

**TRAVERSE CITY AREA PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**(continued)**

**NOTE 5 - LONG-TERM OBLIGATIONS**

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of governmental long-term obligations for the District for the year ended June 30, 2022:

	Accumulated Compensated Absences	Accumulated Termination Benefits	General Obligation Bonds	Total
Balance, July 1, 2021	\$ 234,100	\$ 983,599	\$ 105,004,910	\$ 106,222,609
Additions	263,000	220,024	-	483,024
Deletions	<u>234,100</u>	<u>115,186</u>	<u>16,042,896</u>	<u>16,392,182</u>
Balance, June 30, 2022	263,000	1,088,437	88,962,014	90,313,451
Due within one year	<u>263,000</u>	<u>144,785</u>	<u>15,525,000</u>	<u>15,932,785</u>
Due in more than one year	<u>\$ -</u>	<u>\$ 943,652</u>	<u>\$ 73,437,014</u>	<u>\$ 74,380,666</u>

The general fund and food service funds have been used in prior years to liquidate long-term liabilities other than debt.

Refer to Note 7 for changes in the net pension liability and the other post-employment benefit liability.

**TRAVERSE CITY AREA PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**(continued)**

**NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

Long-term obligations at June 30, 2022 are comprised of the following issues:

	<u>Amount Outstanding</u>	<u>Original Borrowing</u>
<u>General Obligation Bonds</u>		
2014 School building and site bonds due in annual installments of \$1,900,000 to \$1,950,000 through May 1, 2024, with interest at 2.25% to 2.65%.	\$ 3,850,000	\$ 13,500,000
2016 School building and site bonds due in annual installments of \$3,400,000 to \$3,550,000 through May 1, 2026, with interest at 2.00%.	13,900,000	26,880,000
2018 School building and site bonds due in annual installments of \$1,000,000 to \$1,025,000 through May 1, 2028, with interest at 5.00%.	6,050,000	11,275,000
2019 School building and site bonds due in annual installments of \$2,800,000 to \$3,375,000 through May 1, 2029, with interest at 5.00%.	21,725,000	30,235,000
2021 School building and site bonds due in annual installments of \$3,375,000 to \$6,425,000 through May 1, 2031, with interest at 3.00%.	35,685,000	38,760,000
Plus issuance premium, net of amortization	<u>7,752,014</u>	
Total general obligation bonds	88,962,014	
Other accrued benefits		
Obligation under contract for compensated absences	263,000	
Obligation under contract for termination benefits	<u>1,088,437</u>	
Total general long term obligations	<u><u>\$ 90,313,451</u></u>	

The District records a liability for compensated absences and other retirement commitments based on individual contracts.

As of June 30, 2022, \$1,550,025 is available in the debt service funds to service the general obligation debt.

**TRAVERSE CITY AREA PUBLIC SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**(continued)**

**NOTE 5 - LONG-TERM OBLIGATIONS (concluded)**

The annual requirements to amortize long-term obligations outstanding as of June 30, 2022, including interest payments of \$11,499,602 are as follows:

Year Ending June 30,	General Obligation Bonds		Compensated Absences	Termination Benefits	Amounts Payable
	Principal	Interest			
2023	\$ 15,525,000	\$ 2,835,526	\$ -	\$ -	\$ 18,360,526
2024	12,675,000	2,338,226	-	-	15,013,226
2025	11,000,000	1,921,300	-	-	12,921,300
2026	11,250,000	1,546,300	-	-	12,796,300
2027	7,900,000	1,162,300	-	-	9,062,300
2028 - 2031	22,860,000	1,695,950	-	-	24,555,950
	81,210,000	11,499,602	-	-	92,709,602
Issuance premium	7,752,014	-	-	-	7,752,014
Compensated absences	-	-	263,000	-	263,000
Termination benefits	-	-	-	1,088,437	1,088,437
	<u>\$ 88,962,014</u>	<u>\$ 11,499,602</u>	<u>\$ 263,000</u>	<u>\$ 1,088,437</u>	<u>\$ 101,813,053</u>

Interest expenditures (all funds) for the year ended June 30, 2022 were \$3,218,626.

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund payable and receivable balances at June 30, 2022 are as follows:

Payable Fund		Receivable Fund	
General	\$ 729,649	General	\$ -
2019 Capital Projects	-	2019 Capital Projects	26,680
2021 Capital Projects	-	2021 Capital Projects	39,921
Other nonmajor governmental	<u>141,644</u>	Other nonmajor governmental	<u>804,692</u>
	<u>\$ 871,293</u>		<u>\$ 871,293</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made. All amounts are expected to be repaid within one year.

**TRAVERSE CITY AREA PUBLIC SCHOOLS  
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS  
JUNE 30, 2022**

2014 School Building and Site Bonds

<u>Calendar Year</u>	<u>Interest Rate</u>	<u>Principal Due May 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2022	2.25%	\$ -	\$ -	\$ 49,113	\$ 49,113
2023	2.45%	1,900,000	49,113	25,838	1,974,951
2024	2.65%	<u>1,950,000</u>	<u>25,838</u>	<u>-</u>	<u>1,975,838</u>
Total 2014 bonded debt		<u>\$ 3,850,000</u>	<u>\$ 74,951</u>	<u>\$ 74,951</u>	<u>\$ 3,999,902</u>

The above bonds dated June 24, 2014 were issued for the purpose of erecting, furnishing and equipping an addition or additions and/or remodeling, refurbishing, equipping and re-equipping existing school facilities; acquiring, installing, equipping, and re-equipping school facilities for educational technology improvements; purchasing buses and developing and improving sites, including playgrounds and outdoor physical education and athletic facilities. The amount of the original bond issue was \$13,500,000.

**TRAVERSE CITY AREA PUBLIC SCHOOLS**  
**BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS**  
**JUNE 30, 2022**  
**(continued)**

2016 School Building and Site Bonds

Calendar Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2022	2.00%	\$ -	\$ -	\$ 139,000	\$ 139,000
2023	2.00%	3,400,000	139,000	105,000	3,644,000
2024	2.00%	3,450,000	105,000	70,500	3,625,500
2025	2.00%	3,500,000	70,500	35,500	3,606,000
2026	2.00%	3,550,000	35,500	-	3,585,500
Total 2016 bonded debt		<u>\$ 13,900,000</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 14,600,000</u>

The above bonds dated May 26, 2016 were issued for the purpose of (i) erecting, furnishing and equipping an addition or additions and/or remodeling, refurnishing, equipping and re-equipping existing school facilities; acquiring, installing, equipping, and re-equipping school facilities for educational technology improvements; purchasing buses and developing and improving sites, including playgrounds and outdoor physical education and athletic facilities; and (ii) erecting, furnishing and equipping an addition or additions and/or remodeling, refurnishing, equipping and re-equipping existing school facilities; erecting, furnishing and equipping elementary facilities; acquiring land; developing and equipping improvements to playgrounds, outdoor physical education and athletic facilities; acquiring, installing, equipping and re-equipping school facilities for educational technology improvements; purchasing buses and developing and improving sites. The amount of the original bond issue was \$26,880,000.

**TRAVERSE CITY AREA PUBLIC SCHOOLS**  
**BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS**  
**JUNE 30, 2022**  
**(continued)**

2018 School Building and Site Bonds

<u>Calendar Year</u>	<u>Interest Rate</u>	<u>Principal Due May 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2022	5.00%	\$ -	\$ -	\$ 151,250	\$ 151,250
2023	5.00%	1,000,000	151,250	126,250	1,277,500
2024	5.00%	1,000,000	126,250	101,250	1,227,500
2025	5.00%	1,000,000	101,250	76,250	1,177,500
2026	5.00%	1,000,000	76,250	51,250	1,127,500
2027	5.00%	1,025,000	51,250	25,625	1,101,875
2028	5.00%	1,025,000	25,625	-	1,050,625
Total 2018 bonded debt		<u>\$ 6,050,000</u>	<u>\$ 531,875</u>	<u>\$ 531,875</u>	<u>\$ 7,113,750</u>

The above bonds dated May 23, 2018 were issued for the purpose of erecting, furnishing and equipping an addition or additions to and/or remodeling, refurnishing, equipping and re-equipping existing school facilities; erecting, furnishing and equipping elementary facilities; acquiring land; developing and equipping improvements to playgrounds, outdoor physical education and athletic facilities; acquiring, installing, equipping and re-equipping school facilities for educational technology improvements; purchasing buses and developing and improving sites. The amount of the original bond issue was \$11,275,000.

**TRAVERSE CITY AREA PUBLIC SCHOOLS  
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS  
JUNE 30, 2022  
(continued)**

2019 School Building and Site Bonds

Calendar Year	Interest Rate	Principal Due May 1,	Interest Due		Total Due Annually
			May 1	November 1	
2022	5.00%	\$ -	\$ -	\$ 543,125	\$ 543,125
2023	5.00%	2,800,000	543,125	473,125	3,816,250
2024	5.00%	2,900,000	473,125	400,625	3,773,750
2025	5.00%	3,000,000	400,625	325,625	3,726,250
2026	5.00%	3,100,000	325,625	248,125	3,673,750
2027	5.00%	3,200,000	248,125	168,125	3,616,250
2028	5.00%	3,350,000	168,125	84,375	3,602,500
2029	5.00%	3,375,000	84,375	-	3,459,375
Total 2019 bonded debt		<u>\$ 21,725,000</u>	<u>\$ 2,243,125</u>	<u>\$ 2,243,125</u>	<u>\$ 26,211,250</u>

The above bonds dated May 16, 2019 were issued for the purpose of erecting, furnishing and equipping additions to and/or remodeling, furnishing and refurnishing, and equipping and re-equipping existing school facilities; erecting, furnishing and equipping new school facilities; constructing, equipping, developing and improving playgrounds and outdoor physical education, athletic and storage facilities; acquiring, installing, and equipping and re-equipping school facilities for educational technology; purchasing buses; and acquiring, developing and improving play fields, athletic fields and sites. The amount of the original bond issue was \$30,235,000.

**TRAVERSE CITY AREA PUBLIC SCHOOLS  
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS  
JUNE 30, 2022  
(concluded)**

2021 School Building and Site Bonds

Calendar Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2022	3.00%	\$ -	\$ -	\$ 535,275	\$ 535,275
2023	3.00%	6,425,000	535,275	438,900	7,399,175
2024	3.00%	3,375,000	438,900	388,275	4,202,175
2025	3.00%	3,500,000	388,275	335,775	4,224,050
2026	3.00%	3,600,000	335,775	281,775	4,217,550
2027	3.00%	3,675,000	281,775	226,650	4,183,425
2028	3.00%	3,700,000	226,650	171,150	4,097,800
2029	3.00%	3,775,000	171,150	114,525	4,060,675
2030	3.00%	3,800,000	114,525	57,525	3,972,050
2031	3.00%	3,835,000	57,525	-	3,892,525
Total 2021 bonded debt		<u>\$ 35,685,000</u>	<u>\$ 2,549,850</u>	<u>\$ 2,549,850</u>	<u>\$ 40,784,700</u>

The above bonds dated May 20, 2021 were issued for the purpose of erecting, furnishing and equipping additions to and/or remodeling, furnishing and refurnishing, and equipping and re-equipping existing school facilities; erecting, furnishing and equipping new school facilities; constructing, equipping, developing and improving playgrounds and outdoor physical education, athletic and storage facilities; acquiring, installing, and equipping and re-equipping school facilities for educational technology; purchasing buses; and acquiring, developing and improving play fields, athletic fields and sites. The amount of the original bond issue was \$38,760,000.