

Budget Hearing

2015/2016 Budget Amendments

2016/2017 Proposed Preliminary Budget

TRAVERSE CITY AREA PUBLIC SCHOOLS
Traverse City, Michigan

June 27, 2016



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

BUDGET HEARING

June 27, 2016

6:00 p.m.

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

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

Christine Thomas-Hill
Executive Director
Finance and Operations

Michele Greenan
Executive Assistant

MEMORANDUM

TO: Paul Soma, Superintendent
FROM: Christine Thomas-Hill, Executive Director
DATE: June 24, 2016
**RE: AMENDMENT II to 2015/2016 GENERAL FUND BUDGET and
AMENDMENT II to 2015/2016 SPECIAL REVENUE FUND BUDGET:**

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

Attached please find the proposed final amendments to the 2015/2016 General Fund Budget and Special Revenue Fund Budget.

The General Fund final amendment reflects negative adjustments of \$27,000 from the first budget 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 \$2.06 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 \$360,000 once the books are closed, leaving the district with a fund balance of approximately \$6.3 million.

The \$6.3 million fund balance represents approximately 6.6% of our budgeted expenditures. This amount is below the board-established target of 10%. The district will need to continue to work on a plan to return to a 10% fund balance position.

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 2015/2016 Special Revenue Fund Budget. This amendment aligns our budgets with our most current information and expectations. The Community Services fund shows a positive bottom line adjustment that recognizes an increase in program revenues over the first budget amendment. The Food Services fund shows no bottom line adjustment. The revenues and expenses have been increased equally to reflect participation levels. The budgeted draw of \$35,000 from fund balance is to cover the cost of one-time capital purchases.

An appropriate motion to adopt these amendments would be:

Moved by _____, Supported by _____, to adopt the resolution to approve the second amendment to the 2015/2016 General Fund Budget and the second amendment to the 2015/2016 Special Revenue Fund Budget, dated June 27, 2016.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 27, 2016

FOR ACTION:

TOPIC:

- Amendment II to 2015/2016 General Fund Budget
- Amendment II to 2015/2016 School Service Fund Budget:
 - Food Services
 - Community Services

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution to approve the budget amendments as shown in the attached schedules. The budget amendment summaries are being presented at this time of year to reflect those changes that will impact the District's financial operations for the year. The intent is to reflect, as accurately as possible, the District's current estimated financial position as the end of the fiscal year approaches.

BUDGET INFORMATION: These are revisions to the Preliminary 2015/2016 Budgets.

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

ATTACHMENTS:

- 2015/2016 General Fund Budget Final Amendment
- 2015/2016 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	2015-2016 Original	2015-2016 Amend 1*	2015-2016 Amend 2*	Variance*
Local Restricted and Unrestricted	34,528,292	35,484,773	34,782,044	(702,729)
State Unrestricted	43,726,717	42,583,433	42,987,741	404,308
State Restricted	8,868,903	9,520,451	9,679,617	159,166
Federal Restricted	1,720,524	2,382,678	2,382,852	174
Incoming Transfers/Other	3,333,352	3,147,831	3,285,539	137,708
Total Revenues	92,177,788	93,119,166	93,117,793	(1,373)

Expenditures				
Instruction				
Basic Instruction	46,674,119	47,568,672	47,679,076	110,404
Added Needs	9,778,310	9,823,760	10,009,245	185,485
Total Instruction	56,452,429	57,392,432	57,688,321	295,889
Support				
Pupil	3,435,299	3,195,263	3,072,915	(122,348)
Instructional Staff	4,786,980	5,429,630	5,183,427	(246,203)
General Administration	590,458	591,489	588,489	(3,000)
School Administration	6,713,245	6,735,028	6,740,479	5,451
Business Services	1,710,057	1,719,348	1,613,334	(106,014)
Operations and Maintenance	9,126,785	8,983,362	9,016,133	32,771
Pupil Transportation	5,546,428	5,628,855	5,658,415	29,560
Central Services	2,806,302	2,863,262	2,927,184	63,922
Student Support Services	2,046,093	2,093,974	2,135,233	41,259
Total Support Services	36,761,647	37,240,211	36,935,609	(304,602)
Community Services	121,270	153,566	172,678	19,112
Other Uses - Outgoing Transfers & Other	327,371	363,326	378,326	15,000
Total Expenditures	93,662,717	95,149,535	95,174,934	25,399
Excess Revenue/(Expenditures)	(1,484,929)	(2,030,369)	(2,057,141)	(26,772)
Fund Balance - July 1	6,692,523	6,692,523	6,692,523	0
Fund Balance - June 30	5,207,594	4,662,154	4,635,382	(26,772)
Less Non-Spendable and Assigned	1,533,265	1,625,811	1,591,355	(34,456)
Unassigned Fund Balance	3,674,329	3,036,343	3,044,027	7,684

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	483,265	575,811	541,355	(34,456)
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	1,533,265	1,625,811	1,591,355	(34,456)

* 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	2015-2016 Original	2015-2016 Amend 1*	2015-2016 Amend 2*	Variance	Note
Local Unrestricted	34,508,292	35,436,924	34,675,437	(761,487)	1
State Unrestricted	43,726,717	42,583,433	42,987,741	404,308	2
State Restricted	5,491,078	5,525,331	5,514,970	(10,361)	
Federal Restricted	5,354	20,000	20,000	0	
Incoming Transfers/Other	2,961,674	2,670,687	2,764,693	94,006	
Total Revenues	86,693,115	86,236,375	85,962,841	(273,534)	

Expenditures					
Instruction					
Basic Instruction	45,329,935	46,128,373	46,160,839	32,466	
Added Needs	7,456,205	7,000,831	7,002,106	1,275	
Total Instruction	52,786,140	53,129,204	53,162,945	33,741	
Support					
Pupil	2,977,021	2,821,035	2,597,483	(223,552)	3
Instructional Staff	3,642,858	3,658,614	3,662,609	3,995	
General Administration	590,458	591,489	588,489	(3,000)	
School Administration	6,713,245	6,735,028	6,740,479	5,451	
Business Services	1,710,057	1,719,348	1,613,334	(106,014)	4
Operations and Maintenance	9,126,785	8,979,502	9,012,273	32,771	
Pupil Transportation	5,512,472	5,502,599	5,500,947	(1,652)	
Central Services	2,806,052	2,862,862	2,875,554	12,692	
Student Support Services	2,046,093	2,009,324	2,022,825	13,501	
Total Support Services	35,125,041	34,879,801	34,613,993	(265,808)	
Community Services	0	0	10,743	10,743	
Other Uses - Outgoing Transfers & Other	266,863	257,739	232,301	(25,438)	
Total Expenditures	88,178,044	88,266,744	88,019,982	(246,762)	
Excess Revenue/(Expenditures)	(1,484,929)	(2,030,369)	(2,057,141)	(26,772)	
Fund Balance - July 1	6,692,523	6,692,523	6,692,523	0	
Fund Balance - June 30	5,207,594	4,662,154	4,635,382	(26,772)	
Less Non-Spendable and Assigned	1,533,265	1,625,811	1,591,355	(34,456)	
Unassigned Fund Balance	3,674,329	3,036,343	3,044,027	7,684	

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	483,265	575,811	541,355	(34,456)	
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	1,533,265	1,625,811	1,591,355	(34,456)	

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

- (1) Variance is the result of our projected year end accounting entry to close out our Printing Department operations for the fiscal year. The impact of this entry is to decrease expenditures and revenues by the same amount, therefore having no bottom line impact on the overall budget of the district. Also the variance is the result of adjusting local and state funding related to the foundation allowance.
- (2) Variance is the result of adjusting state and local funding related to the foundation allowance. Also there was a reduction related to the use of At Risk revenue which had an equal offset in expenditures.
- (3) Variance is the result of moving some school social work expenditures to the At Risk grant.
- (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.

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

Revenue	2015-2016 Original	2015-2016 Amend 1*	2015-2016 Amend 2*	Variance	Note
Local Restricted	20,000	47,849	106,607	58,758	5
State Unrestricted				0	
State Restricted				0	
Federal Restricted				0	
Incoming Transfers/Other	371,678	477,144	520,846	43,702	5
Total Revenues	391,678	524,993	627,453	102,460	

Expenditures					
Instruction					
Basic Instruction	67,939	51,795	71,000	19,205	5
Added Needs	96,469	160,517	183,864	23,347	5
Total Instruction	164,408	212,312	254,864	42,552	
Support					
Pupil	0	300	300	0	
Instructional Staff	223,739	232,489	262,857	30,368	5
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance	0	3,860	3,860	0	
Pupil Transportation	0	15,000	15,000	0	
Central Services				0	
Student Support Services	0	650	28,408	27,758	5
Total Support Services	223,739	252,299	310,425	58,126	
Community Services	0	21,179	21,179	0	
Other Uses - Outgoing Transfers & Other	3,531	39,203	40,985	1,782	5
Total Expenditures	391,678	524,993	627,453	102,460	
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	

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

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

Revenue	2015-2016 Original	2015-2016 Amend 1*	2015-2016 Amend 2*	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted	3,377,825	3,995,120	4,164,647	169,527	6
Federal Restricted				0	
Incoming Transfers/Other				0	
Total Revenues	3,377,825	3,995,120	4,164,647	169,527	

Expenditures					
Instruction					
Basic Instruction	1,261,987	1,374,246	1,383,296	9,050	6
Added Needs	1,370,594	1,746,216	1,744,758	(1,458)	6
Total Instruction	2,632,581	3,120,462	3,128,054	7,592	
Support					
Pupil	323,562	282,557	390,426	107,869	6
Instructional Staff	326,682	368,277	356,318	(11,959)	6
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	10,000	105,400	105,400	0	
Central Services	0	0	51,230	51,230	6
Student Support Services	0	84,000	84,000	0	
Total Support Services	660,244	840,234	987,374	147,140	
Community Services	85,000	34,424	34,424	0	
Other Uses - Outgoing Transfers & Other	0	0	14,795	14,795	6
Total Expenditures	3,377,825	3,995,120	4,164,647	169,527	
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	

(6) These variances are the result of fully implementing state restricted programs once final numbers became known. These grants include the At-Risk grant and the At-Risk carryover, Great Start Readiness Program, and others. Please see the 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	2015-2016 Original	2015-2016 Amend 1*	2015-2016 Amend 2*	Variance	Note
Local Restricted				0	
State Unrestricted				0	
State Restricted				0	
Federal Restricted	1,715,170	2,362,678	2,362,852	174	7
Incoming Transfers/Other				0	
Total Revenues	1,715,170	2,362,678	2,362,852	174	

Expenditures					
Instruction					
Basic Instruction	14,258	14,258	63,941	49,683	7
Added Needs	855,042	916,196	1,078,517	162,321	7
Total Instruction	869,300	930,454	1,142,458	212,004	
Support					
Pupil	134,716	91,371	84,706	(6,665)	7
Instructional Staff	593,701	1,170,250	901,643	(268,607)	7
General Administration				0	
School Administration				0	
Business Services				0	
Operations and Maintenance				0	
Pupil Transportation	23,956	5,856	37,068	31,212	7
Central Services	250	400	400	0	
Student Support Services				0	
Total Support Services	752,623	1,267,877	1,023,817	(244,060)	
Community Services	36,270	97,963	106,332	8,369	7
Other Uses - Outgoing Transfers & Other	56,977	66,384	90,245	23,861	7
Total Expenditures	1,715,170	2,362,678	2,362,852	174	
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) These variances are the result of fully implementing federal restricted programs once final numbers became known. Please see the attached schedule for detail of all federal programs currently operated by TCAPS.

Federal Grants Summary for Fiscal Year 2015-2016

Restricted Federal Funds (14)	Allocation
IDEA Pre-School Incentives	\$ 70,000.00
State Match Grant - PE Nut (Oct-Jun)	\$ 75,000.00
State Match Grant - PE Nut (July-Sept)	\$ 10,577.00
Title I	\$ 1,210,235.00
Title I Carryover	\$ 69,052.00
Title II Part A	\$ 404,664.00
Title II Part A Carryover	\$ 366,869.00
Title III LEP/Immigrant	\$ 42,255.00
Title III LEP Carryover	\$ 8,454.00
Title IX Indian Education	\$ 60,044.00
Title X McKinney Vento (Homeless Assistance)	\$ 45,702.00

Total: \$ 2,362,852.00

State Grants Summary for Fiscal Year 2015-2016

Restricted State Funds (13)	Allocation
At Risk	\$ 1,610,000.00
At Risk Carryover	\$ 501,470.00
Computer Adaptive Tests	\$ 51,230.00
Early Literacy Targeted	\$ 120,615.00
First Robotics	\$ 19,550.00
Front Street Writers	\$ 12,000.00
Great Start Readiness Program	\$ 1,338,240.00
Great Start Readiness Program Carryover	\$ 217,354.00
Tech Infrastructure 22i	\$ 77,302.00
Tech Infrastructure 22i - Devise Rebate	\$ 65,686.00
Tech Infrastructure 22i Carryover	\$ 100,600.00
Vocational Education	\$ 50,000.00
Vocational Education Carryover	\$ 600.00

Total: \$ 4,164,647.00

Local Grants Summary for Fiscal Year 2015-2016

Restricted Local Funds (12)	Allocation
CLC Summer Work/Study Program	\$ 28,758.00
GTB - Literacy	\$ 20,000.00
GTB - Sci Ma Tech	\$ 4,099.00
GTB - TH Solar Panels	\$ 21,550.00
GTB ActivBoard	\$ 214.00
GTB Assembly	\$ 300.00
GTB Enrichment - Old Mission	\$ 1,101.00
GTB Gender Equity	\$ 4,871.00
GTB Indian Ed Language	\$ 51,723.00
GTB Indian Education	\$ 100,000.00
GTB Special Ed Swimming	\$ 987.00
GTB Tribal Flags - West Middle School	\$ 580.00
IB Kellogg	\$ 277,464.00
IB Kellogg - TBAISD Training	\$ 17,957.00
Learning Points #1 Carryover	\$ 13,559.00
School Safety MI Police	\$ 40,000.00
TC Light and Power	\$ 20,000.00
United Way- Pe-Nut	\$ 10,000.00
Way to Grow - Matching	\$ 13,640.00
Youth Corps	\$ 650.00

Total: \$ 627,453.00

Community Service Grants Summary for Fiscal Year 2015-2016

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

Total: \$ 135,000.00

Food Service Grants Summary for Fiscal Year 2015-2016

Restricted Federal Funds (25)	Allocation
Fresh Fruit & Vegetable - TH	\$ 11,200.00

Total: \$ 11,200.00

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

Revenue	2015-2016 Original	2015-2016 Amend 1	2015-2016 Amend 2	Variance	Note
Local	2,453,977	2,410,468	2,379,910	(30,558)	1
State	255,072	295,542	283,540	(12,002)	2
Federal	2,429,951	2,360,990	2,403,550	42,560	1
Incoming Transfers	0	0	20,000	20,000	3
Total Revenues	5,139,000	5,067,000	5,087,000	20,000	

Expenditures					
Salaries and Wages	1,487,132	1,446,624	1,475,942	29,318	4
Employee Benefits	819,779	809,664	831,960	22,296	4
Purchased Services	139,314	163,964	178,002	14,038	4
Supplies and Other	2,672,775	2,631,748	2,586,096	(45,652)	4
Capital Outlay	20,000	50,000	50,000	0	
Operating Transfer	0	0		0	
Total Expenditures	5,139,000	5,102,000	5,122,000	20,000	

Revenues Over/(Under) Expenditures	0	(35,000)	(35,000)	0	
Beginning Fund Balance July 1	690,408	690,408	690,408	0	
Ending Fund Balance June 30	690,408	655,408	655,408	0	

Variance Explanations

- (1) Variance in local and federal revenue is the result of adjusting for the type of reimbursable meal.
- (2) Variance in state revenue is the result of adjusting for actual 31d funding.
- (3) Variance is the result of adding revenue from At-Risk breakfast supplement and Suttons Bay's revenue contribution.
- (4) Variances in expenses are the result of adjusting for actual meal participation.

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

Revenue	2015-2016 Original	2015-2016 Amend 1	2015-2016 Amend 2	Variance	Notes
Local	2,600,800	2,758,550	2,887,750	129,200	
Federal Restricted	135,000	135,000	135,000	0	
Intermediate School District	0	0	0	0	
Incoming Transfers/Other (Sponsorship Revenue)	232,223	232,044	232,044	0	
Total Revenues	2,968,023	3,125,594	3,254,794	129,200	

Expenditures					
Salaries and Wages	1,418,903	1,540,352	1,558,256	17,904	
Employee Benefits	1,032,752	1,091,657	1,100,723	9,066	
Purchased Services	272,921	230,236	232,784	2,548	
Supplies and Other	217,134	250,832	280,387	29,555	
Capital Outlay	15,705	25,885	23,635	(2,250)	
Transfer to General Fund and Other	155,670	167,156	167,156	0	
Total Expenditures	3,113,085	3,306,118	3,362,941	56,823	
Revenue Over/(Under) Expenditures	(145,062)	(180,524)	(108,147)	72,377	
Beginning Fund Balance July 1	661,429	661,429	661,429	0	
Ending Fund Balance June 30	516,367	480,905	553,282	(35,462)	

NOTE: This schedule combines Childcare, Reading Center, 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	2015-2016 Original	2015-2016 Amend 1	2015-2016 Amend 2	Variance	Notes
Local	2,306,750	2,421,750	2,525,250	103,500	1
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	39,723	39,544	39,544	0	
Total Revenues	2,346,473	2,461,294	2,564,794	103,500	

Expenditures					
Salaries and Wages	1,187,809	1,275,940	1,285,940	10,000	2
Employee Benefits	879,281	929,588	935,711	6,123	2
Purchased Services	87,725	89,850	87,100	(2,750)	2
Supplies and Other	181,050	184,050	201,800	17,750	2
Capital Outlay	0	0	0	0	
Transfer to General Fund and Other	155,670	162,390	162,390	0	
Total Expenditures	2,491,535	2,641,818	2,672,941	31,123	
Revenue Over/(Under) Expenditures	(145,062)	(180,524)	(108,147)	72,377	
Beginning Fund Balance July 1	603,703	603,703	603,703	0	
Ending Fund Balance June 30	458,641	423,179	495,556	72,377	

Variance Explanations

- (1) Variance is the result of adjusting revenue generated from the Childcare program offerings and participation.
- (2) Variance is the result of full implementing Childcare program offerings.

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

Revenue	2015-2016 Original	2015-2016 Amend 1	2015-2016 Amend 2	Variance	Notes
Local	0	5,000	5,000	0	
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)				0	
Total Revenues	0	5,000	5,000	0	
Expenditures					
Salaries and Wages	0	400	400	0	
Employee Benefits	0	176	176	0	
Purchased Services	0	150	150	0	
Supplies and Other	0	4,274	4,274	0	
Capital Outlay	0	0	0	0	
Transfer to General Fund and Other	0	0	0	0	
Total Expenditures	0	5,000	5,000	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	

Variance Explanations

(none)

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

Revenue	2015-2016 Original	2015-2016 Amend 1	2015-2016 Amend 2	Variance	Notes
Local	294,050	331,800	357,500	25,700	1
Federal				0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)	192,500	192,500	192,500	0	
Total Revenues	486,550	524,300	550,000	25,700	

Expenditures					
Salaries and Wages	177,495	202,019	209,923	7,904	2
Employee Benefits	117,618	122,490	125,433	2,943	2
Purchased Services	139,648	120,396	125,694	5,298	2
Supplies and Other	36,084	54,210	66,015	11,805	2
Capital Outlay	15,705	25,185	22,935	(2,250)	2
Transfer to General Fund and Other	0			0	
Total Expenditures	486,550	524,300	550,000	25,700	
Revenue Over/(Under) Expenditures	0	0	0	0	
Beginning Fund Balance July 1	57,726	57,726	57,726	0	
Ending Fund Balance June 30	57,726	57,726	57,726	0	

Variance Explanations

- (1) Variance is the result of adjusting revenue generated from the LEAP program offerings and participation.
- (2) Variance is the result of full implementing LEAP program offerings.

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

Revenue	2015-2016 Original	2015-2016 Amend 1	2015-2016 Amend 2	Variance	Notes
Local				0	
Federal	135,000	135,000	135,000	0	
Intermediate School District				0	
Incoming Transfers/Other (Sponsorship Revenue)				0	
Total Revenues	135,000	135,000	135,000	0	
Expenditures					
Salaries and Wages	53,599	61,993	61,993	0	
Employee Benefits	35,853	39,403	39,403	0	
Purchased Services	45,548	19,840	19,840	0	
Supplies and Other	0	8,298	8,298	0	
Capital Outlay	0	700	700	0	
Transfer to General Fund and Other	0	4,766	4,766	0	
Total Expenditures	135,000	135,000	135,000	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	

Variance Explanations

(none)

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

**RESOLUTION FOR ADOPTION
June 27, 2016**

FINAL AMENDMENT
2015/2016 GENERAL FUND BUDGET
2015/2016 SPECIAL REVENUE FUND BUDGET
(Food Services and Community Services)

This Final 2015/2016 Budget Amendment shall take effect on June 27, 2016.

AYES:

NAYS:

Resolution adopted.

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

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

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

MEMORANDUM

TO: Board of Education
Paul Soma, Superintendent

FROM: Christine Thomas-Hill, Executive Director

DATE: June 24, 2016

RE: BUDGET HEARING
2015/2016 Final Budget Amendments
2016/2017 Proposed Preliminary Budgets

As our 2016 fiscal year draws to a close, it is time to wrap up our current fiscal year and formally adopt our 2017 preliminary budget. This memo, which has become part of our annual budget adoption process, is included to essentially serve two purposes. First, it provides a recap of highlights from the year just ended. Second, it provides the basis for the expectations and assumptions we used to develop our fiscal year 2017 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 2016 will end and give an initial look at what is in store for fiscal year 2017. As required by law, we are adopting our 2017 budget prior to the beginning of the fiscal year.

The State House and Senate approved the Conference Committee's State Aid budget recommendations in time for us to incorporate those State Aid numbers into our preliminary budgets. It is expected that the Governor will sign the State Aid budget with no changes to the Conference Committee recommendations. However, other variables used in our preliminary budgets, such as the number of pupils, interest revenue, natural gas and diesel fuel costs, and state, federal and local grants, require estimates.

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

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

General Fund – Revenues

Public schools in Michigan are primarily state-funded institutions. As a result, funding for schools is subject to current economic conditions as well as the direction of the state legislature. As we have seen in the past, 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 higher education. Prior to that, the decade of the “great recession” guaranteed that funding for schools could not keep pace with inflation.

For 2017, the State has provided a per pupil foundation increase of \$60 per student; with the 2x formula (districts at the minimum foundation allowance level receive an allocation equal to twice the amount received by districts at or above the base foundation) this equates to \$120 per pupil foundation increase for TCAPS.

The total foundation amount we receive is a function of both the state-determined per pupil amount and the number of pupils we educate. Like many districts in Michigan, our overall student population has declined over the last 10 years. Specifically, our budget in 2017 reflects 9,758 students vs. 9,862 in 2016. The combination of a \$120 increase in state per pupil allocations, coupled with a decrease of 104 students, results in an increase of approximately \$400,000.

The State appears to be maintaining categorical line items in the 2017 budget. We will continue to monitor the list of categorical funding and determine if TCAPS could possibly benefit. As such, any new categorical funding from the added line items will be included in an amendment once the amounts are determined.

Our state-determined per pupil amounts (noted above) make up approximately 79.2% of our total revenue budget and approximately 83.5% of our “unrestricted” revenues and, hence, make up the most important source of revenues for the district by a far margin.

As discussed in the introduction of this memo, the State continues their attempt to “cap” the retirement rates for schools. The actual implementation of the cap is nothing more than a designation of State Aid monies specifically for the retirement system. The State is doing this in the form of a categorical allocation from Sections 147a and 147c of the State Aid Act. In the

case of Section 147c, the State makes eleven equal payments to TCAPS (and every other district in the state) as part of the normal state aid process. The retirement system then bills our district the exact amount of the Section 147c payments on a monthly basis. Because we are billed for the exact amount received, these funds do not have an impact on the District's bottom line. The total allocation for these sections has not yet been determined. It is expected that the total, when finally calculated by the State, will gross up the District's revenues (and expenses) by approximately \$6 million.

As has been the case for the last six years, interest revenues are not expected to be substantial in the 2017 fiscal year. Although the interest rates are beginning to rise, TCAPS will budget \$50,000 for interest revenue in 2017, which represents no change from the 2016 amount.

Revenue for fiscal year 2017 in the form of incoming transfers from TBAISD (Traverse Bay Area Intermediate School District) is budgeted to be approximately \$1.6 million for a variety of items including tax collections, curriculum services, Act 18 Special Education funding, and Medicaid.

The District had previously budgeted \$700,000 as a discretionary distribution from TBAISD in addition to what was budgeted for incoming transfers. That \$700,000 was added to TCAPS' budget because additional ISD distributions came in unexpectedly at the end of the year for several years. Per the advice of TBAISD, the 2016 discretionary distribution was reduced from \$700,000 to \$350,000 and the 2017 discretionary distribution was reduced to zero. Therefore, the overall change to TCAPS' budgeted revenue is \$350,000 less in fiscal 2017 than in fiscal 2016.

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 makes up approximately 3.29%, and Restricted Federal Funding (e.g., Title grants for school improvement, education for homeless children and youth, etc.), which makes up approximately 1.76% 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 \$1.1 million and \$735,000 respectively in the 2017 year as compared to 2016. The decreases are attributable to carryover funds in the 2016 year that are not currently part of the 2017 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 2016 will wind up as "carry-over" grants in 2017. We will report more fully on federal funding at our first budget amendment.

TCAPS is appreciative of local grants received throughout the year, however, these grants make up less than 0.1% of General Fund revenues.

One revenue adjustment in 2017 includes \$140,000 related to the International Exchange Program, which continues to expand. This program operates in the black and has become a valuable revenue source for TCAPS.

Early childhood programs (preschool, extended day and summer camp) that operate in the School Service fund are also operating in the black, and will again transfer \$100,000 to the General Fund.

General Fund – Expenditures

The District has a well-documented history of living within its means. This has not been easy. We have made over \$14 million in budget cuts in the past eight 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.

The District began working closely with the Government Finance Officers Association (GFOA) on strategic financial planning (SFP). SFP is a process of directing resources to the district's instructional priorities to impact student achievement. GFOA has developed screening tools to help districts identify opportunities to redirect resources. As a result of this work, TCAPS embarked on a Low Enrollment Elementary building analysis to review the overhead costs of three buildings with less than 200 K-5 students. This process included engagement by focus groups formed at each of those elementary building to review the data pertaining to their building. The data reviewed included:

- Demographics for our region;
- Enrollment history and projections by building;
- Impact of choice (schools of choice/open enrollment) by building;
- Overhead costs by building/student; and
- Building capacities.

At the conclusion of this six month process, a recommendation was made to the Board to close two of the three elementary buildings, resulting in a structural budget reduction of \$700,000 a year. The reduction in overhead costs at these low enrollment buildings allows the district to redirect \$700,000 to instructional priorities.

In spite of the funding increases and the work with GFOA to redirect resources to instructional priorities noted above, the District will again have to make reductions. The increase in unrestricted state revenues and other revenue sources were not enough to balance the District's finances on their own. The District continues to make budget reductions in the 2017 fiscal year. These reductions are being made for the dual purpose of reducing the budget as well as to allow for funding instructional priorities. The expense reductions and increased revenue being incorporated into the 2017 budget are as follows:

Middle/High School Reductions (estimate)	(\$250,000)
• 1.0 FTE @ CHS	
• 1.0 FTE @ WSH	
• .50 FTE @ EMS	
• .50 FTE @ WMS	
Transportation	(\$50,000 - \$75,000)
Maintenance	(\$50,000)
Front Street Writers	(\$50,000)
Technology Contracted Services	(\$20,000)
Old Long Lake (discontinued use)	(\$15,000 - \$20,000)
Total Reductions:	(\$435,000 - \$470,000)

<i>Facility Use increased revenue</i>	<i>\$20,000 - \$40,000</i>
<i>Shared Time increased revenue</i>	<i>\$10,000</i>

All of the employee group contracts have been settled through June 2017 and the parameters are known. This provides the District with a level of certainty regarding these costs. The impacts of the contract settlements includes a 1% salary increase as well as progression on the step schedules. The District shares 50% of the health care increases up to the cap but the overall health care increases range from 14% - 19%.

General Fund – Fund Balance

The 2017 budget shows that we are starting the year with a budgeted shortfall of approximately \$2,104,010. As is the case every year, our budget experience is that our final position will end up with a positive budget variance of approximately 0.75% to 1% of total budgeted expenditures and revenues (approximately \$1.7 million). Taking this variance into account in the upcoming year, it is expected that we will finish the year drawing approximately \$400,000 from fund balance.

It is important to note that, in spite of the well documented challenges posed by the funding climate for schools over the last seven 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 seven years we've started or expanded numerous programs that have benefitted a wide range of our constituents. Examples of such programs and initiatives include, but are not limited to, the following:

- Elementary Math curriculum pilot
- World Language K-12
- Learning, Enrichment, and Athletic Programs K-8 (LEAP)
- One2World Technology Initiative
- Updated Health and Nutrition Policy
- Community Eligibility Provision (CEP) food program for Blair and Traverse Heights
- Expansion of First Robotics and Lego League
- Expanded Dual Enrollment opportunities
- Early College collaborative with NMC
- International Program
- Increased building security initiatives

All of these programs/initiatives were started while keeping our successful traditional school day and extra-curricular offerings/programs going strong. It is a noteworthy accomplishment that we have been able to maintain 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 seven years, while at the same time continuing to serve the students of our district at a high level.

The District continues to monitor all programs relative to their fiscal viability. It is likely that the District will continue to have to make decisions like this in order to achieve a financially balanced position. Our fund balance is projected to remain below the Board of Education's established

target of 10%. State funding remains precarious and our recent history shows funding has been inconsistent at best. The funding environment remains difficult. Within this environment we must continue our work to bring the District back to its target fund balance percentage. This will require vigilance and discipline.

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

Special Revenue Fund

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

In the case of the Food Services program, cost increases for food, supplies, labor contracts and the employee retirement rate, combined with the required paid lunch equity formula from the State, have resulted in a recommendation to increase prices by \$0.10 for the 2017 school year. This increase in price will keep the Food and Nutrition Services Department in a fiscally stable position. While the department does currently have a responsible fund balance, it is rebounding from a revenue shortfall of \$227,000 in 2014 and an expected revenue shortfall of \$35,000 in 2016. 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.

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

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

In the last four years, TCAPS has seen the number of students entering kindergarten who are considered “ready for kindergarten” (as measured by the Boehm assessment) increase from 44% to 68%. These gains are material and will result in long-term benefits for our students.

A small budget was provided for the start of the Reading Center initiative. The goal is for TCAPS to work as a partner in the community to design a self-funded literacy center to address the literacy needs in the community. The initial work will include developing partnerships and sharing the vision to secure funding to serve student needs not currently being met in this area.

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 other enrichment opportunities. The vision for this program remains 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. For the 2016 fiscal year as well as the 2017 fiscal year, the budget includes a contribution of \$192,500 to LEAP as a subsidy through a fund transfer.

Other Funds

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

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

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

It should be noted that our current capital program, as supported by our bond authorization, can fund one elementary reconstruct, critical capital needs, bus replacements and technology upgrades over the next six years. In order to fund major projects in the future, the District will need to pass a new bond authorization. With property values stabilizing and increasing slightly in our region, it is possible we may be able to propose a no millage increase ballot question sometime in the next three years to infuse much needed dollars into the capital plan. This is an important and visible area of work for our district over the upcoming one to two years.

In relation to our current Capital Projects Fund, we have included a section in this Budget Hearing booklet (Tab 7) that shows expenditures to-date and projects currently underway or completed that are from our 2001, 2004, and 2007 bond authorizations. We will continue to provide this type of reporting to our board and the public in order to keep all interested parties aware of how bond funds are being used. As one can see from these schedules, the bond funds

are being used as the District indicated in its campaigns. The continued implementation of these well-established capital plans is serving TCAPS well. All projects undertaken within our bond program have been completed on time and within budget.

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

Conclusion

TCAPS continues to manage its limited resources well, incorporating work with GFOA on strategic financial planning to direct funds to instructional priorities. 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 comprehensive educational program while at the same time operating within its means. Although we have strategically used fund balance reserves to offset dramatic cuts over the course of many years, the District is focused on funding our instructional priorities. The 2017 fiscal year is projected to end with a \$400,000 draw from fund balance, but the opportunities to advocate for resources, increase our potential for innovative revenue sources, and our commitment to continuous improvement for increased efficiencies may positively impact this original budget projection throughout the year.

TRAVERSE CITY AREA PUBLIC SCHOOLS

2016-2017 Budget Hearing

June 27, 2016

Making Sense of Budget Information

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

Fiscal Year (FY) 2015/2016 Close

Beginning Fund Equity	\$6,692,523
Budgeted Revenues	\$93,117,793
Budgeted Expenditures	(\$95,174,934)
	<hr/>
	(\$2,057,141)
Projected Variance	\$1,700,000
Ending 2016 Fund Equity (approximate)	\$6,300,000
Ending Fund Equity	6.6%

FY 2016/2017 Budget Assumptions

Per Pupil Revenue:

2016	TOTAL		\$7,391
2017	<i>Base Foundation</i>	<i>\$60</i>	
	<i>2X Amount</i>	<i>\$60</i>	
2017	TOTAL		\$7,511

FY 2016/2017 Budget Assumptions continued

Student Count:

2016	9,862
2017	<u>9,758</u>
(Decrease)	(104)

Net increase in Per Pupil Revenue: \$402,296

Other:

- ➔ \$1.6 million TBAISD revenues budgeted
- ➔ Section 147c: \$6,000,000
- ➔ Retirement Cost: \$6,000,000

FY 2016/2017 Budget Assumptions continued

Expenses:

- ➔ 1% salary increase
- ➔ Step increase
- ➔ Retirement rate of 36.64%
- ➔ Health insurance estimate at 6.50%
- ➔ Other structural adjustments

Other Adjustments in FY 2016/2017 Budget

Revenue	International Exchange Program	\$140,000
	Facility Use	\$30,000
	Shared Time	\$10,000

Planned <i>Reductions</i>	Middle/High Schools	\$250,000
	Transportation	\$50,000 - \$75,000
	Maintenance	\$50,000
	Front Street Writers	\$50,000
	Technology (contracted services)	\$20,000
	Old Long Lake (discontinued use)	\$15,000 - \$20,000
		<hr/>
		\$435,000 - \$470,000

FY 2016/2017 Fund Balance Projection

Beginning Fund Equity (estimate)	\$6,300,000
Budgeted Revenue	\$92,528,586
Budgeted Expenditures	(\$94,632,596)
Budgeted Shortfall	(\$2,104,010)
Projected Variance	\$1,700,000
Projected Shortfall	(\$404,010)
Ending 2017 Fund Equity (estimate)	\$5,900,000
Ending Fund Equity	6.2%

Variables to Impact FY 2016/2017 Bottom-line and Budget

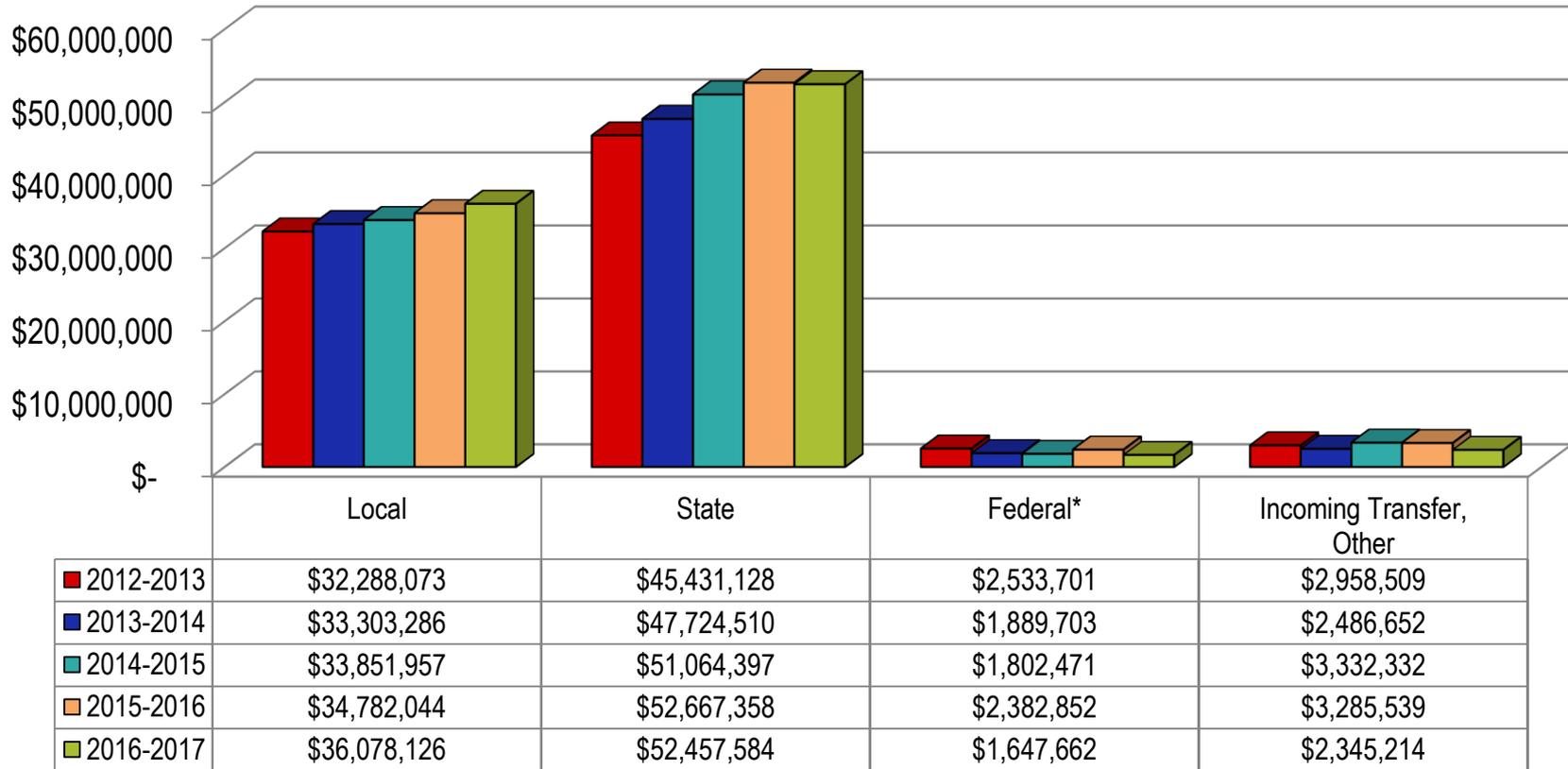
- ➡ # of Students (+ or -)
- ➡ Health census (+ or -)
- ➡ ISD revenues (+ or -)
- ➡ Teacher costs (turnover) (+ or -)

Where Does Funding Come From?



- ➡ Local
- ➡ State
- ➡ Federal

Budget Comparison ~ Revenue Source

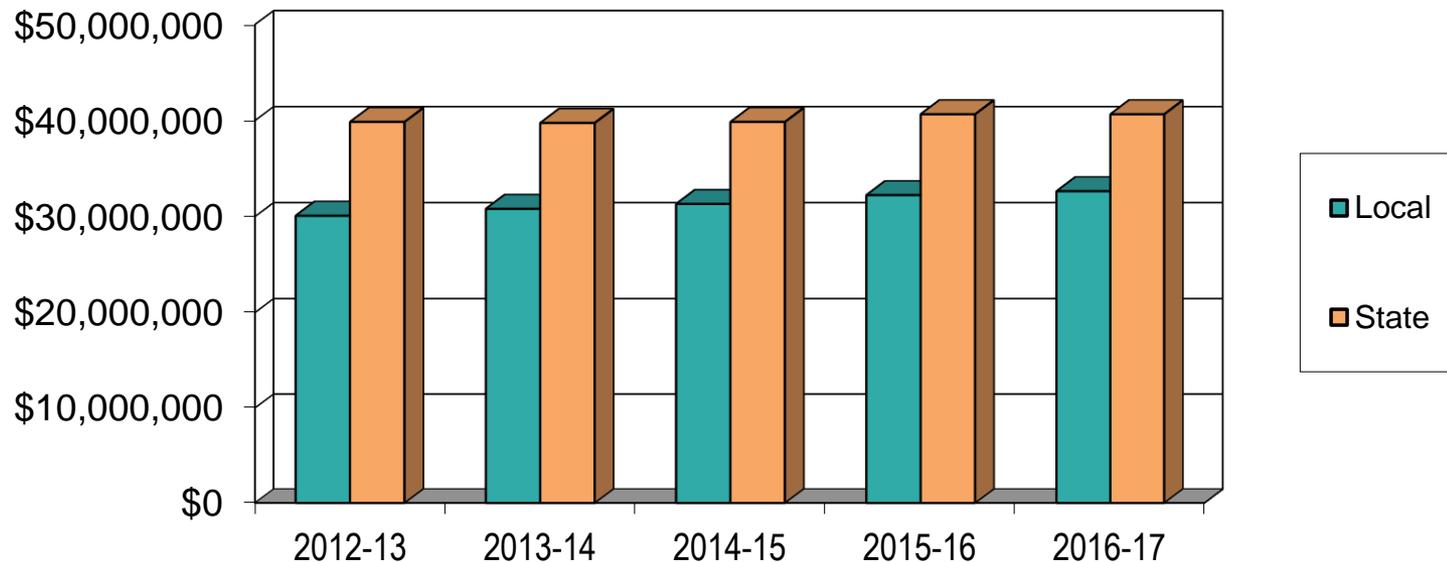


* Many federal programs have fiscal year-ends that are other than June 30.

Funds not spent by June 30, 2016 will be "carried over" to fiscal 2017 in accordance with federal program guidelines.

Revenue Budget ~ Foundation Funding Assumptions

	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Full-time Equivalent Students	10,041	10,062	9,987	9,862	9,758
Foundation Allowance	\$6,966	\$7,026	\$7,126	\$7,391	\$7,511
Revenue from Foundation	\$69,945,606	\$70,695,612	\$71,167,362	\$72,890,042	\$73,292,338

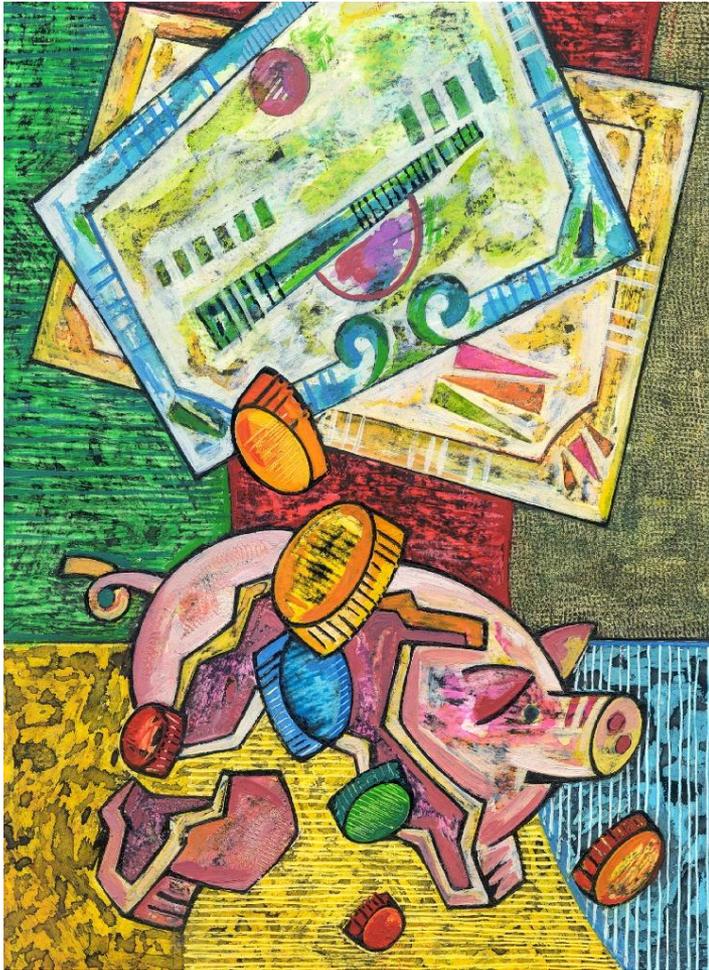


Additional Funding Source

“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.”

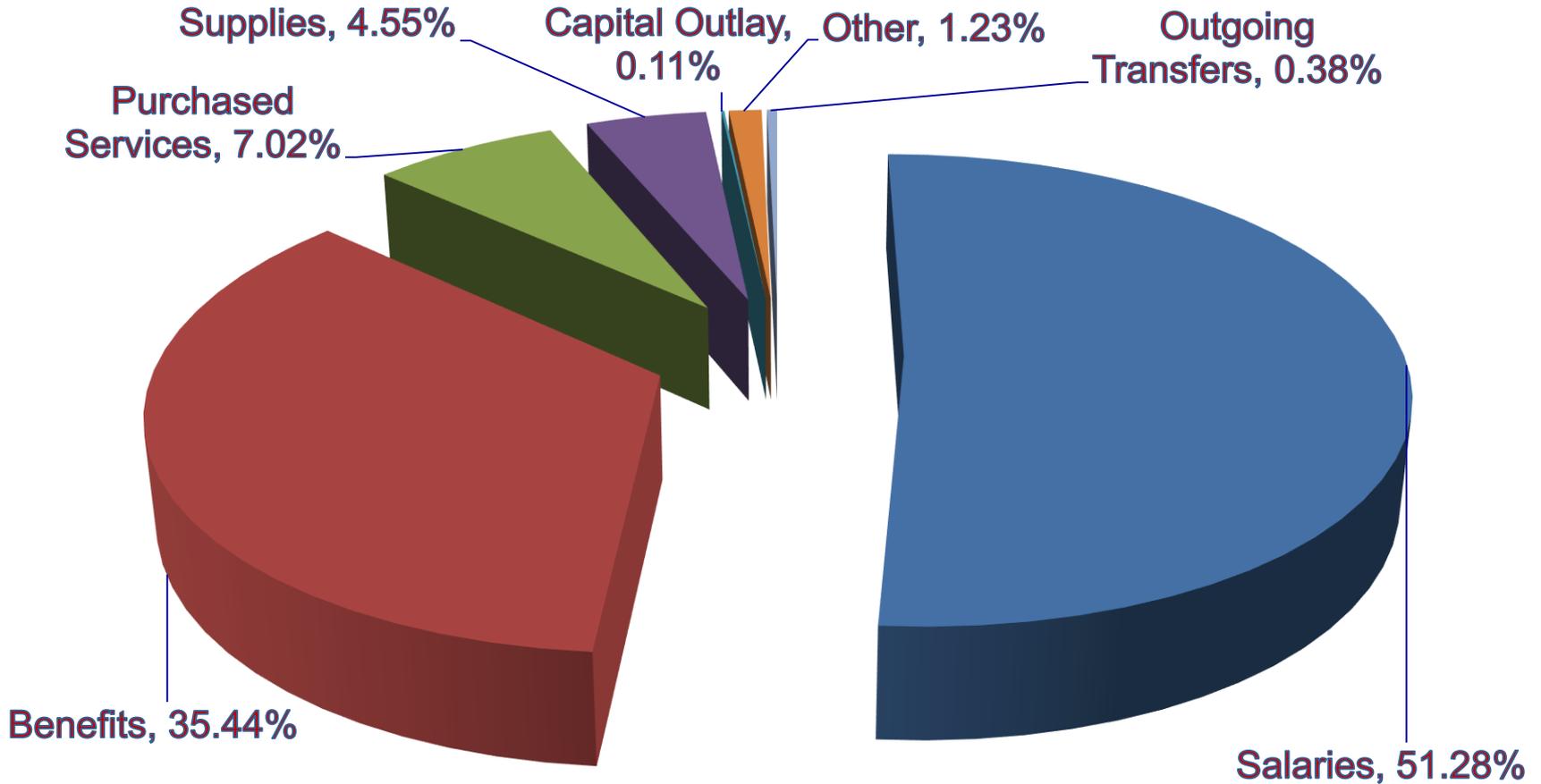
¹ “Non-homestead” is currently referred to as “Non-Principal Residence Exemption”

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

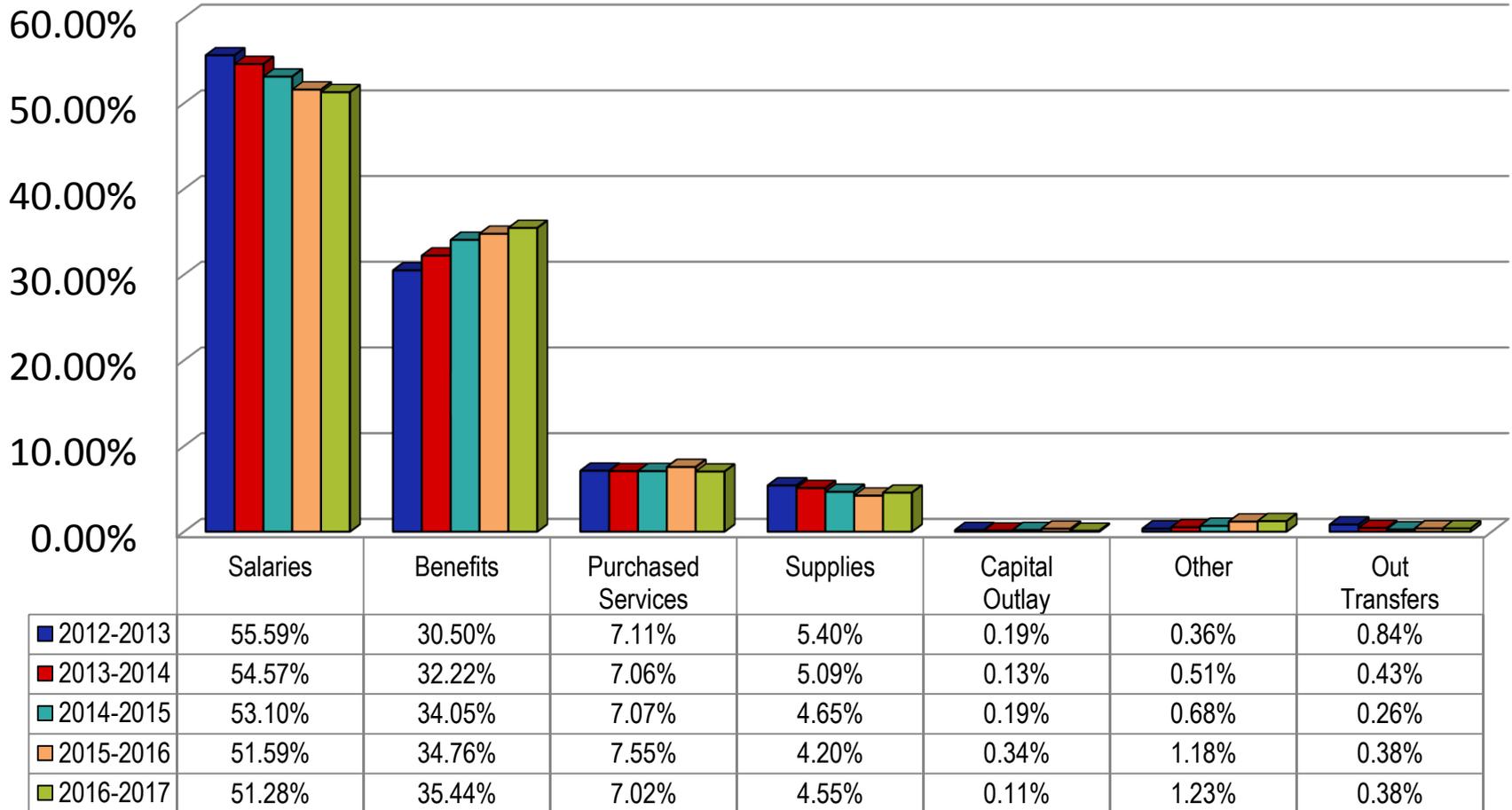


Where does the money go?

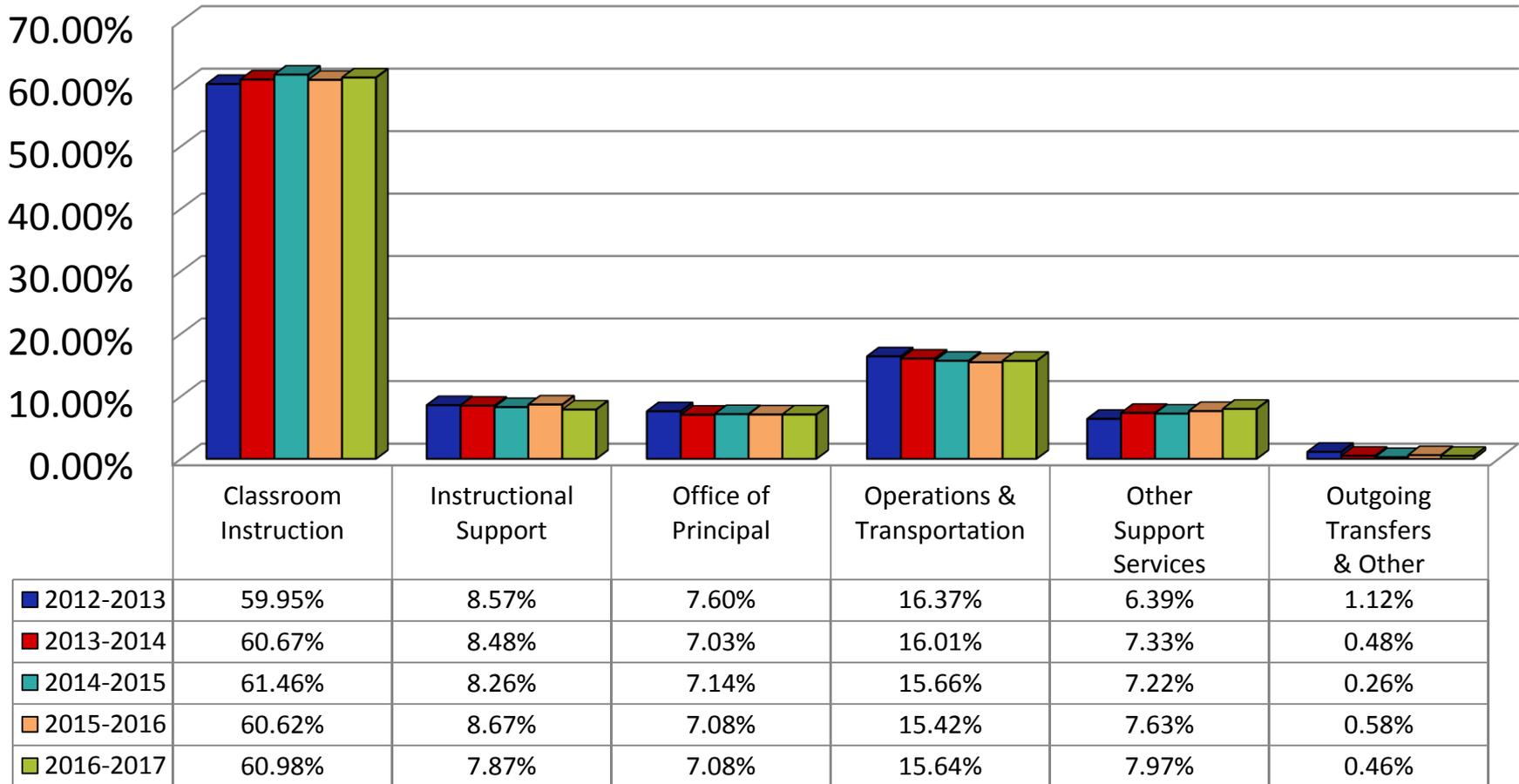
2016/2017 Budget **General Fund Monies**



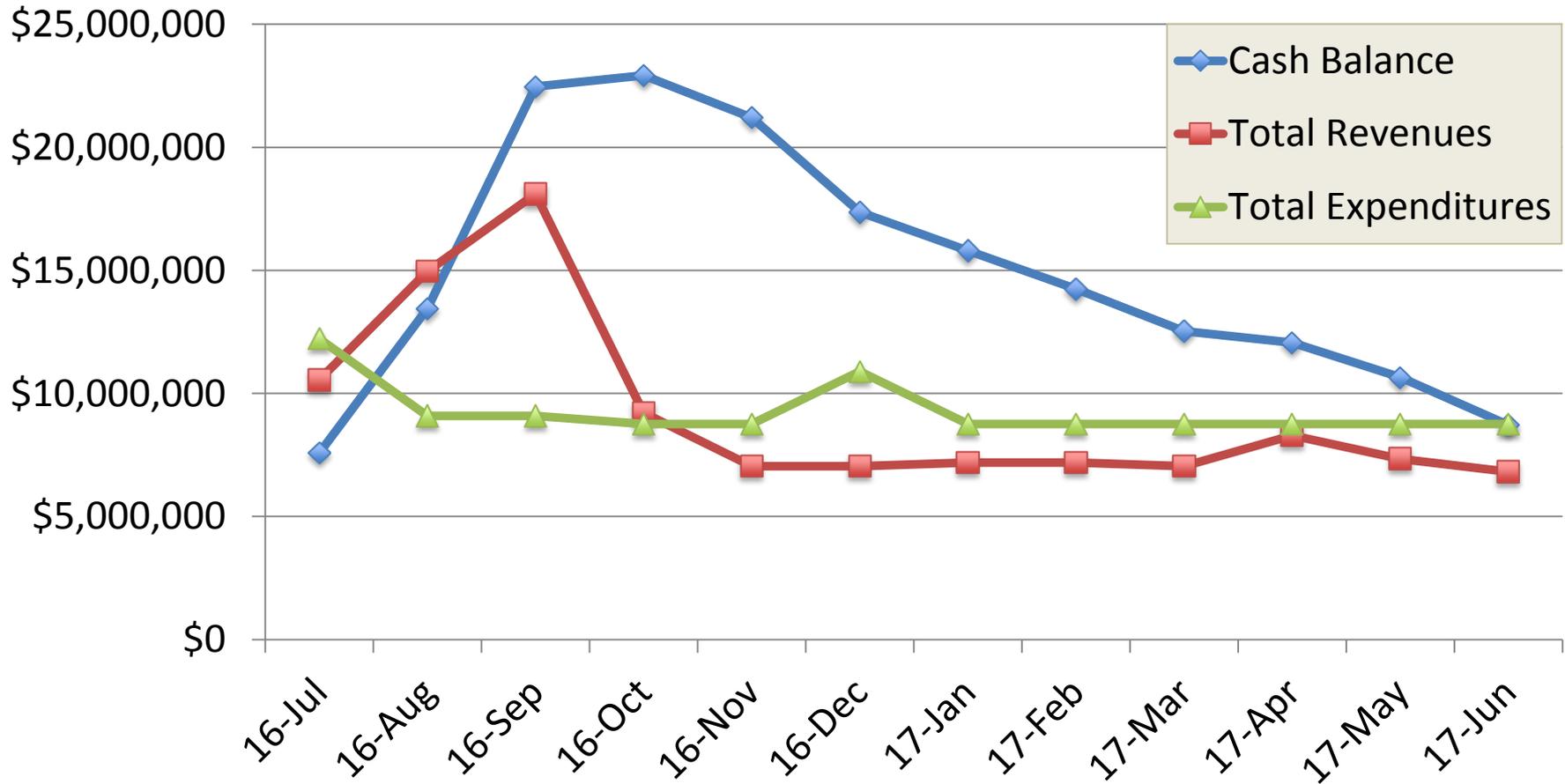
Budget Comparison By Object



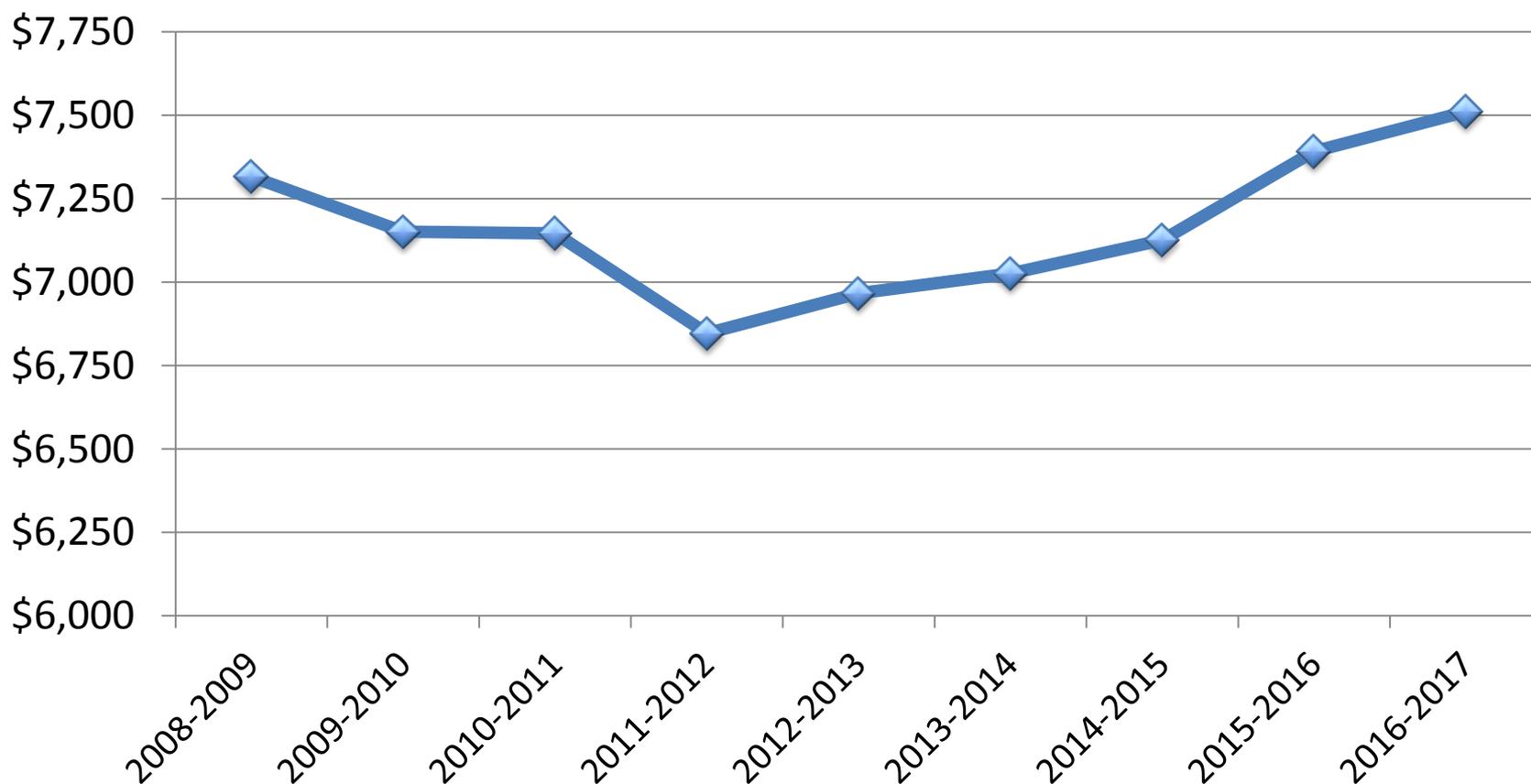
Budget Comparison By Function



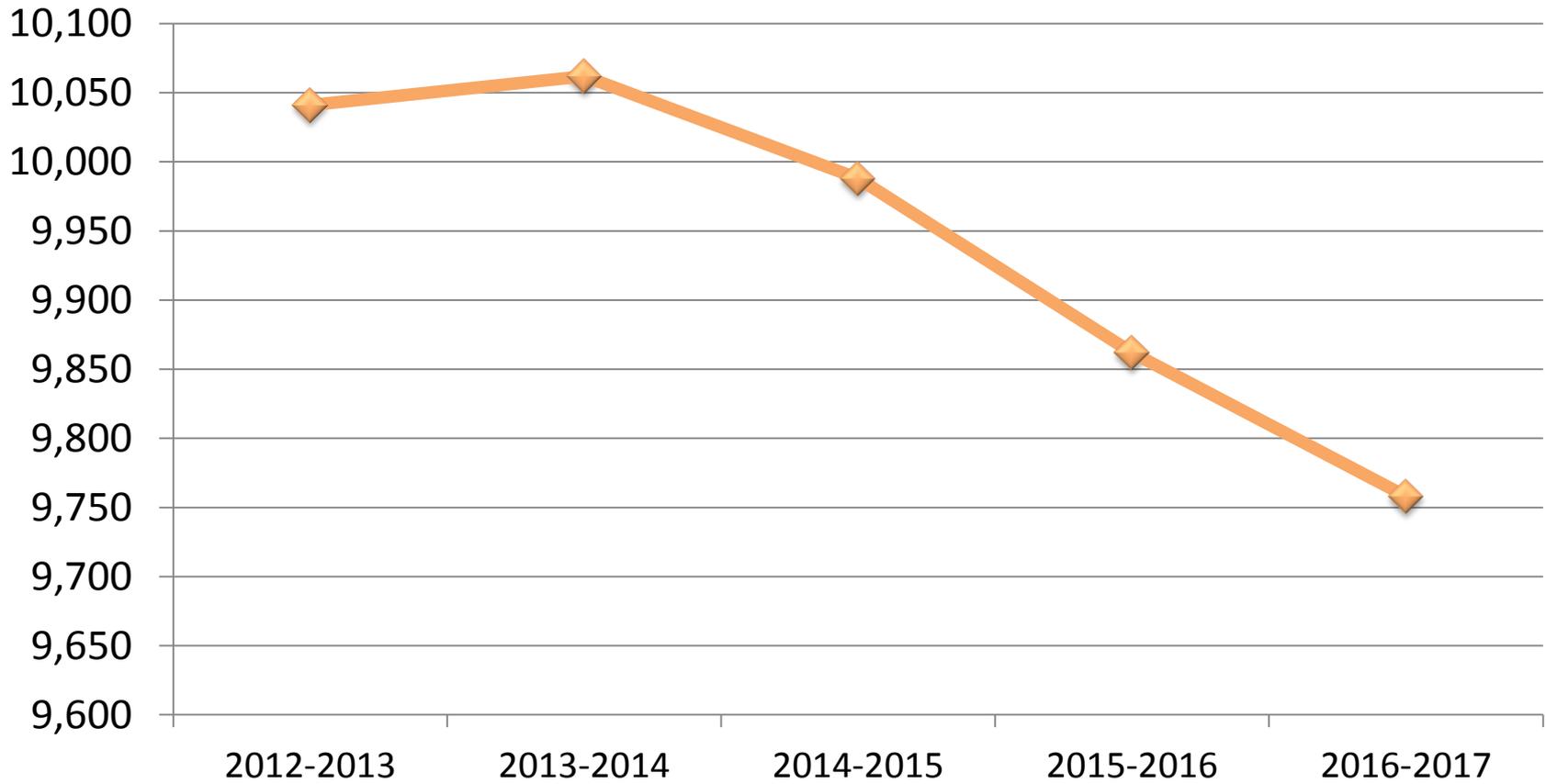
Cash Flow Projections ~ Fiscal 2017



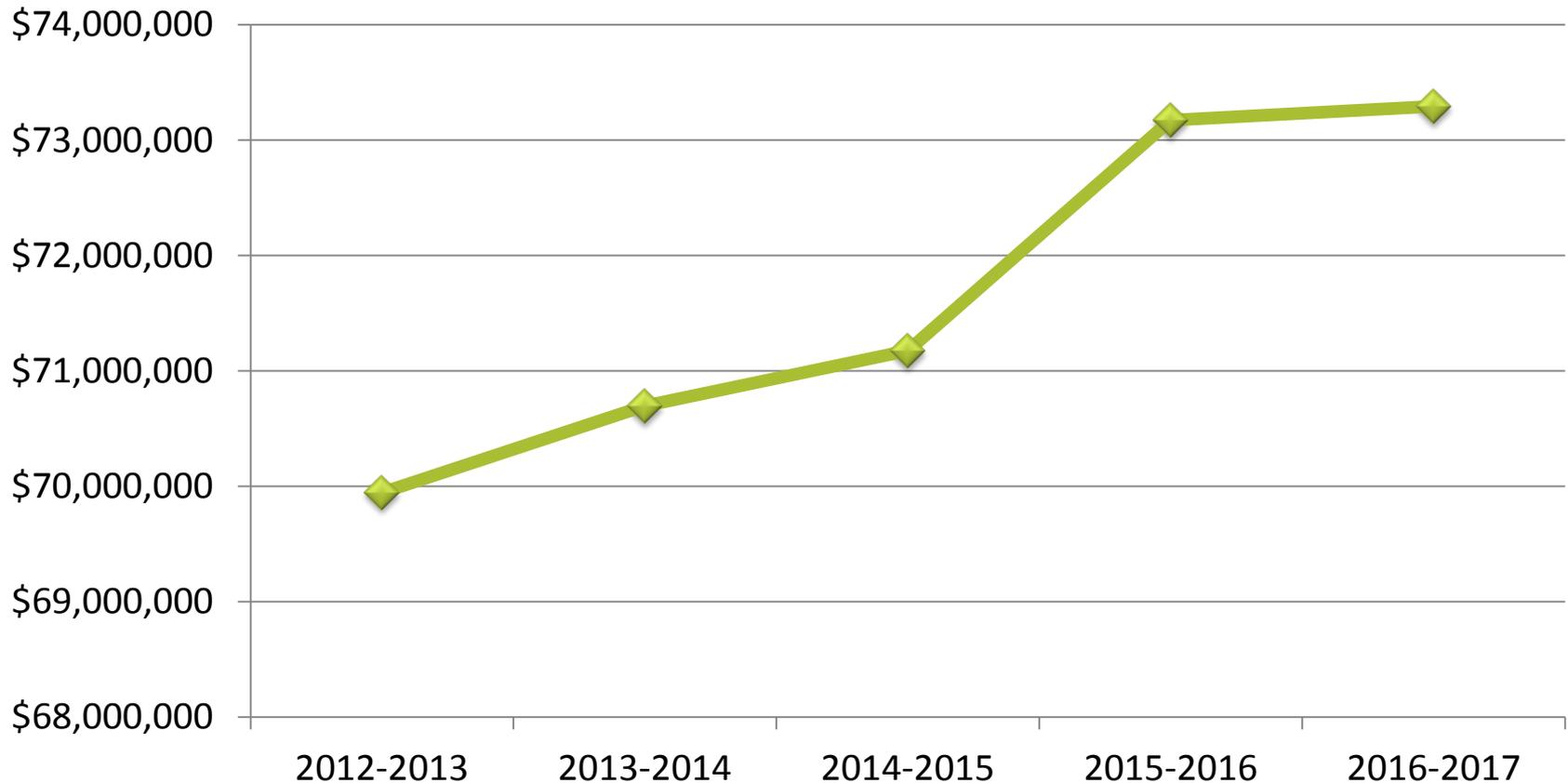
History of Foundation Amounts (Per-pupil)



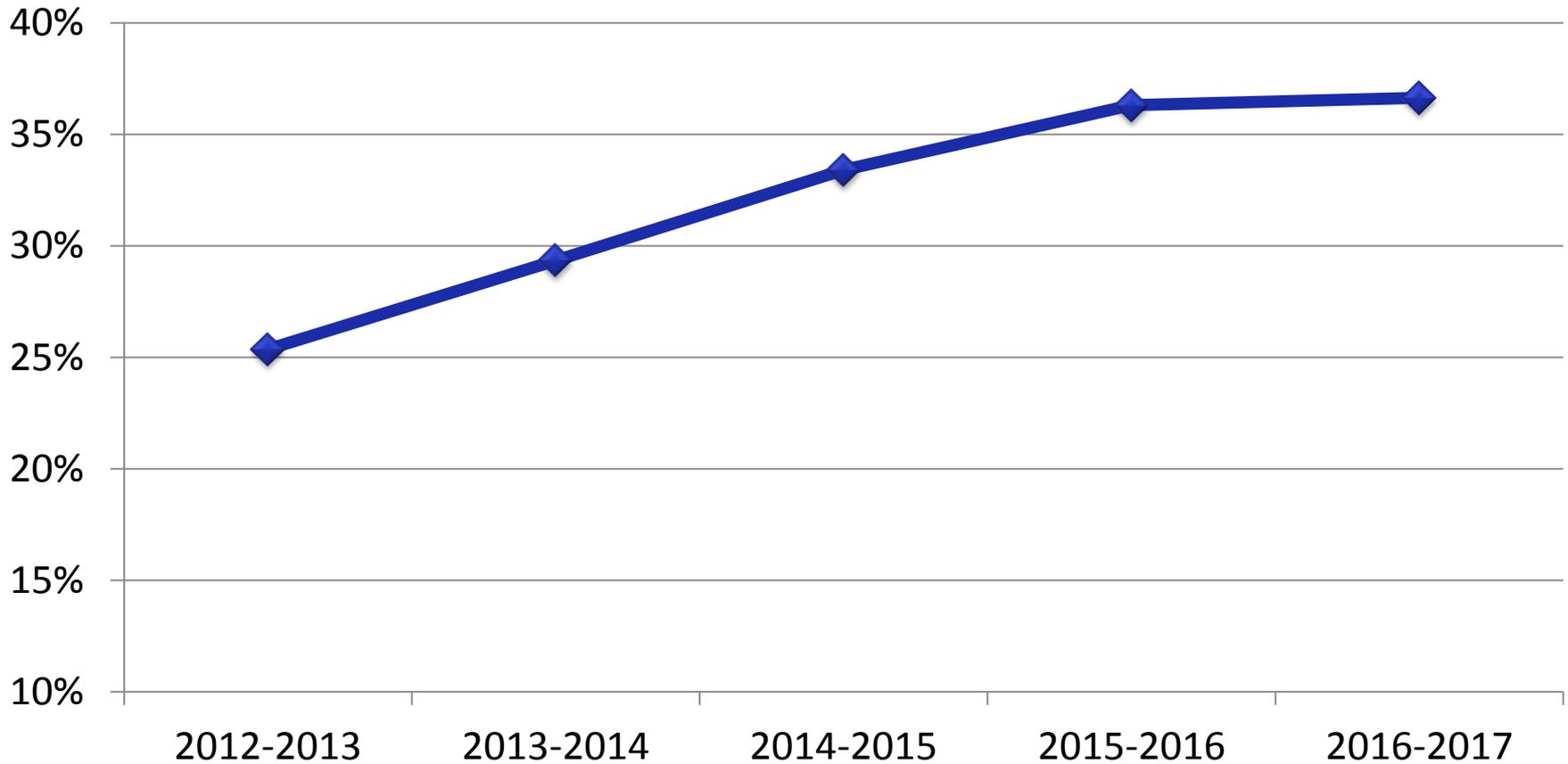
History of Student Count (Total FTE)



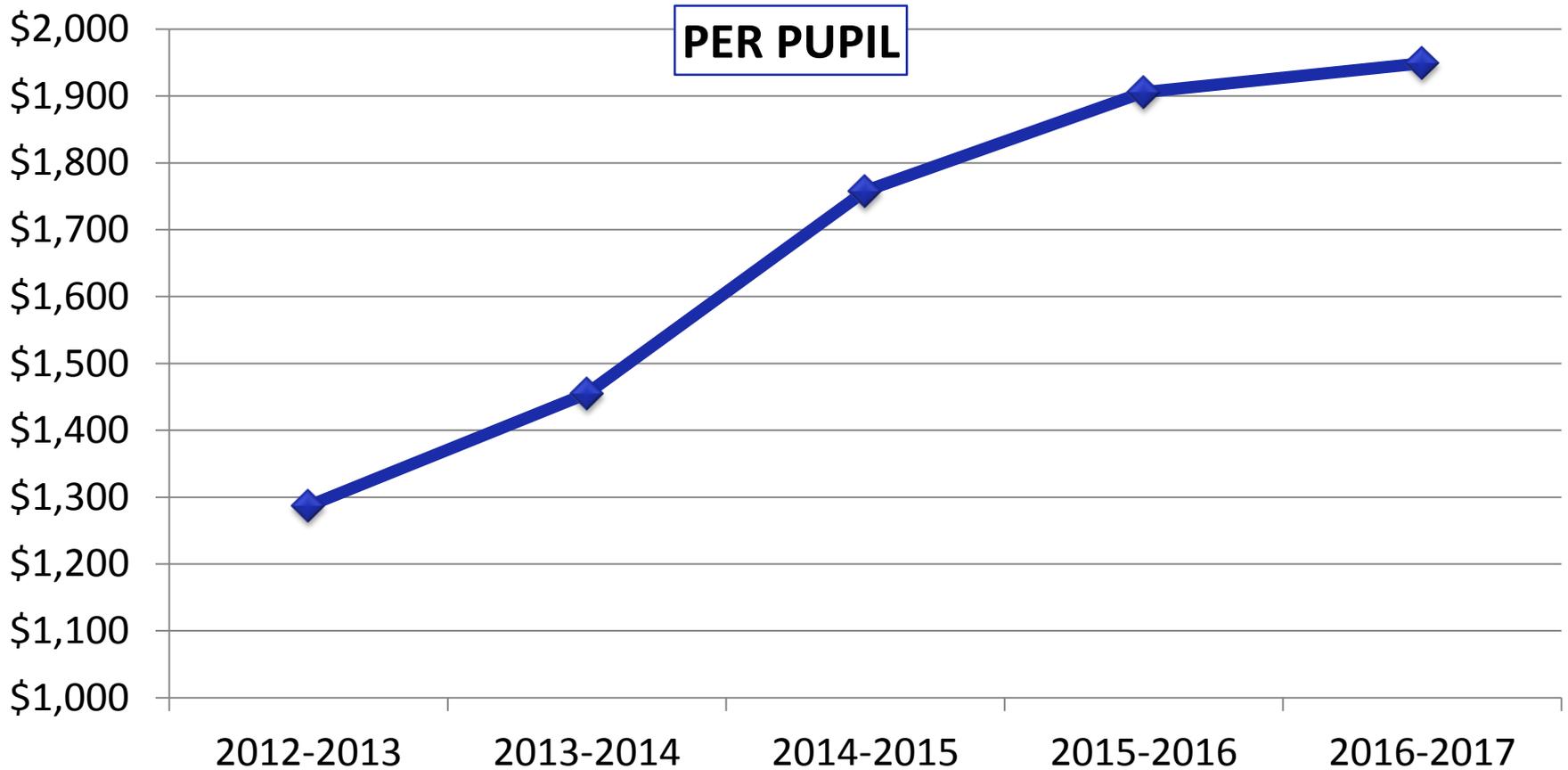
History of Total Foundation Revenue



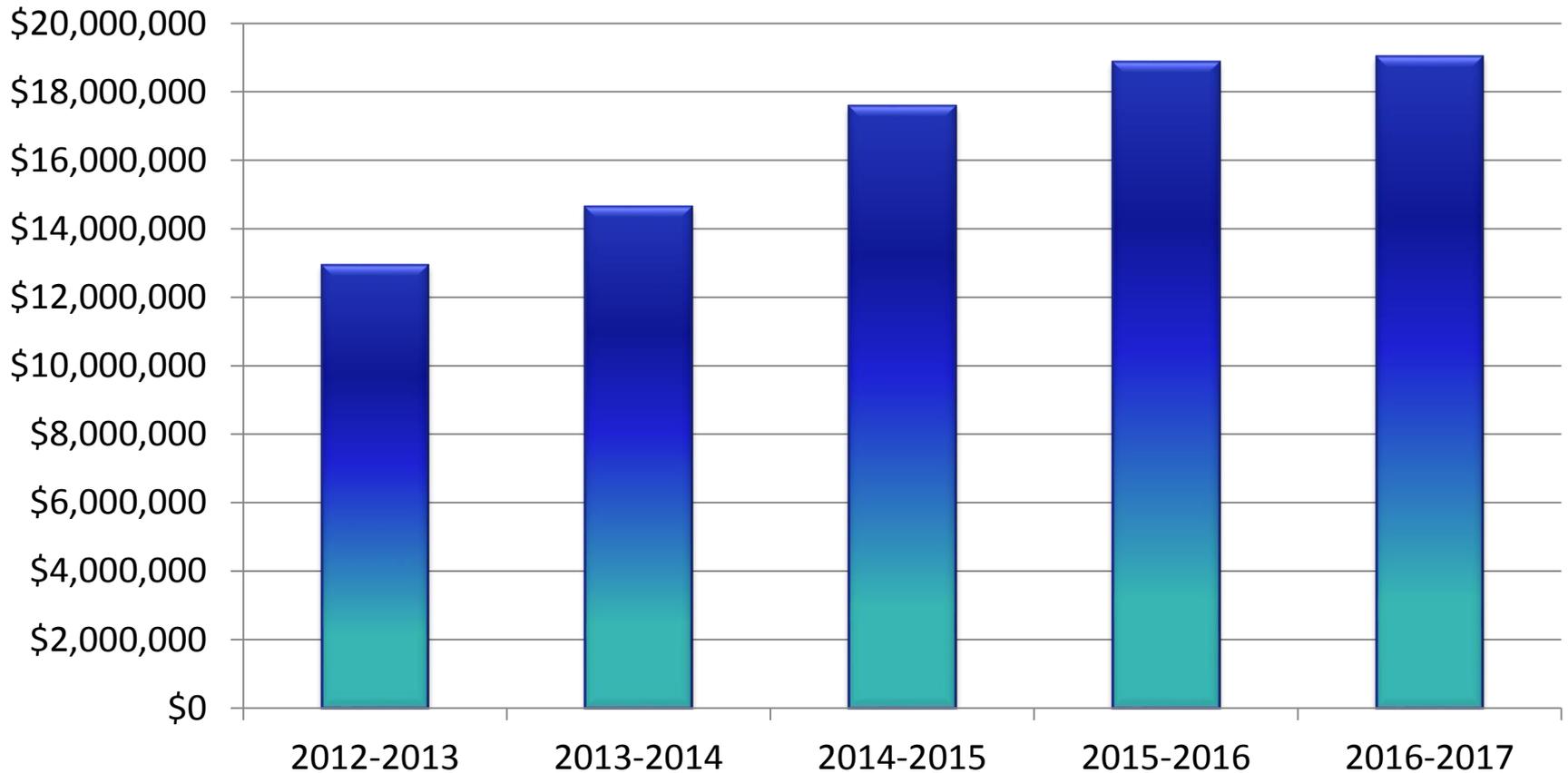
History of Retirement Rates



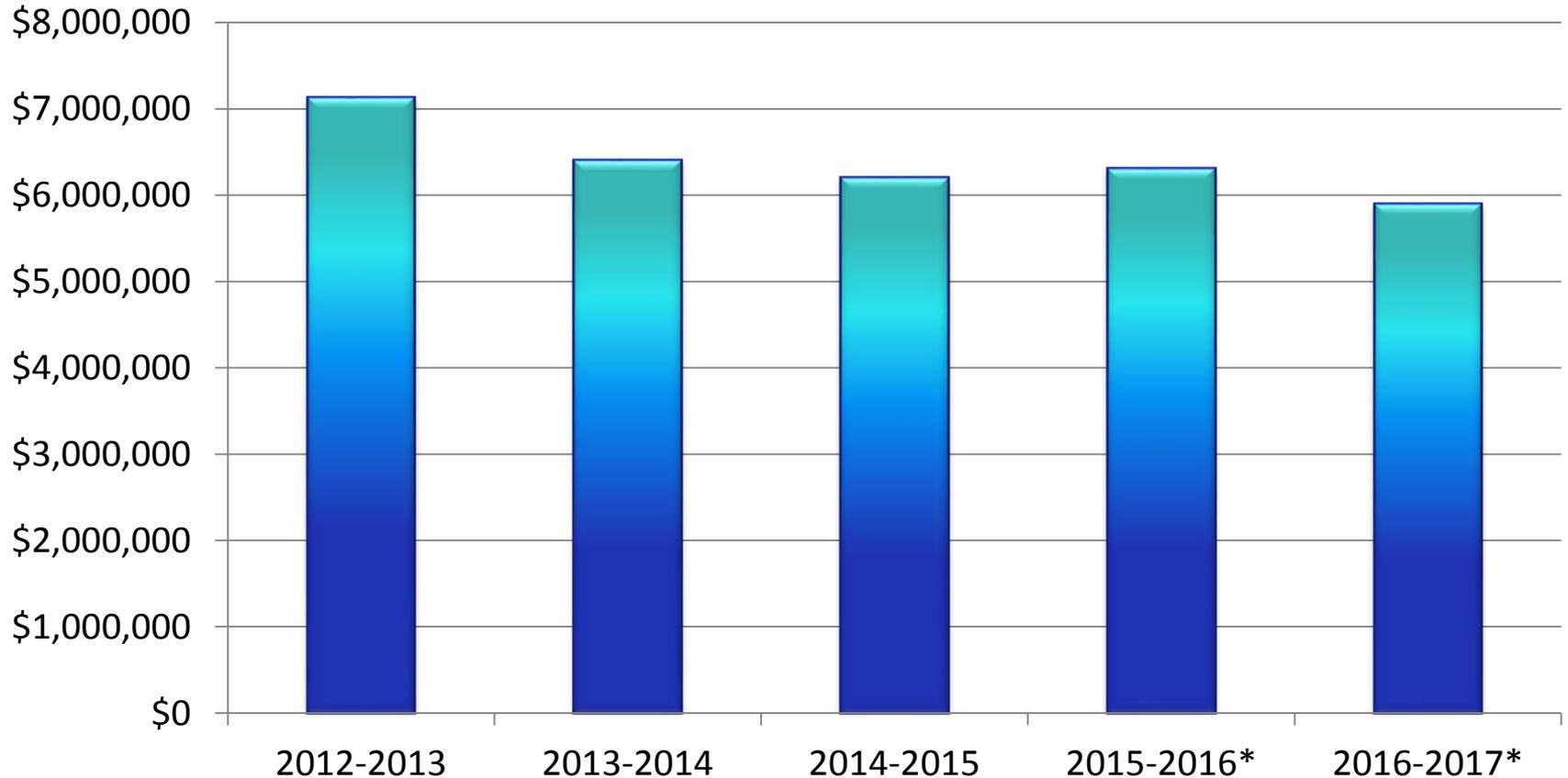
History of TCAPS' Retirement Costs



History of TCAPS' Retirement Costs



History of Fund Balance



* Estimated amounts, not budgeted amounts.

Other Funds

➔ Special Revenue Fund: Food Services

- Estimating a shortfall of \$35,000 in FY16 for one-time equipment purchases
- Expecting FY17 to be structurally balanced
 - \$0.10 breakfast and lunch increases
 - Cost controls
 - Labor
 - Inventory
 - Menu planning

Other Funds continued

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

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

Other Funds continued

➔ Special Revenue Fund: Community Services

✓ Childcare Programs

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

Other Funds continued

➔ Special Revenue Fund: Community Services

✓ Reading Center

- Funds generated through events like the “College Readiness Series” are intended to fund a literacy center
- The goal is for TCAPS to work as a partner in the community to design a self-funded literacy center to address the literacy needs in the community
- FY16 was the first year of a pilot program
- In FY17, TCAPS will continue to develop partnerships and share the vision to secure additional funding

Other Funds continued

➔ Special Revenue Fund: Community Services

✓ Learning, Enrichment & Athletic Program (LEAP)

- Fee for participation
- Established to provide athletic options for middle school students
- Expanded to include elementary athletics and other enrichment opportunities

Other Funds continued

➔ Capital Projects

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

➔ Debt Service

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

External Audits conducted in 2015/2016

The following two slides provide a list of the majority of external audits that were conducted during the 2015/2016 fiscal year. This list is being provided to emphasize how TCAPS' financial data and various programs are closely scrutinized, not only internally but by various external entities.

External Audits conducted in 2015/2016

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBILITY	TOTAL HOURS devoted to completion
Student FTE (Full-Time Equivalent) Audit	General student FTE collection.	TBAISD (Traverse Bay Area Intermediate School District)	Fall & Spring each year	HR	240 hours in Fall 160 hours in Spring
SRM (Student Record Maintenance) - Section 25 Audit	The ability to capture student funding for students enrolled between the Fall and Spring count days.	TBAISD	Within 30 days of student enrollment from Fall to Spring count days	HR	40 hours
Annual Clock Hour Report	Reporting the number of days and hours school was held at each site adjusted for circumstances outside the district's control	TBAISD	Due by July 15th	HR	10 hours
Graduation Appeals Audit	The ability to correct graduation status for all students within the last four years.	TBAISD	August-December	HR	5 hours
Michigan Occupational Safety and Health Association (MI-OSHA) Compliance Audit	The evaluation and review of district compliance with legal safety requirements.	MI-OSHA	June	HR	5 hours

External Audits conducted in 2015/2016 *continued*

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBILITY	TOTAL HOURS devoted to completion
Financial Audit	District accounts audited by a firm of licensed certified public accountants; preparation of district's financial statements; complete filing requirements by November 1st.	State of MI	May through October (annual)	Business Office	200+ hours
Special Ed	Continuous Improvement & Monitoring System (CIMS)	MDE	4 times per year	Special Education Office (Associate Superintendent)	Varies
Michigan State Police School Bus Inspection	The Pupil Transportation Act 187 of 1990 (257.1839 Inspections) requires the department of state police to inspect each school bus annually	Michigan State Police	Annual (dates vary)	Transportation Manager-Vehicle Maintenance	3-4 weeks/year
21st Century Community Learning Program	Fiscal audit of 2013-2014 expenditures, processes, and policies.	MDE	October 2015	CLC Director and Business Office	8 hours
Summer Food Service Program	Administrative review of the Suttons Bay Migrant Summer Food Service Program.	MDE Office of School Support Services	July 28, 2015	Food Service and Business Office	14 hours
SNAP-Ed Programs	PeNut program audit and onsite monitoring review.	MDHHS	May 2016	PeNut Coordinator, Director of HR, and Business Office.	12 hours

A Special Thank You

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

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

Wes Souden

Sandy Low

Michele Greenan

*Beckie Cairns
Michele Murray*

*Cindy Farah
Cindy Niswonger*

*Keri McCumber
Carrie Sattler*

*Sincerely,
Christine Thomas-Hill
Executive Director
Finance and Operations*

4.35

MEMORANDUM

Christine Thomas-Hill
Executive Director
Finance and Operations

Michele Greenan
Executive Assistant

TO: Paul Soma, Superintendent
FROM: Christine Thomas-Hill, Executive Director
DATE: June 24, 2016
RE: **2016/2017 ORIGINAL BUDGETS**

Attached please find the 2016/2017 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 2016/2017 General Fund Budget and the original 2016/2017 Special Revenue Fund Budget, dated July 1, 2016.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 27, 2016

FOR ACTION:

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

RECOMMENDATION:

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

Major revenue data is based upon the following:

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

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

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

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

ATTACHMENTS:

- Resolution to Adopt 2016/2017 Preliminary Budgets
- Three (3) year budget reporting required by the State of Michigan (refer to Tab 6)

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION TO ADOPT 2016/2017 PRELIMINARY BUDGETS

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

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

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

Revenue

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

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

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

Total Available to

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

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

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

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

Expenditures

Instruction:

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

Support Services:

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

Total Support Services \$ 36,486,916

Community Services \$ 108,853

Outgoing Transfers and Other Transactions \$ 331,175

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

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

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

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

Revenue

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

Expenditures

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

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

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

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

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION TO ADOPT 2016/2017 PRELIMINARY BUDGETS

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditures of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statements adopted by the Board. Changes in the amount appropriated by the Board shall require approval of the Board of Education.

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

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

AYES:

NAYS:

Resolution adopted.

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

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

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

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

ITEMIZED PRELIMINARY BUDGET
2016/2017

Presented June 27, 2016

The itemized portion of the 2016/2017 budgets is provided for informational purposes only and is broken down into more detail than the formal budget adopted by the Board of Education (presented in Tab 5). This section also includes the three-year budget reporting, as required by the State of Michigan.

➔ Table of Contents

- Page 6.2 – General Fund Budget ~ 4 years
- Page 6.3 – Foundation Allowance Analysis
- Page 6.4 – Unrestricted Revenues
- Page 6.5 – Restricted Local
- Page 6.6 – Restricted State Funds
- Page 6.7 – Federal Funds
- Page 6.8 – School Service Fund ~ Food Services
- Page 6.9 – School Service Fund ~ Community Services
- Page 6.10 – Community Services ~ Childcare
- Page 6.11 – Community Services ~ Reading Center
- Page 6.12 – Community Services ~ LEAP
- Page 6.13 – Community Services ~ Federal Programs

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

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

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

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

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

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

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

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

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

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

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

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

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepays	100,000	100,000
Assigned for Building Carryover	541,355	541,355
Assigned for Department Carryover	0	0
Assigned for Building Staff Carryover	0	0
Assigned for Severance Pay	900,000	900,000
Total Fund Equity Non-Spendable and Assigned	1,591,355	1,591,355

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

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

Expenditures		
Instruction		
Basic Instruction	71,000	0
Added Needs	183,864	95,464
Total Instruction	254,864	95,464
Support		
Pupil	300	0
Instructional Staff	262,857	561
General Administration		
School Administration		
Business Services		
Operations and Maintenance	3,860	0
Pupil Transportation	15,000	0
Central Services	0	0
Student Support Services	28,408	0
Total Support Services	310,425	561
Community Services	21,179	0
Other Uses - Outgoing Transfers & Other	40,985	3,975
Total Expenditures	627,453	100,000
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

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

Revenue	2015-2016 Amended	2016-2017 Original
Local Unrestricted		
State Unrestricted		
State Restricted	4,164,647	3,043,833
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	4,164,647	3,043,833

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue	2015-2016 Amended	2016-2017 Original
Local	2,525,250	2,436,250
Federal		
Intermediate School District		
Incoming Transfers/Other	39,544	36,675
Total Revenues	2,564,794	2,472,925

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

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

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

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

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

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

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

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

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



Traverse City Area Public Schools
Great Community, Great Schools

Capital Projects - Summary

	2001 Voter Approval 18 Million Authorization	2004 Voter Approval 42 Million Authorization	2007 Voter Approval 105 Million Authorization	<i>Total</i> <i>Voter Approval</i> <i>165 Million Authorization</i>
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
May 26, 2016		6,736,013	20,656,428	27,392,441
Sub-Total	18,000,000	41,996,013	80,106,428	140,102,441
Projected Bond Sales				
May 2018		0	12,400,000	12,400,000
May 2020		3,987	12,493,572	12,497,559
Sub Total	0	3,987	24,893,572	24,897,559
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, 2005

**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, 2008

**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
Series VII	6,736,013	5/26/2016
Total	41,996,013	

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 30, 2008

**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 30, 2010

**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 30, 2012

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

Revenue	Series IV Series IV was completed as of 06-02-2014	
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, 2016

**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	4,063	
	2,804,063	
Expenditures	Series V	
Elementary Facilities	0	Unallocated funds
Furniture, Fixtures and Equipment		
Misc. Site Work - Elementary		
Elementary Driveway and Parking lot improvements		
PA system replacement	28,477	PA system replacement for Blair Elementary, Eastern Elementary, and Westwoods Elementary.
Central Grade - Classrooms	183,728	Renovation of several classrooms this competes year 8, 9 & 10 of the Central Grade room renovation project. Lighting upgrades.
Central Grade Roofing Project		
Central Grade - Lars Auditorium		
Montessori Classroom		
Courtade Addition		
Willow Hill Addition		
Willow Hill Site Improvement	26,817	Willow Hill - Roof Drains
Old Mission School		
Traverse Heights School		
Cherry Knoll School		
Long Lake Elementary Reconstruction		
Glenn Loomis - Montessori		
Elementary Schools		
Transportation - Buses		
Technology	2,089,283	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Technology		
Maint & Operations Equip.	101,777	Replace Maintenance Equipment required to maintain Buildings & Grounds.
Music Equipment	173,669	Music equipment replacements.
Athletic Department	199,062	Physical Education Facilities: WSH gym sound project, CSH track resurface, WSH soccer field drainage, WSH indoor batting cage.
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
	2,804,063	

All project actual expenditures and budgeted expenditures as of June 09, 2016

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

Revenue	Series VI Series VI for Fiscal Years 2015, 2016		Summary All Series
Bond Sale	1,850,000		35,270,512
Earnings on Investments	4,814		1,013,335
	1,854,814		36,283,847
Expenditures	Series VI		Summary All Series
Elementary Facilities	3,564	Unallocated funds	3,564
Furniture, Fixtures and Equipment			96,535
Misc. Site Work - Elementary			6,170
Elementary Driveway and Parking lot improvements			48,096
PA system replacement			28,477
Central Grade - Classrooms	122,079	Renovation of several classrooms, lighting upgrades and PA system upgrade.	844,605
Central Grade Roofing Project			177,360
Central Grade - Lars Auditorium			24,970
Montessori Classroom			11,484
Courtade Addition			1,646,571
Willow Hill Addition			2,134,376
Willow Hill Site Improvement			47,121
Old Mission School			4,055,489
Traverse Heights School			4,064,378
Cherry Knoll School			6,822,311
Long Lake Elementary Reconstruction			863,599
Glenn Loomis - Montessori			53,746
Elementary Schools			56,976
Transportation - Buses	653,450	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	3,363,365
Technology	919,225	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	9,208,308
Technology			29,509
Maint & Operations Equip.	50,000	Replace Maintenance Equipment required to maintain Buildings & Grounds.	600,224
Music Equipment	2,874	Music equipment replacements.	879,140
Athletic Department	102,372	Physical Education Facilities - Scoreboards and other projects	987,365
Annual Audit Cost	1,250	Annual Audit cost	3,125
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
	1,854,814		36,283,847

All project actual expenditures and budgeted expenditures as of June 09, 2016

**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
Series V	20,656,428	5/26/2016
Total	80,106,428	

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
International School at Bertha Vos		
Phase III Security System		
Central Senior High - Building Addition	3,303,232	Project for Physical Education and Athletic programs. Scope includes addition for physical education, including weight room, aerobics, wrestling room, locker room, connecting corridor. Architectural engineering and design, Facility construction and furnishings.
Central Senior High - Interior room	691,710	Renovate two Science Lab spaces. Creation of classrooms and support spaces in current or existing weight room area
Central Senior High - Parking Lot	863,817	Complete resurfacing project includes asphalt, curbs, gutter, sidewalk and approaches. Phase II Bus Driveway
Central Senior High - Storage Building	146,826	Construction of track storage and football storage buildings and ticket box for Main Entrance
Long lake Elementary		
Furniture, Fixtures and Equipment	12,093	Cash counting equipment and check scanners for the secondary schools. Sound equipment for use at events and TV98 productions

All project actual expenditures and budgeted expenditures as of June 30, 2012

**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
Series V	20,656,428	5/26/2016
Total	80,106,428	

Expenditures	Series I	
West Middle School - Site Work	2,133,509	Complete site work re-evaluation, redesign and improved site changes
Bus Garage - Fuel Island	420,770	Upgrades to fuel tanks filling pumps for buses
Transportation - Buses	0	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Video Recording and tracking equipment	242,398	Video Recording and tracking equipment for busses
Technology	992,441	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Collator	89,450	
Operational Equipment	299,543	Replace Maintenance Equipment required to maintain Buildings and Grounds.
Physical Education Facilities	209,559	Central High School Bleacher Replacement including track reconfiguration and entry site modifications.
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 30, 2012

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

Revenue	Series II Series II was completed as of 06-02-2014	
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 30, 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
	981,011	Blair Elementary addition - preschool classrooms
	412	Create a data Center in the Gym area at Sabin
	24,418	Technology Office Relocation and Training Classrooms - Data Center

All project actual expenditures and budgeted expenditures as of June 30, 2014

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

Expenditures	Series II	
West Middle School - Site Work		
Bus Garage - Fuel Island		
Transportation - Buses		
Video Recording and tracking equipment	56,299	Video Recording and tracking equipment for busses
Technology	3,448,196	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)
Collator		
Operational Equipment	300,163	Replace Maintenance Equipment required to maintain Buildings and Grounds.
Physical Education Facilities	353,984	East and West Middle schools bleacher system and press box. West Senior High gym lighting retrofit, Central Senior High Small gym lighting retrofit
	45,182	West Senior High Gym lighting retrofit
Thirlby 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 30, 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	7,026	
	8,207,026	
Expenditures	Series III	
Secondary and Elementary Facilities	0	Unallocated funds
District Wide Campus Security		
International School at Bertha Vos		
Phase III Security System		
	11,380	Cherry Knoll - Window energy efficiencies
Central Senior High - Building Addition		
Central Senior High - Interior room		
Central Senior High - Parking Lot		
Central Senior High - Storage Building		
Long lake Elementary		
Furniture, Fixtures and Equipment		
	10,841	HVAC - Mechanical Equipment Central High School

All project actual expenditures and budgeted expenditures as of June 09, 2016

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

Expenditures	Series III	
West Middle School - Site Work		
Bus Garage - Fuel Island		
	9,498	Radio equipment - replacement
	64,571	Eastern Elementary - site paving
	43,224	Storage containers - secondary sites
	20,562	East Middle School - Dish Washer
Transportation - Buses	2,380,499	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.
Video Recording and tracking equipment		
Technology	2,200,956	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 - Scoreboards
Thirlby Field		
Visual and Performing Arts	297,698	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
	8,207,026	

All project actual expenditures and budgeted expenditures as of June 09, 2016

**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	11,295		326,011
	11,661,295		59,776,011
Expenditures	Series IV		Summary All Series
Secondary and Elementary Facilities	1,181,378	Unallocated funds	1,181,378
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			529,533
			460,000
Phase III Security System			513,712
			9,359
			14,714
Central Senior High - Building Addition			3,303,232
Central Senior High - Interior room			691,710
Central Senior High - Parking Lot			863,817
Central Senior High - Storage Building			146,826
Long lake Elementary			8,053,358
Furniture, Fixtures and Equipment			18,172
			54,828
			55,903
			52,314
			137,007
			327,750
			325,929
			370,638
			96,132

All project actual expenditures and budgeted expenditures as of June 09, 2016

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

Expenditures continued	Series IV		Summary All Series
			40,137
			44,489
			42,890
			370,396
	349,604	Electrical upgrades: Lighting fixtures and electrical panels:	349,604
			788,910
			413,387
	40,000	Elementary school educational architectural standards design.	40,000
			1,542,923
			4,415
			361,837
			376,934
			68,821
	32,000	PA system replacement - Courtade Elementary, Willow Hill Elementary, Silver Lake Elementary, and Old Mission Elementary	51,495
			34,291
			11,170
			169,620
	190,747	Central High School - Utility tunnel infrastructure upgrade	190,747
	406,939	West High School - floor replacement classroom, hallways and corridors	406,939
	400,000	Thirlby Field - bleacher seating replacement	400,000
	65,000	West High School - Kitchen/Athletic HVAC	65,000
	101,804	Blair Elementary - floor replacement classroom	101,804
	2,750,000	Central High School - renovation and infrastructure upgrades to existing auditorium space	2,750,000
	35,000	Blair Elementary - fire alarm	35,000
	467,114	Safety and Security - The Boot System	467,114
West Senior High - Building Addition			2,976,493
West Senior High - Interior Room			668,411
Traverse City High School - Building Addition			1,001,036
Data Center			2,824,640
Technology Office Relocation and Training Classrooms - Data Center			86,394
Office Renovations - Boardman Building			13,806
East Middle School - Entry and Office			226,222
East Middle School			34,969

All project actual expenditures and budgeted expenditures as of June 09, 2016

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

Expenditures	Series IV		Summary All Series
West Middle School - Site Work			2,133,509
Bus Garage - Fuel Island			420,770
			9,498
			64,571
			43,224
			20,562
	225,000	Cherry Knoll Elementary - Parking lot and site improvements	225,000
	23,000	Cherry Knoll Elementary - Classroom renovation	23,000
	15,000	Silver Lake Elementary - Classroom renovations	15,000
	125,000	Maintenance building - flooring, office equipment and furnishing	125,000
	800,000	Secondary instructional classroom furniture and commons area furnishings	800,000
Transportation - Buses	979,043	Money used to purchase buses so district can work toward a 10 year bus replacement schedule.	3,359,542
Video Recording and tracking equipment			298,697
Technology	2,551,809	Technology Projects (fiber, cabling, electronics, PC replacement, projectors, servers, communications, and infrastructure upgrades)	9,193,402
Collator			89,450
Operational Equipment	249,789	Replace Maintenance Equipment required to maintain Buildings and Grounds.	1,149,789
Physical Education Facilities			764,729
			45,182
	88,872	West High School - Bleacher and press box	88,872
	211,128	Physical Education Facilities - West High School Athletic field drainage, Coast Guard soccer field sound equipment, West Middle School tennis courts, Soccer field fencing.	422,812
Thirlby Field			200,000
Visual and Performing Arts	299,327	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	1,250	Annual Audit Cost	3,125
Bond Sale Costs	72,491	Cost of actual bond sale such as Bond counsel, Financial advisor, bond rating agencies, bond book printing	282,907
Arbitrage Expense	0		0
Other Expense	0	Money from investment earning to be added to one of the above projects	0
	11,661,295		59,776,011

All project actual expenditures and budgeted expenditures as of June 09, 2016

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	\$3,564	NA	NA	Project Planning	NA	Projects Evaluation
20	Unallocated Funds 2007 Voter Authorization	2009	2007	\$1,181,378	NA	NA	Project Planning	NA	Projects Evaluation
21	Central High School Bleacher Replacement, Press Box, and entry site modifications.	June-August 2009	2007	\$200,000	\$200,000	Contract Agreement offset between WSH & CHS \$209,559	Completed	Sept 2009	Completed
22	Create a soccer official game field at West Senior High. In addition, bleachers, supportive infrastructure, and field lighting.	June-August 2009	2004	\$350,000	\$350,000	\$309,283	Completed	Sept 2009	Completed
23	Visual and Performing Arts Installation of New Dust Collection Systems and upgraded Ventilation Systems	2011	2007	\$150,000	\$150,000	\$136,014	Completed	Sep-11	Completed
24	Long Lake Elementary Reconstruction	2010/2011	2007	\$9,500,000	\$9,200,000	8,916,958	Completed	Sept 2011	Completed
25									
26	Montessori Glenn Loomis Reconstruction	TBD	2007	TBD	TBD	TBD	On Hold	TBD	Board Direction on Bond Program
27									
28	Data Center Project - Conversion of the existing Sabin Elementary School gymnasium into the TCAPS Data/Communications Center.	2010/2011	2007	\$3,200,000	\$3,200,000	\$2,959,233	Completed	Aug-11	Completed
29	Griffin Street - Improve the traffic issues at Montessori @ Glenn Loomis Elementary School.	2009	2007	\$60,000	\$55,000	\$53,745	Completed	Sep-09	Completed
30	Access Control & Video Surveillance Security System - Phase II	2011	2007	\$1,800,000	\$1,800,000	\$1,775,687	Completed	Nov-11	Completed
31	Phase III Wireless Point to Point System Redundancy for Wireless Tower Redundancy. Along with Bandwidth upgrades to Ceragon Radio communications from Phase I & II.	2011	2007	\$337,886	\$350,000	\$346,621	Completed	Sep-11	Completed
32	Interior Gym Renovation to (old) Small Gym-CHS	2011	2007	\$53,000	\$53,000	\$48,566	Completed	Jul-11	Completed
33	Construction of Track/Football Buildings/Entrance/Ticket Booth-CHS	2011	2007	\$158,000	\$158,000	\$146,827	Completed	Jul-11	Completed
34	Construction and Installation of 500 Seat Bleacher System, Press Box and Concessions at EMS & WMS	2010/2011	2007	\$354,300	\$354,300	\$353,984	Completed	Jul-11	Completed
35	Complete Gymnasium Lighting Retrofit at WSH	2010	2007	\$48,200	\$48,200	\$45,182	Completed	Sep-10	Completed
36	Installation of J-drain Site Drainage System at WSH Soccer Field	2010	2007	\$22,500	\$22,500	\$19,185	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	Completed	Dec-13	Completed
38	Complete (large and small) Gymnasium Lighting Retrofit at EMS	2010	Capital Project Fund	\$39,000	\$39,000	34,969	Completed	Sep-10	Completed
39	Preliminary "Elementary Standards Programming" for New School Design along with Preliminary Schematic Concept Design for next Elementary School Reconstruction	2012-2013	2004/2007 Bond	\$40,000	TBD	TBD	On Hold Pending Bond Program Direction	TBD	Educational Design
40	Central Grade School 2011 Classroom Renovation	2011	2007	\$200,000	\$116,567	\$108,399	Completed	Sep-11	Completed

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

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

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
41	Energy Efficient Lighting Upgrades at Central High School, West Middle School and Traverse City High School.	2011	2007	\$200,000	\$167,069	\$166,991	Completed	Nov-11	Completed
42	Technology Office Relocation to Sabin Complex	2011	2007	\$150,000	\$150,000	\$86,394	Completed	Oct-12	Completed
43	Re-Roofing Project for Central Grade, Willow Hill and Traverse City High School	2011	2007	\$700,000	\$600,000	\$594,782	Completed	Sep-11	Completed
44	East Middle School Interior Finishes: Upgrade flooring and paint	2011	2007	\$275,000	\$245,414	\$242,815	Completed	Sep-11	Completed
45	East Middle School driveway and parking lot improvements	2011	2007	\$185,000	\$151,205	\$151,205	Completed	Oct-11	Completed
46	Willow Hill Flooring: Replace all existing asbestos tile hallway flooring in old existing building.	2012	2007	\$186,000	\$186,000	\$79,646	Completed	Sep-12	Completed
48	Complete mechanical controls replacement to all new building automation system, which is Johnson Controls Metasys at Central High School	2012	2007	\$460,000	\$460,000	\$397,426	Completed	Oct-12	Completed
49	VPAA Project: WSH Mezzanine for Scene Shop	2012	2007	\$80,000	\$85,000	\$53,945	Completed	Sep-12	Completed
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	\$720,000	\$370,396	Phase II Completed	2013-2014	Completed
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	Completed	Nov-13	Completed
66	WMS Mechanical Controls Replacement to Metasys Automation. Current system is unsupported.	2014	2007	\$435,000	\$435,000	\$413,387	Completed	Nov-14	Completed
67	Phase IV Video Security Installation for Interlochen, Glenn Loomis and Eastern Elementary Schools.	2013	2007	\$450,000	\$380,000	\$325,929	Completed	Oct-13	Completed

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

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

Sequence Number	Bond Project Description & Status	Projected Construction Year	Funding Source	Allocation Amount	Preliminary Estimate	Actual Amount	Current State	Estimated Occupancy	Next Action Required
68	Montessori @ Glenn Loomis: Complete replacement of old existing roof. Existing roof is failing.	2013	2007	\$450,000	\$425,000	\$327,750	Completed	Oct-13	Completed
69	West Senior High School Track Resurfacing	2013	2007	\$200,000	\$170,000	\$138,574	Completed	Sep-13	Completed
70	West Senior High School Tennis Court Resurfacing	2013	2007	\$160,000	\$90,000	\$62,612	Completed	Sep-13	Completed
71	Central High School Motorized Scrim	2013	2007	\$80,000	\$72,000	\$61,106	Completed	Sep-13	Completed
72	West Senior High School Heat Pump Replacement (36 Heat Pumps to be replaced throughout the school)	2013	2007	\$700,000	\$550,000	\$400,524	Completed	Oct-13	Completed
73	VPAA Project West Middle School Kiln: Burner Upgrades	2013	2007	\$15,000	\$15,000	\$10,407	Completed	Dec-13	Completed
74	VPAA West Senior High Motorized Scrim	2013	2007	\$80,000	\$80,000	\$66,212	Completed	Apr-13	Completed
75	Radio Purchase	2013	2007	\$55,000	\$55,000	\$54,829	Completed	Oct-13	Completed
76	Blair Elementary addition - preschool classrooms	2013-2014	2007	\$2,215,000	\$1,800,000	\$1,542,923	Completed	Sep-14	Completed
77	Central Grade School 2014 Classroom Renovation	2014	2004	\$300,000	\$265,000	\$152,608	Completed	Sep-14	Completed
78	VPAA: CHS & WMS Locker storage for musical instruments	2014	2007	\$170,000	\$170,000	\$146,643	Completed	Sep-14	Completed
79	Athletics: New scoreboards for Field Facilities	2014	2007	\$220,000	\$310,000	\$294,191	Completed	Sep-14	Completed
80	Interlochen Gym Floor Replacement	2014	2007	\$75,000	\$75,000	\$69,046	Completed	Jan-15	Completed
81	Eastern Roof Replacement	2014	2007	\$450,000	\$450,000	\$361,837	Completed	Sep-14	Completed
82	Interlochen Roof Replacement	2014	2007	\$450,000	\$450,000	\$376,934	Completed	Sep-14	Completed
83	West Senior High School flooring replacement in classrooms, corridors, main and counseling offices	2014	2007	\$650,000	\$450,000	\$406,940	Completed	Sep-14	Completed
84	Thirlby Field Bleacher Replacement Project	2015	2007	\$400,000	\$156,000	\$128,500	Bleachers installed	Aug-15	Next phase
85	Eastern Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$11,110	Completed	Mar-15	Completed
86	Interlochen Elementary: PA System Replacement	2014	2007	\$15,000	\$15,000	\$7,500	Completed	Mar-15	Completed
87	Central Grade Elementary: PA System Replacement	2014	2007	\$35,000	TBD	TBD	Re-scoping project	TBD	Design
88	Montessori @ Glenn Loomis: PA System Replacement	2014	2007	\$15,000	TBD	TBD	Re-scoping project	TBD	Design
89	Purchase of 45 new Security Cameras to replace obsolete Pelco Cameras	2014	2007	\$35,000	\$35,000	\$34,291	Completed	Oct-14	Completed
90	Willow Hill Roof Drains	2014	2007	\$30,000	\$30,000	\$26,817	Completed	Sep-14	Completed
91	Safety and Security - The Boot System	2014	2007	\$485,000	\$485,000	\$467,114	Completed	Oct-14	Completed
92	VPAA Central High School Production Studio	2014	2007	\$70,000	\$85,000	\$82,202	Completed	Oct-14	Completed
93	VPAA West Senior High Auditorium light board	2014	2007	\$12,000	\$11,500	\$11,273	Completed	Aug-14	Completed
94	Central High School track resurfacing	2015	2007	\$181,200	\$160,000	\$158,390	Completed	Jul-15	Completed
95	West Senior High track bleachers and press box	2015	2007	\$350,000	\$154,200	\$153,873	Completed	Jun-15	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
96	Central High School renovation and infrastructure upgrades to existing auditorium space	2015	2007	\$2,700,000	\$2,750,000	\$2,745,290	Construction underway	Oct-15	Substantial Completion
97	Blair Elementary classroom and corridor flooring replacement	2015	2007	\$180,000	\$110,000	\$101,804	Completed	Aug-15	Completed
98	Fingerprint equipment	2015	2007	\$11,500	\$11,500	\$11,170	Equipment installed	Jul-15	Completed
99	Eastern Elementary, Central Grade, East Middle School, Central High School and West Senior High exterior door replacement	2015	2007	\$170,000	\$1,700,000	\$169,620	Awarded	Sep-15	Substantial Completion
100	Central High School reconstruction of utility tunnel sections and removal of abandoned utilities	2015	2007	\$450,000	\$250,000	\$190,747	Completed	Sep-15	Completed
101	Westwoods Elementary PA system replacement	2015	2007	\$15,000	\$15,000	\$7,395	Completed	Jul-15	Completed
102	Silver Lake Elementary PA system replacement	2015	2007	\$10,000	TBD	TBD	Re-scoping project	TBD	Design
103	Central High School weight room HVAC	2015	2007	\$12,000	\$12,000	\$10,841	Completed	Aug-15	Completed
104	Cherry Knoll Elementary window weathering	2015	2007	\$11,380	\$11,380	\$11,380	Completed	Aug-15	Completed
105	Central Grade Elementary LED lighting and ceiling upgrades	2015	2004	\$35,000	\$35,000	\$31,120	Completed	Sep-15	Completed
106	Blair Elementary PA system replacement	2016	2004	\$15,000	\$15,000	\$9,972	Completed	May-16	Completed
107	Traverse Heights PA system replacement	2016	2007	\$15,000	\$15,000	\$11,995	Completed	Jun-16	Completed
108	Courtade Elementary PA system replacement	2016	2007	\$10,000	TBD	TBD	Re-scoping project	Sep-16	Design
109	Old Mission Elementary PA system replacement	2016	2007	\$10,000	TBD	TBD	Re-scoping project	Sep-16	Design
110	Willow Hill Elementary PA system replacement	2016	2007	\$10,000	TBD	TBD	Re-scoping project	Sep-16	Design
111	Central Grade Elementary - Classroom renovations	2016	2004	\$96,000	TBD	TBD	Project Planning	Oct-16	Design
112	Eastern Elementary site paving	2015	2007	\$75,000	\$75,000	\$64,571	Completed	Sep-15	Completed
113	Secondary sites storage containers	2016	2007	\$50,000	\$50,000	\$43,224	Completed	Nov-15	Completed
114	East Middle School dish washer	2016	2007	\$210,000	\$21,000	\$20,562	Completed	Sep-15	Completed
115	West High School Gym sound equipment	2015	2004	\$12,000	\$12,000	\$11,487	Completed	Jan-15	Completed
116	West High School indoor batting cage	2016	2004	\$1,000	\$10,000	\$10,000	Completed	Apr-16	Completed
117	Blair Elementary fire alarm	2016	2007	\$35,000	TBD	TBD	Contract awarded	Sep-16	Equipment Installation
118	Cherry Knoll Elementary Parking and access improvements	2016	2007	\$225,000	TBD	TBD	Site work began	Sep-16	Construction
119	Cherry Knoll Elementary classroom renovation	2016	2007	\$23,000	TBD	TBD	Design	Sep-16	Bidding
120	Silver Lake Elementary classroom renovation	2016	2007	\$15,000	TBD	TBD	Design	Sep-16	Bidding
121	Maintenance building office renovation	2016	2007	\$125,000	TBD	TBD	Design	Dec-16	Bidding
122	West High School kitchen & athletic HVAC	2016	2007	\$65,000	TBD	TBD	Re-scoping project	Sep-16	Bidding
123	Energy and electrical upgrades LED lighting West High School, East Middle School and Transportation	2016	2007	\$350,000	TBD	TBD	Assessment & Scope	Sep-16	Bidding
124	Secondary classroom and common area furniture and fixtures	2016	2007	\$800,000	TBD	TBD	Assessment & Scope	TBD	Bidding
125	Eastern Elementary Reconstruction	2017/2018	2004/2007	\$10,000,000	TBD	TBD	Project Planning	Aug-18	Project Evaluation

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
126	East Middle School mechanical controls system and condensers and coils	2016	2007	\$535,000	\$600,000	TBD	Contract award	Sep-16	Construction
127	East Middle School roof replacement	2016	2007	\$1,500,000	\$975,000	TBD	Contract award	Sep-16	Construction
128	East Middle School locker room and interior renovation	2016	2007	\$400,000	\$800,000	TBD	Contract award	Sep-16	Construction
129	East Middle School entry upgrade	2016	2007	\$60,000	\$60,000	TBD	Design	Sep-16	Bidding
130	Transportation - flooring replacement	2016	2007	\$20,000	\$20,000	TBD	Bidding	Sep-16	Contract award

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

MEMORANDUM

Christine Thomas-Hill
Executive Director
Finance and Operations

Michele Greenan
Executive Assistant

TO: Paul Soma, Superintendent
FROM: Christine Thomas-Hill, Executive Director
DATE: June 24, 2016
RE: CERTIFICATION OF 2016/2017 TAXES

The Board of Education is being asked to adopt a resolution certifying the tax levy for the 2016/2017 school year, to take effect on July 1, 2016. This certification is necessary for the July 1, 2016 preparation of the summer tax collection bills.

An appropriate motion to adopt this resolution would be:

Moved by _____, Supported by _____, to adopt the resolution certifying the tax levy for the 2016/2017 school year, dated July 1, 2016.

TRAVERSE CITY AREA PUBLIC SCHOOLS BOARD OF EDUCATION

RESOLUTION FOR ADOPTION June 27, 2016

FOR ACTION:

TOPIC: Certification of Taxes for the 2016/2017 School Year

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution certifying the tax levy for the 2016/2017 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, 2016. After applying the appropriate Headlee Rollback calculation to the authorized non-principal residence exemption millage rate, the District is still able to levy the full 18 mills required to receive the foundation amount.

FINANCIAL IMPACT: Projected proceeds from the above levies are as follows:

18.0 Mills Operating Non-principal Residence Exemption	\$32,638,599
3.1 Mills Debt Service	\$14,033,835

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

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

**RESOLUTION FOR ADOPTION
June 27, 2016**

CERTIFICATION OF TAXES

This Resolution certifying taxes for the 2016/2017 school year shall take effect on July 1, 2016.

AYES:

NAYS:

Resolution adopted.

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

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

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

2016 Tax Rate Request (This form must be completed and submitted on or before September 30, 2016)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

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

Carefully read the instructions on page 2.

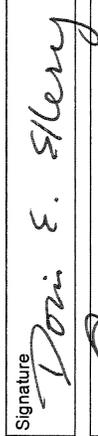
County(ies) Where the Local Government Unit Levies Taxes Benzie, Grand Traverse & Leelanau	2016 Taxable Value of ALL Properties in the Unit as of 5-23-16 4,527,043,553
Local Government Unit Requesting Millage Levy Traverse City Area Public Schools	For LOCAL School Districts: 2016 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 1,813,255,521

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 2016 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2015 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2016 Current Year "Headlee" Millage Reduction Fraction	(7) 2016 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Vot	OP NH	11/04/14	19.0961	19.0961	1.0000	19.0961	N/A	19.0961	18.0000		12/2025
Extra Vot	Debt- All	06/12/95	N/A	N/A	N/A	N/A	N/A		3.1000		N/A
		06/11/01									
		06/14/04									
		11/06/07									

Prepared by **Sandra Low** Telephone Number **231.933.1797** Title of Preparer **Director of Finance** Date **06/27/2016**

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 Doris E. Ellery	Date 06/27/2016
<input checked="" type="checkbox"/> Secretary	Signature 	Print Name Erik J. Falconer	Date 06/27/2016
<input type="checkbox"/> Chairperson			
<input checked="" type="checkbox"/> President			

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

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2016 for instructions on completing this section.	
Total School District Operating and NH Oper ONLY	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	0.00
For Commercial Personal	6.00
For all Other	18.00

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

2016 Tax Rate Request (This form must be completed and submitted on or before September 30, 2016)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

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	2016 Taxable Value of ALL Properties in the Unit as of 5-23-16 4,527,043,553
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Extra Vot	OP NH	11/04/14	19.0961	19.0961	1.0000	19.0961	N/A	19.0961	18.0000	18.0000	12/2025
Extra Vot	Debt- All	06/12/95	N/A	N/A	N/A	N/A	N/A	N/A	3.1000	3.1000	N/A
		06/11/01									
		06/14/04									
		11/06/07									

Prepared by **Sandra Low** Telephone Number **231.933.1797** Title of Preparer **Director of Finance** Date **06/27/2016**

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 <i>Doris E Ellery</i>	Print Name Doris E. Ellery	Date 06/27/2016
<input checked="" type="checkbox"/> Secretary	Signature <i>Erik J. Falconer</i>	Print Name Erik J. Falconer	Date 06/27/2016
<input type="checkbox"/> Chairperson			
<input checked="" type="checkbox"/> President			

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

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

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2016 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	0.00
For Commercial Personal	6.00
For all Other	18.00

RatingsDirect®

Summary:

Traverse City Area Public Schools, Michigan; General Obligation

Primary Credit Analyst:

David H Smith, Chicago (312) 233-7029; david.smith@spglobal.com

Secondary Contact:

Cody J Nelson, San Francisco 415-371-5022; cody.nelson@spglobal.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Traverse City Area Public Schools, Michigan; General Obligation

Credit Profile

US\$27.4 mil 2016 sch bldg & site bn ds (GO - unlt d tax) due 05/01/2026

Long Term Rating AA-/Stable New

Traverse City Area Pub Schs GO

Long Term Rating AA-/Stable Affirmed

Traverse City Area Pub Schs GO

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Rationale

S&P Global Ratings assigned its 'AA-' long-term rating on Traverse City Area Public Schools, Mich.'s series 2016 unlimited-tax general obligation (GO) school building and site bonds. At the same time, we affirmed our 'AA-' long-term and underlying rating (SPUR) on the district's existing GO debt. The outlook is stable.

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

- Participation in the diverse Grand Traverse County area economic base;
- Extremely strong market value per capita levels and good incomes; and
- Low debt levels, coupled with rapid debt amortization.

The above strengths are offset by district's trend of declining enrollment, which is tied to state aid revenue. In addition, the district's historical trend of general fund deficits, despite a surplus in fiscal 2015, is a negative factor.

The series 2016 bonds are secured by the district's unlimited tax, full faith and credit GO pledge. The bonds are payable from ad valorem taxes, which may be levied without limitation or amount. The bonds are being issued pursuant to the district's 2004 and 2007 bond authorizations to fund various capital improvements.

Economy

Traverse City Area Public Schools serves an estimated population of 83,028. Median household and per capita effective buying incomes in the district are good at 95% and 103% of national levels, respectively. At \$128,033 per capita, the 2016 market value totaling \$10.6 billion is, in our opinion, extremely strong. Taxable value grew by a total of 5.2% since 2014 to \$4.5 billion in 2016. The 10 largest taxpayers make up an estimated 3.1% of taxable value, which we consider very diverse.

The school district is located in the northwestern portion of Michigan's lower peninsula. The 300-square-mile district serves the population of 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. The district's tax

base is primarily residential, comprising 74% of total taxable valuation (TV), with commercial properties making up 17% of TV. According to the Bureau of Labor Statistics, Grand Traverse County's unemployment rate averaged 4.6% in January 2016, compared to the state's 5.1% rate during the same period.

Finances

State aid funding, which is determined by enrollment, is the primary source of operating revenue for most Michigan school districts. Therefore, increases or decreases in enrollment can lead to increases or decreases, respectively, in revenue.

Enrollment in the district has declined by 1.7% during the past three school years, to 9,863 students for the 2015-2016 year. Officials project 2% annual declines during the next two years before the enrollment trend stabilizes, and flat enrollment is projected beginning in fiscal 2019-2020. The district has historically been a net gainer for open enrollment through the Michigan Schools of Choice program, and the district reported a net gain of 126 students in the 2015-2016 year, which is consistent with previous years.

The district's available fund balance of \$6 million is good in our view, at 6.7% of general fund expenditures at fiscal year-end (June 30) 2015. The district reported a surplus operating result of 0.2% of expenditures in 2015. The district depends primarily on state aid for general fund revenue (56.7%), followed by property taxes (34.3%).

In recent years, the district's finances have been challenged by declining state aid and rising pension and healthcare costs. Despite cost cutting efforts, the district reported general fund deficits in fiscals 2008-2014. In fiscal 2015, however, the district was able to report a slight surplus of \$173,786 in the general fund. The district was able to achieve this result due to expenditure reductions in staffing and transportation as well as because of increased state revenues that are partly attributable to higher per pupil funding.

The district's 2016 general fund budget calls for a \$1.5 million deficit, but officials expect that they will finish the fiscal year with no worse than a \$300,000 deficit. Based on this estimate, we expect that the district's available fund balance will remain good. To better align its expenditures with its revenues, the district intends to close two elementary schools at the end of fiscal 2016, and expects to close another one in a few years. In addition, the district intends to eliminate three secondary school positions through attrition beginning in fiscal 2017, which will generate \$500,000 in savings. The district expects to adopt a budget with a \$2 million deficit, but it projects a better result by year-end, which it has achieved the past few years.

Management

We consider the district's management practices "standard" under our Financial Management Assessment methodology, indicating the finance department maintains adequate policies in some but not all key areas.

Significant policies and practices maintained by the district include its practice of providing monthly budget-to-actual updates to its board. In addition, the district has a long-term capital planning document that is updated quarterly and provides costs and expected project completion dates. The district also has its own investment policy and provides monthly updates to its board regarding investments. The district has formal reserve policy of 10% of general fund expenditures, which it is not currently meeting.

Debt

Overall net debt is low, in our opinion, at 1.5% of market value and \$1,938 per capita. Amortization is very rapid, with 100% of the district's direct debt scheduled to be retired within 10 years. Debt service carrying charges were 12.4% of total governmental fund expenditures excluding capital outlay in fiscal 2015, which we consider moderate.

The district has \$24.9 million remaining on its voter-approved authorization for capital projects, which it expects to issue in equal installments in 2018 and 2020. The district has no other new money debt plans within the next few years.

Pension and other postemployment benefit liabilities

In fiscal 2015, the district contributed its annual required contribution of \$10.4 million, or 8.8% of total governmental expenditures, toward its pension obligations.

The district participates in the Michigan Public School Employees' Retirement System (MPSERS), 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 MPSERS plan provides.

Outlook

The stable outlook reflects our expectation that management will continue to make budget adjustments that will allow it to manage its budget without any significant reliance on reserves. We do not anticipate changing the rating within the two-year outlook horizon.

Upside scenario

Should the district's finances become structurally balanced and reserve levels were to increase substantially, the rating could be raised.

Downside scenario

The rating could be lowered if the district fails achieve and sustain structural balance and its reserves were to fall to a level that we consider only adequate.

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
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015

Related Research

S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

Ratings Detail (As Of May 3, 2016)

Traverse City Area Pub Schs GO (CIFG)

Unenhanced Rating

AA-(SPUR)/Stable

Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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

Global Credit Research - 18 Sep 2014

\$41.3M of Moody's rated debt affected

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

Opinion

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

SUMMARY RATING RATIONALE

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

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

STRENGTHS

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

CHALLENGES

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

DETAILED CREDIT DISCUSSION

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

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

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

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

LARGE, DIVERSE TAX BASE; GROWING POPULATION

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

LOW DEBT BURDEN WITH RAPID AMORTIZATION

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

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

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

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

OUTLOOK

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

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

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

WHAT COULD MOVE THE RATING DOWN

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

KEY STATISTICS

Estimated 2014 full valuation: \$9.8 billion

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

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

Fiscal 2013 Available fund balance / operating revenue: 6.7%

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

Fiscal 2013 Net cash balance / operating revenue: 10.0%

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

Institutional framework score: Baa

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

Net direct debt / full valuation: 0.76%

Net direct debt / operating revenue: 0.78x

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

RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moody.com for a copy of this methodology.

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TCAPS Audit Schedule (2015/2016)

The following schedule provides information on the majority of external audits that were conducted at TCAPS during the 2015/2016 fiscal year. This list is being provided to emphasize how TCAPS' financial data and various programs are closely scrutinized, not only internally but by various external entities as well.

TCAPS Audit Schedule (2015/2016)

AUDIT NAME	SCOPE/DESCRIPTION	SOURCE	TIMEFRAME	RESPONSIBILITY	TOTAL HOURS devoted to completion
Student FTE (Full-Time Equivalent) Audit	General student FTE collection.	TBAISD (Traverse Bay Area Intermediate School District)	Fall & Spring each year	HR	240 hours in Fall 160 hours in Spring
SRM (Student Record Maintenance) - Section 25 Audit	The ability to capture student funding for students enrolled between the Fall and Spring count days.	TBAISD	Within 30 days of student enrollment from Fall to Spring count days	HR	40 hours
Annual Clock Hour Report	Reporting the number of days and hours school was held at each site adjusted for circumstances outside the district's control	TBAISD	Due by July 15th	HR	10 hours
Graduation Appeals Audit	The ability to correct graduation status for all students within the last four years.	TBAISD	August-December	HR	5 hours
Michigan Occupational Safety and Health Association (MI-OSHA) Compliance Audit	The evaluation and review of district compliance with legal safety requirements.	MI-OSHA	June	HR	5 hours
Financial Audit	District accounts audited by a firm of licensed certified public accountants; preparation of district's financial statements; complete filing requirements by November 1st.	State of MI	May through October (annual)	Business Office	200+ hours
Special Ed	Continuous Improvement & Monitoring System (CIMS)	MDE	4 times per year	Special Education Office (Associate Superintendent)	Varies
Michigan State Police School Bus Inspection	The Pupil Transportation Act 187 of 1990 (257.1839 Inspections) requires the department of state police to inspect each school bus annually	Michigan State Police	Annual (dates vary)	Transportation Manager-Vehicle Maintenance	3-4 weeks/year
21st Century Community Learning Program	Fiscal audit of 2013-2014 expenditures, processes, and policies.	MDE	October 2015	CLC Director and Business Office	8 hours
Summer Food Service Program	Administrative review of the Suttons Bay Migrant Summer Food Service Program.	MDE Office of School Support Services	July 28, 2015	Food Service and Business Office	14 hours
SNAP-Ed Programs	PeNut program audit and onsite monitoring review.	MDHHS	May 2016	PeNut Coordinator, Director of HR, and Business Office.	12 hours

