

MEMORANDUM



TO: Steve Cousins, Superintendent

FROM: Paul Soma, CPA
Chief Financial Officer/Chief Operating Officer

DATE: June 21, 2013

RE: **AMENDMENT II TO 2012/2013 GENERAL FUND BUDGET and
AMENDMENT I TO 2012/2013 SPECIAL REVENUE FUND BUDGET:**

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

Paul A. Soma, CPA
Chief Financial Officer
Chief Operating Officer

Michele Greenan
Executive Assistant

Attached please find the proposed final amendments to the 2012/2013 General Fund and Special Revenue Fund budgets.

The General Fund amendment reflects a positive adjustment from the amended budget of \$145,197. This variance is minor given the size of the general fund budget, representing less than one-half percent of our expenditure budget, and is indicative of a budget that saw no major changes to the bottom line since the first amendment. Minor changes that accounted for this variance include adjustments to reflect actual state aid payments and secondary building “carryover” of staffing positions. This staffing carryover has the impact of decreasing the current year budgeted expenditure and increasing the following year by the same amount and is part of the District’s long- standing practice of allowing sites flexibility with their budgets from year to year. This practice has served our district well by encouraging a multi-year spending plan approach rather than a “spend it or lose it” mentality. For further information regarding variances from the first to second amended budgets, please see the following detailed budget documents.

While the bottom line has not been impacted by changes to the budget, the implementation of a new categorical funding source in June of this year has had an impact on the numbers. Sections 147c, also known as the retirement subsidy payment, had the effect of “grossing up” revenues and expenditures by approximately \$940,000. This new categorical is the vehicle the state is using to “cap” retirement costs. In reality, there is no way to “cap” costs other than to reduce benefits. As such, the school aid fund is still paying for all retirement costs. This matter is discussed in greater detail in the 2014 original proposed budget found in Tab 3 of this booklet.

The general fund budgeted shortfall stands at approximately \$3 million. As has been discussed in the past, actual expenditures by law must not exceed the total budget. Actual district 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 \$1.5 million once the books are closed, leaving the District with a fund balance of approximately \$6.7 million.

The \$6.7 million fund balance represents approximately 7.6% of our budgeted expenditures. This amount is below the board-established target of 10% and is cause for concern from the perspective that we are still carrying a structural deficit. Going into the 2013 school year there was hope, based on state fiscal data, that school funding might rebound and that retirement reform might result in less pressure on state school aid resources. Unfortunately, this hope turned out to be misguided. The State has not freed up new resources for schools and the retirement reform touted by the state legislature is being paid out of state school aid funds. This essentially means that there is no cap on retirement costs and, as will be shown in the 2014 budget discussion, the actual rate paid for employee pensions will rise to approximately 30%.

What this all means is that in spite of over \$11.4 million in reductions over the last five years, the District is still not at a point where revenues received are adequate to cover expenditures. This situation (the District's "structural deficit"), by definition cannot continue. It will be imperative for the District to eliminate this gap within a short time frame. Failure to do so will have dire consequences. Schools across the state are struggling with all the same variables as TCAPS. Based on recent data published by the Citizens Research Council and Munitrex (an independent data source for municipal governments and school districts), schools are losing the battle against limited resources with 55 districts in true deficit, over 62 districts in fiscal distress and another 106 districts showing signs of distress. The funding situation continues to be bleak for Michigan schools, creating a wide range of challenges for TCAPS in the coming years.

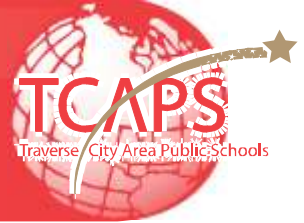
The challenges and opportunities in store for next year are discussed in more detail under Tab 3 of the Budget Hearing booklet.

Also attached, please find the proposed final amendment to the 2012/2013 Special Revenue Funds. This amendment aligns our budgets with our most current information and expectations. The Community Services fund shows a positive bottom line adjustment that recognizes the implementation of improved business practices in the District's fee-for-service programs. The Food Services fund shows a negative bottom line adjustment that is the result of primarily four factors:

- a decrease in meal participation due to new federal guidelines;
- the loss of 10 serving days as a result of school closures for snow days;
- a change in accounting guidelines relative to federal commodities; and
- an increase in food prices.

An appropriate motion to adopt these amendments would be:

Moved by _____, Supported by _____, to adopt a resolution to approve the second amendment to the 2012/2013 General Fund Budget and the first amendment to the 2012/2013 Special Revenue Fund Budget, dated June 24, 2013.



TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

June 24, 2013

FOR ACTION:

TOPIC:

Amendment II to 2012/2013 General Fund Budget
Amendment I to 2012/2013 Special Revenue 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 2012/2013 Budgets.

SOURCE PERSON:

Paul A. Soma, CPA, Chief Financial Officer and Chief Operating Officer

ATTACHMENTS:

2012/2013 General Fund Budget Final Amendment
2012/2013 Special Revenue Fund Budget Final Amendment:

- Food Services
- Community Services

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

Revenue	2012-2013 Original	2012-2013 Amend 1*	2012-2013 Amend 2*	Variance*
Local Restricted and Unrestricted	32,468,470	32,590,741	32,364,141	(226,600)
State Unrestricted	42,115,188	42,486,222	42,506,622	20,400
State Restricted	2,064,217	2,798,839	3,817,079	1,018,240
Federal Stabilization	0	0	0	0
Federal EdJobs	0	0	0	0
Federal Restricted	1,912,880	2,772,104	2,810,480	38,376
Incoming Transfers/Other	2,635,115	3,002,144	3,328,553	326,409
Total Revenues	81,195,870	83,650,050	84,826,875	1,176,825

Expenditures				
Instruction				
Basic Instruction	41,354,607	42,309,025	42,693,136	384,111
Added Needs	9,511,961	9,841,279	9,976,910	135,631
Total Instruction	50,866,568	52,150,304	52,670,046	519,742
Support				
Pupil	3,207,512	3,236,466	3,192,789	(43,677)
Instructional Staff	3,704,735	4,493,038	4,493,100	62
General Administration	601,143	576,910	582,285	5,375
School Administration	5,911,452	5,880,813	5,997,296	116,483
Business Services	1,574,648	1,597,829	1,474,268	(123,561)
Operations and Maintenance	8,467,784	8,638,193	8,800,809	162,616
Pupil Transportation	4,582,457	5,150,334	5,169,272	18,938
Central Services	2,567,461	2,528,541	2,588,976	60,435
Student Support Services	1,502,424	1,570,501	1,641,353	70,852
Total Support Services	32,119,616	33,672,625	33,940,148	267,523
Community Services	198,008	287,290	325,653	38,363
Other Uses - Outgoing Transfers & Other	525,916	695,614	901,614	206,000
Total Expenditures	83,710,108	86,805,833	87,837,461	1,031,628
Excess Revenue/(Expenditures)	(2,514,238)	(3,155,783)	(3,010,586)	145,197
Fund Balance - July 1	8,206,985	8,206,985	8,206,985	0
Fund Balance - June 30	5,692,747	5,051,202	5,196,399	145,197
Less Non-Spendable and Assigned	1,782,476	1,773,854	1,968,954	195,100
Unassigned Fund Balance	3,910,271	3,277,348	3,227,445	(49,903)

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	732,476	723,854	626,816	(97,038)
Assigned for Department Carryover	0	0	0	0
Assigned for Building Staff Carryover	0	0	292,138	292,138
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	1,782,476	1,773,854	1,968,954	195,100

* Please see the 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	2012-2013 Original	2012-2013 Amend 1	2012-2013 Amend 2	Variance	Note
Local Unrestricted	32,233,389	32,269,501	32,042,901	(226,600)	1,2
State Unrestricted	42,115,188	42,486,222	42,506,622	20,400	2,3
State Restricted	0	0	934,507	934,507	6
Federal Stabilization	0	0	0	0	
Federal EdJobs	0	0	0	0	
Federal Restricted	11,090	11,090	20,881	9,791	
Incoming Transfers/Other	2,535,115	2,821,839	3,126,248	304,409	3
Total Revenues	76,894,782	77,588,652	78,631,159	1,042,507	

Expenditures					
Instruction					
Basic Instruction	40,921,484	41,837,315	42,210,248	372,933	4,5,6
Added Needs	7,027,436	6,648,391	6,633,351	(15,040)	5,6
Total Instruction	47,948,920	48,485,706	48,843,599	357,893	
Support					
Pupil	2,801,375	2,833,069	2,809,752	(23,317)	6
Instructional Staff	3,225,293	3,377,009	3,462,793	85,784	6
General Administration	601,143	576,910	582,285	5,375	6
School Administration	5,911,452	5,880,813	5,997,296	116,483	6
Business Services	1,574,648	1,587,079	1,463,518	(123,561)	1,6
Operations and Maintenance	8,418,804	8,564,406	8,727,022	162,616	6
Pupil Transportation	4,571,104	5,053,158	5,062,096	8,938	6
Central Services	2,566,461	2,526,541	2,586,426	59,885	6
Student Support Services	1,335,243	1,388,713	1,459,565	70,852	6
Total Support Services	31,005,523	31,787,698	32,150,753	363,055	
Community Services	0	0	0	0	
Other Uses - Outgoing Transfers & Other	454,577	471,031	647,393	176,362	3
Total Expenditures	79,409,020	80,744,435	81,641,745	897,310	
Excess Revenue/(Expenditures)	(2,514,238)	(3,155,783)	(3,010,586)	145,197	
Fund Balance - July 1	8,206,985	8,206,985	8,206,985	0	
Fund Balance - June 30	5,692,747	5,051,202	5,196,399	145,197	
Less Non-Spendable and Assigned	1,782,476	1,773,854	1,968,954	195,100	
Unassigned Fund Balance	3,910,271	3,277,348	3,227,445	(49,903)	

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	
Assigned for Curriculum Development	0	0		0	
Assigned for Building Carryover	732,476	723,854	626,816	(97,038)	
Assigned for Department Carryover	0	0		0	
Assigned for Building Staff Carryover	0	0	292,138	292,138	
Assigned for Computer Notes and Leases	0	0		0	
Assigned for Severance Pay	900,000	900,000	900,000	0	
Assigned for Building Supplies	0	0		0	
Assigned for Budget Stabilization	0	0		0	
Total Fund Equity Non-Spendable and Assigned	1,782,476	1,773,854	1,968,954	195,100	

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

- (1) Variance, or a portion of the variance, is primarily the result of our projected year end accounting entry to close our printing department operations for the fiscal year. The impact of this entry is to decrease expenditures and revenues by the same amount, therefore having no bottom line impact on the overall budget of the district.
- (2) Variance, or a portion of the variance, is primarily the result of adjusting state and local funding related to the foundation allowance.
- (3) Variance, or a portion of the variance, is primarily the result of accounting for reduction in the Hold Harmless Transportation.
- (4) Variance, or a portion of the variance, is primarily the result of secondary teaching FTE not being used and will be carried over to the 2013-2014 budget.
- (5) Variance, or a portion of the variance, is primarily the result of shifting special education FTE's to cover instructional costs at the high schools.
- (6) Variance, or a portion of the variance, is primarily the result of the State allocation and required expenditure for Section 147c retirement system payment.

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

Revenue	2012-2013 Original	2012-2013 Amend 1	2012-2013 Amend 2	Variance	Note
Local Restricted	62,000	146,545	146,545	0	
State Unrestricted				0	
State Restricted				0	
Federal Stabilization				0	
Federal EdJobs				0	
Federal Restricted				0	
Incoming Transfers/Other	100,000	180,305	202,305	22,000	7
Total Revenues	162,000	326,850	348,850	22,000	

Expenditures					
Instruction					
Basic Instruction	7,659	17,921	30,921	13,000	7
Added Needs	95,154	132,320	132,320	0	
Total Instruction	102,813	150,241	163,241	13,000	
Support					
Pupil	11,261	11,093	11,093	0	
Instructional Staff	1,000	19,249	19,249	0	
General Administration				0	
School Administration				0	
Business Services	0	10,750	10,750	0	
Operations and Maintenance	43,080	67,880	67,880	0	
Pupil Transportation		0	5,000	5,000	7
Central Services				0	
Student Support Services	0	10,000	10,000	0	
Total Support Services	55,341	118,972	123,972	5,000	
Community Services	0	52,313	56,313	4,000	7
Other Uses - Outgoing Transfers & Other	3,846	5,324	5,324	0	
Total Expenditures	162,000	326,850	348,850	22,000	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
Unassigned Fund Balance	0	0	0	0	

(7) Variances are the result of additional local grants awarded subsequent to adoption of the first budget amendment. Please see the attached schedule for detail of all local restricted grants currently operated by TCAPS.

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

Revenue	2012-2013 Original	2012-2013 Amend 1	2012-2013 Amend 2	Variance	Note
Local Unrestricted	173,081	174,695	174,695	0	
State Unrestricted				0	
State Restricted				0	
Federal Stabilization				0	
Federal EdJobs				0	
Federal Restricted				0	
Incoming Transfers/Other				0	
Total Revenues	173,081	174,695	174,695	0	

Expenditures					
Instruction					
Basic Instruction				0	
Added Needs				0	
Total Instruction	0	0	0	0	
Support					
Pupil				0	
Instructional Staff				0	
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance	5,900	5,907	5,907	0	
Pupil Transportation				0	
Central Services				0	
Student Support Services	167,181	168,788	168,788	0	
Total Support Services	173,081	174,695	174,695	0	
Community Services	0	0	0	0	
Other Uses - Outgoing Transfers & Other	0	0	0	0	
Total Expenditures	173,081	174,695	174,695	0	
Excess Revenue/(Expenditures)	0	0	0	0	
Fund Balance - July 1	0	0	0	0	
Fund Balance - June 30	0	0	0	0	
Less Non-Spendable and Assigned	0	0	0	0	
Unassigned Fund Balance	0	0	0	0	

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

Revenue	2012-2013 Original	2012-2013 Amend 1	2012-2013 Amend 2	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	2,064,217	2,798,839	2,882,572	83,733	8
Federal Stabilization				0	
Federal EdJobs				0	
Federal Restricted				0	
Incoming Transfers/Other				0	
Total Revenues	2,064,217	2,798,839	2,882,572	83,733	

Expenditures					
Instruction					
Basic Instruction	425,464	448,470	448,470	0	
Added Needs	1,204,132	1,805,005	1,858,919	53,914	8
Total Instruction	1,629,596	2,253,475	2,307,389	53,914	
Support					
Pupil	286,705	296,940	296,894	(46)	8
Instructional Staff	46,396	50,405	50,405	0	
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	100	80,519	80,519	0	
Central Services				0	
Student Support Services				0	
Total Support Services	333,201	427,864	427,818	(46)	
Community Services	101,420	117,500	122,365	4,865	8
Other Uses - Outgoing Transfers & Other	0	0	25,000	25,000	8
Total Expenditures	2,064,217	2,798,839	2,882,572	83,733	
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 subsequent to the adoption of the first budget amendment. Please see the attached schedule for detail of all state restricted grants currently operated by TCAPS.

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

Revenue	2012-2013 Original	2012-2013 Amend 1	2012-2013 Amend 2	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Stabilization				0	
Federal Jobs				0	
Federal Restricted	1,901,790	2,761,014	2,789,599	28,585	9
Incoming Transfers/Other				0	
Total Revenues	1,901,790	2,761,014	2,789,599	28,585	

Expenditures					
Instruction					
Basic Instruction	0	5,319	3,497	(1,822)	9
Added Needs	1,185,239	1,255,563	1,352,320	96,757	9
Total Instruction	1,185,239	1,260,882	1,355,817	94,935	
Support					
Pupil	108,171	95,364	75,050	(20,314)	9
Instructional Staff	432,046	1,046,375	960,653	(85,722)	9
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	11,253	16,657	21,657	5,000	9
Central Services	1,000	2,000	2,550	550	9
Student Support Services		3,000	3,000	0	
Total Support Services	552,470	1,163,396	1,062,910	(100,486)	
Community Services	96,588	117,477	146,975	29,498	9
Other Uses - Outgoing Transfers & Other	67,493	219,259	223,897	4,638	9
Total Expenditures	1,901,790	2,761,014	2,789,599	28,585	
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 subsequent to the adoption of the first budget amendment. Please see the attached schedule for detail of all federal restricted grants currently operated by TCAPS.

Federal Grants Summary for Fiscal Year 2012 - 2013	
Restricted Federal Funds (14)	Allocation
IDEA Pre-School Incentives	\$ 81,536.00
National Science Foundation (High School Enterprise)	\$ 3,497.00
Smaller Learning Communities Consortium	\$ 304,407.00
State Match Grant - PE Nut (Oct-Jun)	\$ 74,440.00
State Match Grant - PE Nut (Jul- Sep)	\$ 2,439.00
Title I	\$ 1,310,501.00
Title I Carryover	\$ 123,537.00
Title II Part A	\$ 419,106.00
Title II Part A Carryover	\$ 235,342.00
Title III LEP	\$ 21,113.00
Title III LEP Carryover	\$ 31,663.00
Title IX Indian Education	\$ 67,021.00
Title X McKinney Vento (Homeless Assistance)	\$ 75,322.00
Title X McKinney Vento (Homeless Assistance) Carryover	\$ 27,413.00
Safe Routes to Schools	\$ 7,000.00
Title I Part C - Migrant	\$ 5,262.00

Total: \$ 2,789,599.00

Federal Grants Summary for Fiscal Year 2012-2013	
Restricted Federal Funds (25)	Allocation
Fresh Fruit & Vegetable - BL	\$ 20,328.00
Fresh Fruit & Vegetable - TH	\$ 19,272.00

Total: \$ 39,600.00

State Grants Summary for Fiscal Year 2012-2013	
Restricted State Funds (13)	Allocation
At Risk	\$ 1,628,868.00
At Risk Carryover	\$ 596,409.00
Golden Apple Carryover	\$ 1,568.00
Great Start Preschool - 32J Money	\$ 21,365.00
Great Start Readiness Program - Leelanau (Carryover)	\$ 13,592.00
Great Start Readiness Program	\$ 489,600.00
Great Start Readiness Program Carryover	\$ 75,234.00
Vocational Education	\$ 55,689.00
Vocational Education Carryover	\$ 247.00

Total: \$ 2,882,572.00

Community Service Grants Summary for Fiscal Year 2012-2013	
Restricted Community Service Funds (2F)	Allocation
21st Century CLC	\$ 123,296.00

Total: \$ 123,296.00

Local Grants Summary for Fiscal Year 2012-2013	
Restricted Local Funds (2X)	Allocation
LEAP (Learning, Enrichment and Athletic Program)	\$ 20,000.00

Total: \$ 20,000.00

Local Grants Summary for Fiscal Year 2012-2013	
Restricted Local Funds (12)	Allocation
Alcoa Foundation-Cherry Knoll Carryover	\$ 1,896.00
Blue Cross Blue Shield - Building Healthy Communities - TH	\$ 15,661.00
GTB ActivBoard Carryover	\$ 214.00
GTB Assembly Carryover	\$ 300.00
GTB Bullying Prevention Program	\$ 10,000.00
GTB Enrichment - Old Mission Carryover	\$ 1,101.00
GTB Gender Equity Carryover	\$ 4,871.00
GTB Homeless	\$ 5,000.00
GTB Homeless Carryover	\$ 15,882.00
GTB Indian Education	\$ 100,000.00
GTB Indian Education Carryover	\$ 38,430.00
GTB Printing Equipment	\$ 10,750.00
GTB Sci-Ma-Tech Carryover	\$ 3,318.00
GTB Special Ed Swimming Carryover	\$ 11,689.00
GTB Tribal Flags - West Middle School Carryover	\$ 750.00
Learning Points #1 Carryover	\$ 18,249.00
Way to Grow - Matching	\$ 13,640.00
Front Street Writers	\$ 80,880.00
United Way - Homeless	\$ 6,219.00
Youth Corps	\$ 10,000.00

Total: \$ 348,850.00

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

Revenue	2012-2013 Original	2012-2013 Amend 1	Variance	Note
Local	2,501,079	2,353,173	(147,906)	1
State	140,623	139,308	(1,315)	
Federal	2,567,555	2,461,687	(105,868)	1
Incoming Transfers	0	25,000	25,000	2
Total Revenues	5,209,257	4,979,168	(230,089)	

Expenditures				
Salaries and Wages	1,456,475	1,433,078	(23,397)	
Employee Benefits	557,093	585,664	28,571	3
Purchased Services	310,095	255,443	(54,652)	4
Supplies and Other	2,865,594	2,839,983	(25,611)	
Capital Outlay	20,000	10,000	(10,000)	
Operating Transfer	0	0	0	
Total Expenditures	5,209,257	5,124,168	(85,089)	

Revenues Over/(Under) Expenditures	0	(145,000)	(145,000)	
Beginning Fund Balance July 1	929,065	929,065	0	
Ending Fund Balance June 30	929,065	784,065	(145,000)	

- (1) Variance is primarily the result of a decrease in meal participation caused by meal changes made to comply with the federal Healthy, Hunger-free Kids Act of 2010.
- (2) Variance is primarily the result of contributions from the At-Risk grant designed to enhance breakfast participation.
- (3) Variance is primarily the result of census changes for health insurance.
- (4) Variance is primarily the result of the difference between Interim Director and permanent Director cost. The original budget assumed a permanent Director however the Interim Director served the entire year.

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

Revenue	2012-2013 Original	2012-2013 Amend 1	Variance	Notes
Local	2,387,800	2,392,000	4,200	
Federal Restricted	110,966	123,296	12,330	
Intermediate School District	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	232,238	296,571	64,333	
Total Revenues	2,731,004	2,811,867	80,863	

Expenditures				
Salaries and Wages	1,445,198	1,535,776	90,578	
Employee Benefits	889,583	907,740	18,157	
Purchased Services	154,802	189,802	35,000	
Supplies and Other	146,671	163,071	16,400	
Capital Outlay	23,372	9,660	(13,712)	
Transfer to General Fund and Other	105,698	4,764	(100,934)	
Total Expenditures	2,765,324	2,810,813	45,489	
Revenue Over/(Under) Expenditures	(34,320)	1,054	35,374	
Beginning Fund Balance July 1	329,576	329,576	0	
Ending Fund Balance June 30	295,256	330,630	35,374	

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 that includes variance explanations is included on the pages that follow.

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

Revenue	2012-2013 Original	2012-2013 Amend 1	Variance	Notes
Local	2,135,000	2,170,000	35,000	1
Federal			0	
Intermediate School District			0	
Incoming Transfers/Other (Sponsorship Revenue)	47,238	91,571	44,333	2
Total Revenues	2,182,238	2,261,571	79,333	

Expenditures				
Salaries and Wages	1,204,997	1,297,262	92,265	3
Employee Benefits	773,809	786,779	12,970	3
Purchased Services	56,262	66,632	10,370	3
Supplies and Other	118,310	147,844	29,534	3
Capital Outlay	0	0	0	
Transfer to General Fund and Other	101,430	0	(101,430)	2
Total Expenditures	2,254,808	2,298,517	43,709	
Revenue Over/(Under) Expenditures	(72,570)	(36,946)	35,624	
Beginning Fund Balance July 1	288,589	288,589	0	
Ending Fund Balance June 30	216,019	251,643	35,624	

- (1) Variance is the result of increased revenue generated from Childcare program offerings and participation.
- (2) Variance is the result of netting incoming and outgoing transfers with the General Fund.
- (3) Variance is the result of expanding Childcare program offerings to meet the demands of parents.

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

Revenue	2012-2013 Original	2012-2013 Amend 1	Variance	Notes
Local	252,800	222,000	(30,800)	1
Federal			0	
Intermediate School District			0	
Incoming Transfers/Other (Sponsorship Revenue)	185,000	205,000	20,000	2
Total Revenues	437,800	427,000	(10,800)	

Expenditures				
Salaries and Wages	194,503	183,876	(10,627)	
Employee Benefits	88,121	92,769	4,648	
Purchased Services	73,283	96,028	22,745	
Supplies and Other	21,471	6,667	(14,804)	
Capital Outlay	22,172	9,660	(12,512)	
Transfer to General Fund and Other	0	0	0	
Total Expenditures	399,550	389,000	(10,550)	
Revenue Over/(Under) Expenditures	38,250	38,000	(250)	
Beginning Fund Balance July 1	40,987	40,987	0	
Ending Fund Balance June 30	79,237	78,987	(250)	

- (1) Variance is the result of realizing lower revenue from LEAP offerings than originally anticipated.
- (2) Variance is the result of a grant from the Grand Traverse Band of Ottawa and Chippewa Indians for LEAP scholarships.

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

Revenue	2012-2013 Original	2012-2013 Amend 1	Variance	Notes
Local			0	
Federal	110,966	123,296	12,330	1
Intermediate School District			0	
Incoming Transfers/Other (Sponsorship Revenue)			0	
Total Revenues	110,966	123,296	12,330	
Expenditures				
Salaries and Wages	45,698	54,638	8,940	1
Employee Benefits	27,653	28,192	539	1
Purchased Services	25,257	27,142	1,885	1
Supplies and Other	6,890	8,560	1,670	1
Capital Outlay	1,200	0	(1,200)	1
Transfer to General Fund and Other	4,268	4,764	496	1
Total Expenditures	110,966	123,296	12,330	
Revenue Over/(Under) Expenditures	0	0	0	
Beginning Fund Balance July 1	0	0	0	
Ending Fund Balance June 30	0	0	0	

(1) Variances are the result of additional federal grants awarded subsequent to adoption of the original budget.

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

RESOLUTION FOR FINAL AMENDMENT:

2012/2013 GENERAL FUND BUDGET


*2012/2013 SPECIAL REVENUE FUND BUDGET
(Food Services and Community Services)*

This Final Amendment shall take effect on this date: June 24, 2013

AYES: *APPEL, CRANDALL, FALCONER, HALL, HARDY, PUCKETT, RICH*


NAYS: *None*

Resolution adopted.



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

The undersigned duly qualified and acting Secretary of the Board of Education of Traverse City Area Public Schools, Traverse City, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education, Traverse City, Michigan at its study session meeting held on June 24, 2013, 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.



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