



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

September 10, 2015

David Barry, Superintendent
Telford Burton, School Board President
Tahquamenon Area Schools
700 Newberry Avenue
Newberry, MI 49868

Dear Superintendent Barry and Board President Burton:

Thank you for the submission of your district's Deficit Elimination Plan (DEP) as developed by the district and approved by the local board of education. The Michigan Department of Education has approved this plan based on contingencies, which are listed below. Attached is a one page summary of the DEP from your electronic submission.

This DEP is largely dependent on staff reductions. The Department expects that the projected staff reductions will take place as outlined in the DEP. Further, if the district is unable to realize its own planned reductions, we expect it will institute other expenditure reductions in order to meet the fund balance targets in the plan.

Department approval is granted based on the following contingencies:

- The district is required to meet the fund balance targets detailed in this DEP. If the district is unable to achieve its planned staff reductions, it will be expected to reduce expenditures in other categories in order to meet the fund balance targets in the DEP.
- If the district is unable to achieve its enrollment projections, it will be expected to reduce expenditures in order to meet the fund balance targets in the DEP.
- The district is required to post a link to this approved DEP on its website within 30 days of this approval letter. The link should be posted on the budget transparency page, in the form and manner found in the transparency guidance.
- The district is required to submit any revisions made to the current year budget along with the corresponding board resolution adopting the revised budget. If the budget revision impacts the DEP, the DEP should be revised and submitted as well. Revisions must be submitted no later than one week after they are adopted by the board.
- The district is required to submit Monthly Budgetary Control Reports to the Department. Please use the tab labeled "Month1Summary2016" of the electronic DEP form used to prepare your DEP for this purpose.

STATE BOARD OF EDUCATION

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- If a deficit continues to exist at fiscal year end 2015-16, the district will be required to submit an updated DEP by July 31, 2016, or 30 days after the state school aid budget is passed, whichever comes later. Please also submit a copy of the updated DEP to Paul Connors, Director of the Office of School Review and Fiscal Accountability at connorsp@michigan.gov.
- If a deficit continues to exist at fiscal year end 2015-16, the district will be required to submit its pupil count information no later than one week after the fall count.

Please notify us if significant changes occur which would invalidate this plan as approved.

Please contact Jeff Kolb at (517) 373-1908 or kolbj2@michigan.gov, or Chad Urchike at (517) 335-1261 or urchikec1@michigan.gov, if you have any questions.

I look forward to your submissions and continued cooperation.

Sincerely,



Daniel M. Hanrahan, Director
Office of State Aid and School Finance

cc: Donna Bergman, Director of Business Services, Tahquamenon Area Schools
Chris Beaulieu, School District Board of Education
Bruce Klusmeyer, School District Board of Education
Stuart McTiver, School District Board of Education
Sam Oswald, School District Board of Education
Brian Rahilly, School District Board of Education
Michelle Zellar, School District Board of Education
Daniel J. Reattoir, Superintendent, Eastern Upper Peninsula ISD
Jeff Kolb, Financial Specialist, Office of State Aid and School Finance
Local Audits Unit

Tahquamenon Area Schools

Account		Preliminary Actual 2014-15	Budgeted 2015-16	Yearly Increase (Decrease)	% Increase (Decrease)
	Beginning Fund Equity:	\$9,975	(\$121,847)		
	Add: Revenues				
11x, 12x	Local Sources	\$3,250,190	\$3,227,592	(\$22,598)	-0.70%
51x	Local Rec'd Thru Another Public Sch.	\$154,009	\$157,282	\$3,273	2.13%
2xx	Other Political Sub.	\$0	\$0	\$0	0.00%
3xx	State Sources	\$2,910,562	\$2,928,765	\$18,203	0.63%
4xx	Federal Sources	\$319,021	\$445,496	\$126,475	39.64%
52x-6xx	Incoming Transfers & Other	\$0	\$15,000	\$15,000	100.00%
	TOTAL REVENUES, ETC.	\$6,633,782	\$6,774,135	\$140,353	2.12%
	TOTAL RESOURCES AVAILABLE	\$6,643,757	\$6,652,288	\$8,532	0.13%
	Less: Expenditures				
1xx	Classroom Inst.	\$4,342,166	\$4,230,394	(\$111,772)	-2.57%
	Support Services:				
21x	Pupil	\$203,583	\$143,649	(\$59,935)	-29.44%
22x	Inst. Staff	\$118,900	\$159,992	\$41,092	34.56%
23x	Gen. Adm.	\$267,614	\$287,151	\$19,536	7.30%
24x	Sch. Adm.	\$351,712	\$325,791	(\$25,921)	-7.37%
25x	Business	\$186,135	\$221,246	\$35,111	18.86%
26x	Operation & Maintenance	\$524,957	\$478,581	(\$46,376)	-8.83%
27x	Transportation	\$511,143	\$464,598	(\$46,545)	-9.11%
28x	Central	\$142,168	\$135,972	(\$6,196)	-4.36%
29x	Other	\$115,803	\$117,150	\$1,347	1.16%
3xx	Community Services	\$1,423	\$1,628	\$205	14.39%
41,42,43	Outgoing Transfers	\$0	\$0	\$0	0.00%
45x	Facilities Acq	\$0	\$0	\$0	0.00%
51x	Debt Service	\$0	\$0	\$0	0.00%
6xx	Fund Modifications	\$0	\$0	\$0	0.00%
	TOTAL EXP. & OUTGOING TRANSFER	\$6,765,604	\$6,566,150	(\$199,454)	-2.95%
	ENDING FUND BALANCE	(\$121,847)	\$86,138	\$207,985	-170.69%