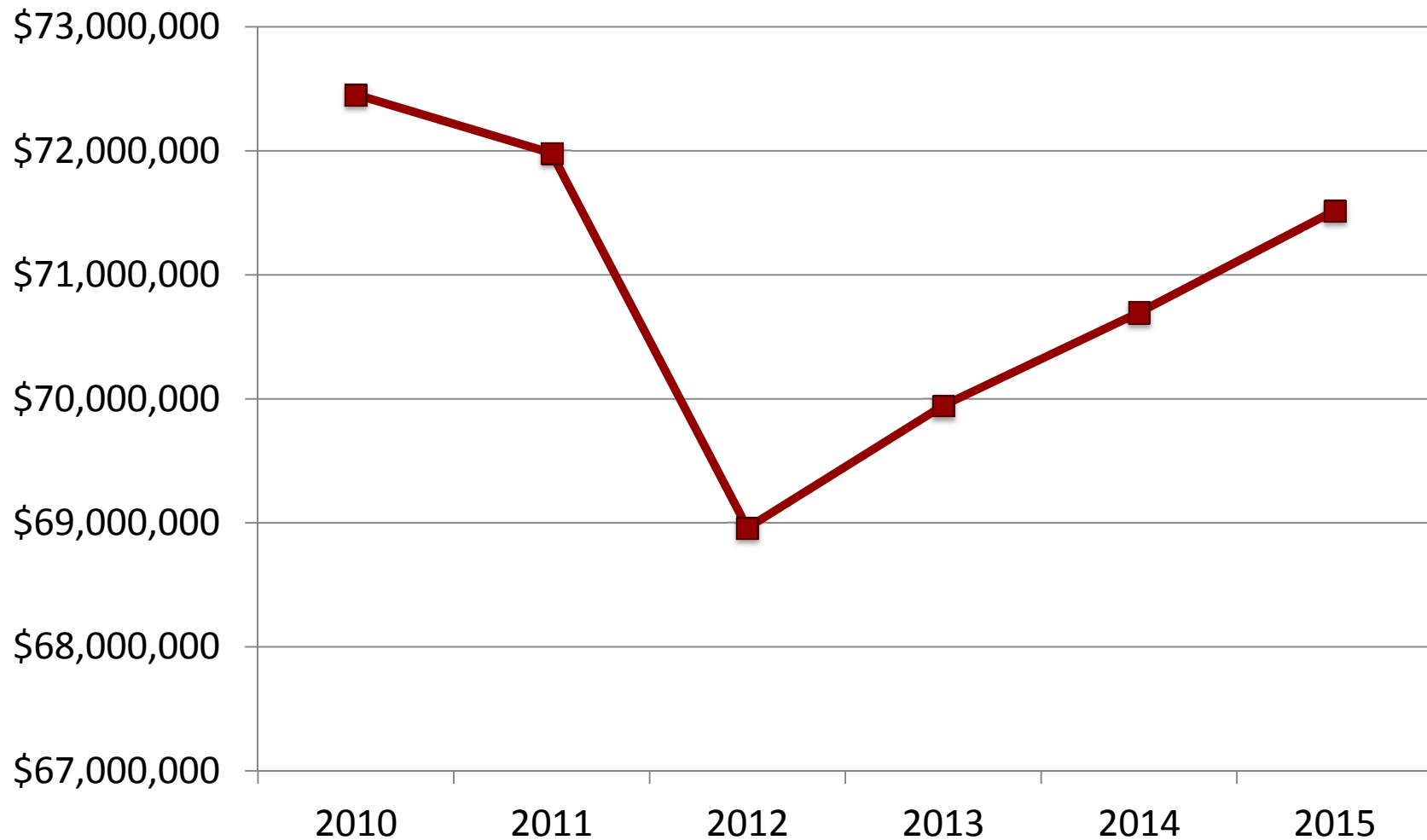


History of Student Count (Total FTE)



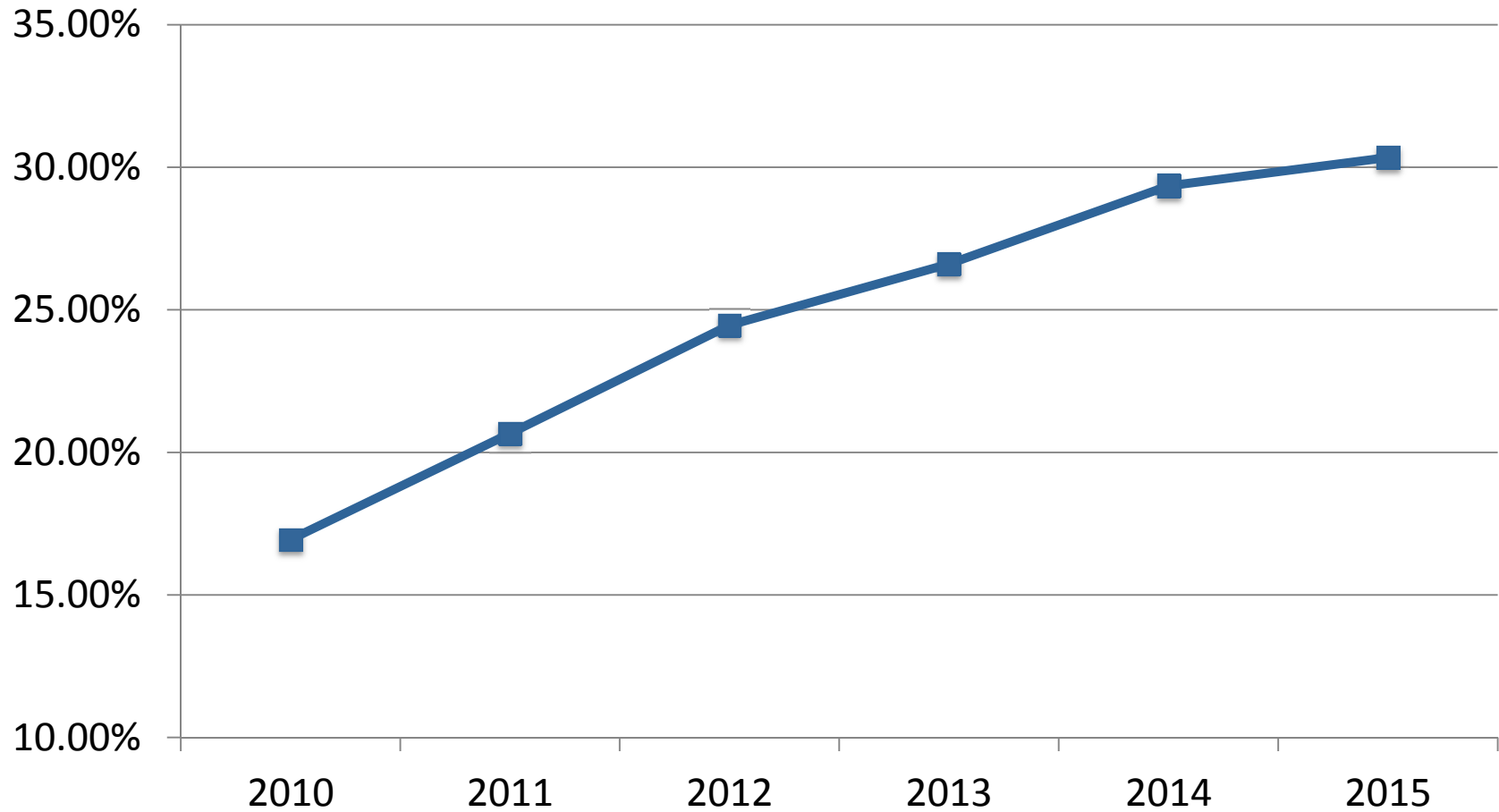


History of Total Foundation Revenue





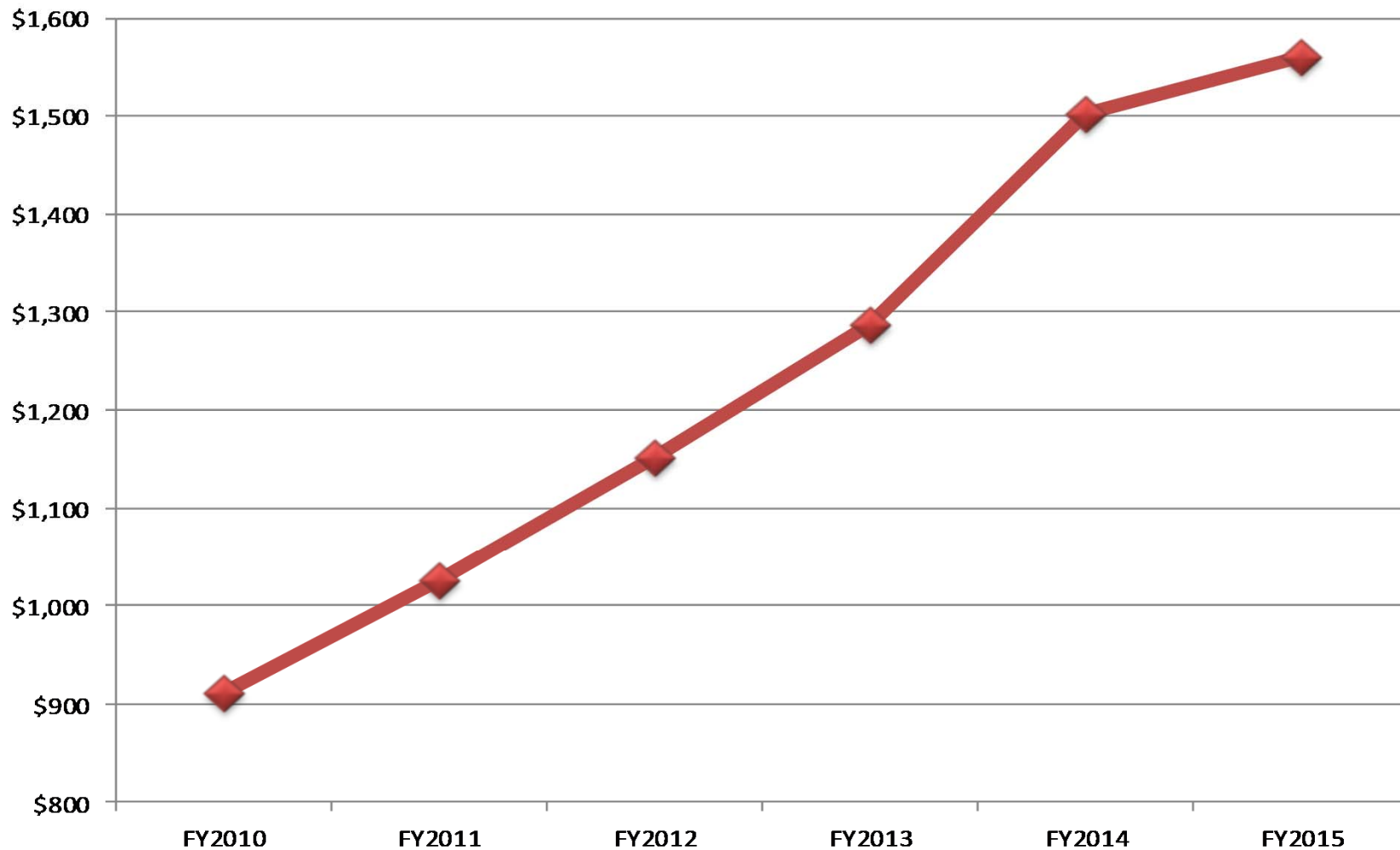
History of Retirement Rates





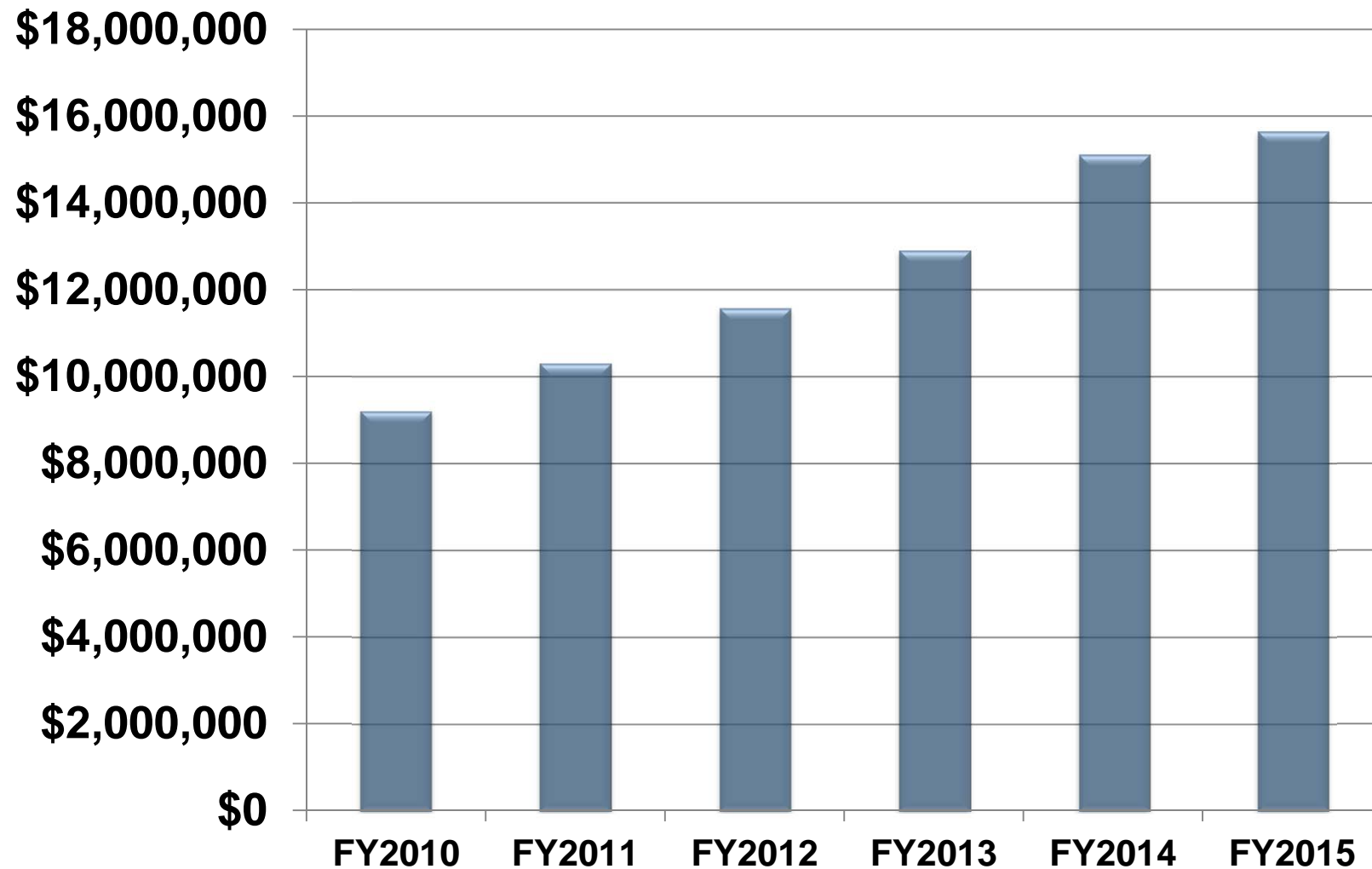
History of TCAPS' Retirement Costs

PER PUPIL



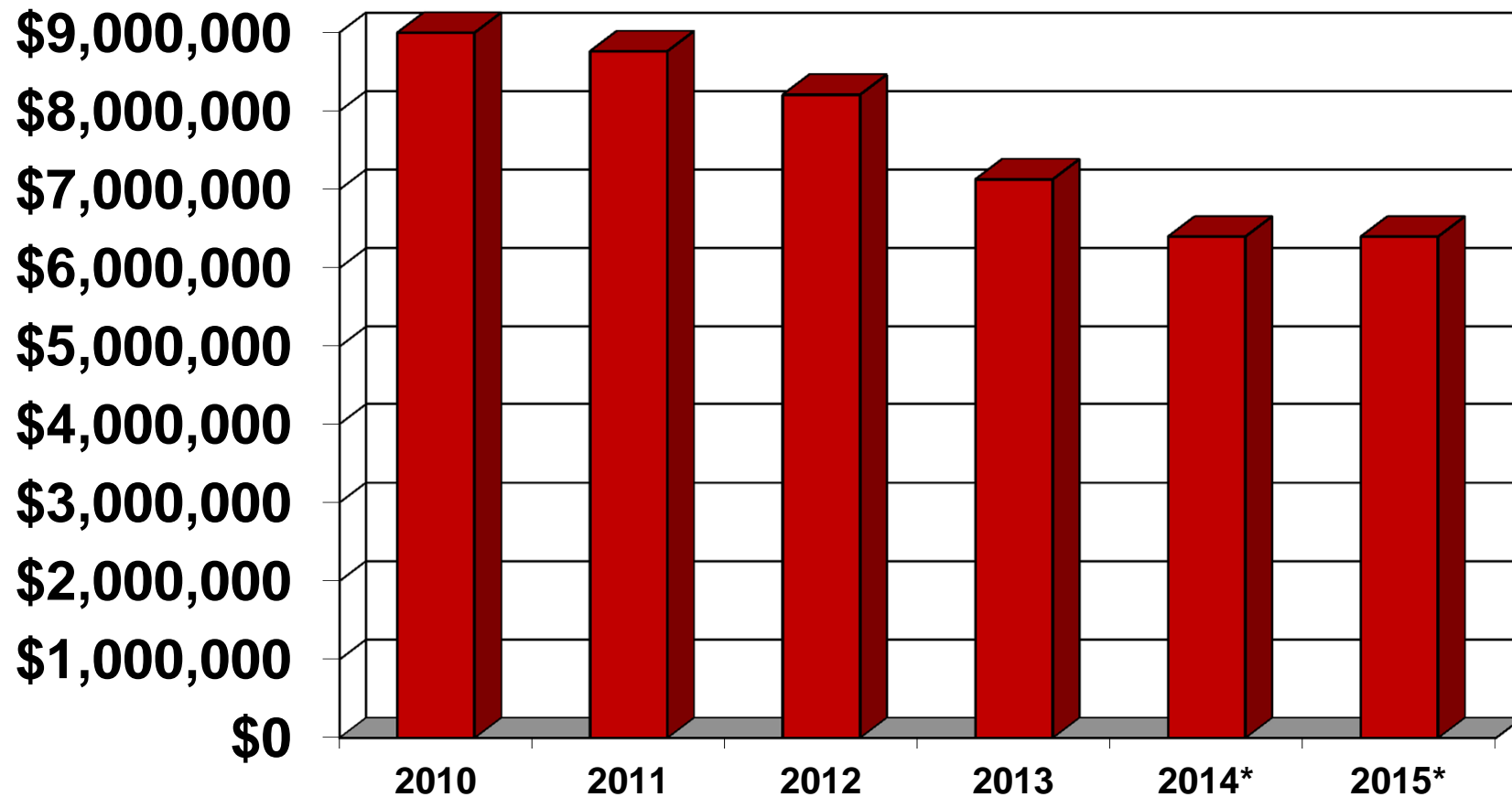


History of TCAPS' Retirement Costs





History of Fund Balance



* Estimated amounts, not budgeted amounts.



Other Funds

★ Special Revenue Fund: Food Services

- Ending year with shortfall
 - Participation increased in 2013/14 but still down from 2 years ago
 - 10 lost days
 - Inflationary pressures
 - Food price inflation
 - Retirement rate
 - Healthy, Hunger-free Kids Act mandates continue
- Breakfast prices slated for \$0.15 increase in 2015
- Secondary lunch prices slated for \$0.10 increase and elementary lunch prices slated for \$0.15 increase in 2015
- Ongoing universal breakfast and CEO (Community Eligibility Option) programs
- Continue to focus on expansion of Farm to School programs
- Food Service budget will be structurally balanced within the next two years



Other Funds continued

★ **Special Revenue Fund: Community Services**

★ **Childcare Programs**

- Fee-for-service program – offsets some GF costs (registration fees, overhead, profit margin)
- Goal is universal preschool
- Recent financial challenges
- Implemented program efficiencies
 - Reduced outstanding balances
 - Re-structured 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**

★ **LEAP Program**

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



Other Funds continued

★ **Capital Projects**

- Revised long-term capital plan
- Proposal planned for November 2015
- 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



A Special Thank You

A note of thanks to the entire staff of the 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*

*Audrey Jacquain
Ken O'Brien*

*Carrie Sattler
Diane Sievert*

Sincerely,

Paul A. Soma

*Associate Superintendent
of Finance and Operations*

MEMORANDUM



TO: Steve Cousins, Superintendent
FROM: Paul Soma, CPA
Associate Superintendent
DATE: June 20, 2014
RE: **2014/2015 ORIGINAL BUDGETS**

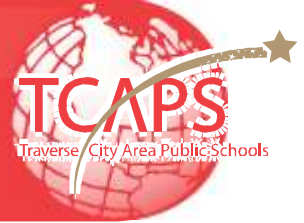
Paul A. Soma, CPA
Associate Superintendent
Of Finance and Operations

Michele Greenan
Executive Assistant

Attached please find the 2014/2015 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 2014/2015 General Fund Budget and the original 2014/2015 Special Revenue Fund Budget, dated July 1, 2014.



TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 23, 2014

FOR ACTION:

TOPIC:

2014/2015 Preliminary Budgets for Traverse City Area Public Schools (Appropriations Act)

RECOMMENDATION:

That the Board of Education adopts the attached Resolution.

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 we have 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) | 4,308,966,680 |
| Homestead Taxable Value | 2,569,105,613 |
| Non-Principal Residence Exemption Taxable Value | 1,739,861,067* |
| Operating Millage Levy (Non-principal residence exemption only) | 18 mills |
| Operating Local Property Tax Revenue (Non-principal residence exemption only) | 31,317,499 |
| Estimated State Aid (foundation allowance) Formula: | |
| Foundation Allowance per Pupil | 7,126 |
| Local Tax Support per Pupil (Est. Pupils: 10,036) | 3,121 |
| State Aid per Pupil (Est. Pupils: 10,036) | 4,005 |

* 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. We are merely providing estimates to receive authorization to begin the 2014/2015 school year.

SOURCE PERSON:

Paul A. Soma, CPA, Associate Superintendent of Finance and Operations

ATTACHMENTS:

Proposed official resolution

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
2014/2015 PRELIMINARY BUDGETS**

RESOLVED, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2014/2015 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 2014/2015 are as follows:

Revenue

| | |
|---|----------------------|
| Local Sources | \$ 33,293,704 |
| State Sources | 49,307,538 |
| Federal Sources | 1,776,500 |
| Incoming Transfers and Other Transactions | <u>3,165,142</u> |
| Total Revenue | \$ 87,542,884 |

| | |
|----------------------------------|-----------|
| Fund Balance (07/01/14 estimate) | 4,914,022 |
|----------------------------------|-----------|

Total Available to

| | |
|-----------------------------------|----------------------|
| Appropriate ~ General Fund | \$ 92,456,906 |
|-----------------------------------|----------------------|

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

**RESOLUTION TO ADOPT
2014/2015 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that \$89,010,351 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 | \$ 44,945,087 |
| Added Needs | <u>9,182,597</u> |
| Total Instruction | \$ 54,127,684 |

Support Services:

| | |
|-------------------------------|------------------|
| Pupil Services | \$ 2,888,401 |
| Instructional Staff | 4,399,273 |
| General Administration | 474,962 |
| School Administration | 6,114,848 |
| Business | 1,665,900 |
| Operations & Maintenance | 8,903,705 |
| Pupil Transportation Services | 5,447,951 |
| Central Services | 2,742,230 |
| Student | <u>1,852,813</u> |

Total Support Services \$ 34,490,083

Community Services \$ 79,555

Outgoing Transfers and Other Transactions \$ 313,029

Total Appropriated ~ General Fund \$ 89,010,351

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

**RESOLUTION TO ADOPT
2014/2015 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that the total projected revenues and expenditures for the Special Revenue Fund - Food Services of the Traverse City Area Public Schools for the fiscal year 2014/2015 are as follows:

Revenue

| | |
|---------------------------|---------------------|
| Local Sources * | \$ 2,485,011 |
| State Sources | 186,941 |
| Federal Sources | 2,477,898 |
| Incoming Transfers/Others | <u>25,000</u> |
| Total Revenue | \$ 5,174,850 |

Expenditures

| | |
|---------------------------|---------------------|
| Salaries | \$ 1,528,546 |
| Benefits | 710,147 |
| Purchased Services | 154,567 |
| Supplies & Other Expenses | 2,837,590 |
| Capital Outlay | 20,000 |
| Operating Transfer | <u>0</u> |
| Total Expenditures | \$ 5,250,850 |

Excess of Revenues (Under) Expenditures (\$ 76,000)

Beginning Fund Balance (07/01/14 estimate) \$ 656,533

Ending Fund Balance (06/30/15 estimate) \$ 580,533

* Reflects a \$0.15 increase to breakfast, \$0.15 to elementary lunch, and \$0.10 to secondary lunch prices.

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

**RESOLUTION TO ADOPT
2014/2015 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 Appropriation Resolution is to take effect on July 1, 2014.

AYES:

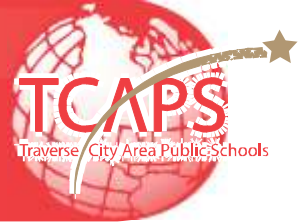
NAYS:

Resolution adopted.

Scott C. Hardy, 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 23, 2014, 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.

Scott C. Hardy, Secretary
Board of Education
Traverse City Area Public Schools



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

ITEMIZED PRELIMINARY BUDGET

2014/2015

Presented June 23, 2014

The itemized portion of the 2014/2015 budgets are for informational purposes only and are broken down into more detail than the formal budget adopted by the Board of Education.

★ 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**

| Revenue | 2011-2012 Actual | 2012-2013 Actual | 2013-2014 Amended | 2014-2015 Original |
|---------------------------|---------------------|---------------------|----------------------|-----------------------|
| Local Unrestricted | 32,250,488 | 32,288,073 | 33,379,657 | 33,293,704 |
| State Unrestricted | 41,505,060 | 43,381,320 | 42,542,434 | 44,088,515 |
| State Restricted | 1,609,202 | 2,049,808 | 6,126,785 | 5,219,023 |
| Federal Stabilization | 0 | 0 | 0 | 0 |
| Federal Ed Jobs | 1,300,289 | 0 | 0 | 0 |
| Federal IDEA Unrestricted | 0 | 0 | 0 | 0 |
| Federal Restricted | 3,402,537 | 2,533,701 | 2,241,927 | 1,776,500 |
| Incoming Transfers/Other | 2,425,811 | 2,958,509 | 3,354,971 | 3,165,142 |
| Total Revenues | 82,493,387 | 83,211,411 | 87,645,774 | 87,542,884 |

| Expenditures | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Instruction | | | | |
| Basic Instruction | 41,509,673 | 41,895,112 | 43,969,806 | 44,945,087 |
| Added Needs | 8,652,599 | 8,640,550 | 9,780,689 | 9,182,597 |
| Total Instruction | 50,162,272 | 50,535,662 | 53,750,495 | 54,127,684 |
| Support | | | | |
| Pupil | 3,143,329 | 3,138,060 | 3,145,977 | 2,888,401 |
| Instructional Staff | 4,212,884 | 4,084,582 | 4,953,781 | 4,399,273 |
| General Administration | 553,883 | 581,881 | 598,687 | 474,962 |
| School Administration | 5,686,309 | 5,822,051 | 6,140,578 | 6,114,848 |
| Business Services | 1,328,383 | 1,373,402 | 1,519,769 | 1,665,900 |
| Operations and Maintenance | 8,308,615 | 8,882,897 | 8,939,477 | 8,903,705 |
| Pupil Transportation | 4,614,436 | 4,918,620 | 5,288,800 | 5,447,951 |
| Central Services | 2,489,180 | 2,516,703 | 2,832,484 | 2,742,230 |
| Other Support Services | 1,461,160 | 1,492,934 | 1,974,516 | 1,852,813 |
| Total Support Services | 31,798,179 | 32,811,130 | 35,394,069 | 34,490,083 |
| Community Services | 283,677 | 235,645 | 256,944 | 79,555 |
| Other Uses - Outgoing Transfers & Other | 802,875 | 706,636 | 459,567 | 313,029 |
| Total Expenditures | 83,047,003 | 84,289,073 | 89,861,075 | 89,010,351 |
| Excess Revenue/(Expenditures) | (553,616) | (1,077,662) | (2,215,301) | (1,467,467) |
| Fund Balance - July 1 | 8,760,601 | 8,206,985 | 7,129,323 | 4,914,022 |
| Fund Balance - June 30 | 8,206,985 | 7,129,323 | 4,914,022 | 3,446,555 |
| Less Non-Spendable and Assigned | 5,760,865 | 5,266,072 | 1,482,091 | 1,482,091 |
| Unassigned Fund Balance | 2,446,120 | 1,863,251 | 3,431,931 | 1,964,464 |

| Fund Equity Non-Spendable and Assigned | | | | |
|---|------------------|------------------|------------------|------------------|
| Non-Spendable for Inventories | 52,332 | 52,631 | 50,000 | 50,000 |
| Non-Spendable for Prepays | 631,822 | 620,343 | 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 | 862,345 | 741,181 | 432,091 | 432,091 |
| Assigned for Department Carryover | 428,456 | 80,000 | 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 | 1,271,672 | 1,261,018 | 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 | 2,514,238 | 2,510,899 | 0 | 0 |
| Total Fund Equity Non-Spendable and Assigned | 5,760,865 | 5,266,072 | 1,482,091 | 1,482,091 |

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, 2014**

| Calculation of Projected FTE Students | | | 2015 | 2014 |
|--|--------|-----|---------------|---------------|
| February Student Count (estimate 2015) | 9,931 | 10% | 993 | 996 |
| October Student Count (estimate 2014) | 10,048 | 90% | 9,043 | 9,066 |
| Total Fiscal year FTE | | | 10,036 | 10,062 |

| Total Foundation Allowance Calculation | | 2015 | 2014 |
|---|--|-------------------|-------------------|
| Total Fiscal year FTE | | 10,036 | 10,062 |
| Foundation Amount per Student | | 7,126 | 7,026 |
| Total Foundation Allowance | | 71,516,536 | 70,695,612 |

| State and Local Portion of Foundation | | Current Year | Prior Year |
|--|--|---------------------|-------------------|
| non-Principal Residence Exemption | | 1,739,861,067 | 1,711,674,578 |
| 18 mills | | 0 | 0 |
| Local Portion of Foundation | | 31,317,499 | 30,810,142 |
| State Portion of Foundation | | 40,199,037 | 39,885,470 |

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

| Revenue | 2013-2014 Amended | 2014-2015 Original |
|--------------------------|----------------------|-----------------------|
| Local Unrestricted | 33,273,807 | 33,222,824 |
| State Unrestricted | 42,542,434 | 44,088,515 |
| State Restricted | 2,502,187 | 2,402,187 |
| Federal Stabilization | 0 | 0 |
| Federal EdJobs | 0 | 0 |
| Federal Restricted | 5,354 | 5,354 |
| Incoming Transfers/Other | 2,838,581 | 2,811,689 |
| Total Revenues | 81,162,363 | 82,530,569 |

| Expenditures | | |
|---|-------------------|-------------------|
| Instruction | | |
| Basic Instruction | 43,065,315 | 44,029,122 |
| Added Needs | 6,510,408 | 6,808,127 |
| Total Instruction | 49,575,723 | 50,837,249 |
| Support | | |
| Pupil | 2,656,284 | 2,429,857 |
| Instructional Staff | 3,675,092 | 3,483,919 |
| General Administration | 598,687 | 474,962 |
| School Administration | 6,140,578 | 6,114,848 |
| Business Services | 1,519,769 | 1,665,900 |
| Operations and Maintenance | 8,891,597 | 8,855,325 |
| Pupil Transportation | 5,170,324 | 5,317,828 |
| Central Services | 2,825,856 | 2,741,980 |
| Student Support Services | 1,971,435 | 1,848,883 |
| Total Support Services | 33,449,622 | 32,933,502 |
| Community Services | 0 | 0 |
| Other Uses - Outgoing Transfers & Other | 352,319 | 227,285 |
| Total Expenditures | 83,377,664 | 83,998,036 |
| Excess Revenue/(Expenditures) | (2,215,301) | (1,467,467) |
| Fund Balance - July 1 | 7,129,323 | 4,914,022 |
| Fund Balance - June 30 | 4,914,022 | 3,446,555 |
| Less Non-Spendable and Assigned | 1,482,091 | 1,482,091 |
| Unassigned Fund Balance | 3,431,931 | 1,964,464 |

| Fund Equity Non-Spendable and Assigned | | |
|---|------------------|------------------|
| 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 | 432,091 | 432,091 |
| 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 |
| Total Fund Equity Non-Spendable and Assigned | 1,482,091 | 1,482,091 |

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

| Revenue | 2013-2014 Amended | 2014-2015 Original |
|--------------------------|----------------------|-----------------------|
| Local Unrestricted | 105,850 | 70,880 |
| State Unrestricted | | |
| State Restricted | | |
| Federal Stabilization | | |
| Federal Jobs | | |
| Federal Restricted | | |
| Incoming Transfers/Other | 516,390 | 353,453 |
| Total Revenues | 622,240 | 424,333 |

| Expenditures | | |
|---|----------------|----------------|
| Instruction | | |
| Basic Instruction | 23,000 | 22,500 |
| Added Needs | 121,447 | 109,570 |
| Total Instruction | 144,447 | 132,070 |
| Support | | |
| Pupil | 10,912 | 0 |
| Instructional Staff | 373,025 | 239,953 |
| General Administration | | |
| School Administration | | |
| Business Services | | |
| Operations and Maintenance | 47,880 | 48,380 |
| Pupil Transportation | 4,110 | 0 |
| Central Services | | |
| Student Support Services | 3,081 | 3,930 |
| Total Support Services | 439,008 | 292,263 |
| Community Services | 34,303 | 0 |
| Other Uses - Outgoing Transfers & Other | 4,482 | 0 |
| Total Expenditures | 622,240 | 424,333 |
| Excess Revenue/(Expenditures) | 0 | 0 |
| Fund Balance - July 1 | 0 | 0 |
| Fund Balance - June 30 | 0 | 0 |
| Less Non-Spendable and Assigned | 0 | 0 |
| Unassigned Fund Balance | 0 | 0 |

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

| Revenue | 2013-2014 Amended | 2014-2015 Original |
|--------------------------|----------------------|-----------------------|
| Local Unrestricted | | |
| State Unrestricted | | |
| State Restricted | 3,624,598 | 2,816,836 |
| Federal Stabilization | | |
| Federal EdJobs | | |
| Federal Restricted | | |
| Incoming Transfers/Other | | |
| Total Revenues | 3,624,598 | 2,816,836 |

| Expenditures | | |
|---|------------------|------------------|
| Instruction | | |
| Basic Instruction | 880,647 | 891,885 |
| Added Needs | 1,801,156 | 1,109,232 |
| Total Instruction | 2,681,803 | 2,001,117 |
| Support | | |
| Pupil | 438,087 | 399,367 |
| Instructional Staff | 251,358 | 265,538 |
| General Administration | | |
| School Administration | | |
| Business Services | | |
| Operations and Maintenance | | |
| Pupil Transportation | 108,922 | 108,757 |
| Central Services | 4,828 | 0 |
| Student Support Services | | |
| Total Support Services | 803,195 | 773,662 |
| Community Services | 110,981 | 17,057 |
| Other Uses - Outgoing Transfers & Other | 28,619 | 25,000 |
| Total Expenditures | 3,624,598 | 2,816,836 |
| Excess Revenue/(Expenditures) | 0 | 0 |
| Fund Balance - July 1 | 0 | 0 |
| Fund Balance - June 30 | 0 | 0 |
| Less Reserves and Designations | 0 | 0 |
| Unreserved Fund Balance | 0 | 0 |

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

| Revenue | 2013-2014 Amended | 2014-2015 Original |
|--------------------------|----------------------|-----------------------|
| Local Unrestricted | | |
| State Unrestricted | | |
| State Restricted | | |
| Federal Stabilization | | |
| Federal EdJobs | | |
| Federal Restricted | 2,236,573 | 1,771,146 |
| Incoming Transfers/Other | | |
| Total Revenues | 2,236,573 | 1,771,146 |

| Expenditures | | |
|---|------------------|------------------|
| Instruction | | |
| Basic Instruction | 844 | 1,580 |
| Added Needs | 1,347,678 | 1,155,668 |
| Total Instruction | 1,348,522 | 1,157,248 |
| Support | | |
| Pupil | 40,694 | 59,177 |
| Instructional Staff | 654,306 | 409,863 |
| General Administration | | |
| School Administration | | |
| Business Services | | |
| Operations and Maintenance | | |
| Pupil Transportation | 5,444 | 21,366 |
| Central Services | 1,800 | 250 |
| Student Support Services | | |
| Total Support Services | 702,244 | 490,656 |
| Community Services | 111,660 | 62,498 |
| Other Uses - Outgoing Transfers & Other | 74,147 | 60,744 |
| Total Expenditures | 2,236,573 | 1,771,146 |
| Excess Revenue/(Expenditures) | 0 | 0 |
| Fund Balance - July 1 | 0 | 0 |
| Fund Balance - June 30 | 0 | 0 |
| Less Non-Spendable and Assigned | 0 | 0 |
| Unassigned Fund Balance | 0 | 0 |

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

| Revenue | 2011-12 Actual | 2012-13 Actual | 2013-2014 Amended | 2014-2015 Original |
|-----------------------|-------------------|-------------------|----------------------|-----------------------|
| Local | 2,480,275 | 2,340,875 | 2,405,019 | 2,485,011 |
| State | 141,391 | 129,861 | 166,633 | 186,941 |
| Federal | 2,590,619 | 2,423,620 | 2,422,898 | 2,477,898 |
| Incoming Transfers | 0 | 24,980 | 25,000 | 25,000 |
| Total Revenues | 5,212,285 | 4,919,336 | 5,019,550 | 5,174,850 |

| Expenditures | | | | |
|---------------------------|------------------|------------------|------------------|------------------|
| Salaries and Wages | 1,456,375 | 1,409,502 | 1,501,250 | 1,528,546 |
| Employee Benefits | 576,737 | 575,105 | 717,894 | 710,147 |
| Purchased Services | 238,273 | 257,845 | 164,567 | 154,567 |
| Supplies and Other | 2,884,999 | 2,756,781 | 2,811,789 | 2,837,590 |
| Capital Outlay | 23,961 | 13,685 | 3,000 | 20,000 |
| Operating Transfer | 0 | 0 | 0 | 0 |
| Total Expenditures | 5,180,345 | 5,012,918 | 5,198,500 | 5,250,850 |

| | | | | |
|---|----------------|-----------------|------------------|-----------------|
| Revenues Over/(Under) Expenditures | 31,940 | (93,582) | (178,950) | (76,000) |
| Beginning Fund Balance July 1 | 897,125 | 929,065 | 835,483 | 656,533 |
| Ending Fund Balance June 30 | 929,065 | 835,483 | 656,533 | 580,533 |

NOTE: The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed. The Local Revenue reflects a \$0.15 increase to breakfast, \$0.15 to elementary lunch, and \$0.10 to secondary lunch prices.

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

| Revenue | 2011-2012 Actual | 2012-2013 Actual | 2013-2014 Amended | 2014-2015 Original |
|------------------------------|---------------------|---------------------|----------------------|-----------------------|
| Local | 2,302,779 | 2,346,667 | 2,409,200 | 2,426,500 |
| Federal | 123,295 | 123,296 | 123,296 | 135,000 |
| Intermediate School District | 0 | 0 | 0 | 0 |
| Incoming Transfers/Other | 254,218 | 310,011 | 209,166 | 199,959 |
| Total Revenues | 2,680,292 | 2,779,974 | 2,741,662 | 2,761,459 |

| Expenditures | | | | |
|--|------------------|------------------|------------------|------------------|
| Salaries and Wages | 1,350,763 | 1,434,255 | 1,429,526 | 1,433,481 |
| Employee Benefits | 754,195 | 845,302 | 904,040 | 906,766 |
| Purchased Services | 153,940 | 178,094 | 198,707 | 200,207 |
| Supplies and Other | 126,267 | 154,045 | 190,623 | 192,342 |
| Capital Outlay | 24,333 | 10,347 | 10,000 | 10,000 |
| Transfer to General Fund and Other | 189,973 | 4,765 | 57,649 | 7,649 |
| Total Expenditures | 2,599,471 | 2,626,808 | 2,790,545 | 2,750,445 |
| | | | | |
| Revenue Over/(Under) Expenditures | 80,821 | 153,166 | (48,883) | 11,014 |
| Beginning Fund Balance July 1 | 248,755 | 329,576 | 482,742 | 433,859 |
| Ending Fund Balance June 30 | 329,576 | 482,742 | 433,859 | 444,873 |

NOTE: The TCAPS Special Revenue 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 |
|--|

| Revenue | 2013-2014 Amended | 2014-2015 Original |
|------------------------------|----------------------|-----------------------|
| Local | 2,173,500 | 2,186,500 |
| Federal | | |
| Intermediate School District | | |
| Incoming Transfers/Other | 39,166 | 29,959 |
| Total Revenues | 2,212,666 | 2,216,459 |

| Expenditures | | |
|--|------------------|------------------|
| Salaries and Wages | 1,208,780 | 1,203,801 |
| Employee Benefits | 780,007 | 781,382 |
| Purchased Services | 62,082 | 62,082 |
| Supplies and Other | 157,280 | 154,780 |
| Capital Outlay | 0 | 0 |
| Transfer to General Fund and Other | 53,400 | 3,400 |
| Total Expenditures | 2,261,549 | 2,205,445 |
| | | |
| Revenue Over/(Under) Expenditures | (48,883) | 11,014 |
| Beginning Fund Balance July 1 | 405,568 | 356,685 |
| Ending Fund Balance June 30 | 356,685 | 367,699 |

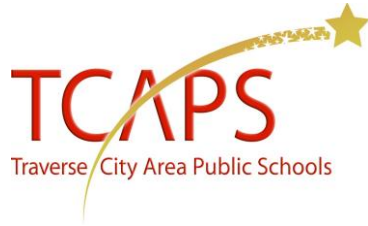
Traverse City Area Public Schools
School Service Fund - Community Services - Learning, Enrichment, and Athletic Program
For the Fiscal Years Ending June 30

| Revenue | 2013-2014 Amended | 2014-2015 Original |
|--|----------------------|-----------------------|
| Local | 235,700 | 240,000 |
| Federal | | |
| Intermediate School District | | |
| Incoming Transfers/Other | 170,000 | 170,000 |
| Total Revenues | 405,700 | 410,000 |
| Expenditures | | |
| Salaries and Wages | 167,669 | 169,440 |
| Employee Benefits | 94,238 | 91,088 |
| Purchased Services | 111,810 | 113,310 |
| Supplies and Other | 21,983 | 26,162 |
| Capital Outlay | 10,000 | 10,000 |
| Transfer to General Fund and Other | 0 | 0 |
| Total Expenditures | 405,700 | 410,000 |
| Revenue Over/(Under) Expenditures | 0 | 0 |
| Beginning Fund Balance July 1 | 77,174 | 77,174 |
| Ending Fund Balance June 30 | 77,174 | 77,174 |

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

| Revenue | 2013-2014 Amended | 2014-2015 Original |
|------------------------------|----------------------|-----------------------|
| Local | | |
| Federal | 123,296 | 135,000 |
| Intermediate School District | | |
| Incoming Transfers/Other | | |
| Total Revenues | 123,296 | 135,000 |

| Expenditures | | |
|--|----------------|----------------|
| Salaries and Wages | 53,077 | 60,240 |
| Employee Benefits | 29,795 | 34,296 |
| Purchased Services | 24,815 | 24,815 |
| Supplies and Other | 11,360 | 11,400 |
| Capital Outlay | 0 | 0 |
| Transfer to General Fund and Other | 4,249 | 4,249 |
| Total Expenditures | 123,296 | 135,000 |
| Revenue Over/(Under) Expenditures | 0 | 0 |
| Beginning Fund Balance July 1 | 0 | 0 |
| Ending Fund Balance June 30 | 0 | 0 |



Capital Projects - Summary

| | 2001 Voter Approval 18 Million Authorization | 2004 Voter Approval 42 Million Authorization | 2007 Voter Approval 105 Million Authorization | Total <i>Voter Approval</i> <i>165 Million Authorization</i> |
|-----------------------------|---|---|--|---|
| Bonds Sold | | | | |
| 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 | 18,000,000 | 35,260,000 | 59,450,000 | 112,710,000 |
| Projected Bond Sales | | | | |
| 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 | 0 | 6,740,000 | 45,550,000 | 52,290,000 |
| Total | 18,000,000 | 42,000,000 | 105,000,000 | 165,000,000 |

**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 |
| Total | 18,000,000 | |

| Revenue | Series I Series I was completed as of 06-30-2005 | |
|-----------------------------------|---|--|
| Bond Sale | 10,000,000 | |
| Earnings on Investments | 244,840 | |
| | 10,244,840 | |
| 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. |
| | 10,244,840 | |

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 | |
| | 4,173,108 | |
| 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 | | |
| | 4,173,108 | |

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 |
| | 4,287,766 | | 18,705,714 |
| 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 |
| | 4,287,766 | | 18,705,714 |

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

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

| | Bonds Sold | Delivery Date |
|--------------|-------------------|----------------------|
| 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 |
| Total | 35,260,000 | |

| Revenue | Series I Series I was completed as of 11-1-2007 | |
|--|---|--|
| Bond Sale | 11,000,000 | |
| Earnings on Investments | 511,376 | |
| | 11,511,376 | |
| Expenditures | Series I | |
| 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 |
| | 11,511,376 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| Revenue | Series II Series II was completed as of 3-18-2010 | |
|--|--|--|
| Bond Sale | 5,970,512 | |
| Earnings on Investments | 317,802 | |
| | 6,288,314 | |
| 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 |
| | 6,288,314 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

**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 | |
| | 11,671,737 | |
| 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 |
| | 11,671,737 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

**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 | |
| | 2,153,543 | |
| 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. |
| | 2,153,543 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

**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 | 3,929 | |
| | 2,803,929 | |
| Expenditures | Series V | |
| Elementary Facilities | 156 | Unallocated funds |
| Furniture, Fixtures and Equipment | | |
| Misc. Site Work - Elementary | | |
| Elementary Driveway and Parking lot improvements | | |
| PA system replacement | 50,000 | PA system replacement for Eastern Elementary, Glenn Loomis Montessori, and Central Grade Elementary. |
| Central Grade - Classrooms | 280,000 | 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 | | |
| | 30,000 | 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 | 177,565 | 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 |
| | 2,803,929 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

**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 | 1,000 | | 1,009,387 |
| | 1,851,000 | | 36,279,899 |
| Expenditures | Series VI | | Summary All Series |
| Elementary Facilities | 1,000 | Unallocated funds | 1,156 |
| Furniture, Fixtures and Equipment | | | 96,535 |
| Misc. Site Work - Elementary | | | 6,170 |
| Elementary Driveway and Parking lot improvements | | | 48,096 |
| PA system replacement | | | 50,000 |
| Central Grade - Classrooms | | | 818,798 |
| 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 | | | 20,304 |
| | | | 30,000 |
| 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 | | | 880,162 |
| 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 |
| | 1,851,000 | | 36,279,899 |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| | Bonds Sold | Delivery Date |
|--------------|-------------------|----------------------|
| 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 |
| Total | 59,450,000 | |

| Revenue | Series I Series I was completed as of 03-23-2012 | |
|---|--|---|
| Bond Sale | 18,500,000 | |
| Earnings on Investments | 269,488 | |
| | 18,769,488 | |
| Expenditures | Series I | |
| Secondary and Elementary Facilities | 0 | Unallocated funds |
| District Wide Campus Security | 1,068,442 | System design, planning and installation |
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| International School at Bertha Vos | | |
| | | |
| Phase III Security System | | |
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| | | |
| 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 |
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All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| | Bonds Sold | Delivery Date |
|--------------|-------------------|---------------|
| 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 |
| Total | 59,450,000 | |

| Expenditures continued | Series I | |
|--|-----------|---|
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| West Senior High - Building Addition | 2,976,493 | Athletic addition encompassing auxiliary gym space, locker space, storage and office components (East Master Plan addition) |
| West Senior High - Interior Room | 668,411 | Renovations in preparation for changing Graduation requirements, middle school conversion and transition requirements |
| Traverse City High School - Building Addition | 1,001,036 | Project to support Science Labs, activity spaces and Art programs |
| Data Center | 2,824,228 | Create a data Center in the Gym area at Sabin |
| Technology Office Relocation and Training Classrooms - Data Center | 61,976 | Technology Office Relocation and Training Classrooms - Data Center |
| Office Renovations - Boardman Building | 13,806 | Office Renovations - Boardman Building |
| East Middle School - Entry and Office | 226,222 | Configuration changes to provide greater monitoring and line of site, wall removal and weight room work. |
| East Middle School | 34,969 | Gymnasium Lighting Retrofit |
| 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 |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| | Bonds Sold | Delivery Date |
|--------------|-------------------|----------------------|
| 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 |
| Total | 59,450,000 | |

| Expenditures | Series I | |
|-------------------------------|-------------------|---|
| 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. |
| | | |
| Thirlby 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 |
| | 18,769,488 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

**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 | |
| | 21,138,202 | |
| 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 09, 2014

**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 |
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| | 981,011 | Blair Elementary addition - preschool classrooms |
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| West Senior High - Building Addition | | |
| West Senior High - Interior Room | | |
| Traverse City High School - Building Addition | | |
| Data Center | 412 | Create a data Center in the Gym area at Sabin |
| Technology Office Relocation and Training Classrooms - Data Center | 24,418 | Technology Office Relocation and Training Classrooms - Data Center |
| Office Renovations - Boardman Building | | |
| East Middle School - Entry and Office | | |
| East Middle School | | |
| 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 |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| Expenditures | Series II | |
|-------------------------------|-------------------|--|
| 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 |
| | 21,138,202 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

**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 | 6,574 | |
| | 8,206,574 | |
| Expenditures | Series III | |
| Secondary and Elementary Facilities | (116,539) | Unallocated funds |
| District Wide Campus Security | | |
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| 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 | | |
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| | 13,011 | HVAC - Mechanical Equipment Central High School |
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All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| Expenditures continued | Series III | |
|--|------------|---|
| | | |
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| | | |
| | 720,000 | Energy Efficiency: lighting retrofit: EMS, BL, SL, CO, WW, WH, OP, CE, Boardman |
| | | |
| | 435,000 | West Middle School: Complete mechanical controls replacement to all new building automation system, which is Johnson Control metasys. |
| | 40,000 | Elementary school educational architectural standards design. |
| | 818,989 | Blair Elementary addition - preschool classrooms |
| | 4,415 | Architect and engineering elementary reconstructs - Eastern and Glenn Loomis Montessori |
| | 450,000 | Eastern Elementary roof replacement |
| | 450,000 | Interlochen Elementary roof replacement |
| | 75,000 | Interlochen Elementary gym floor replacement |
| | 15,000 | Interlochen Elementary PA system replacement |
| | 35,000 | Security Camera replacement |
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| West Senior High - Building Addition | | |
| West Senior High - Interior Room | | |
| Traverse City High School - Building Addition | | |
| Data Center | | |
| Technology Office Relocation and Training Classrooms - Data Center | | |
| Office Renovations - Boardman Building | | |
| East Middle School - Entry and Office | | |
| East Middle School | | |
| West Middle School - Site Work | | |
| Bus Garage - Fuel Island | | |
| Transportation - Buses | 2,012,992 | Money used to purchase buses so district can work toward a 10 year bus replacement schedule. |
| Video Recording and tracking equipment | | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| Expenditures | Series III | |
|-------------------------------|-------------------|--|
| 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 |
| Thirlby 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 |
| | 8,206,574 | |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| Revenue | Series IV Series IV for Fiscal Years 2015, 2016 | | Summary All Series |
|---|--|-------------------|-----------------------|
| Bond Sale | 11,650,000 | | 59,450,000 |
| Earnings on Investments | 2,000 | | 316,264 |
| | 11,652,000 | | 59,766,264 |
| Expenditures | Series IV | | Summary All Series |
| Secondary and Elementary Facilities | 117,899 | Unallocated funds | 1,360 |
| 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 |
| | | | 54,484 |
| | | | 137,007 |
| | | | 327,750 |
| | | | 325,929 |
| | | | 370,638 |
| | | | 96,132 |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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

| Expenditures continued | Series IV | | Summary All Series |
|--|------------------|--|-------------------------------|
| | | | 40,137 |
| | | | 44,489 |
| | | | 42,890 |
| | | | 720,000 |
| | | | 788,910 |
| | | | 435,000 |
| | | | 40,000 |
| | | | 1,800,000 |
| | | | 4,415 |
| | | | 450,000 |
| | | | 450,000 |
| | | | 75,000 |
| | | | 15,000 |
| | | | 35,000 |
| | 150,000 | Interlochen Elementary - mechanical equipment | 150,000 |
| | 650,000 | West High School - floor replacement classroom, hallways and corridors | 650,000 |
| | 400,000 | Thirby Field - bleacher seating replacement | 400,000 |
| | 40,000 | West Middle School - replace air handler system | 40,000 |
| | 180,000 | Blair Elementary - floor replacement classroom | 180,000 |
| | 2,600,000 | Central High School - renovation and infrastructure upgrades to existing auditorium space | 2,600,000 |
| | 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 |
| West Middle School - Site Work | | | 2,133,509 |
| Bus Garage - Fuel Island | | | 420,770 |
| Transportation - Buses | 1,300,000 | 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 |

All project actual expenditures and budgeted expenditures as of June 09, 2014

**Capital Projects
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| Expenditures | Series IV | | Summary All Series |
|-------------------------------|-------------------|--|-------------------------------|
| 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 |
| | 300,000 | Physical Education Facilities | 511,684 |
| Thirlby 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 | 73,101 | Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing | 283,517 |
| Arbitrage Expense | 0 | | 0 |
| Other Expense | 0 | Money from investment earning to be added to one of the above projects | 0 |
| | 11,652,000 | | 59,766,271 |

All project actual expenditures and budgeted expenditures as of June 09, 2014

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 | \$0 | NA | | Project Planning | NA | Projects Evaluation |
| 20 | Unallocated Funds 2007 Voter Authorization | 2009 | 2007 | \$0 | 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 | \$128,612 | 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 | \$10,000,000 | 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 | \$1,815,857 | TBD | \$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 | TBD | \$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 | TBD | 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 | Sep-12 | 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 | TBD | \$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 | TBD | TBD | 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 | 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 | \$10,379 | 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 | TBD | Construction Underway | Sep-14 | Substantial Completion |
| 77 | Central Grade School 2014 Classroom Renovation | 2014 | 2004 | \$300,000 | \$280,000 | TBD | Contractor Mobilization | Sep-14 | Construction |
| 78 | VPAA: CHS & WMS Locker storage for musical instruments | 2014 | 2007 | \$170,000 | \$170,000 | TBD | Contractor Mobilization | Sep-14 | Construction |
| 79 | Athletics: New scoreboards for Field Facilities | 2014 | 2007 | \$220,000 | \$330,000 | TBD | Contractor Mobilization | TBD | Construction |
| 80 | Interlochen Gym Floor Replacement | 2014 | 2007 | \$75,000 | \$70,000 | TBD | Contractor Mobilization | | Construction |
| 81 | Eastern Roof Replacement | 2014 | 2007 | \$450,000 | \$425,000 | TBD | Contractor Mobilization | Jul-14 | Construction |
| 82 | Interlochen Roof Replacement | 2014 | 2007 | \$450,000 | \$425,000 | TBD | Contractor Mobilization | Jul-14 | Construction |
| 83 | West Senior High School flooring replacement in classrooms, corridors, main and counseling offices | 2014 | 2007 | \$650,000 | \$500,000 | TBD | Contractor Mobilization | Jul-14 | Construction |
| 84 | Thirby Field Bleacher Replacement Project | 2015 | 2007 | \$400,000 | TBD | TBD | | Jun-15 | |
| 85 | Eastern Elementary: PA System Replacement | 2014 | 2007 | \$15,000 | TBD | TBD | Preliminary Scope Gathering | | |
| 86 | Interlochen Elementary: PA System Replacement | 2014 | 2007 | \$15,000 | TBD | TBD | Preliminary Scope Gathering | | |
| 87 | Central Grade Elementary: PA System Replacement | 2014 | 2007 | \$20,000 | TBD | TBD | Preliminary Scope Gathering | | |
| 88 | Glenn Loomis Montessori: PA System Replacement | 2014 | 2007 | \$15,000 | TBD | TBD | Preliminary Scope Gathering | | |
| 89 | Purchase of 45 new Security Cameras to replace obsolete Pelco Cameras | 2014 | 2007 | \$35,000 | TBD | TBD | TBD | TBD | TBD |
| 90 | Willow Hill Roof Drains | 2014 | 2007 | \$30,000 | TBD | TBD | Ad for bids | Aug-14 | Contract Award |
| 91 | Safety and Security - The Boot System | 2014 | 2007 | \$485,000 | TBD | TBD | Contractor Mobilization | Oct-14 | Contract Award |

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

MEMORANDUM



TO: Steve Cousins, Superintendent
FROM: Paul Soma, CPA
Associate Superintendent
DATE: June 20, 2014
RE: **CERTIFICATION OF 2014/2015 TAXES**

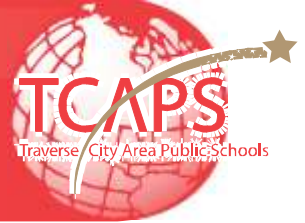
Paul A. Soma, CPA
Associate Superintendent
of Finance and Operations

Michele Greenan
Executive Assistant

Please refer to the attached resolution for certification of the tax levy for the 2014/2015 school year to take effect on July 1, 2014.

An appropriate motion to adopt this resolution would be:

Moved by _____, Supported by _____, to adopt the resolution for certification of the 2014/2015 tax rates, dated July 1, 2014.



TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 23, 2014

FOR ACTION:

TOPIC:

Certification of Taxes for the 2014/2015 School Year

RECOMMENDATION:

That the Board of Education adopt a resolution certifying the tax levy for the 2014/2015 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, 2014. After applying the appropriate Headlee Rollback calculation to our authorized non-principal residence exemption millage rate, our District is still able to levy the full 18 mills required to receive our foundation amount.

FINANCIAL IMPACT:

Projected proceeds from the above levies are as follows:

| | |
|--|--------------|
| 18.0 Mills Operating Non-principal Residence Exemption | \$31,317,499 |
| 3.1 Mills Debt Service | \$13,357,797 |

SOURCE PERSON:

Paul A. Soma, CPA, Associate Superintendent of Finance & Operations

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

**RESOLUTION FOR
CERTIFICATION OF TAXES**

This Resolution shall take effect on July 1, 2014

AYES:

NAYS:

Resolution adopted.

Scott C. Hardy, 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 23, 2014, 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.

Scott C. Hardy, Secretary
Board of Education
Traverse City Area Public Schools

2014 Tax Rate Request (This form must be completed and submitted on or before September 30, 2014)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

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

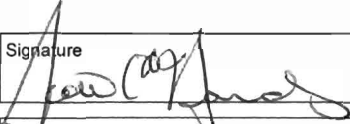
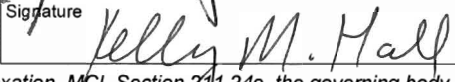
| | |
|--|---|
| County(ies) Where the Local Government Unit Levies Taxes Benzie, Grand Traverse & Leelanau | 2014 Taxable Value of ALL Properties in the Unit as of 5-27-14 4,308,966,680 |
| Local Government Unit Requesting Millage Levy Traverse City Area Public Schools | For LOCAL School Districts: 2014 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 1,739,861,067 |

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 2014 tax roll.

| (1) Source | (2) Purpose of Millage | (3) Date of Election | (4) Original Millage Authorized by Election Charter, etc. | (5) ** 2013 Millage Rate Permanently Reduced by MCL 211.34d "Headlee" | (6) 2014 Current Year "Headlee" Millage Reduction Fraction | (7) 2014 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 Vat | OP NH | 06/10/96 | 18.0000 | 16.2229 | 1.0000 | 16.2229 | 1.0000 | 16.2229 | 16.2229 | | 12/2015 |
| Extra Vat | OPNH | 06/14/99 | 1.0000 | 0.9194 | 1.0000 | 0.9194 | 1.0000 | 0.9194 | 0.9194 | | 12/2015 |
| Extra Vat | OP NH | 06/09/03 | 1.0000 | 0.9647 | 1.0000 | 0.9647 | 1.0000 | 0.9647 | 0.8577 | | 12/2015 |
| Extra Vat | OP NH | 11/07/06 | 1.0000 | 0.9891 | 1.0000 | 0.9891 | 1.0000 | 0.9891 | 0.0000 | | 12/2015 |
| Extra Vat | Debt-All | 06/12/95 | N/A | N/A | 1.0000 | N/A | 1.0000 | | 3.1000 | | N/A |
| | | 06/11/01 | | | | | | | | | |
| | | 06/14/04 | | | | | | | | | |
| | | 11/06/07 | | | | | | | | | |

| | | | |
|------------------------------------|---|--|---------------------------|
| Prepared by Paul A. Soma | Telephone Number 231.933.1734 | Title of Preparer Associate Superintendent | Date 06/23/2014 |
|------------------------------------|---|--|---------------------------|

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 Scott C. Hardy | Date 06/23/2014 |
| <input checked="" type="checkbox"/> Secretary | | | |
| <input type="checkbox"/> Chairperson | Signature  | Print Name Kelly M. Hall | Date 06/23/2014 |
| <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 2014 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 |

2014 Tax Rate Request (This form must be completed and submitted on or before September 30, 2014)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

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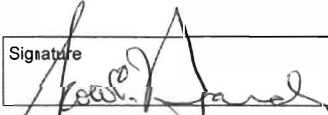
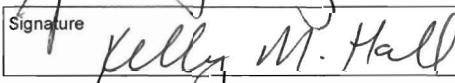
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| Extra Vot | OP NH | 11/07/06 | 1.0000 | 0.9891 | 1.0000 | 0.9891 | 1.0000 | 0.9891 | | 0.0000 | 12/2015 |
| Extra Vot | Debt-All | 06/12/95 | N/A | N/A | 1.0000 | N/A | 1.0000 | | | 3.1000 | N/A |
| | | 06/11/01 | | | | | | | | | |
| | | 06/14/04 | | | | | | | | | |
| | | 11/06/07 | | | | | | | | | |

| | | | |
|------------------------------------|---|--|---------------------------|
| Prepared by Paul A. Soma | Telephone Number 231.933.1734 | Title of Preparer Associate Superintendent | Date 06/23/2014 |
|------------------------------------|---|--|---------------------------|

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 Scott C. Hardy | Date 06/23/2014 |
| <input checked="" type="checkbox"/> Secretary | | | |
| <input type="checkbox"/> Chairperson | Signature  | Print Name Kelly M. Hall | Date 06/23/2014 |
| <input checked="" type="checkbox"/> President | | | |

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| For Commercial Personal | 6.0 |
| For all Other | 18.0 |

RatingsDirect®

Summary:

Traverse City Area Public Schools, Michigan; General Obligation

Primary Credit Analyst:

Helen Samuelson, Chicago (1) 312-233-7011; helen.samuelson@standardandpoors.com

Secondary Contact:

Blake E Yocom, Chicago (1) 312-233-7056; blake.yocom@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

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.

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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