

Annual Comprehensive Financial Report

**Fiscal Year Ended
June 30, 2024**

**Prepared by:
Business Office
Christine Thomas-Hill, Assistant Superintendent
of Finance and Operations
Traverse City Area Public Schools
Traverse City, Michigan**

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**TRAVERSE CITY AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-8
Organizational Chart.....	9
Principal Officials	10
Certificate of Excellence	11
 FINANCIAL SECTION	
Independent Auditor’s Report	12-14
Management’s Discussion and Analysis.....	15-25
Basic Financial Statements	26
Government-wide Financial Statements	
Statement of Net Position	27
Statement of Activities.....	28
Fund Financial Statements	
Balance Sheet - Governmental Funds	29-30
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32-33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Notes to the Basic Financial Statements	35-66
Required Supplementary Information	67
Budgetary Comparison Schedule - General Fund	68
Schedule of the Reporting Unit’s Proportionate Share of the Net Pension Liability.....	69
Schedule of the Reporting Unit’s Pension Contributions.....	70
Schedule of the Reporting Unit’s Proportionate Share of the Net OPEB Liability (Asset).....	71
Schedule of the Reporting Unit’s OPEB Contributions.....	72
Notes to Required Supplementary Information	73

**TRAVERSE CITY AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (concluded)	
Additional Supplementary Information	74
General Fund.....	75
Schedule of Revenues and Other Financing Sources.....	76
Schedule of Expenditures.....	77-82
Nonmajor Governmental Fund Types.....	83
Combining Balance Sheet.....	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	85
Special Revenue Funds	
Combining Balance Sheet.....	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	87
Budgetary Comparison Schedule - Food Service Fund.....	88
Budgetary Comparison Schedule - Community Service Fund.....	89
Budgetary Comparison Schedule - Student/School Activities Fund.....	90
Debt Service Funds	
Combining Balance Sheet.....	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	92
Other Schedules.....	93
Bonded Debt.....	94-98
Schedule of Property Tax Data.....	99
Property Tax Data.....	100
General Fund Balance Assignments by Building.....	101

**TRAVERSE CITY AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (UNAUDITED)	
Statistical Section Overview	102
Financial Trends.....	103
Net Position by Component.....	104-105
Changes in Net Position.....	106-107
Fund Balances - Governmental Funds	108
Changes in Fund Balances - Governmental Funds.....	109-110
Statement of Expenses and Transfers by Function - Government-wide.....	111
Statement of Revenues by Source - Government-wide	112
General Fund - Expenditures and Transfers by Function - Graphical.....	113
General Fund - Expenditures and Transfers by Function.....	114
General Fund - Sources of Expenditures and Transfers as a Percentage of Total Expenditures.....	115
General Fund - Comparison of per Pupil Expenditures and Transfers by Function	116
General Fund - Revenues and Other Financing Sources by Source.....	117
General Fund - Comparison of per Pupil Revenues and Other Financing Sources by Source	118
General Fund - History of Fund Equity	119
Revenue and Debt Capacity	120
Property Tax Levies and Collections	121
Assessed and Estimated Actual Value of Property	122
Tax Rates - Overlapping.....	123
Ratio of Net General Bonded Debt Outstanding to Assessed Value and Net Bonded Debt Per Capita.....	124

**TRAVERSE CITY AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (UNAUDITED) (concluded)	
Ratio of Net General Bonded Debt Outstanding	125
Ratio of Net Debt Outstanding by Type	126
Legal Debt Margin Information.....	127
Schedule of Direct and Overlapping Debt.....	128
Taxable Valuation of Property in School District	129
Demographic and Economic Information	130
Employment by Classification	131
School District Demographic Statistics.....	132
Property Value and Construction	133
Principal Taxpayers	134
Principal Employers in the District.....	135
School District State Aid Membership	136
History of Foundation Allowance	137
Operational Information	138
Insurance Coverage Data.....	139
Summary of Owned Buildings and Sites	140
School Building Information	141-142
Operating Statistics	143

**TRAVERSE CITY AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

TABLE OF CONTENTS

	<u>Page</u>
OTHER ITEMS	
Schedule of Expenditures of Federal Awards	144-147
Notes to Schedule of Expenditures of Federal Awards.....	148
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	149-150
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	151-153
Schedule of Findings and Questioned Costs	154
Schedule of Prior Audit Findings.....	155
Vision and Mission Statement	156

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Christine Thomas-Hill
*Assistant Superintendent
of Finance and Operations*

1009 Oak Street
Traverse City, MI 49684

t: 231.933.1730
e: thomasch@tcaps.net

October 10, 2024

To the Board of Education and the Citizens
of Traverse City Area Public Schools,

State law requires that school districts publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants using generally accepted auditing standards as defined by the Comptroller of the United States in the publication *Government Auditing Standards*. These financial statements are required to be filed by November 1 of each year for the immediately preceding fiscal year.

Pursuant to this requirement, we are proud to issue this Annual Comprehensive Financial Report of the Traverse City Area Public Schools (the District) for the year ending June 30, 2024. This report differs from traditional financial reports in that it is more comprehensive in scope and contains statistical information that includes financial and non-financial data presented over multiple (primarily ten) years. This is the twentieth year Traverse City Area Public Schools (TCAPS) has issued its financial report in this format. It is important to note that we, as management, are responsible for the financial information contained in this report. We assume full responsibility for the completeness and reliability of all the information presented herein.

The format of this Annual Comprehensive Financial Report is designed to meet the needs of a broad spectrum of readers of financial reports and is divided into three major sections:

Introductory Section - The introductory section introduces the reader to the report and includes this transmittal letter, the organizational chart of the District, and a list of Trustees elected to the Board of Education and other officials of the District.

Financial Section - The financial section consists of the independent auditor's report, Management's Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund statements and schedules.

Statistical Section - The statistical section contains financial and other information that differ from financial statements in that they present accounting and non-accounting data, cover several years, and are designed to reflect social and economic data as well as financial and fiscal trends which help the reader gain a more thorough understanding of the District as a whole.

This transmittal letter is designed to introduce the reader to the District by providing high-level information about Traverse City Area Public Schools and the environment in which it exists and should be read in conjunction with Management's Discussion and Analysis presented in the financial section of the report.

DISTRICT PROFILE

The District's history dates back to 1853 when it was first organized as an "ungraded" school system, serving approximately three square miles. Through the years, the District grew through numerous annexations, most of which took place from 1956 through 1979, to encompass its current size of approximately 300 square miles. In 1979, the Board of Education changed the District's name from the School District of Traverse City to Traverse City Area Public Schools (TCAPS). As of the October 2023 count day, the District's enrollment was 8,855 K-12, shared time, and Early Childhood Special Education (ECSE) students. The District also operated additional programs which included 330 Preschool students and 95 Great Start Readiness Program (GSRP) students. The District has experienced declining enrollment over the past decade and projections show the same trajectory for the foreseeable future; this primarily is due to an increase in parental choice and a decrease in birth rates. The budgeted enrollment for the 2024-2025 fiscal year is 8,784.

The District is organized under Section 380.401 of the Revised School Code of Michigan. Its purpose is to educate those students who reside within its borders and any students outside its borders who choose to attend TCAPS through the "schools of choice" program. As of September 1, 2023, the District operated ten traditional kindergartens through fifth-grade elementary schools, one Montessori toddler through eighth-grade school, two traditional sixth through eighth-grade middle schools, two traditional ninth through twelfth-grade high schools, and an alternative high school.

To meet the needs of TCAPS' parents and students, a number of educational options including traditional K-12 education, Montessori curriculum, talented and gifted programming, early childhood programming, self-directed online options, early college opportunities, dual enrollment, and advanced placement options that result in college credit, a full range of interscholastic and intramural athletic programs, and special education programs are offered. On an ancillary basis, the District offers pay-for-service before and after school "extended day care" programs to approximately 350 students. The District consistently performs above statewide and regional averages in terms of test scores, is recognized for its high participation and high success rates relative to Advanced Placement scores, and is nationally and internationally known for its extraordinary fine and performing arts programs.

Located in the northwest corner of Michigan's Lower Peninsula, the district covers approximately 300 square miles. Renowned for its picturesque landscape featuring numerous lakes, rolling hills, farms, and undeveloped land, the area is a true natural gem. A defining feature is Grand Traverse Bay, a distinctive bay divided by a 20-mile peninsula into East Bay and West Bay. This region is easily identifiable on any Michigan map.

The most recent statistics, published in February 2024 (based on June 30, 2023, data) by the Michigan Department of Education in their *Bulletin 1014: Michigan Public School Districts Ranked by Selected Financial Data*, ranked the District as the 22nd largest out of 817 school districts in the State of Michigan in terms of the student population. Under the school funding system established in Michigan in 1994, schools are funded on a per-pupil "foundation" basis. The Traverse City Area Public Schools District operates on what is known as the target foundation allowance, which was \$9,608 per student in fiscal year 2024. The District ranks 556 in total general fund revenues per student at \$13,861, which includes state categorical and federal program revenue.

Spending priorities can be seen in the chart below that shows the District focuses its limited resources on basic instruction (367 in the state for basic programs), instructional support (363), and teacher salaries (105) and fewer resources on Fiscal Services (628), and General Administration (794). Expenditures for Operations and Maintenance (326) reflect the challenges associated with being in a district that is spread over a large geographic area in addition to serving a large student population. Traverse City Area Public Schools is ranked the largest in terms of square miles (by a wide margin) among the top 25 school districts in terms of the student population.

		<u>Per Pupil</u>	<u>State Rank</u>
General Fund Revenues	- All Sources	\$ 13,861	556
General Fund Expenditures	- Basic Programs	6,793	367
	- Added Needs	1,341	600
	- Instructional Support	1,342	363
	- Fiscal Services	130	628
	- Operations and Maintenance	1,506	326
	- General Administration	90	794
	- Total Expenditures	13,779	508
		<u>Amount</u>	<u>State Rank</u>
Salary Information	- Average Teacher Salary	\$ 69,661	105

Source: Michigan Department of Education Bulletin 1014 database, compiled by TCAPS Business Office.

Data such as that noted above helps show our stakeholders that the limited resources available to us are directed properly. Additionally, in spite of the tough economic climate faced by many schools in Michigan, our District has the honor of being rated “AA- Stable” by Standard and Poor’s Ratings Services (April 2023). A high rating in these very difficult financial times serves as independent verification of the District’s commitment to fiscal responsibility.

DISTRICT STRATEGIC PLAN: TCAPS COMPASS

MISSION

TCAPS educates, inspires, and supports all learners to maximize individual excellence and success.

VISION

An educational community providing opportunities and resources to relentlessly support all learners in achieving their full potential.

VALUES

Students First - Prioritizing the needs of all learners

Excellence - Offering a world-class educational experience to all students

Integrity - Operating with honesty, transparency and fairness

Inclusive - Ensuring equitable access and acceptance for all

Success for All - Supporting each learner to maximize their full potential

Leadership - Developing high-quality programs and people through innovation, empathy, and mindfulness

Community - Connecting with each other and our community to serve our students greater

Strategic Financial Planning

The District continues to work on directing resources to instructional priorities in order to positively impact student achievement. As the district works towards the goals of the strategic plan, decisions regarding instructional priorities are reviewed using resources in the most effective and efficient manner while structurally balancing the budget.

While redirecting resources to instructional priorities, the District is committed to doing so with a balanced budget that restores fund balance over time. The target goal for TCAPS’ fund balance is 12% of expenditures. As of fiscal year-end 2024, the District has an 11.77% fund balance.

Capital Planning

TCAPS maintains a comprehensive capital infrastructure plan. This capital plan has been in place for a number of years and calls for a structured, multi-year approach to deal with infrastructure needs and improvements to our existing assets. See the table below for the buildings owned by the District:

Summary of Owned Buildings & Sites with Year of Purchase or Construction:

Bertha Vos Elementary	1953	East Middle School	1991
Blair Elementary	1990	West Middle School	1969
Central Grade Elementary	1922	Central High School	1958
Cherry Knoll Elementary	1956	Traverse City High School	1949
Courtade Elementary	1991	West Senior High School	1997
Eastern Elementary	2017	Boardman Administration	1914
Glenn Loomis	1957	Bus Garage	1971
Oak Park Elementary	1950	Facilities Building	1981
Silver Lake Elementary	1987	Data Center	1949
TCAPS Montessori	2023	Thirlby Field	1995
Traverse Heights Elementary	1950	Trojan Athletic Complex	2021
Westwoods Elementary	1990		
Willow Hill Elementary	1949		
Long Lake Elementary	2011		

The main tenet of this plan is to sell bonds over the course of multiple years in such a manner that it would keep the millage rate for debt service consistent at 3.1 mills. On August 7, 2018, the District asked voters to approve a new authorization that will provide the necessary capital resources for the next ten years. Maintaining a low millage rate has been a successful strategy, the bond proposal passed with overwhelming success and the district is actively performing improvements throughout the district.

Proceeds from the 2018 authorized bonds have been used for the following:

- Construction of secure entry vestibules;
- Security enhancements of building-level access systems and notification systems at all buildings;
- Complete reconstruction of a new Montessori school;
- Partial reconstruction and additions to elementary buildings;
- Athletic upgrades at the secondary level;
- Site improvements and parking lot upgrades at elementary and secondary facilities;
- Renovation and system upgrades to high school auditoriums;
- Improvements to integrated fiber/wireless system;
- Creation of a disaster recovery center to house and protect the District’s technology;
- Capital improvements to physical education and athletic facilities;
- Capital improvements to operational and administrative facilities;
- Replacement of outdated educational, operational, and safety and security equipment;
- Replacement of school buses and a district bus wash facility; and
- Upgrades to classroom and cafeteria furniture to standardize District assets.

INTERNAL CONTROL STRUCTURE

TCAPS makes internal financial control a priority. A comprehensive internal control framework has been designed to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with GAAP. The system of controls that have been established relies on a combination of sound internal control practices such as separation of critical duties, computerized budgetary spending controls on the financial accounting system, financial review by budget managers at the site, department, and district level, and reconciliation of bank accounts and liability accounts on a regular basis. As is a sound general practice, the cost of instituting internal controls should not outweigh the benefits received from such controls. The control structure, therefore, is designed to provide reasonable, rather than an absolute assurance, that the District's financial statements are free from material misstatements. Independent auditors review the internal control structure annually. Because of internal controls, the District is able to assert that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

BUDGETARY CONTROL

The District adopts an annual budget for its funds that acts as an initial operating plan for the year, in accordance with the State of Michigan Uniform Budgeting and Accounting Act. This budget is established prior to the fiscal year beginning and is amended at various times throughout the year to reflect changes in expectations and projections. Major changes that lead to budget amendments include changes to state revenue, student enrollment, staffing, and state and federal programs. Annual appropriations lapse at year-end.

The District ensures that budgets are not exceeded by establishing "appropriations" for individual budget managers. If a purchase order exceeds appropriations, that transaction will be denied and returned to the originator. Additionally, all large purchases (those in excess of \$14,786 for fiscal 2024) must contain three informal competitive quotes and be approved online by the District's Purchasing Manager and the Assistant Superintendent of Finance and Operations. Finally, any transaction exceeding the State of Michigan threshold required for sealed bids (\$29,572 for fiscal 2024) must be formally approved by the Board of Education.

The level by which expenditures may not exceed appropriations has been determined by the State to be at the function level. TCAPS has always taken this requirement seriously and continues to place a high level of importance on this requirement when managing the budget.

The 2024 fund balance and projected 2025 revenues are sufficient to meet the 2025 budget as presented to the Board in a public budget hearing in June of 2024.

INDEPENDENT AUDIT

This financial report has been subject to an audit conducted by the licensed Certified Public Accounting firm of Maner Costerisan. Management has certified to the firm that all records have been made available for their review and that management is not aware of any outstanding issues that would have a material impact on this report. Maner Costerisan has issued an unmodified opinion that the financial information contained in this Annual Comprehensive Financial Report accurately reflects the District's year-end financial condition.

ECONOMIC CONDITION AND OUTLOOK OF LOCAL AND REGIONAL ECONOMY

Nestled in the picturesque Lower Peninsula of Northwestern Michigan, the school district encompasses Grand Traverse County and portions of Benzie and Leelanau. Renowned for its natural beauty, abundant outdoor activities, and vibrant cultural scene, the region offers a diverse and enriching experience. Grand Traverse County is a thriving hub for technology, manufacturing, healthcare, and finance, attracting residents of all ages. With its growing reputation as a culinary and wine destination, the area has experienced significant growth in the past decade. In 2023, Forbes recognized Traverse City as one of the top 25 places to retire, making it an ideal choice for seniors seeking an active and fulfilling lifestyle.

The Northwest Lower Michigan economy remains strong, driven by tourism, service industries, and healthcare. Festivals throughout the year attract visitors, with the National Cherry Festival being the largest in July drawing over 500,000 visitors to the area in 2023. Renowned for its cherry industry and award-winning wineries, the region is gaining recognition for its diverse eateries and microbreweries. These attractions play a crucial role in the region's economic growth and development.

In 2023, Grand Traverse County's median age was 42.9 years, compared to Michigan's overall average of 38.8 years. The county's population over 65 years old was 22.2%, higher than the state's 18.7%. In comparison, only 15.1% of the County population in 2010 was 65 years old and over. This trend of an aging population is expected to continue, driving demand for medical services. Healthcare and social assistance services are projected to be among the fastest-growing industries in the coming years, making Munson Healthcare the region's largest employer.

During fiscal year ending June 30, 2024, the area's major employers and their approximate number employed were as follows:

<u>Employer</u>	<u>Approximate Number Employed</u>
Munson Healthcare	3,700
Traverse City Area Public Schools	1,169
Northwestern Michigan College	674
Northwest Education Services	627
Grand Traverse County	577
Interlochen Center for the Arts	550
Hagerty Insurance	500
Grand Traverse Resort & Casino	500
Sara Lee Bakery	450
Britten Banners, Inc.	350

Sources: Grand Traverse County and individual employers.

Property values have increased over the past year, and we are aware that values in 2024 have increased (which will be reflected in next year’s Annual Comprehensive Financial Report) and are expected to continue to increase over the course of the near and mid-term future.

Ad Valorem Taxable Value Growth History

2014	\$4,386,730,079	2.11%
2015	4,456,916,037	1.60%
2016	4,554,857,384	2.20%
2017	4,717,990,638	3.58%
2018	4,952,884,648	4.98%
2019	5,215,140,563	5.28%
2020	5,486,030,079	5.21%
2021	5,723,517,329	4.33%
2022	6,185,282,719	8.07%
2023	6,727,446,559	8.77%

Source: Compiled by TCAPS Business Office

While property values do not impact general fund revenues of the District (as noted earlier, districts in Michigan are state-funded institutions, funded on a per-pupil foundation allowance), they do impact the District’s ability to raise funds for infrastructure needs. Property values have improved over recent years, and the capital plan is designed with the flexibility to handle fluctuations. As such, TCAPS is able to adjust priorities in order to allow for the proper amount of bonds to be sold that will keep the District’s millage rate at the amount promised to taxpayers.

AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

The Association of School Business Officials, International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023.

In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to the program’s standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

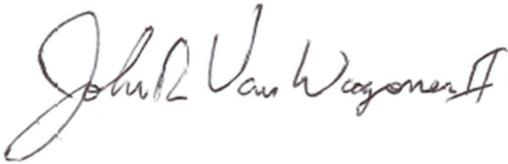
The Certificate of Excellence is valid for a period of one year. We believe our current report continues to conform to the program’s requirements and are submitting it to ASBO to determine its eligibility for another certificate for the year ending June 30, 2024.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the hard work and dedication of the members of the Business Office. We would like to express appreciation to all the members of the Business Office for their commitment to this report and the District throughout the year. You are truly an impressive staff! Special appreciation for the compilation of this report is expressed to Wes Souden, Director of Business Services, Sandy Low, Director of Finance, and Julie Gorter, Executive Assistant.

Finally, we express our gratitude to the Board of Education for their support of and commitment to the responsible financial management of the District.

Respectfully submitted,

A handwritten signature in black ink that reads "John R. VanWagoner II". The signature is written in a cursive style with a large initial 'J'.

Dr. John R. VanWagoner II
Superintendent

A handwritten signature in blue ink that reads "Christine Thomas-Hill". The signature is written in a cursive style with a large initial 'C'.

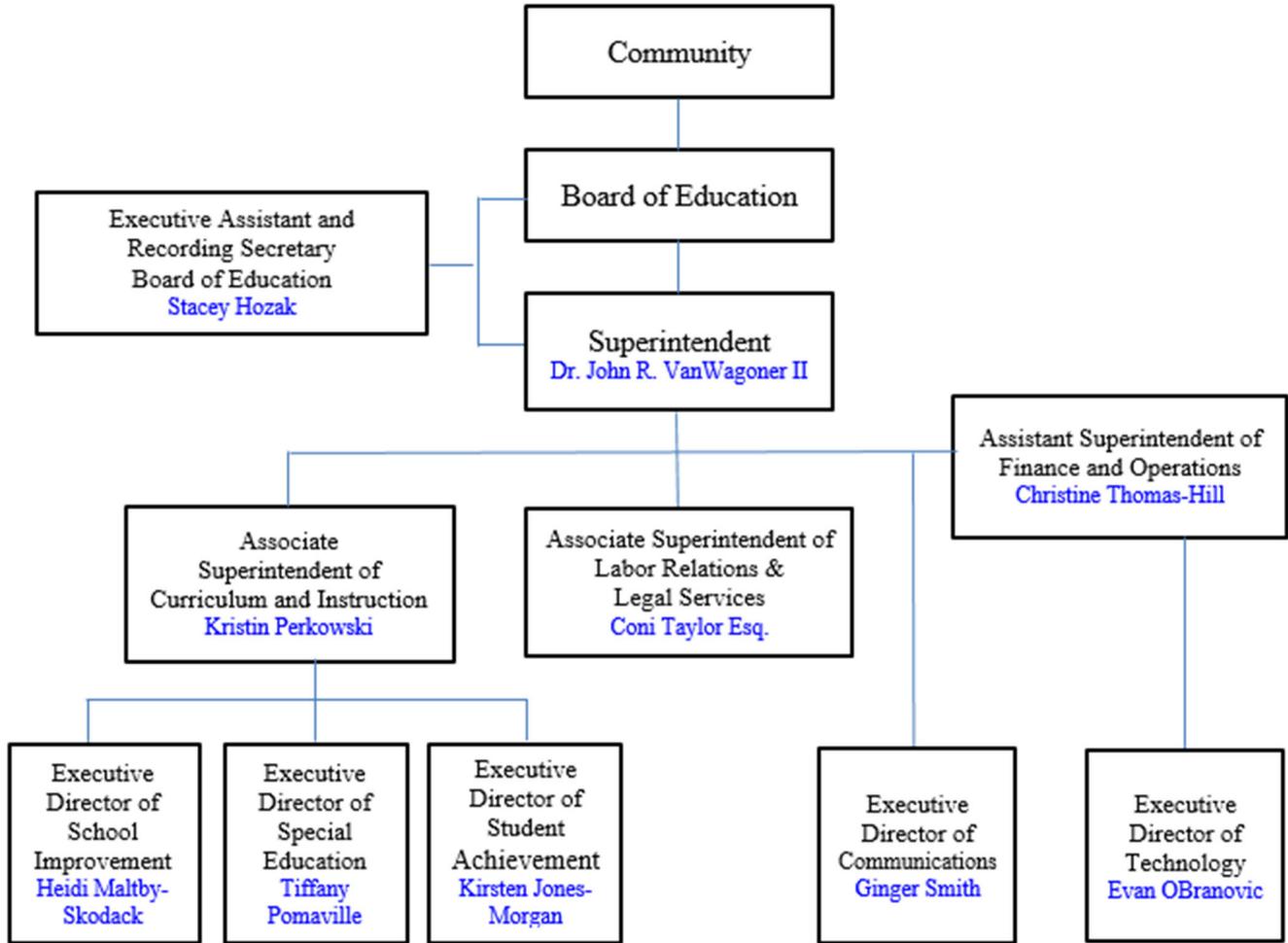
Christine Thomas-Hill
Assistant Superintendent, Finance and Operations



Traverse City Area Public Schools
Great Community, Great Schools

Organizational Chart

2023-2024



**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Principal Officials**

Board of Education

Scott Newman-Bale..... President December 2024
V. Flournoy Humphreys Vice President December 2024
Josey Ballenger..... Secretary December 2024
Andrew R. Raymond..... Treasurer December 2026
Holly T. Bird..... Trustee December 2026
Erica Moon Mohr..... Trustee December 2026
Beth Pack..... Trustee December 2026

District Executive Team

Dr. John R. VanWagoner II..... Superintendent
Christine Thomas-Hill Assistant Superintendent of Finance and Operations
Kristin Perkowski..... Associate Superintendent of Curriculum and Instruction
Coni Taylor Esq Associate Superintendent of Labor Relations & Legal Services
Kirsten Jones-Morgan..... Executive Director of Student Achievement
Evan OBranchovic..... Executive Director of Technology
Tiffany Pomaville..... Executive Director of Special Education
Heidi Maltby-Skodack Executive Director of School Improvement
Ginger Smith..... Executive Director of Communications

Official Issuing Report

Christine Thomas-Hill Assistant Superintendent of Finance and Operations

Department Issuing Report

Business Office



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Traverse City Area Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'. The signature is written in a cursive style and is positioned above a horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

James M. Rowan, CAE, SFO
CEO/Executive Director

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2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Traverse City Area Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Traverse City Area Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Traverse City Area Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Traverse City Area Public Schools as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Traverse City Area Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Traverse City Area Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Traverse City Area Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Traverse City Area Public Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Traverse City Area Public Schools' basic financial statements. The additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information - (Annual Comprehensive Financial Reporting)

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024 on our consideration of Traverse City Area Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Traverse City Area Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Traverse City Area Public Schools' internal control over financial reporting and compliance.

Maney Costeiran PC

October 10, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

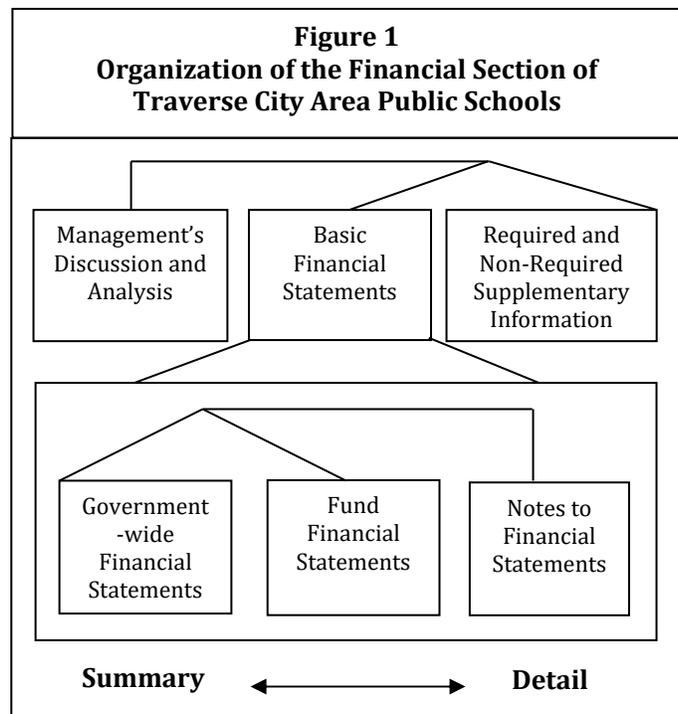
This section of the Annual Comprehensive Financial Report for Traverse City Area Public Schools (the District) presents our discussion and analysis of the District's financial performance during the year ended June 30, 2024. Please read it in conjunction with the transmittal letter found on pages 1 through 8 and the District's financial statements, which immediately follow this analysis.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required and non-required supplementary information.

Government-wide and fund financial statements present two different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations *in more detail* than the government-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short-term* as well as what remains for future spending.



The notes to the financial statements explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year as well as required schedules related to net pension liability and net other postemployment benefits asset (OPEB). This section is followed by a section of non-required supplementary information. **Figure 1** illustrates how the various parts of this annual report are arranged and relate to one another.

Figure 2 Major Features of District-wide and Fund Financial Statements		
Category	District-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as operational and capital activities
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow-outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

Figure 2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The statement of activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure the District's financial health or *position*. Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

The difference between revenues and expenses represents the District's operating results for the year. It should be noted that the District's goal is not simply to generate profits, as may be the case for a commercial entity. To assess the overall health of the District, one must consider many other factors, such as quality of education provided, safety of the students, enrollment trends, and the physical condition of school buildings and other facilities, just to name a few.

The statement of net position and statement of activities report the governmental activities for the school district, which encompass all of the school district's services, including instruction, supporting services (includes athletics), community services, food services, and student activities. Unrestricted state aid (foundation allowance revenue), property taxes, and state and federal grants finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to help it control and manage money for particular purposes (e.g., Child Care Fund, Student/School Activities Fund) or to show that it is properly using certain revenues (e.g., Food Services Fund).

The District has one kind of fund:

- Governmental Funds - All of the District's basic services are included in governmental funds, which generally focus on how cash (and assets that can be readily converted to cash) flow in and out and the balances left at year-end that are available for spending. These balances are reported using the modified accrual basis of accounting. The governmental fund statements provide a detailed short-term view of the operations of the District and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the school district's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information with the governmental fund statements that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the statement of net position provides the perspective of the school district as a whole. **Figure 3** provides a summary of the District's net position as of June 30, 2024 and 2023. The District's combined net position as of June 30, 2024 totaled (\$23,108,857), which was an improvement over the June 30, 2023 net position of (\$48,783,195).

Figure 3
Traverse City Area Public Schools' Net Position

	2024	2023	Change
Current and other assets	\$ 60,941,212	\$ 75,695,424	\$ (14,754,212)
Net OPEB asset	3,389,184	-	3,389,184
Capital assets	209,045,403	201,176,276	7,869,127
Total assets	<u>273,375,799</u>	<u>276,871,700</u>	<u>(3,495,901)</u>
Deferred outflows of resources	<u>72,639,609</u>	<u>87,816,034</u>	<u>(15,176,425)</u>
Long-term liabilities outstanding	87,073,824	106,343,226	(19,269,402)
Other liabilities	26,556,459	25,562,492	993,967
Arbitrage liability	571,313	-	571,313
Net pension liability	194,300,099	222,115,814	(27,815,715)
Net OPEB liability	<u>-</u>	<u>12,705,281</u>	<u>(12,705,281)</u>
Total liabilities	<u>308,501,695</u>	<u>366,726,813</u>	<u>(58,225,118)</u>
Deferred inflows of resources	<u>60,622,570</u>	<u>46,744,116</u>	<u>13,878,454</u>
Net position			
Net investment in capital assets	134,985,658	123,249,733	11,735,925
Restricted	5,020,467	2,076,493	2,943,974
Unrestricted	<u>(163,114,982)</u>	<u>(174,109,421)</u>	<u>10,994,439</u>
Total net position	<u><u>\$ (23,108,857)</u></u>	<u><u>\$ (48,783,195)</u></u>	<u><u>\$ 25,674,338</u></u>

- A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, furniture, and equipment, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students and hence these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are in use and are not available to liquidate these liabilities.
- An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. This balance is restricted for debt service and other postemployment benefits asset (OPEB).
- The remaining balance of net position is unrestricted and may be used to meet the District's obligations for normal operations in its various funds.

Total net position was (\$23,108,857) at June 30, 2024 which is a 52.63% increase from the June 30, 2023 balance of (\$48,783,195). The District is able to report positive balances in two of the three categories of net position. Net investment in capital assets increased \$11.7 million. This was primarily the result of the District paying down debt associated with those assets in excess of depreciation expense, the addition of capital assets from general funds (i.e., not “capital project funds”) and investment earnings within the capital project funds. Restricted net position increased \$2.9 million as a result of the other postemployment benefits asset offset partially by debt payments exceeding property taxes in the debt service funds. The increase in the unrestricted net position of \$11 million was a result of an increase in fund balance for the general fund, a decrease in the net pension liability, and a decrease in the other postemployment benefits liability. This was partially offset by the change in deferred outflows and inflows and a decrease in several nonmajor funds.

Figure 4 shows the change in net position resulting from the District’s government-wide activities for both fiscal years:

Figure 4
Changes in Traverse City Area Public Schools Net Position

	2024	2023	Change
Revenue			
Program revenues			
Charges for services	\$ 5,906,244	\$ 6,398,475	\$ (492,231)
Operating grants and contributions	22,839,230	21,861,529	977,701
General revenues			
Property taxes	67,537,572	61,476,904	6,060,668
State aid - unrestricted	64,417,575	53,908,339	10,509,236
Other	8,598,860	6,571,342	2,027,518
Total revenues	<u>169,299,481</u>	<u>150,216,589</u>	<u>19,082,892</u>
Expenses			
Instruction	64,850,755	64,589,754	261,001
Support services	55,013,028	52,089,794	2,923,234
Community services	4,155,856	3,632,677	523,179
Food services	6,376,481	5,099,780	1,276,701
Student/school activities	1,777,705	1,635,445	142,260
Intergovernmental expenditures	5,329,244	4,910,216	419,028
Interest on long-term debt	3,723,997	2,884,218	839,779
Unallocated depreciation	2,398,077	2,414,651	(16,574)
Total expenses	<u>143,625,143</u>	<u>137,256,535</u>	<u>6,368,608</u>
Change in net position	<u>\$ 25,674,338</u>	<u>\$ 12,960,054</u>	<u>\$ 12,714,284</u>
Net position, end of year	<u>\$ (23,108,857)</u>	<u>\$ (48,783,195)</u>	

As shown in **Figure 4** above, total revenues increased by \$19,082,892 or approximately 12.70%, while total expenses increased by \$6,368,608 or approximately 4.64%. The increase in total revenues is the result of increases in all categories except charges for services.

The decrease in charges for services is primarily the result of a decrease in program revenue for food service, which was partially offset by increases in program revenue from greater participation in preschool, extended day care, and LEAP (Learning, Enrichment, and Athletic Program).

The increase in operating grants and contributions is the result of funding from various Elementary and Secondary School Emergency Relief funds, State grant funds, food service reimbursements, and student/school activities.

The increase in property tax revenue is the result of increases in taxable value for the 2023 tax year (which is reflected in the 2024 fiscal year).

The increase in state aid unrestricted revenue is the result of an increase in the per pupil foundation allowance and an increase in state categorical funding. This was partially offset by a reduction in the funded student count.

The increase in other revenue is from investment income and the sale of an asset.

The \$6,368,608 increase in total expenses is largely the result of an increase in the retirement cost paid by the District to the State retirement system, contract settlements, increased health insurance costs, and pension related items.

DISTRICT GOVERNMENTAL ACTIVITIES

As noted earlier, the District uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether the District is being accountable for the resources the State, taxpayers, and others provide to it and may offer more insight into the District's overall financial health.

As the District completed this year, the governmental funds reported a combined fund balance of \$33.76 million, which is a \$15.63 million decrease from the prior year. The decrease is mainly the result of spending down the 2023 bond in the amount of \$14.95 million and the 2021 bond in the amount of \$584,000. This was in addition to excess revenue over expenditures in the general fund of approximately \$963,000 as well as expenditures exceeding revenues in the other nonmajor governmental funds of approximately \$1.06 million. Further detail of these changes follows:

- The major capital project fund balances, in total, decreased by \$15.53 million. This decrease is the result of investment income of \$1.04 million, which was offset by bond expenditures of \$16.57 million in the 2021 and 2023 capital projects funds. These capital projects are part of the District's long-range capital plan. The District collected approximately \$42.62 million from a 2021 fiscal year sale and approximately \$32.12 million from a 2023 fiscal year sale. These sales were authorized by a bond proposal that appeared on a 2018 election ballot. Projects completed or nearly completed over the past ten years with funds from bond sales include: construction of a new Montessori School, Eastern Elementary School, Trojan Athletic Complex, the athletic complex at West Senior High School, renovations at Courtade Elementary School, Long Lake Elementary School, West Senior High School, Traverse City High School, and East Middle School, site and/or building additions to: Blair Elementary School, Cherry Knoll Elementary School, Silver Lake Elementary School, Westwoods Elementary School, Willow Hill Elementary School, West Middle School and Central High School, athletic field and site improvements, bus wash, district-wide security upgrades, and the annual purchasing of buses, technology, instructional equipment, and operational equipment.
- The general fund balance increased by \$963,455. Although the final budget for the 2024 fiscal year had a projected decrease of \$1,469,898, after our normal expected positive variance was taken into account, the District was projecting an increase to fund balance of approximately \$30,000. The main reason for the difference is related to items that will carry over into next year's budget.
- The nonmajor governmental fund balance saw a decrease of approximately \$1,059,000. This occurred from a decrease of approximately \$1,161,000 in the special revenue funds, a decrease of approximately \$441,000 in the debt service funds, and an increase of approximately \$543,000 in the nonmajor capital projects funds. The decrease in the special revenue funds is the result of expenditures exceeding revenues in the child care program, LEAP program, and the food service program. The decrease in the debt service fund is the result of debt service payments exceeding property tax payments. The increase in the nonmajor capital funds was the result of contributions, donations and proceeds from the sale of capital assets exceeding capital outlay.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it deals with numerous changes in expected revenues and expenditures. Under normal circumstances, the District adjusts its budget to reflect changes in a wide variety of state and federal programs, many of which are not finalized until well after the District's original budget is required to be adopted. Additionally, the District aligns its budget with actual staffing and student numbers once they become known in the fall. Toward the end of the fiscal year, the District reviews the status of the budget, and a final amendment is adopted in the spring to reflect changes that may have occurred since the prior adopted budget. The District amended its budget on two occasions in the 2024 fiscal year.

A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements. Highlights of changes to the general fund original budget as compared to the final budget are as follows:

- Budgeted revenues were increased approximately \$10,373,000 which was largely the result of recognizing additional local, state, and federal program revenues, and recognizing the impact of 58 less student FTE over the original budget. The impact of these changes from our original budget to our amended budget is as follows:
 1. The local revenue increase of approximately \$5,585,000 is the result of adjusting for actual property tax values in relation to the state and local portions of the foundation allowance by \$4,277,000, recognizing local grants of \$487,000, increasing investment income by \$575,000 and recording other miscellaneous revenue of \$246,000. The District's foundation allowance is comprised of state and local portions. For every increase and/or decrease in the local amount based on property values, there is an equal and opposite change in state revenues related to the foundation. As such, changes made to District revenues related to the per pupil foundation allowance are reflected in both state and local line items. Therefore, the amount per pupil, as well as estimated property values, contribute to the fluctuations that occur in these revenue sources.
 2. The state revenues increase of approximately \$2,992,000 is the result of an increase in state grants (i.e., GSRP and At Risk) of \$4,341,000, and recording an increase in state categorical funding of \$3,485,000. This was offset with a decrease of 58 student FTE from the original budget of \$557,000 along with the \$4,277,000 decrease for actual property tax values in relation to the state portion of the per pupil foundation allowance mentioned earlier.
 3. The federal revenue increase of approximately \$1,112,000 is the result of accounting for actual and carryover allocations in federal grants (i.e., Title I and Title II), Elementary and Secondary School Emergency Relief fund (CARES Act), and the American Rescue Plan (ARP Act).
 4. The increase in intergovernmental revenues of approximately \$684,000 is the result of an increase for miscellaneous local grants of \$64,000, prior period adjustments of \$375,000, and an increase in the budgeted contribution from Northwest Education Services of \$245,000.
- Budgeted expenditures were increased \$9,607,000 from the original to the amended budget. This was predominantly the result of recognizing additional state and federal programs during the year, coupled with adjustments to other accounts throughout the District that aligned year-end expenditure expectations with the most current information available. As noted above, state, and federal restricted programs increased by approximately \$5,453,000 in total from the original to the final budget. Additional increases were the result of recognizing local and miscellaneous grants of \$551,000, accounting for the increase in the state categorical section 147c(1) funding of \$1,345,000 and recording items that were carried over from fiscal year 2023 of \$1,169,000. The remaining increase of approximately \$1,089,000 was the result of minor adjustments across all accounts.

Highlights of the final amendment in comparison to actual results include the following:

- The \$5,230,102 negative revenue variance is the result of deferring approximately \$5,336,000 more than budgeted in local, state, and federal restricted revenues (i.e., grants). This variance is an expected outcome in that local grants, restricted state programs, and federal programs are budgeted in their full amounts and any remaining program budget is “carried over” to the next fiscal year. The remaining variance of approximately \$106,000 is primarily from receiving funds in excess of budget from local sources.
- The \$7,640,145 positive variance in expenditures is the result of not spending all local, state, and federal program dollars (which, as stated above, are carried over to the next year), coupled with a positive general fund variance in general fund unrestricted expenditure line items. Specifically:
 1. Approximately \$5,336,000 of the positive variance is the result of local, state, and federal program carryover. These restricted grants are budgeted at their full amount during the fiscal year. Because most of these grants do not have the same fiscal year as the District, any amount remaining at June 30 is simply rolled over into the new fiscal year. Approximately \$3,630,000 of the fluctuation noted in instruction, pupil service support and instructional staff support functions is due to local, state, and federal programming carryover, while the remaining \$1,706,000 is spread throughout the various other line items.
 2. Additionally, there is approximately \$777,000 in other carryover items for staffing, vehicles, textbook and curriculum purchases.
 3. The remaining positive budget variance of approximately \$1,527,000 represents approximately 1.14% of general fund budgeted expenditures. This variance is consistent with the District’s conservative spending practices. The District makes a concerted effort to maximize dollars throughout the year by spending only what is needed. This variance is also reflective of our adherence to the Michigan Uniform Budget and Accounting Act, which makes it a violation for school districts in Michigan to overspend their formally adopted budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in **Figure 5**, as of June 30, 2024, the District had approximately \$383.28 million invested in a broad range of capital assets including land, buildings, furniture, and equipment. This amount represents a net increase (including additions less disposals) of approximately \$20.32 million, or 5.60% percent from last year and is the result of the District’s ongoing bond projects which are funded with proceeds from the 2021 and 2023 bond sales. An increase of \$12.45 million in accumulated depreciation offset the noted \$20.32 million increase in capital assets resulting in an increase in total capital assets of \$7.87 million, from approximately \$201.18 million to \$209.05 million (a 3.91% increase).

Figure 5
Changes in Traverse City Area Public Schools Capital Assets

	2024			2023
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value
Land	\$ 3,003,941	\$ -	\$ 3,003,941	\$ 3,004,191
Construction in progress	19,704,275	-	19,704,275	12,884,154
Land improvements	27,703,428	10,024,391	17,679,037	14,763,330
Building and additions	266,585,378	114,985,278	151,600,100	153,262,002
Right to use - subscriber-based IT	1,345,221	438,076	907,145	401,882
Machinery and equipment	54,756,423	40,984,951	13,771,472	13,837,845
Transportation equipment	10,179,938	7,800,505	2,379,433	3,022,872
Total	\$ 383,278,604	\$ 174,233,201	\$ 209,045,403	\$ 201,176,276

This year's additions of approximately \$20.71 million include equipment, technology, building renovations and additions, land and site improvements, and vehicles. More detailed information regarding the District's capital asset activity can be found in Note 3 to the basic financial statements.

Long-Term Debt

At year-end, the District had \$85,221,708 in general obligation bonds and \$1,852,116 in other long-term debt outstanding. The combined total reflects a decrease of \$19,269,402, or 18.12%, from the previous fiscal year. This change was the result of payments on prior bonds in the current year. The District has an aggressive paydown schedule on all bonds issued after 2001. All new bonds (exclusive of refunding bonds) issued since that time have been issued with maturities of ten years.

More detailed information about the District's long-term liabilities is presented in Note 5 to the basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

When these financial statements were prepared and audited, the District was aware of two critical factors that could significantly affect the financial health of the District in the future: local housing difficulties exacerbating staffing challenges, and the loss of one-time revenue sources.

Factor 1: Housing Difficulties and Staffing Challenges.

Key Issues

1. Limited Affordable Housing: The lack of affordable housing options limits the pool of potential staff members who can afford to live and work in the area.
2. Competition from Non-Residents: The influx of home buyers who are not seeking permanent residency further exacerbates the housing shortage, making it more difficult for District employees to find suitable housing.
3. Staffing Shortages: The inability to recruit and retain qualified staff due to housing constraints can lead to reduced program offerings and lower morale among existing staff.

Potential Solutions

- **Community Engagement:** Involve local businesses, community leaders, and residents in finding solutions to the housing crisis.
- **Long-Term Planning:** Develop a comprehensive plan to address the housing shortage and ensure a sustainable supply of affordable housing for the District's employees.

By implementing these strategies, the school District can mitigate the impact of the housing crisis and improve its ability to recruit and retain top-quality staff.

Factor 2: The Loss of One-Time Federal and State Funding.

Key Issues

1. **Loss of Funding:** The disappearance of one-time revenues will result in a significant decrease in the District's budget.
2. **Impact on Programs and Services:** The loss of funding may necessitate cuts to programs, services, or staff positions.
3. **Sustainability of Current Initiatives:** The District's focus on increasing staff and improving educational opportunities may become unsustainable without ongoing funding.

Potential Solutions

- **Diversify Revenue Streams:** Explore alternative sources of revenue, such as grants, partnerships, and fundraising initiatives.
- **Prioritize Essential Services:** Reevaluate District programs and allocate resources to core services.
- **Implement Cost-Saving Measures:** Identify areas where expenses can be reduced without compromising quality education.
- **Review Current Initiatives:** Evaluate the sustainability of ongoing programs and make adjustments as needed.
- **Advocate for Increased State Funding:** Work with policymakers to secure additional funding for public schools.
- **Long-Term Planning:** Develop a financial plan that addresses the potential impact of lost revenues and ensures the District's long-term sustainability.

By implementing these strategies, the school District can mitigate the negative effects of lost one-time revenues and maintain a high-quality education for its students.

Additional Considerations

- **Fund balance:** Maintaining a healthy fund balance is crucial for financial stability.
- **State funding:** Monitor state funding trends and advocate for increased support for public schools.
- **Long-term planning:** Develop a comprehensive financial plan that addresses both short-term challenges and long-term goals.

By addressing these factors and implementing effective solutions, the school District can improve its financial health and ensure a high-quality education for its students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office, Traverse City Area Public Schools, at P.O. Box 232, Traverse City, MI 49685. We can be reached by phone at (231) 933-1735.

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BASIC FINANCIAL STATEMENTS

**TRAVERSE CITY AREA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 28,365,848
Receivables	
Accounts receivable	669,187
Interest receivable	89,168
Taxes receivable	86,549
Intergovernmental	14,600,384
Leases	1,083,834
Inventories	146,591
Prepays	1,583,083
Restricted investments - capital projects	14,316,568
Net other postemployment benefits asset	3,389,184
Capital assets not being depreciated	22,708,216
Capital assets, net of accumulated depreciation/amortization	<u>186,337,187</u>
TOTAL ASSETS	<u>273,375,799</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	58,955,597
Related to other postemployment benefits	<u>13,684,012</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>72,639,609</u>
LIABILITIES	
Accounts payable	5,784,783
Accrued salaries and related items	10,668,965
Accrued retirement	6,004,925
Accrued interest	521,175
Unearned revenue	3,576,611
Noncurrent liabilities	
Due within one year	19,313,827
Due in more than one year	67,759,997
Arbitrage liability	571,313
Net pension liability	<u>194,300,099</u>
TOTAL LIABILITIES	<u>308,501,695</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	20,141,646
Related to other postemployment benefits	27,599,979
Related to state aid funding for pension	11,815,228
Related to unavailable revenue - leases	<u>1,065,717</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>60,622,570</u>
NET POSITION	
Net investment in capital assets	134,985,658
Restricted for debt service	1,631,283
Restricted for net other postemployment benefits	3,389,184
Unrestricted	<u>(163,114,982)</u>
TOTAL NET POSITION	<u><u>\$ (23,108,857)</u></u>

The notes to the basic financial statements are an integral part of this statement.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 64,850,755	\$ 15,820	\$ 7,622,368	\$ (57,212,567)
Support services	55,013,028	1,808,519	6,568,016	(46,636,493)
Community services	4,155,856	3,405,668	277,832	(472,356)
Intergovernmental	5,329,244	-	475,205	(4,854,039)
Food services	6,376,481	676,237	6,181,736	481,492
Student/school activities	1,777,705	-	1,714,073	(63,632)
Interest on long-term debt	3,723,997	-	-	(3,723,997)
Unallocated depreciation/amortization*	2,398,077	-	-	(2,398,077)
Total governmental activities	<u>\$ 143,625,143</u>	<u>\$ 5,906,244</u>	<u>\$ 22,839,230</u>	<u>(114,879,669)</u>
General revenues				
Property taxes, levied for general purposes				46,611,066
Property taxes, levied for debt service				20,926,506
Investment earnings				2,903,329
State sources - unrestricted				64,417,575
Northwest Education Services				3,018,623
Other				1,862,579
Gain on disposal of fixed assets				814,329
Total general revenues				<u>140,554,007</u>
CHANGE IN NET POSITION				25,674,338
Net position, beginning of year				<u>(48,783,195)</u>
Net position, end of year				<u>\$ (23,108,857)</u>

* This amount excludes the depreciation/amortization that is included in the direct expenses of the various programs.

The notes to the basic financial statements are an integral part of this statement.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 21,121,522	\$ -	\$ 7,244,326	\$ 28,365,848
Receivables				
Taxes receivable	64,783	-	21,766	86,549
Accounts receivable	612,836	-	56,351	669,187
Interest receivable	-	89,168	-	89,168
Intergovernmental	14,240,976	-	359,408	14,600,384
Due from other funds	79,852	-	576,128	655,980
Leases	1,083,834	-	-	1,083,834
Inventories	63,204	-	83,387	146,591
Prepaid items	1,583,083	-	-	1,583,083
Restricted investments - capital projects	-	14,316,568	-	14,316,568
	<u>\$ 38,850,090</u>	<u>\$ 14,405,736</u>	<u>\$ 8,341,366</u>	<u>\$ 61,597,192</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,161,325	\$ 2,878,643	\$ 744,815	\$ 5,784,783
Accrued salaries and related items	10,668,965	-	-	10,668,965
Accrued retirement	6,004,925	-	-	6,004,925
Due to other funds	375,184	79,852	200,944	655,980
Unearned revenue	3,492,129	-	84,482	3,576,611
	<u>22,702,528</u>	<u>2,958,495</u>	<u>1,030,241</u>	<u>26,691,264</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - leases	1,065,717	-	-	1,065,717
Unavailable revenue - property taxes	62,856	-	20,236	83,092
	<u>1,128,573</u>	<u>-</u>	<u>20,236</u>	<u>1,148,809</u>

The notes to the basic financial statements are an integral part of this statement.

	General Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (concluded)				
FUND BALANCES				
Nonspendable				
Inventories	\$ 63,204	\$ -	\$ 83,387	\$ 146,591
Prepaid items	1,583,083	-	-	1,583,083
Restricted				
Capital projects - bond proceeds	-	11,447,241	-	11,447,241
Debt service - general obligated debt	-	-	2,152,458	2,152,458
Food service - basic programs	-	-	970,977	970,977
Committed				
Community service	-	-	1,675,551	1,675,551
Student/school activities	-	-	1,268,990	1,268,990
Assigned				
Building carryover	384,878	-	-	384,878
Building staff carryover	168,124	-	-	168,124
Curriculum carryover	514,941	-	-	514,941
Department carryover	94,005	-	-	94,005
Severance pay	1,566,838	-	-	1,566,838
Subsequent year expenditures	4,402,437	-	-	4,402,437
Capital projects funds	-	-	1,139,526	1,139,526
Unassigned	6,241,479	-	-	6,241,479
TOTAL FUND BALANCES	<u>15,018,989</u>	<u>11,447,241</u>	<u>7,290,889</u>	<u>33,757,119</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 38,850,090</u>	<u>\$ 14,405,736</u>	<u>\$ 8,341,366</u>	<u>\$ 61,597,192</u>

The notes to the basic financial statements
are an integral part of this statement.

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**TRAVERSE CITY AREA PUBLIC SCHOOLS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total governmental fund balances \$ 33,757,119

Amounts reported for governmental activities in the statement of net position are different because:

Deferred outflows of resources - related to pensions	\$ 58,955,597	
Deferred outflows of resources - related to other postemployment benefits	13,684,012	
Deferred inflows of resources - related to pensions	(20,141,646)	
Deferred inflows of resources - related to other postemployment benefits	(27,599,979)	
Deferred inflows of resources - related to state aid funding for pension	<u>(11,815,228)</u>	
		13,082,756

Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.

Noncurrent assets at year-end consist of:		
Net other postemployment benefits asset		3,389,184

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

The cost of the capital assets is	383,278,604	
Accumulated depreciation/amortization is	<u>(174,233,201)</u>	
		209,045,403

Long-term liabilities are not due and payable in the current period and are not reported in the funds:

General obligation bonds		(85,221,708)
Net pension liability		(194,300,099)
Direct borrowing and direct placement		(285,278)
Arbitrage liability		(571,313)
Compensated absences and termination benefits		(1,566,838)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(521,175)

Unavailable revenue at June 30, 2024, expected to be collected after September 1, 2024		<u>83,092</u>
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Net position of governmental activities		<u><u>\$ (23,108,857)</u></u>
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The notes to the basic financial statements are an integral part of this statement.

TRAVERSE CITY AREA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	2021 Capital Projects Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	\$ 46,592,523	\$ -	\$ -	\$ 20,922,523	\$ 67,515,046
Tuition	15,820	-	-	2,768,785	2,784,605
Investment earnings	1,634,921	20,623	1,020,920	226,865	2,903,329
Food sales and community service	-	-	-	1,267,525	1,267,525
Student/school activities	-	-	-	1,714,073	1,714,073
Other	2,987,283	-	-	1,598,592	4,585,875
Total local sources	51,230,547	20,623	1,020,920	28,498,363	80,770,453
State sources	67,696,681	-	-	2,643,495	70,340,176
Federal sources	5,995,437	-	-	3,648,682	9,644,119
Intergovernmental revenues	3,239,195	-	-	-	3,239,195
TOTAL REVENUES	128,161,860	20,623	1,020,920	34,790,540	163,993,943
EXPENDITURES					
Current					
Instruction	71,300,827	-	-	-	71,300,827
Supporting services	54,719,134	-	-	-	54,719,134
Food service activities	-	-	-	6,569,512	6,569,512
Community service activities	296,381	-	-	4,087,176	4,383,557
Student/school activities	-	-	-	1,777,705	1,777,705
Intergovernmental expenditures	120,220	-	-	-	120,220
Capital outlay	-	604,820	15,967,805	3,168,661	19,741,286

The notes to the basic financial statements are an integral part of this statement.

	General Fund	2021 Capital Projects Fund	2023 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (concluded)					
Debt service					
Principal repayment	\$ 179,087	\$ -	\$ -	\$ 17,975,000	\$ 18,154,087
Interest expenditures	9,066	-	-	3,710,925	3,719,991
Other expenditures	-	-	2,705	15,107	17,812
	<u>126,624,715</u>	<u>604,820</u>	<u>15,970,510</u>	<u>37,304,086</u>	<u>180,504,131</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,537,145</u>	<u>(584,197)</u>	<u>(14,949,590)</u>	<u>(2,513,546)</u>	<u>(16,510,188)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from subscription-based IT arrangements	66,451	-	-	-	66,451
Proceeds from sale of capital assets	64,328	-	-	750,000	814,328
Transfers in	280,506	-	-	984,975	1,265,481
Transfers out	(984,975)	-	-	(280,506)	(1,265,481)
	<u>(573,690)</u>	<u>-</u>	<u>-</u>	<u>1,454,469</u>	<u>880,779</u>
TOTAL OTHER FINANCING SOURCES (USES)					
NET CHANGE IN FUND BALANCES	963,455	(584,197)	(14,949,590)	(1,059,077)	(15,629,409)
FUND BALANCES					
Beginning of year	<u>14,055,534</u>	<u>584,197</u>	<u>26,396,831</u>	<u>8,349,966</u>	<u>49,386,528</u>
End of year	<u>\$ 15,018,989</u>	<u>\$ -</u>	<u>\$ 11,447,241</u>	<u>\$ 7,290,889</u>	<u>\$ 33,757,119</u>

The notes to the basic financial statements are an integral part of this statement.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net change in fund balances total governmental funds \$ (15,629,409)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization.

Depreciation/amortization expenditure	(12,771,974)
Capital outlay	20,710,820
Book value of capital assets disposed of during the year	(69,719)

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid.

Accrued interest payable, beginning of the year	517,169
Accrued interest payable, end of the year	(521,175)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items are as follows:

Payments on debt	18,154,087
Amortization of bond premium	1,312,949
Arbitrage liability	(571,313)
Proceeds from subscription-based IT arrangements	(66,451)

Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available.

Unavailable revenue, beginning of the year	(60,566)
Unavailable revenue, end of the year	83,092

Compensated absences and termination benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds.

Accrued compensated absences and termination benefits, beginning of the year	1,435,655
Accrued compensated absences and termination benefits, end of the year	(1,566,838)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension related items	(619,680)
OPEB related items	10,869,007

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period.

State aid funding for pension, beginning of year	16,283,912
State aid funding for pension, end of year	<u>(11,815,228)</u>

Change in net position of governmental activities \$ 25,674,338

The notes to the basic financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Traverse City Area Public Schools (the “District”) is governed by the Traverse City Area Public Schools (the “Board”), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District’s reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

C. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District’s funds. Separate statements for each fund category - governmental - are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

The *General Fund* is the District’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *2021 and 2023 Capital Projects Funds* account for the receipt of debt proceeds and the acquisition or construction of capital facilities or equipment held by the District.

The *Capital Projects Funds* include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of §1351a of the Revised School Code. The *2023 Capital Projects Fund* is not yet considered substantially complete, and a subsequent year audit is expected.

Beginning with the year of bond issuance, the school district has reported the annual construction activity in the 2021 Capital Projects Fund. The projects for which the 2021 Capital Projects Fund were issued was considered complete on June 30, 2024.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation - Fund Financial Statements (concluded)

The following is a summary of the cumulative revenue and expenditures for the 2021 and 2023 school bonds' activity:

	2021 Bonds	2023 Bonds
Revenue	\$ 176,635	\$ 1,139,735
Expenditures and transfers	\$ 42,793,755	\$ 21,808,033

The above revenue figures do not include original 2021 and 2023 school bond proceeds of \$42,617,120 and \$32,115,539, respectively.

Additionally, the District reports the following *Nonmajor Fund Types*:

The *Special Revenue Funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, community services, and student/school activities in the special revenue funds.

The *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The District maintains debt service funds for the 2014, 2016, 2018, 2019, 2021 and 2023 bond issues.

The *Capital Projects Fund* accounts for the transfers from the general fund for the acquisition of capital assets or construction of major capital projects. The District maintains one nonmajor capital projects fund for various assigned purposes.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting (continued)

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as an intergovernmental receivable.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting (concluded)

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

F. Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund(s). The capital projects funds are appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
- d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgetary Information (concluded)

- e. The budget was amended twice during the year. The final budget was approved prior to the June 30, 2024, year-end with more than originally expected revenues and appropriations due to previous uncertainty in state and federal funding when the original budget was adopted. Although the district does consider these amendments to be significant, they were deemed necessary due to considerable uncertainty at the time the original budget was adopted.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and money market accounts.

Investments

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Land and construction in progress are not depreciated. Right to use assets of the District are amortized using the straight-line method over the shorter of the lease/subscription period or the estimated useful lives. The other property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Land improvements	20
Buildings and additions	50
Machinery and equipment	5 - 15
Transportation equipment	8
Right to use - subscriber-based IT	2 - 6

Defined Benefit Plan

For purposes of measuring the net pension and other postemployment benefit asset, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefits expense, information about the fiduciary net position of the Michigan Public Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are the pension and other postemployment benefits related items reported in the government-wide statement of net position. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has five items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability/asset and the actual results. The amounts are amortized over a period determined by the actuary. The fourth item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. The fifth is the District reports unavailable revenue from leases. These amounts are long-term leases entered into by the District in which the District is the lessor. These amounts are recognized as revenue over the term of the lease agreements.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the superintendent to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Leases and Subscription-based IT Arrangements (SBITA)

Subscriber: The District is a subscriber for a noncancelable subscription of an IT arrangement. The District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements.

At the commencement of a subscription, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITA's included how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITA's.
- The SBITA term includes the noncancelable period of the subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain exercise.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (concluded)

Leases and Subscription-based IT Arrangements (SBITA) (concluded)

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term obligations on the statement of net position.

Lessor: The District is a lessor for a noncancelable lease of building space. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

H. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2024, the District levied the following amounts per \$1,000 of assessed valuation:

Fund	Mills
General Fund	
Non-Principal Residence Exemption (PRE)	18.00
Commercial Personal Property	6.00
Debt Service Fund	
PRE, Non-PRE, Commercial Personal Property	3.10

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

H. Revenues and Expenditures/Expenses (concluded)

Compensated Absences and Termination Benefits

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The general fund and food service funds have been used in prior years to liquidate long-term liabilities other than debt.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2024, the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, \$20,604,372 of the District's bank balance of \$21,220,135 was exposed to custodial credit risk because it was uninsured and uncollateralized. Interest bearing accounts, money markets, and certificates of deposit are included in the above totals.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
MILAF External Investment Pool - MAX	\$ 4,421,642	N/A
MBIA External Investment Pool - CLASS	3,492,618	0.0810
U.S. Treasury Notes	8,464,970	0.1117
First American Government Fund	5,851,598	N/A
Total fair value	<u>\$ 22,230,828</u>	
Portfolio weighted average maturity		<u>0.1027</u>

One day maturity equals 0.0027, one year equals 1.00.

Concentration of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District will take steps to ensure that no more than 40% of its funds are invested in the same investment pool or held by the same bank.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Agency</u>
MILAF External Investment Pool - MAX	\$ 4,421,642	AAAm	Standard & Poor's
MBIA External Investment Pool - CLASS	3,492,618	AAAm	Standard & Poor's
U.S. Treasury Notes	8,464,970	AA+	Standard & Poor's
First American Government Fund	5,851,598	AAAm	Standard & Poor's
Total	<u>\$ 22,230,828</u>		

Foreign Currency Risk

The District is not authorized to invest in investments which have this type of risk.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District’s own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

<u>Investments by Fair Value Level</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Balance at June 30, 2024</u>
U.S. Treasury Notes	<u>\$ 8,464,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,464,970</u>

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

The First American Government Fund invests in cash, U.S. government securities and repurchase agreements that are collateralized fully. The fund is designed to meet the cash objective needs of institutions. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

	<u>Amortized Cost</u>
MILAF External Investment Pool - MAX	<u>\$ 4,421,642</u>
First American Government Fund	<u>\$ 5,851,598</u>

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

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

Investments in Entities that Calculate Net Asset Value per Share

The District holds shares or interests in the Michigan CLASS investment pool and Government Select Series - Institutional Class Shares where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statues and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

As of June 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MBIA External Investment Pool - CLASS	<u>\$ 3,492,618</u>	<u>\$ -</u>	No restrictions	None

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of June 30, 2024:

	Primary Government
Cash and cash equivalents	\$ 28,365,848
Restricted investments - capital projects	14,316,568
Total	\$ 42,682,416

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

NOTE 3 - CAPITAL ASSETS

A summary of changes in the District's capital assets follows:

	Balance July 1, 2023	Reclassifications/ Additions	Reclassifications/ Deletions	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 3,004,191	\$ -	\$ 250	\$ 3,003,941
Construction in progress	12,884,154	12,331,690	5,511,569	19,704,275
Total capital assets not being depreciated	15,888,345	12,331,690	5,511,819	22,708,216
Capital assets being depreciated/amortized				
Land improvements	23,471,011	4,281,874	49,457	27,703,428
Buildings and additions	262,263,683	4,382,976	61,281	266,585,378
Right to use - subscriber-based IT	562,397	782,824	-	1,345,221
Machinery and equipment	50,794,688	4,238,111	276,376	54,756,423
Transportation equipment	9,975,024	204,914	-	10,179,938
Total capital assets being depreciated/amortized	347,066,803	13,890,699	387,114	360,570,388
Less accumulated depreciation/amortization				
Land improvements	8,707,681	1,328,233	11,523	10,024,391
Buildings and additions	109,001,681	6,016,374	32,777	114,985,278
Right to use - subscriber-based IT	160,515	277,561	-	438,076
Machinery and equipment	36,956,843	4,301,453	273,345	40,984,951
Transportation equipment	6,952,152	848,353	-	7,800,505
Total accumulated depreciation/amortization	161,778,872	12,771,974	317,645	174,233,201
Total capital assets being depreciated/amortized, net	185,287,931	1,118,725	69,469	186,337,187
Net capital assets	\$ 201,176,276	\$ 13,450,415	\$ 5,581,288	\$ 209,045,403

Depreciation/amortization expense was charged to programs of the government as follows:

Instructional	\$ 172,182
Support service	4,891,944
Food service	51,331
Community service	36,916
Intergovernmental	5,221,524
Unallocated	2,398,077
	<u>\$ 12,771,974</u>

Depreciation/amortization of capital assets that serve multiple functions is recorded as unallocated.

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

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2024 consist of the following:

State aid - Michigan Department of Education	\$ 12,675,469
Federal	1,293,279
Intermediate school district and other	631,636
	\$ 14,600,384

Amounts due from other governmental units include amounts due from federal, state, and local sources for various projects and programs. No allowance for doubtful accounts is considered necessary.

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, 2024:

	Accumulated Compensated Absences	Accumulated Termination Benefits	Notes from Direct Borrowings and Direct Placements	General Obligation Bonds	Total
Balance, July 1, 2023	\$ 272,000	\$ 1,163,655	\$ 397,914	\$ 104,509,657	\$ 106,343,226
Additions	306,500	275,325	66,451	-	648,276
Deletions	272,000	178,642	179,087	19,287,949	19,917,678
Balance, June 30, 2024	306,500	1,260,338	285,278	85,221,708	87,073,824
Due within one year	306,500	123,673	168,654	18,715,000	19,313,827
Due in more than one year	\$ -	\$ 1,136,665	\$ 116,624	\$ 66,506,708	\$ 67,759,997

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 asset.

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of \$285,278 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

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

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2024 are comprised of the following issues:

	Amount Outstanding	Original Borrowing
<u>General Obligation Bonds</u>		
2016 School building and site bonds due in annual installments of \$3,500,000 to \$3,550,000 through May 1, 2026, with interest at 2.00%.	\$ 7,050,000	\$ 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%.	4,050,000	11,275,000
2019 School building and site bonds due in annual installments of \$3,000,000 to \$3,375,000 through May 1, 2029, with interest at 5.00%.	16,025,000	30,235,000
2021 School building and site bonds due in annual installments of \$3,500,000 to \$3,835,000 through May 1, 2031, with interest at 3.00%.	25,885,000	38,760,000
2023 School building and site bonds due in annual installments of \$1,775,000 to \$7,715,000 through May 1, 2033, with interest at 5.00%.	24,115,000	29,415,000
Plus issuance premium, net of amortization	8,096,708	
Total general obligation bonds	85,221,708	
<u>Direct Borrowing and Direct Placement</u>		
SBITA - The District has entered into various SBITA agreements. Due in annual installments between \$2,835 and \$77,280 with an imputed interest rate of 2.5%.	285,278	
Other accrued benefits		
Obligation under contract for compensated absences	306,500	
Obligation under contract for termination benefits	1,260,338	
Total general long term obligations	\$ 87,073,824	

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

As of June 30, 2024, \$2,152,458 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, 2024, including interest payments of \$11,404,725 are as follows:

Year Ending June 30,	General Obligation Bonds		Direct Borrowing and Direct Placement		Compensated Absences	Termination Benefits	Amounts Payable
	Principal	Interest	Principal	Interest			
2025	\$ 18,715,000	\$ 3,127,050	\$ 168,654	\$ 12,968	\$ -	\$ -	\$ 22,023,672
2026	13,025,000	2,366,300	103,379	10,732	-	-	15,505,411
2027	9,750,000	1,893,550	6,704	881	-	-	11,651,135
2028	10,000,000	1,479,550	6,541	1,044	-	-	11,487,135
2029	9,175,000	1,053,550	-	-	-	-	10,228,550
2030 - 2033	16,460,000	1,459,100	-	-	-	-	17,919,100
	77,125,000	11,379,100	285,278	25,625	-	-	88,815,003
Issuance premium	8,096,708	-	-	-	-	-	8,096,708
Compensated absences	-	-	-	-	306,500	-	306,500
Termination benefits	-	-	-	-	-	1,260,338	1,260,338
	<u>\$ 85,221,708</u>	<u>\$ 11,379,100</u>	<u>\$ 285,278</u>	<u>\$ 25,625</u>	<u>\$ 306,500</u>	<u>\$ 1,260,338</u>	<u>\$ 98,478,549</u>

Interest expenditures (all funds) for the year ended June 30, 2024 were \$3,719,991.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2024 are as follows:

Payable Fund		Receivable Fund	
General	\$ 375,184	General	\$ 79,852
2023 Capital Projects	79,852	Other nonmajor governmental	576,128
Other nonmajor governmental	200,944		
	<u>\$ 655,980</u>		<u>\$ 655,980</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
NOTES TO THE BASIC FINANCIAL STATEMENTS
(continued)**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act.

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

Benefits Provided - Overall

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the plans offered by MPERS is as follows:

<u>Plan Name</u>	<u>Plan Type</u>	<u>Plan Status</u>
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefits Provided - Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPERS) who became a member of MPERS after June 30, 2010, is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010, and who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

Option 1 - Members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic Plan Members: 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 - Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 - Members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (concluded)

Option 4 - Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to the tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k)-account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012, choose between two retirement plans: The Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus Plan to newly hired employees as of February 1, 2018, and created a new, optional Pension Plus 2 Plan with similar plan benefit calculations but containing a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 Plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 Plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

Benefits Provided - Other Postemployment Benefit (OPEB)

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Retiree Healthcare Reform of 2012

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees' Retirement System, who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions will be deposited into their 401(k) accounts.

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through their 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the Defined Contribution Plan are not required to make additional contributions.

Employer Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (concluded)

Pension and OPEB contributions made in the fiscal year ending September 30, 2023, were determined as of the September 30, 2020, actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2020, are amortized over a 16-year period beginning October 1, 2022, and ending September 30, 2038.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%

The District's pension contributions for the year ended June 30, 2024 were equal to the required contribution total. Total pension contributions were approximately \$25,153,000. Of the total pension contributions approximately \$24,401,000 was contributed to fund the Defined Benefit Plan and approximately \$752,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB contributions were approximately \$5,618,000. Of the total OPEB contributions approximately \$5,185,000 was contributed to fund the Defined Benefit Plan and approximately \$433,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Pension Liabilities

The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

<i>MPERS (Plan) Non-university Employers</i>	September 30, 2023	September 30, 2022
Total pension liability	\$ 94,947,828,557	\$ 95,876,795,620
Plan fiduciary net position	\$ 62,581,762,238	\$ 58,268,076,344
Net pension liability	\$ 32,366,066,319	\$ 37,608,719,276
Proportionate share	0.60032%	0.59060%
Net pension liability for the District	\$ 194,300,099	\$ 222,115,814

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (concluded)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the District recognized pension expense of \$25,020,513.

At June 30, 2024, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 26,328,548	\$ 15,180,442
Net difference between projected and actual plan investment earnings	-	3,976,009
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,879,382	687,558
Differences between expected and actual experience	6,133,461	297,637
Reporting Unit's contributions subsequent to the measurement date	22,614,206	-
	\$ 58,955,597	\$ 20,141,646

\$22,614,206 reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2024	\$ 5,291,489
2025	4,067,396
2026	9,372,542
2027	(2,531,682)
	\$ 16,199,745

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Liabilities (Asset), OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

OPEB Liabilities (Asset)

The net OPEB liability (asset) was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPSERS (Plan) Non-university Employers</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Total OPEB liability	\$ 11,223,648,949	\$ 12,522,713,324
Plan fiduciary net position	\$ 11,789,347,341	\$ 10,404,650,683
Net OPEB liability (asset)	\$ (565,698,392)	\$ 2,118,062,641
Proportionate share	0.59911%	0.59985%
Net OPEB liability (asset) for the District	\$ (3,389,184)	\$ 12,705,281

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB benefit of \$5,684,117.

At June 30, 2024, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual OPEB plan investment earnings	\$ 10,334	\$ -
Changes of assumptions	7,544,915	908,550
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,628,267	1,081,015
Differences between expected and actual experience	-	25,610,414
Reporting Unit's contributions subsequent to the measurement date	<u>4,500,496</u>	<u>-</u>
	<u>\$ 13,684,012</u>	<u>\$ 27,599,979</u>

\$4,500,496 reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability (asset) in the subsequent fiscal year.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Liabilities (Asset), OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB (concluded)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (concluded)

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Amount
2024	\$ (6,102,399)
2025	(5,553,209)
2026	(2,300,938)
2027	(1,967,280)
2028	(1,631,377)
2029	(861,260)
	\$ (18,416,463)

Actuarial Assumptions

Investment Rate of Return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, Pension Plus, and Pension Plus 2 Plan groups.

Investment Rate of Return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary Increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%.

Mortality Assumptions -

Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and MP-202 adjusted for mortality improvements using projection scale from 2010.

Disabled Retirees: PubNS-2010 Male and Female Disabled Retiree Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2022. Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2023, valuation.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Cost of Living Pension Adjustments - 3.0% annual non-compounded for MIP members.

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.50% for year one and graded to 3.5% in year fifteen. Post 65, 6.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

Opt Out Assumption - 21% of eligible participants hired before July 1, 2008, and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

Survivor Coverage - 80% of male retirees and 67% of female retirees electing two-person coverage are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees who elected coverage are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2023, and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	25.0%	5.8%
Private Equity Pools	16.0%	9.6%
International Equity Pools	15.0%	6.8%
Fixed Income Pools	13.0%	1.3%
Real Estate and Infrastructure Pools	10.0%	6.4%
Absolute Return Pools	9.0%	4.8%
Real Return / Opportunistic Pools	10.0%	7.3%
Short Term Investment Pools	2.0%	0.3%
	<u>100.0%</u>	

* Long term rates of return are net of administrative expenses and 2.7% inflation.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Rate of Return - For fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Discount Rate - A single discount rate of 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OPEB Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	\$ 262,498,864	\$ 194,300,099	\$ 137,522,160

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability (asset) calculated using a single discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	\$ 3,513,567	\$ (3,389,184)	\$ (9,321,420)

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

Actuarial Assumptions (concluded)

Sensitivity to the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
		Current	
	1% Trend Decrease	Healthcare Cost Trend Rates	1% Trend Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability (asset)	<u>\$ (9,336,211)</u>	<u>\$ (3,389,184)</u>	<u>\$ 3,047,449</u>

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System 2023 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The District pays annual premiums under a retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of reinsurance.

The District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2024 for any of the prior three years. There have been no significant reductions in insurance coverage during the year ended June 30, 2024.

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

NOTE 9 - CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 10 - INTERFUND TRANSFERS

Interfund transfers in and transfers out for the year ended June 30, 2024 are as follows:

Transfers In Fund		Transfers Out Fund	
General	\$ 280,506	General	\$ 984,975
Other nonmajor governmental	984,975	Other nonmajor governmental	280,506
	\$ 1,265,481		\$ 1,265,481

The transfers from the general fund to food services and community services funds were used to fund operations. The transfer from the food service fund to the general fund was related to indirect costs.

NOTE 11 - COMMITMENTS

The District has active capital projects outstanding at June 30, 2024. \$11,447,241 is restricted and recorded as fund balance in the 2023 capital projects funds.

NOTE 12 - TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by cities, villages, and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly.

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

NOTE 12 - TAX ABATEMENTS (concluded)

The property taxes abated for all funds by municipality under these programs are as follows:

Municipality	Type	Taxes Abated
Grand Traverse County	IFT	\$ 36,147
Grand Traverse County	Brownfield	1,955,367
Grand Traverse County	PILOT	1,115,658
Leelanau County	Brownfield	596,147
		\$ 3,703,319

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's Section 22 Funding of the State School Aid Act.

There are no abatements made by the District.

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

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

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENTS (concluded)

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

NOTE 14 - LEASE RECEIVABLE

During fiscal year ending June 30, 2022, the District began leasing one of its buildings to a third-party. The lease is for nine years. The District received \$98,187 for fiscal year 2022 and yearly payments of \$182,825 will be received through fiscal years 2023 through 2030. The District recognized \$171,858 in lease revenue during the current fiscal year related to this lease. During the fiscal year ending June 2024, the District began leasing one of its buildings to a third party. The lease is for four years. The District receives \$15,262 for each year of the lease. The District recognized \$14,815 in lease revenue during the current fiscal year related to this lease. As of June 30, 2024, the District's receivable for lease payments was \$1,083,834. Also, the District has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$1,065,717.

REQUIRED SUPPLEMENTARY INFORMATION

**TRAVERSE CITY AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	<u>GAAP Basis</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 45,739,525	\$ 51,324,801	\$ 51,230,547	\$ (94,254)
State sources	69,318,363	72,310,067	67,696,681	(4,613,386)
Federal sources	5,663,785	6,775,505	5,995,437	(780,068)
Intergovernmental revenues	2,297,229	2,981,589	3,239,195	257,606
TOTAL REVENUES	<u>123,018,902</u>	<u>133,391,962</u>	<u>128,161,860</u>	<u>(5,230,102)</u>
EXPENDITURES				
Current				
Instruction				
Basic programs	59,449,211	62,039,277	58,964,950	3,074,327
Added needs	11,978,579	13,384,531	12,335,877	1,048,654
Total instruction	<u>71,427,790</u>	<u>75,423,808</u>	<u>71,300,827</u>	<u>4,122,981</u>
Supporting services				
Pupil services	5,854,758	6,463,576	5,825,390	638,186
Instructional staff	7,994,016	8,771,979	7,677,581	1,094,398
General administration	842,802	970,060	867,380	102,680
School administration	8,967,856	9,844,336	9,566,684	277,652
Business services	2,336,262	2,483,455	2,259,021	224,434
Operation/maintenance	13,480,200	14,787,203	14,059,605	727,598
Pupil transportation	7,212,623	7,585,328	7,731,816	(146,488)
Central services	3,989,432	4,485,212	4,463,211	22,001
Other support services	2,328,858	2,529,583	2,268,446	261,137
Total supporting services	<u>53,006,807</u>	<u>57,920,732</u>	<u>54,719,134</u>	<u>3,201,598</u>
Community services	131,716	608,320	296,381	311,939
Intergovernmental expenditures	92,000	142,000	120,220	21,780
Debt service				
Principal repayment	-	165,000	179,087	(14,087)
Interest	-	5,000	9,066	(4,066)
Total debt service	<u>-</u>	<u>170,000</u>	<u>188,153</u>	<u>(18,153)</u>
TOTAL EXPENDITURES	<u>124,658,313</u>	<u>134,264,860</u>	<u>126,624,715</u>	<u>7,640,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,639,411)</u>	<u>(872,898)</u>	<u>1,537,145</u>	<u>2,410,043</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	130,000	100,000	64,328	(35,672)
Proceeds from subscription-based IT arrangements	-	-	66,451	66,451
Transfers in	260,000	288,000	280,506	(7,494)
Transfers out	(210,000)	(985,000)	(984,975)	25
TOTAL OTHER FINANCING SOURCES (USES)	<u>180,000</u>	<u>(597,000)</u>	<u>(573,690)</u>	<u>23,310</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,459,411)</u>	<u>\$ (1,469,898)</u>	<u>963,455</u>	<u>\$ 2,433,353</u>
FUND BALANCE				
Beginning of year			<u>14,055,534</u>	
End of year			<u>\$ 15,018,989</u>	

**TRAVERSE CITY AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.60032%	0.59060%	0.58212%	0.58786%	0.58163%	0.59335%	0.59586%	0.58994%	0.59021%	0.57383%
Reporting Unit's proportionate share of net pension liability	\$ 194,300,099	\$ 222,115,814	\$ 137,819,903	\$ 201,937,658	\$ 192,616,311	\$ 178,371,730	\$ 154,411,446	\$ 147,184,105	\$ 144,159,119	\$ 126,394,985
Reporting Unit's covered-employee payroll	\$ 59,733,736	\$ 58,182,939	\$ 51,732,211	\$ 52,864,749	\$ 50,502,042	\$ 50,330,176	\$ 50,196,537	\$ 49,699,704	\$ 49,309,700	\$ 48,876,792
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	325.28%	381.75%	266.41%	381.99%	381.40%	354.40%	307.61%	296.15%	292.35%	258.60%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

**TRAVERSE CITY AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 24,400,833	\$ 27,196,181	\$ 19,313,943	\$ 17,272,775	\$ 16,052,033	\$ 15,370,630	\$ 15,604,894	\$ 13,959,190	\$ 13,090,244	\$ 10,368,358
Contributions in relation to statutorily required contributions	<u>24,400,833</u>	<u>27,196,181</u>	<u>19,313,943</u>	<u>17,272,775</u>	<u>16,052,033</u>	<u>15,370,630</u>	<u>15,604,894</u>	<u>13,959,190</u>	<u>13,090,244</u>	<u>10,368,358</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Reporting Unit's covered-employee payroll	\$ 62,102,610	\$ 58,714,219	\$ 55,217,930	\$ 51,430,892	\$ 52,904,521	\$ 50,166,804	\$ 50,494,918	\$ 51,887,935	\$ 49,633,783	\$ 49,366,555
Contributions as a percentage of covered-employee payroll	39.29%	46.32%	34.98%	33.58%	30.34%	30.64%	30.90%	26.90%	26.37%	21.00%

**TRAVERSE CITY AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (ASSET)
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST SEVEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting Unit's proportion of net OPEB liability/asset (%)	0.59911%	0.59985%	0.57395%	0.59658%	0.57740%	0.59108%	0.59615%
Reporting Unit's proportionate share of net OPEB liability (asset)	\$ (3,389,184)	\$ 12,705,281	\$ 8,760,664	\$ 31,960,557	\$ 41,444,191	\$ 46,984,762	\$ 52,792,245
Reporting Unit's covered-employee payroll	\$ 59,733,736	\$ 58,182,939	\$ 51,732,211	\$ 52,864,749	\$ 50,502,042	\$ 50,330,176	\$ 50,196,537
Reporting Unit's proportionate share of net OPEB liability/asset as a percentage of its covered-employee payroll	5.67%	21.84%	16.93%	60.46%	82.06%	93.35%	105.17%
Plan fiduciary net position as a percentage of total OPEB liability/asset (Non-university employers)	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST SEVEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 5,184,890	\$ 4,835,098	\$ 4,572,465	\$ 4,422,560	\$ 4,577,826	\$ 4,217,788	\$ 4,382,400
Contributions in relation to statutorily required contributions	<u>5,184,890</u>	<u>4,835,098</u>	<u>4,572,465</u>	<u>4,422,560</u>	<u>4,577,826</u>	<u>4,217,788</u>	<u>4,382,400</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Reporting Unit's covered-employee payroll	\$ 62,102,610	\$ 58,714,219	\$ 55,217,930	\$ 51,430,892	\$ 52,904,521	\$ 50,166,804	\$ 50,494,918
Contributions as a percentage of covered-employee payroll	8.35%	8.23%	8.28%	8.60%	8.65%	8.41%	8.68%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Healthcare Cost Trend Rate
 - Pre 65 decreased to 7.50% for year one graded to 3.50% for year fifteen from 7.75% for year one graded to 3.50% for year fifteen.
 - Post 65 increased to 6.25% for year one and graded to 3.5% for year fifteen from 5.25% for year one and graded to 3.5% for year fifteen.
- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

NOTE 3 - BASIS OF BUDGETING

The District budgets on the GAAP basis.

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ADDITIONAL SUPPLEMENTARY INFORMATION

Major Governmental Fund

General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget
LOCAL SOURCES			
Property taxes	\$ 46,530,781	\$ 46,592,523	\$ 61,742
Tuition	25,000	15,820	(9,180)
Investment earnings	1,500,000	1,634,921	134,921
Other local revenue	3,269,020	2,987,283	(281,737)
TOTAL LOCAL SOURCES	51,324,801	51,230,547	(94,254)
STATE SOURCES			
Foundation grant	39,469,023	39,467,902	(1,121)
Special education	3,060,364	3,060,364	-
At risk	4,392,641	3,889,650	(502,991)
Other state revenue	25,388,039	21,278,765	(4,109,274)
TOTAL STATE SOURCES	72,310,067	67,696,681	(4,613,386)
FEDERAL SOURCES			
Title I	1,672,623	1,404,587	(268,036)
Title II - improving teacher quality	536,906	273,486	(263,420)
Title IV	134,715	134,715	-
Education Stabilization Fund	3,807,469	3,807,469	-
Other federal revenue	623,792	375,180	(248,612)
TOTAL FEDERAL SOURCES	6,775,505	5,995,437	(780,068)
INTERGOVERNMENTAL REVENUES			
Special education - ISD and LEA revenue	2,304,158	2,601,855	297,697
Other	677,431	637,340	(40,091)
TOTAL INTERGOVERNMENTAL REVENUES	2,981,589	3,239,195	257,606
TOTAL REVENUES	133,391,962	128,161,860	(5,230,102)
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	100,000	64,328	(35,672)
Proceeds from subscription-based IT arrangements	-	66,451	66,451
Transfers in	288,000	280,506	(7,494)
TOTAL OTHER FINANCING SOURCES	388,000	411,285	23,285
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 133,779,962	\$ 128,573,145	\$ (5,206,817)

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
INSTRUCTION			
Basic programs			
Elementary			
Salaries	\$ 14,664,712	\$ 14,653,114	\$ 11,598
Benefits	12,598,914	12,309,355	289,559
Purchased services	541,079	524,258	16,821
Supplies and materials	1,501,172	391,343	1,109,829
Other expenditures	108,935	1,859	107,076
Capital outlay	1,000	717,044	(716,044)
Total elementary	<u>29,415,812</u>	<u>28,596,973</u>	<u>818,839</u>
Middle school			
Salaries	6,461,170	6,413,875	47,295
Benefits	5,374,849	5,217,076	157,773
Purchased services	178,550	217,870	(39,320)
Supplies and materials	645,977	411,890	234,087
Other expenditures	20,676	19,144	1,532
Capital outlay	3,022	3,311	(289)
Total middle school	<u>12,684,244</u>	<u>12,283,166</u>	<u>401,078</u>
High school			
Salaries	9,011,499	8,735,361	276,138
Benefits	7,393,739	7,004,221	389,518
Purchased services	1,103,124	1,085,840	17,284
Supplies and materials	546,002	354,055	191,947
Other expenditures	518,587	14,437	504,150
Capital outlay	17,416	15,124	2,292
Total high school	<u>18,590,367</u>	<u>17,209,038</u>	<u>1,381,329</u>
Pre-kindergarten			
Salaries	425,039	328,106	96,933
Benefits	400,662	340,184	60,478
Purchased services	12,077	20,399	(8,322)
Supplies and materials	84,500	43,493	41,007
Other expenditures	3,552	23,014	(19,462)
Capital outlay	84,912	3,316	81,596
Total pre-kindergarten	<u>1,010,742</u>	<u>758,512</u>	<u>252,230</u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2024
(continued)**

	Final Budget	Actual	Variance with Final Budget
INSTRUCTION (continued)			
Basic programs (continued)			
Summer school			
Salaries	\$ 182,960	\$ 70,930	\$ 112,030
Benefits	102,569	39,540	63,029
Purchased services	17,700	4,580	13,120
Supplies and materials	34,883	2,211	32,672
Total summer school	338,112	117,261	220,851
Total basic programs	62,039,277	58,964,950	3,074,327
Added needs			
Special education			
Salaries	5,050,758	4,746,223	304,535
Benefits	4,437,544	3,989,728	447,816
Purchased services	77,550	270,575	(193,025)
Supplies and materials	22,941	7,505	15,436
Other expenditures	4,918	5,420	(502)
Capital outlay	9,000	6,011	2,989
Total special education	9,602,711	9,025,462	577,249
Compensatory education			
Salaries	1,805,374	1,629,727	175,647
Benefits	1,585,963	1,339,990	245,973
Purchased services	106,299	73,795	32,504
Supplies and materials	117,268	30,083	87,185
Other expenditures	(20,452)	1,546	(21,998)
Total compensatory education	3,594,452	3,075,141	519,311

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2024
(continued)**

	Final Budget	Actual	Variance with Final Budget
INSTRUCTION (concluded)			
Added needs (concluded)			
Career and Technical Education			
Salaries	\$ 81,979	\$ 115,070	\$ (33,091)
Benefits	47,242	90,594	(43,352)
Supplies and materials	5,280	4,943	337
Capital outlay	50,238	24,046	26,192
Total career and technical education	187,368	235,274	(47,906)
Total added needs	13,384,531	12,335,877	1,048,654
TOTAL INSTRUCTION	75,423,808	71,300,827	4,122,981
SUPPORTING SERVICES			
Pupil services			
Salaries	3,370,584	3,070,364	300,220
Benefits	2,841,580	2,525,728	315,852
Purchased services	171,492	218,282	(46,790)
Supplies and materials	13,452	10,698	2,754
Other expenditures	66,468	318	66,150
Total pupil services	6,463,576	5,825,390	638,186
Instructional staff			
Salaries	4,354,981	4,031,003	323,978
Benefits	3,526,940	3,170,586	356,354
Purchased services	758,666	338,633	420,033
Supplies and materials	142,119	123,712	18,407
Other expenditures	(11,727)	13,647	(25,374)
Capital outlay	1,000	-	1,000
Total instructional staff	8,771,979	7,677,581	1,094,398

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2024
(continued)**

	Final Budget	Actual	Variance with Final Budget
SUPPORTING SERVICES (continued)			
General administration			
Salaries	\$ 395,531	\$ 389,049	\$ 6,482
Benefits	303,035	268,930	34,105
Purchased services	223,148	174,265	48,883
Supplies and materials	8,076	6,893	1,183
Other expenditures	37,470	27,585	9,885
Capital outlay	2,800	658	2,142
Total general administration	<u>970,060</u>	<u>867,380</u>	<u>102,680</u>
School administration			
Salaries	5,256,212	5,157,182	99,030
Benefits	4,504,735	4,343,243	161,492
Purchased services	39,440	17,796	21,644
Supplies and materials	34,899	45,239	(10,340)
Other expenditures	9,050	3,224	5,826
Total school administration	<u>9,844,336</u>	<u>9,566,684</u>	<u>277,652</u>
Business services			
Salaries	1,029,311	1,019,279	10,032
Benefits	882,382	846,794	35,588
Purchased services	261,359	208,597	52,762
Supplies and materials	157,122	112,986	44,136
Other expenditures	151,281	70,865	80,416
Capital outlay	2,000	500	1,500
Total business services	<u>2,483,455</u>	<u>2,259,021</u>	<u>224,434</u>
Operations and maintenance			
Salaries	4,240,012	4,419,358	(179,346)
Benefits	3,511,032	3,456,983	54,049
Purchased services	3,334,120	2,818,223	515,897
Supplies and materials	3,361,547	3,293,329	68,218
Other expenditures	197,963	4,114	193,849
Capital outlay	142,529	67,598	74,931
Total operations and maintenance	<u>14,787,203</u>	<u>14,059,605</u>	<u>727,598</u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2024
(continued)**

	Final Budget	Actual	Variance with Final Budget
SUPPORTING SERVICES (concluded)			
Pupil transportation			
Salaries	\$ 2,950,075	\$ 2,893,995	\$ 56,080
Benefits	2,454,558	2,262,657	191,901
Purchased services	1,117,162	1,643,108	(525,946)
Supplies and materials	894,334	756,176	138,158
Other expenditures	3,500	8,069	(4,569)
Capital outlay	165,699	167,811	(2,112)
Total pupil transportation	<u>7,585,328</u>	<u>7,731,816</u>	<u>(146,488)</u>
Central services			
Salaries	1,958,598	2,031,862	(73,264)
Benefits	1,545,132	1,511,391	33,741
Purchased services	776,384	788,201	(11,817)
Supplies and materials	160,693	30,066	130,627
Other expenditures	43,405	33,992	9,413
Capital outlay	1,000	67,699	(66,699)
Total central services	<u>4,485,212</u>	<u>4,463,211</u>	<u>22,001</u>
Other support services			
Salaries	1,039,031	1,016,619	22,412
Benefits	678,145	638,121	40,024
Purchased services	473,669	447,695	25,974
Supplies and materials	197,303	8,751	188,552
Other expenditures	132,435	145,425	(12,990)
Capital outlay	9,000	11,835	(2,835)
Total other support services	<u>2,529,583</u>	<u>2,268,446</u>	<u>261,137</u>
TOTAL SUPPORTING SERVICES	<u><u>57,920,732</u></u>	<u><u>54,719,134</u></u>	<u><u>3,201,598</u></u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2024
(concluded)**

	Final Budget	Actual	Variance with Final Budget
COMMUNITY SERVICES			
Salaries	\$ 32,777	\$ 23,023	\$ 9,754
Benefits	18,961	11,826	7,135
Purchased services	269,909	140,197	129,712
Supplies and materials	281,108	121,165	159,943
Other expenditures	5,565	170	5,395
TOTAL COMMUNITY SERVICES	<u>608,320</u>	<u>296,381</u>	<u>311,939</u>
INTERGOVERNMENTAL EXPENDITURES			
Payments to other governmental units	<u>142,000</u>	<u>120,220</u>	<u>21,780</u>
DEBT SERVICE			
Principal repayment	165,000	179,087	(14,087)
Interest expenditures	<u>5,000</u>	<u>9,066</u>	<u>(4,066)</u>
TOTAL DEBT SERVICE	<u>170,000</u>	<u>188,153</u>	<u>(18,153)</u>
TOTAL EXPENDITURES	<u>\$ 134,264,860</u>	<u>\$ 126,624,715</u>	<u>\$ 7,640,145</u>

Nonmajor Governmental Funds

Special Revenue Funds

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, community services, and student/school activities in the special revenue funds.

Debt Service Funds

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The District maintains debt service funds for 2014, 2016, 2018, 2019, 2021, and 2023.

Capital Projects Funds

The capital projects funds account for the transfers from the general fund for the acquisition of capital assets or construction of major capital projects. The District maintains one nonmajor capital projects fund for various assigned purposes.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2024**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
ASSETS				
Cash and cash equivalents	\$ 3,558,862	\$ 1,968,177	\$ 1,717,287	\$ 7,244,326
Receivables				
Taxes receivable	-	21,766	-	21,766
Accounts receivable	56,351	-	-	56,351
Intergovernmental	359,408	-	-	359,408
Due from other funds	192,433	383,695	-	576,128
Inventories	83,387	-	-	83,387
	<u>4,250,441</u>	<u>2,373,638</u>	<u>1,717,287</u>	<u>8,341,366</u>
TOTAL ASSETS				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 167,054	\$ -	\$ 577,761	\$ 744,815
Due to other funds	-	200,944	-	200,944
Unearned revenue	84,482	-	-	84,482
	<u>251,536</u>	<u>200,944</u>	<u>577,761</u>	<u>1,030,241</u>
TOTAL LIABILITIES				
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	20,236	-	20,236
FUND BALANCES				
Nonspendable for inventories	83,387	-	-	83,387
Restricted	970,977	2,152,458	-	3,123,435
Committed	2,944,541	-	-	2,944,541
Assigned				
Capital projects	-	-	1,139,526	1,139,526
	<u>3,998,905</u>	<u>2,152,458</u>	<u>1,139,526</u>	<u>7,290,889</u>
TOTAL FUND BALANCES				
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 4,250,441</u>	<u>\$ 2,373,638</u>	<u>\$ 1,717,287</u>	<u>\$ 8,341,366</u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2024**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Funds
REVENUES				
Local sources				
Property taxes	\$ -	\$ 20,922,523	\$ -	\$ 20,922,523
Investment earnings	-	226,865	-	226,865
Food sales and admissions	1,267,525	-	-	1,267,525
Tuition	2,768,785	-	-	2,768,785
Student/school activities	1,714,073	-	-	1,714,073
Other	45,595	-	1,552,997	1,598,592
	<u>5,795,978</u>	<u>21,149,388</u>	<u>1,552,997</u>	<u>28,498,363</u>
Total local sources				
State sources	2,533,055	110,440	-	2,643,495
Federal sources	3,648,682	-	-	3,648,682
	<u>11,977,715</u>	<u>21,259,828</u>	<u>1,552,997</u>	<u>34,790,540</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Food service activities	6,569,512	-	-	6,569,512
Community service activities	4,087,176	-	-	4,087,176
Student/school activities	1,777,705	-	-	1,777,705
Capital outlay	608,647	-	2,560,014	3,168,661
Debt service				
Principal repayment	-	17,975,000	-	17,975,000
Interest expenditure	-	3,710,925	-	3,710,925
Other expenditure	-	15,107	-	15,107
	<u>13,043,040</u>	<u>21,701,032</u>	<u>2,560,014</u>	<u>37,304,086</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,065,325)</u>	<u>(441,204)</u>	<u>(1,007,017)</u>	<u>(2,513,546)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	750,000	750,000
Transfers in	184,975	-	800,000	984,975
Transfers out	(280,506)	-	-	(280,506)
	<u>(95,531)</u>	<u>-</u>	<u>1,550,000</u>	<u>1,454,469</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	(1,160,856)	(441,204)	542,983	(1,059,077)
FUND BALANCES				
Beginning of year	<u>5,159,761</u>	<u>2,593,662</u>	<u>596,543</u>	<u>8,349,966</u>
End of year	<u>\$ 3,998,905</u>	<u>\$ 2,152,458</u>	<u>\$ 1,139,526</u>	<u>\$ 7,290,889</u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2024**

	<u>Food Service</u>	<u>Community Service</u>	<u>Student/ School Activities</u>	<u>Total Special Revenue Funds</u>
ASSETS				
Cash and cash equivalents	\$ 584,278	\$ 1,705,594	\$ 1,268,990	\$ 3,558,862
Accounts receivable	53,968	2,383	-	56,351
Intergovernmental receivable	359,408	-	-	359,408
Due from other funds	192,433	-	-	192,433
Inventories	83,387	-	-	83,387
	<u>83,387</u>	<u>-</u>	<u>-</u>	<u>83,387</u>
TOTAL ASSETS	<u><u>\$ 1,273,474</u></u>	<u><u>\$ 1,707,977</u></u>	<u><u>\$ 1,268,990</u></u>	<u><u>\$ 4,250,441</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 134,628	\$ 32,426	\$ -	\$ 167,054
Unearned revenue	84,482	-	-	84,482
	<u>84,482</u>	<u>-</u>	<u>-</u>	<u>84,482</u>
TOTAL LIABILITIES	<u>219,110</u>	<u>32,426</u>	<u>-</u>	<u>251,536</u>
FUND BALANCES				
Nonspendable for inventories	83,387	-	-	83,387
Restricted	970,977	-	-	970,977
Committed	-	1,675,551	1,268,990	2,944,541
	<u>-</u>	<u>1,675,551</u>	<u>1,268,990</u>	<u>2,944,541</u>
TOTAL FUND BALANCES	<u>1,054,364</u>	<u>1,675,551</u>	<u>1,268,990</u>	<u>3,998,905</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,273,474</u></u>	<u><u>\$ 1,707,977</u></u>	<u><u>\$ 1,268,990</u></u>	<u><u>\$ 4,250,441</u></u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2024**

	Food Service	Community Service	Student/ School Activities	Total Special Revenue Funds
REVENUES				
Sales	\$ 662,741	\$ -	\$ -	\$ 662,741
Tuition	-	2,768,785	-	2,768,785
Student/school activities	-	-	1,714,073	1,714,073
State sources	2,533,055	-	-	2,533,055
Federal sources	3,648,682	-	-	3,648,682
Admissions	-	604,784	-	604,784
Other	13,496	32,099	-	45,595
TOTAL REVENUES	6,857,974	3,405,668	1,714,073	11,977,715
EXPENDITURES				
Salaries	1,915,093	1,852,635	-	3,767,728
Benefits	1,359,704	1,753,862	-	3,113,566
Purchased services	134,799	92,725	-	227,524
Student/school activities	-	-	1,777,705	1,777,705
Supplies and materials	3,136,951	112,205	-	3,249,156
Capital outlay	367,468	241,179	-	608,647
Other expenditure	22,965	275,749	-	298,714
TOTAL EXPENDITURES	6,936,980	4,328,355	1,777,705	13,043,040
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(79,006)	(922,687)	(63,632)	(1,065,325)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,975	175,000	-	184,975
Transfers out	(280,506)	-	-	(280,506)
TOTAL OTHER FINANCING SOURCES (USES)	(270,531)	175,000	-	(95,531)
NET CHANGE IN FUND BALANCES	(349,537)	(747,687)	(63,632)	(1,160,856)
FUND BALANCES				
Beginning of year	1,403,901	2,423,238	1,332,622	5,159,761
End of year	<u>\$ 1,054,364</u>	<u>\$ 1,675,551</u>	<u>\$ 1,268,990</u>	<u>\$ 3,998,905</u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2024**

	GAAP Basis		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 795,550	\$ 665,835	\$ 676,237	\$ 10,402
State sources	1,724,511	2,766,203	2,533,055	(233,148)
Federal sources	3,439,939	3,607,962	3,648,682	40,720
TOTAL REVENUES	<u>5,960,000</u>	<u>7,040,000</u>	<u>6,857,974</u>	<u>(182,026)</u>
EXPENDITURES				
Current				
Food services				
Salaries and wages	1,788,870	1,938,433	1,915,093	23,340
Employee benefits	1,239,538	1,425,719	1,359,704	66,015
Purchased services	110,850	138,335	134,799	3,536
Supplies and other	2,555,742	3,144,521	3,159,916	(15,395)
Capital outlay	15,000	364,992	367,468	(2,476)
TOTAL EXPENDITURES	<u>5,710,000</u>	<u>7,012,000</u>	<u>6,936,980</u>	<u>75,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>250,000</u>	<u>28,000</u>	<u>(79,006)</u>	<u>(107,006)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	9,975	(25)
Transfers out	(260,000)	(288,000)	(280,506)	7,494
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,000)</u>	<u>(278,000)</u>	<u>(270,531)</u>	<u>7,469</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (250,000)</u>	<u>(349,537)</u>	<u>\$ (99,537)</u>
FUND BALANCE				
Beginning of year			<u>1,403,901</u>	
End of year			<u>\$ 1,054,364</u>	

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2024**

	<u>GAAP Basis</u>		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Local sources	\$ 2,866,928	\$ 3,272,365	\$ 3,405,668	\$ 133,303
TOTAL REVENUES	<u>2,866,928</u>	<u>3,272,365</u>	<u>3,405,668</u>	<u>133,303</u>
EXPENDITURES				
Current				
Community services				
Salaries and wages	1,786,886	2,001,315	1,852,635	148,680
Employee benefits	1,739,985	1,866,182	1,753,862	112,320
Purchased services	145,341	128,169	92,725	35,444
Supplies and other	333,144	389,406	387,954	1,452
Capital outlay	31,072	282,293	241,179	41,114
TOTAL EXPENDITURES	<u>4,036,428</u>	<u>4,667,365</u>	<u>4,328,355</u>	<u>339,010</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,169,500)	(1,395,000)	(922,687)	472,313
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	225,000	175,000	(50,000)
NET CHANGE IN FUND BALANCE	<u>\$ (969,500)</u>	<u>\$ (1,170,000)</u>	(747,687)	<u>\$ 422,313</u>
FUND BALANCE				
Beginning of year			<u>2,423,238</u>	
End of year			<u>\$ 1,675,551</u>	

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE - STUDENT/SCHOOL ACTIVITIES FUND
YEAR ENDED JUNE 30, 2024**

	<u>GAAP Basis</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Student/school activities	<u>\$ 1,650,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,714,073</u>	<u>\$ (85,927)</u>
EXPENDITURES				
Student/school activities	<u>1,650,000</u>	<u>1,900,000</u>	<u>1,777,705</u>	<u>122,295</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>(63,632)</u>	<u>\$ 36,368</u>
FUND BALANCE				
Beginning of year			<u>1,332,622</u>	
End of year			<u>\$ 1,268,990</u>	

**TRAVERSE CITY AREA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2024**

	<u>2014</u>	<u>2016</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2023</u>	Total Debt Service Funds
ASSETS							
Cash and cash equivalents	\$ 170,936	\$ 370,543	\$ 128,664	\$ 364,639	\$ 284,642	\$ 648,753	\$ 1,968,177
Taxes receivable	-	-	-	-	-	21,766	21,766
Due from other funds	<u>13,950</u>	<u>210,441</u>	<u>8,938</u>	<u>28,919</u>	<u>29,857</u>	<u>91,590</u>	<u>383,695</u>
TOTAL ASSETS	<u><u>\$ 184,886</u></u>	<u><u>\$ 580,984</u></u>	<u><u>\$ 137,602</u></u>	<u><u>\$ 393,558</u></u>	<u><u>\$ 314,499</u></u>	<u><u>\$ 762,109</u></u>	<u><u>\$ 2,373,638</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Due to other funds	<u>\$ 184,886</u>	<u>\$ 4,610</u>	<u>\$ 1,561</u>	<u>\$ 4,866</u>	<u>\$ 5,021</u>	<u>\$ -</u>	<u>\$ 200,944</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,236</u>	<u>20,236</u>
FUND BALANCES							
Restricted for debt service	<u>-</u>	<u>576,374</u>	<u>136,041</u>	<u>388,692</u>	<u>309,478</u>	<u>741,873</u>	<u>2,152,458</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 184,886</u></u>	<u><u>\$ 580,984</u></u>	<u><u>\$ 137,602</u></u>	<u><u>\$ 393,558</u></u>	<u><u>\$ 314,499</u></u>	<u><u>\$ 762,109</u></u>	<u><u>\$ 2,373,638</u></u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>2014</u>	<u>2016</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2023</u>	<u>Total Debt Service Funds</u>
REVENUES							
Local sources							
Property taxes	\$ 1,531,944	\$ 3,579,462	\$ 1,150,062	\$ 3,584,704	\$ 3,699,041	\$ 7,377,310	\$ 20,922,523
Investment earnings	591	97,256	31,355	93,105	1,156	3,402	226,865
State sources	9,085	17,991	6,092	18,988	19,594	38,690	110,440
TOTAL REVENUES	<u>1,541,620</u>	<u>3,694,709</u>	<u>1,187,509</u>	<u>3,696,797</u>	<u>3,719,791</u>	<u>7,419,402</u>	<u>21,259,828</u>
EXPENDITURES							
Principal repayment	1,950,000	3,450,000	1,000,000	2,900,000	3,375,000	5,300,000	17,975,000
Interest expenditure	51,675	210,000	252,500	946,250	877,800	1,372,700	3,710,925
Other	1,266	2,513	1,182	2,625	2,692	4,829	15,107
TOTAL EXPENDITURES	<u>2,002,941</u>	<u>3,662,513</u>	<u>1,253,682</u>	<u>3,848,875</u>	<u>4,255,492</u>	<u>6,677,529</u>	<u>21,701,032</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(461,321)	32,196	(66,173)	(152,078)	(535,701)	741,873	(441,204)
FUND BALANCES							
Beginning of year	461,321	544,178	202,214	540,770	845,179	-	2,593,662
End of year	<u>\$ -</u>	<u>\$ 576,374</u>	<u>\$ 136,041</u>	<u>\$ 388,692</u>	<u>\$ 309,478</u>	<u>\$ 741,873</u>	<u>\$ 2,152,458</u>

OTHER SCHEDULES

Long-Term Debt

Bonded debt - these schedules provide information on future payments due for principal and interest related to bonds sold by the District.

Property Taxes

Schedule of property tax data - this schedule provides information on state-equalized valuation of property assessed in the District.

Property tax data - this schedule provides information concerning tax levies, collections, adjustments, write-offs, and delinquent taxes for both the general fund and the debt service funds for the past three years.

Assignments

General fund balance assignments by building - this schedule provides detail of amounts assigned to be carried over into the subsequent year for each building in the District.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
 BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
 JUNE 30, 2024**

2016 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>	
2024	2.00%	\$ -	\$ -	\$ 70,500	\$ 70,500
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>\$ 7,050,000</u>	<u>\$ 106,000</u>	<u>\$ 106,000</u>	<u>\$ 7,262,000</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, 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; and (ii) erecting, furnishing and equipping an addition or additions and/or remodeling, refurbishing, 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, 2024
 (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>	
2024	5.00%	\$ -	\$ -	\$ 101,250	\$ 101,250
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>\$ 4,050,000</u>	<u>\$ 254,375</u>	<u>\$ 254,375</u>	<u>\$ 4,558,750</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, 2024
 (continued)**

2019 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>	
2024	5.00%	\$ -	\$ -	\$ 400,625	\$ 400,625
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%	<u>3,375,000</u>	<u>84,375</u>	<u>-</u>	<u>3,459,375</u>
Total 2019 bonded debt		<u>\$ 16,025,000</u>	<u>\$ 1,226,875</u>	<u>\$ 1,226,875</u>	<u>\$ 18,478,750</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 refurbishing, 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, 2024
 (continued)**

2021 School Building and Site Bonds

Calendar Year	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	3.00%	\$ -	\$ -	\$ 388,275	\$ 388,275
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>\$ 25,885,000</u>	<u>\$ 1,575,675</u>	<u>\$ 1,575,675</u>	<u>\$ 29,036,350</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 refurbishing, 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.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
 BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
 JUNE 30, 2024
 (concluded)**

2023 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>	
2024	5.00%	\$ -	\$ -	\$ 602,875	\$ 602,875
2025	5.00%	7,715,000	602,875	410,000	8,727,875
2026	5.00%	1,775,000	410,000	365,625	2,550,625
2027	5.00%	1,850,000	365,625	319,375	2,535,000
2028	5.00%	1,925,000	319,375	271,250	2,515,625
2029	5.00%	2,025,000	271,250	220,625	2,516,875
2030	5.00%	2,125,000	220,625	167,500	2,513,125
2031	5.00%	2,200,000	167,500	112,500	2,480,000
2032	5.00%	2,225,000	112,500	56,875	2,394,375
2033	5.00%	2,275,000	56,875	-	2,331,875
Total 2023 bonded debt		<u>\$ 24,115,000</u>	<u>\$ 2,526,625</u>	<u>\$ 2,526,625</u>	<u>\$ 29,168,250</u>

The above bonds dated May 25, 2023, were issued for the purpose of erecting, furnishing and equipping additions to and/or remodeling, furnishing and refurbishing, 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 \$29,415,000.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
SCHEDULE OF PROPERTY TAX DATA
YEAR ENDED JUNE 30, 2024**

	2024					Tax Levy (Mills)		
	Principal Residence Exemption	Industrial Personal Property	Commercial Personal Property	All Other Non-PRE	Total	Operating		
						Non- Principal Residence Exemption	Commercial Personal Property	Debt
Other Information								
State-equalized valuation of property assessed in the Traverse City Area School District								
Grand Traverse County								
Acme Township	\$ 223,718,468	\$ 73,800	\$ 13,090,500	\$ 139,525,060	\$ 376,407,828	18.0	6.0	3.1
Blair Township	238,299,593	528,200	9,363,700	153,937,633	402,129,126	18.0	6.0	3.1
East Bay Township	461,756,817	2,066,400	9,988,000	298,088,342	771,899,559	18.0	6.0	3.1
Garfield Township	562,372,607	16,054,400	39,955,000	584,541,994	1,202,924,001	18.0	6.0	3.1
Grant Township	16,132,507	-	1,500	10,744,005	26,878,012	18.0	6.0	3.1
Green Lake Township	231,671,838	560,700	3,838,400	123,228,499	359,299,437	18.0	6.0	3.1
Long Lake Township	516,184,812	-	2,293,000	158,790,396	677,268,208	18.0	6.0	3.1
Peninsula Township	685,403,738	27,400	3,246,600	252,187,723	940,865,461	18.0	6.0	3.1
Union Township	11,163,283	-	-	10,222,041	21,385,324	18.0	6.0	3.1
Whitewater Township	509,389	-	-	490,084	999,473	18.0	6.0	3.1
City of Traverse City	590,833,862	10,164,600	35,429,100	756,523,043	1,392,950,605	18.0	6.0	3.1
Leelanau County								
Elmwood Township	261,860,699	1,663,400	5,921,800	105,298,585	374,744,484	18.0	6.0	3.1
Solon Township	55,072,181	-	322,800	20,990,377	76,385,358	18.0	6.0	3.1
Traverse City Annexed	28,212,979	31,000	701,200	27,594,245	56,539,424	18.0	6.0	3.1
Benzie County - Almira Township	41,794,883	-	5,400	4,969,976	46,770,259	18.0	6.0	3.1
Total	\$ 3,924,987,656	\$ 31,169,900	\$ 124,157,000	\$ 2,647,132,003	\$ 6,727,446,559			
Official Student Enrollment						8,858		

**TRAVERSE CITY AREA PUBLIC SCHOOLS
PROPERTY TAX DATA
JUNE 30, 2024**

<u>Fiscal Year</u>	<u>Delinquent July 1, 2023</u>	<u>Original Tax Levy</u>	<u>Collections, Adjustments, and Write-offs</u>	<u>Delinquent June 30, 2024</u>
General fund				
2024	\$ -	\$ 46,495,401	\$ 46,467,243	\$ 28,158
2023	41,512	-	4,887	36,625
2022	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total general fund	<u>45,512</u>	<u>46,495,401</u>	<u>46,476,130</u>	<u>64,783</u>
Debt service funds				
2024	-	20,861,979	20,849,182	12,797
2023	12,430	-	3,461	8,969
2022	<u>4,333</u>	<u>-</u>	<u>4,333</u>	<u>-</u>
Total debt service funds	<u>16,763</u>	<u>20,861,979</u>	<u>20,856,976</u>	<u>21,766</u>
Total	<u>\$ 62,275</u>	<u>\$ 67,357,380</u>	<u>\$ 67,333,106</u>	<u>\$ 86,549</u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
GENERAL FUND BALANCE ASSIGNMENTS BY BUILDING
JUNE 30, 2024**

<u>Site</u>	<u>Amount</u>
Blair	\$ 8,812
Central Grade	6,510
Cherry Knoll	51,092
Courtade	24,643
Eastern	32,913
Long Lake	51,680
Montessori	27,843
Silver Lake	21,124
Westwoods	5,832
Willow Hill	38,544
East Middle School	79,772
West Middle School	13,846
West High School	6,913
Traverse City High School	15,354
	<u>\$ 384,878</u>

**TRAVERSE CITY AREA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2023-2024**

The Statistical section contains a wide array of financial and other information that covers several years and reflects social, economic, and financial trends of the District and the area in which the District operates. This section is designed to give the reader a more thorough understanding of the District as a whole than is available in the basic financial statements taken in isolation. The schedules in this section are segregated into various categories as noted below:

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the District's revenue generating capacity. It should be noted, as discussed earlier in the transmittal letter, that school funding in Michigan is based on a per student "foundation" amount that is determined by the State of Michigan. Some of the amount determined by the state is raised locally through a millage on "Non-Principal Residence Exemption" property tax values. The state makes up the difference between what is raised locally and what is the state determined revenue amount due to our District. As such, the District's ability to generate unrestricted revenues via local property taxes is severely limited.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

DEMOGRAPHIC & ECONOMIC INFORMATION

These schedules present demographic and economic indicators to help the reader understand the economic environment within which the District operates.

OPERATIONAL INFORMATION

These schedules contain infrastructure information to help the reader understand physical plant aspects of the District's operation.

It should be noted that many of the schedules within the categories described above contain overlapping information. For example, certain demographic and economic information contains property values that can be used to determine debt capacity. Also, certain financial trend information contains student cost by function information that may be considered for demographic purposes. The point is that these schedules are divided into sections so that they relate to their primary purpose (e.g., financial trend, operating, etc.), but contain information that may overlap the purposes defined by these sections.

Special note should also be made that because the revenue capacity and debt capacity information overlaps so closely in our District, we have combined these two sections into one section titled "Revenue and Debt Capacity". This was done so as to make the information more meaningful to the reader and to avoid providing excessively redundant information on the same property values used to show both revenue and debt capacity.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Statistical Section
2023-2024**

FINANCIAL TRENDS

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Net Position by Component
2015-2024

	Fiscal Year ¹				
	2015 ²	2016	2017	2018 ³	2019
Assets					
Cash and cash equivalents	\$ 11,576,501	\$ 8,905,885	\$ 7,496,774	\$ 11,205,076	\$ 14,400,835
Receivables:					
Accounts receivable	477,778	1,079,941	593,504	337,825	322,881
Interest receivable	38,435	-	16,792	-	34,571
Taxes receivable	82,080	208,087	80,607	73,196	70,713
Intergovernmental	10,232,956	11,564,548	10,584,780	10,771,629	10,448,679
Leases	-	-	-	-	-
Inventories	124,661	147,596	129,254	100,651	115,085
Prepays	657,067	654,660	1,139,190	1,429,606	1,326,852
Restricted investments - capital projects	10,740,928	31,887,552	25,919,059	23,160,308	44,913,161
Net other postemployment benefits asset	-	-	-	-	-
Capital assets not being depreciated	4,157,624	3,858,346	4,085,902	15,943,329	4,842,933
Capital assets, net of accumulated depreciation	140,182,582	139,413,586	135,349,462	129,533,356	145,141,077
Total Assets	178,270,612	197,720,201	185,395,324	192,554,976	221,616,787
Deferred Outflows of Resources					
Related to pension	13,905,319	19,047,562	21,683,066	35,230,141	57,782,615
Related to OPEB	-	-	-	3,888,429	8,706,250
Total Deferred Outflows of Resources	13,905,319	19,047,562	21,683,066	39,118,570	66,488,865
Liabilities					
Accounts payable	2,809,580	2,828,756	1,070,775	3,843,748	3,027,379
Accrued salaries and related items	9,610,148	7,923,219	6,966,659	7,222,149	8,384,976
Accrued retirement	-	2,439,904	2,644,637	2,780,127	3,737,084
Checks written in excess of future deposits	-	-	-	-	-
Accrued interest	355,043	341,403	320,059	288,085	435,705
Unearned revenue	767,930	968,323	1,152,564	1,015,042	1,303,042
Noncurrent liabilities					
Due within one year	12,186,862	12,386,418	13,187,157	14,322,561	14,263,785
Due in more than one year	57,086,955	72,465,197	59,604,711	57,555,179	78,585,088
Arbitrage liability	-	-	-	-	-
Net pension liability	126,394,985	144,159,119	147,184,105	154,411,446	178,371,730
Net OPEB liability	-	-	-	52,792,245	46,984,762
Total Liabilities	209,211,503	243,512,339	232,130,667	294,230,582	335,093,551
Deferred Inflows of Resources					
Related to pensions	13,973,255	477,673	494,673	8,273,896	14,149,387
Related to OPEB	-	-	-	1,784,763	10,944,213
Related to state aid funding for pension	-	3,938,030	4,551,373	6,173,730	6,531,339
Related to unavailable revenue - leases	-	-	-	-	-
Total Deferred Inflows of Resources	13,973,255	4,415,703	5,046,046	16,232,389	31,624,939
Net Position					
Net investment in capital assets	86,607,926	90,095,597	93,414,229	95,277,393	101,017,400
Restricted for debt service	1,140,931	1,175,922	1,269,843	1,521,488	1,359,337
Restricted for net other postemployment benefits	-	-	-	-	-
Unrestricted	(118,757,684)	(122,431,798)	(124,782,395)	(175,588,306)	(180,989,575)
Total Net Position	\$ (31,008,827)	\$ (31,160,279)	\$ (30,098,323)	\$ (78,789,425)	\$ (78,612,838)

¹ Years 2020-2024 continue on following page.

² Net position was restated for fiscal year 2015 as of July 1, 2014 with the implementation of GASB Statements 68 and 71.

³ Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Net Position by Component
2015-2024 (Continued from previous page)

	Fiscal Year				
	2020 ¹	2021	2022 ²	2023	2024
Assets					
Cash and cash equivalents	\$ 15,607,004	\$ 18,304,482	\$ 22,888,317	\$ 24,654,301	\$ 28,365,848
Receivables:					
Accounts receivable	487,018	80,144	214,243	858,150	669,187
Interest receivable	75,537	-	1,980	132,444	89,168
Taxes receivable	101,608	190,939	125,765	62,275	86,549
Intergovernmental	9,586,631	11,066,052	13,572,047	15,174,077	14,600,384
Leases	-	-	1,374,865	1,213,340	1,083,834
Inventories	153,685	127,672	188,841	159,218	146,591
Prepays	602,979	976,175	830,716	791,642	1,583,083
Restricted investments - capital projects	28,040,164	47,060,696	18,085,967	32,649,977	14,316,568
Net other postemployment benefit asset	-	-	-	-	3,389,184
Capital assets not being depreciated	7,112,388	22,240,909	22,245,918	15,888,345	22,708,216
Capital assets, net of accumulated depreciation/amortization	151,385,817	151,320,994	167,677,490	185,287,931	186,337,187
Total Assets	213,152,831	251,368,063	247,206,149	276,871,700	273,375,799
Deferred Outflows of Resources					
Related to pension	54,077,890	44,147,988	30,076,283	69,119,649	58,955,597
Related to OPEB	13,123,180	16,209,713	12,619,023	18,696,385	13,684,012
Total Deferred Outflows of Resources	67,201,070	60,357,701	42,695,306	87,816,034	72,639,609
Liabilities					
Accounts payable	3,735,128	4,618,613	4,135,371	6,259,679	5,784,783
Accrued salaries and related items	8,865,108	8,643,400	9,173,580	9,814,670	10,668,965
Accrued retirement	3,897,597	4,276,321	4,888,954	6,921,376	6,004,925
Checks written in excess of future deposits	68,495	-	-	-	-
Accrued interest	432,238	484,930	472,588	517,169	521,175
Unearned revenue	973,999	1,375,688	2,920,714	2,049,598	3,576,611
Noncurrent liabilities:					
Due within one year	14,545,517	15,398,119	15,932,784	18,504,103	19,313,827
Due in more than one year	63,826,528	90,824,490	74,570,766	87,839,123	67,759,997
Arbitrage liability	-	-	-	-	571,313
Net pension liability	192,616,311	201,937,658	137,819,903	222,115,814	194,300,099
Net OPEB liability	41,444,191	31,960,557	8,760,664	12,705,281	-
Total Liabilities	330,405,112	359,519,776	258,675,324	366,726,813	308,501,695
Deferred Inflows of Resources					
Related to pensions	9,800,581	2,428,010	47,689,640	1,870,303	20,141,646
Related to OPEB	17,279,785	24,858,448	34,871,033	27,386,894	27,599,979
Related to state aid funding for pension	6,361,368	7,756,750	9,033,842	16,283,912	11,815,228
Related to unavailable revenue - leases	-	-	1,374,865	1,203,007	1,065,717
Total Deferred Inflows of Resources	33,441,734	35,043,208	92,969,380	46,744,116	60,622,570
Net Position:					
Net investment in capital assets	107,209,420	111,756,852	116,189,396	123,249,733	134,985,658
Restricted for debt service	972,807	1,364,149	1,077,437	2,076,493	1,631,283
Restricted for net other postemployment benefits	-	-	-	-	3,389,184
Unrestricted	(191,675,172)	(195,958,221)	(179,010,082)	(174,109,421)	(163,114,982)
Total Net Position	\$ (83,492,945)	\$ (82,837,220)	\$ (61,743,249)	\$ (48,783,195)	\$ (23,108,857)

¹ Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

² Capital assets and noncurrent liabilities were restated for fiscal year 2022 with the implementation of GASB Statement 96.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Changes in Net Position
2015-2024

	Fiscal Year ¹				
	2015	2016	2017	2018	2019
Expenses:					
Governmental activities:					
Instruction	\$ 54,737,324	\$ 55,520,571	\$ 57,716,952	\$ 58,791,022	\$ 61,813,892
Support services	37,471,024	38,769,671	40,163,580	40,837,582	42,829,152
Community services	2,843,193	3,286,091	3,592,029	3,433,432	3,525,526
Intergovernmental expenditures	2,025,826	2,192,058	2,329,778	2,388,784	3,455,182
Food services	4,947,800	4,930,308	4,835,049	4,318,478	4,304,870
Student/school activities	-	-	-	-	-
Interest on long-term debt	2,451,022	2,113,909	2,249,605	1,776,008	1,992,281
Loss on sale of capital assets	-	-	-	1,550,797	-
Unallocated depreciation	2,673,975	2,651,801	2,640,866	2,582,597	2,545,715
Total governmental expenses	<u>107,150,164</u>	<u>109,464,409</u>	<u>113,527,859</u>	<u>115,678,700</u>	<u>120,466,618</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Instruction	639,121	754,798	1,056,231	564,560	120,451
Support services	1,838,218	1,901,006	1,911,478	1,669,033	1,570,060
Community services	2,671,291	2,960,156	3,111,957	3,147,617	2,969,243
Food services	2,405,556	2,351,646	2,336,497	2,156,294	2,100,873
Total charges for services	<u>7,554,186</u>	<u>7,967,606</u>	<u>8,416,163</u>	<u>7,537,504</u>	<u>6,760,627</u>
Operating Grants and Contributions:					
Instruction	3,566,976	3,719,940	3,704,172	3,021,044	3,749,303
Support services	1,866,170	1,907,790	1,538,251	2,658,890	3,011,069
Community services	243,089	226,469	215,533	237,837	397,137
Intergovernmental expenditures	962	34,960	3,730	3,241	5,352
Food services	2,602,292	2,601,641	2,608,859	2,386,171	2,466,595
Student/school activities	-	-	-	-	-
Total operating grants	<u>8,279,489</u>	<u>8,490,800</u>	<u>8,070,545</u>	<u>8,307,183</u>	<u>9,629,456</u>
Total program revenues	<u>15,833,675</u>	<u>16,458,406</u>	<u>16,486,708</u>	<u>15,844,687</u>	<u>16,390,083</u>
Net (Expense) revenue and changes in net position	<u>(91,316,489)</u>	<u>(93,006,003)</u>	<u>(97,041,151)</u>	<u>(99,834,013)</u>	<u>(104,076,535)</u>
General Revenues:					
Property taxes, levied for general purposes	30,913,145	31,334,760	31,830,413	32,562,900	34,147,801
Property taxes, levied for debt service	13,487,310	13,864,161	14,182,505	14,713,548	15,419,221
Investment earnings	31,014	39,501	138,609	423,896	742,986
State sources	47,703,689	44,619,923	48,811,418	52,245,272	50,489,833
Northwest Education Services	2,318,809	2,048,828	2,038,122	2,445,809	2,455,317
Other	1,211,832	947,378	1,102,040	1,639,941	997,964
Gain on disposal of fixed assets	-	-	-	-	-
Total general revenues	<u>95,665,799</u>	<u>92,854,551</u>	<u>98,103,107</u>	<u>104,031,366</u>	<u>104,253,122</u>
CHANGE IN NET POSITION	<u>4,349,310</u>	<u>(151,452)</u>	<u>1,061,956</u>	<u>4,197,353</u>	<u>176,587</u>
NET POSITION, beginning of year	<u>(35,358,137)</u> ²	<u>(31,008,827)</u>	<u>(31,160,279)</u>	<u>(82,986,778)</u> ³	<u>(78,789,425)</u>
NET POSITION, end of year	<u>\$ (31,008,827)</u>	<u>\$ (31,160,279)</u>	<u>\$ (30,098,323)</u>	<u>\$ (78,789,425)</u>	<u>\$ (78,612,838)</u>

¹ Years 2020-2024 continue on following page.

² Net position was restated for fiscal year 2015 as of July 1, 2014 with the implementation of GASB Statements 68 and 71.

³ Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Changes in Net Position
2015-2024 (Continued from previous page)

	Fiscal Year				
	2020	2021	2022	2023	2024
Expenses:					
Governmental activities:					
Instruction	\$ 66,291,787	\$ 66,083,301	\$ 56,780,254	\$ 64,589,754	\$ 64,850,755
Support services	44,935,135	45,388,537	42,421,618	52,089,794	55,013,028
Community services	3,864,783	3,283,466	2,972,557	3,632,677	4,155,856
Intergovernmental expenditures	3,182,616	3,297,916	4,459,937	4,910,216	5,329,244
Food services	4,569,124	4,563,393	5,218,571	5,099,780	6,376,481
Student/school activities	1,623,083	960,209	1,480,866	1,635,445	1,777,705
Interest on long-term debt	2,921,429	2,646,117	3,218,626	2,884,218	3,723,997
Loss on sale of capital assets	-	-	-	-	-
Unallocated depreciation	2,496,955	2,447,710	2,447,048	2,414,651	2,398,077
Total governmental expenses	<u>129,884,912</u>	<u>128,670,649</u>	<u>118,999,477</u>	<u>137,256,535</u>	<u>143,625,143</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Instruction	148,260	32,781	24,000	28,151	15,820
Support services	1,281,664	907,813	1,330,691	1,593,681	1,808,519
Community services	2,180,881	1,856,251	2,594,138	2,809,351	3,405,668
Food services	1,598,465	155,892	509,361	1,967,292	676,237
Total charges for services	<u>5,209,270</u>	<u>2,952,737</u>	<u>4,458,190</u>	<u>6,398,475</u>	<u>5,906,244</u>
Operating Grants and Contributions:					
Instruction	3,670,256	5,951,722	10,097,325	7,473,367	7,622,368
Support services	2,675,272	3,669,036	2,777,946	6,494,201	6,568,016
Community services	435,338	633,502	1,405,786	2,534,449	277,832
Intergovernmental expenditures	-	-	-	5,477	475,205
Food services	2,610,560	4,708,447	5,912,866	3,756,882	6,181,736
Student/school activities	1,787,102	932,594	1,527,490	1,597,153	1,714,073
Total operating grants	<u>11,178,528</u>	<u>15,895,301</u>	<u>21,721,413</u>	<u>21,861,529</u>	<u>22,839,230</u>
Total program revenues	<u>16,387,798</u>	<u>18,848,038</u>	<u>26,179,603</u>	<u>28,260,004</u>	<u>28,745,474</u>
Net (Expense) revenue and changes in net position	<u>(113,497,114)</u>	<u>(109,822,611)</u>	<u>(92,819,874)</u>	<u>(108,996,531)</u>	<u>(114,879,669)</u>
General Revenues:					
Property taxes, levied for general purposes	35,962,488	37,341,579	38,438,070	42,250,452	46,611,066
Property taxes, levied for debt service	16,276,684	17,085,115	17,843,927	19,226,452	20,926,506
Investment earnings	1,023,376	40,095	26,313	1,365,856	2,903,329
State sources	50,312,262	50,693,928	52,341,992	53,908,339	64,417,575
Northwest Education Services	2,530,624	4,276,346	3,529,344	4,041,982	3,018,623
Other	1,323,687	1,041,273	1,734,199	1,163,504	1,862,579
Gain on disposal of fixed assets	-	-	-	-	814,329
Total general revenues	<u>107,429,121</u>	<u>110,478,336</u>	<u>113,913,845</u>	<u>121,956,585</u>	<u>140,554,007</u>
CHANGE IN NET POSITION	<u>(6,067,993)</u>	<u>655,725</u>	<u>21,093,971</u>	<u>12,960,054</u>	<u>25,674,338</u>
NET POSITION, beginning of year	<u>(77,424,952)</u> ¹	<u>(83,492,945)</u>	<u>(82,837,220)</u>	<u>(61,743,249)</u>	<u>(48,783,195)</u>
NET POSITION, end of year	<u>\$ (83,492,945)</u>	<u>\$ (82,837,220)</u>	<u>\$ (61,743,249)</u>	<u>\$ (48,783,195)</u>	<u>\$ (23,108,857)</u>

¹ Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2015-2024

	Fiscal Year				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Nonspendable	\$ 718,437	\$ 730,261	\$ 1,209,417	\$ 1,488,563	\$ 1,402,364
Assigned	3,409,215	3,982,515	3,801,866	3,634,696	3,806,720
Unrestricted, unassigned	2,564,871	1,383,412	141,990	2,979,205	3,451,098
Total general fund	<u>6,692,523</u>	<u>6,096,188</u>	<u>5,153,273</u>	<u>8,102,464</u>	<u>8,660,182</u>
Other governmental funds					
Nonmajor Special Revenue Funds					
Nonspendable	63,291	71,995	59,027	41,694	39,573
Restricted	627,117	599,733	697,342	587,829	709,298
Committed	-	-	-	-	222,033
Assigned	661,429	618,143	361,021	223,962	-
Nonmajor Debt Service Funds					
Restricted	1,495,974	1,517,325	1,589,902	1,809,573	1,795,042
Major Capital Projects Funds					
Restricted	10,329,070	30,487,278	25,446,432	20,444,318	42,707,267
Assigned nonmajor capital projects funds	800,851	814,606	741,514	945,742	985,835
Total other governmental funds	<u>13,977,732</u>	<u>34,109,080</u>	<u>28,895,238</u>	<u>24,053,118</u>	<u>46,459,048</u>
Total governmental funds	<u>\$ 20,670,255</u>	<u>\$ 40,205,268</u>	<u>\$ 34,048,511</u>	<u>\$ 32,155,582</u>	<u>\$ 55,119,230</u>

	Fiscal Year				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund					
Nonspendable	\$ 656,392	\$ 1,031,124	\$ 941,606	\$ 876,723	\$ 1,646,287
Assigned	6,442,540	3,477,381	4,461,430	4,567,600	7,131,223
Unrestricted, unassigned	-	6,140,018	7,916,327	8,611,211	6,241,479
Total general fund	<u>7,098,932</u>	<u>10,648,523</u>	<u>13,319,363</u>	<u>14,055,534</u>	<u>15,018,989</u>
Other governmental funds					
Nonmajor Special Revenue Funds					
Nonspendable	100,272	72,723	77,951	74,137	83,387
Restricted	321,243	600,451	1,130,208	1,329,764	970,977
Committed	1,471,128	1,541,546	2,450,127	3,755,860	2,944,541
Assigned	-	-	-	-	-
Nonmajor Debt Service Funds					
Restricted	1,405,045	1,849,079	1,550,025	2,593,662	2,152,458
Major Capital Projects Funds					
Restricted	25,856,189	43,199,859	15,418,101	26,981,028	11,447,241
Assigned nonmajor capital projects funds	776,882	795,752	718,009	596,543	1,139,526
Total other governmental funds	<u>29,930,759</u>	<u>48,059,410</u>	<u>21,344,421</u>	<u>35,330,994</u>	<u>18,738,130</u>
Total governmental funds	<u>\$ 37,029,691</u>	<u>\$ 58,707,933</u>	<u>\$ 34,663,784</u>	<u>\$ 49,386,528</u>	<u>\$ 33,757,119</u>

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Changes in Fund Balances - Governmental Funds
2015-2024

	Fiscal Year ¹				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues					
Local sources:					
Property taxes	\$ 44,376,578	\$ 45,188,615	\$ 46,018,903	\$ 47,291,619	\$ 49,567,599
Tuition	2,947,460	3,303,699	3,754,986	3,303,027	2,633,032
Investment earnings	31,014	39,501	138,609	423,896	742,986
Food sales, athletics, and community service	2,171,325	2,139,439	2,139,981	2,139,288	2,170,540
Student/school activities	-	-	-	-	-
Other	<u>3,012,727</u>	<u>2,901,547</u>	<u>3,180,509</u>	<u>3,140,219</u>	<u>3,117,529</u>
Total local sources	52,539,104	53,572,801	55,232,988	56,298,049	58,231,686
State sources	51,333,157	52,322,505	52,664,068	56,189,784	55,427,506
Federal sources	4,271,004	4,235,458	4,453,872	3,967,096	4,572,622
Intermediate sources	2,332,348	2,061,437	2,048,122	2,445,809	2,455,317
Incoming transfers	999,984	1,048,480	573,887	218,748	177,281
Total revenues	<u>111,475,597</u>	<u>113,240,681</u>	<u>114,972,937</u>	<u>119,119,486</u>	<u>120,864,412</u>
Expenditures					
Current:					
Instruction	55,233,442	56,226,291	57,462,857	58,242,611	58,081,218
Supporting services	34,410,938	35,332,760	35,938,445	37,550,856	37,777,447
Food service activities	4,943,768	4,933,613	4,798,847	4,279,627	4,110,605
Community service activities	2,832,346	3,282,625	3,547,648	3,391,472	3,353,943
Student/school activities	-	-	-	-	-
Intergovernmental expenditures	67,879	89,528	63,796	54,378	769,301
Capital outlay	5,865,169	7,233,755	5,349,440	17,879,446	13,110,174
Debt service:					
Principal repayment	11,165,000	11,745,000	11,915,000	12,580,000	13,735,000
Interest expenditure	2,519,876	2,127,549	2,270,949	1,807,982	1,844,661
Payment to refunded bond escrow	110,000	-	-	243,000	-
Bond issuance costs	38,580	277,022	-	161,190	209,213
Other expenditure	17,307	17,806	18,917	16,189	16,791
Total expenditures	<u>117,204,305</u>	<u>121,265,949</u>	<u>121,365,899</u>	<u>136,206,751</u>	<u>133,008,353</u>
Excess of revenues over (under) expenditures	<u>(5,728,708)</u>	<u>(8,025,268)</u>	<u>(6,392,962)</u>	<u>(17,087,265)</u>	<u>(12,143,941)</u>
Other Financing Sources (Uses)					
Proceed from issuance of bonds	-	26,880,000	-	11,275,000	30,235,000
Proceed from bond refunding	2,300,000	-	-	4,400,000	-
Bond premium	-	680,281	-	1,155,945	4,735,610
Payment to refunded bond escrow account	(2,261,420)	-	-	(4,350,732)	-
Proceeds from subscription-based IT arrangements	-	-	-	-	-
Proceeds sale of capital assets	-	-	236,205	2,013,678	136,979
Proceeds sale of other assets	-	-	-	700,445	-
Transfers in	280,172	535,006	269,999	758,390	499,233
Transfers out	(280,172)	(535,006)	(269,999)	(758,390)	(499,233)
Total other financing sources (uses)	<u>38,580</u>	<u>27,560,281</u>	<u>236,205</u>	<u>15,194,336</u>	<u>35,107,589</u>
Net change in fund balance	<u>\$ (5,690,128)</u>	<u>\$ 19,535,013</u>	<u>\$ (6,156,757)</u>	<u>\$ (1,892,929)</u>	<u>\$ 22,963,648</u>
Debt service as a percentage of noncapital expenditures	12.4%	12.4%	12.2%	12.5%	13.2%

¹ Years 2020-2024 continue on following page.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Changes in Fund Balances - Governmental Funds
2015-2024 (Continued from previous page)

	Fiscal Year				
	2020	2021	2022	2023	2024
Revenues					
Local sources:					
Property taxes	\$ 52,215,630	\$ 54,327,097	\$ 56,340,729	\$ 61,541,811	\$ 67,515,046
Tuition	1,995,982	1,609,942	2,167,933	2,289,936	2,784,605
Investment earnings	1,023,376	40,095	26,313	1,365,856	2,903,329
Food sales, athletics, and community service	1,587,069	285,652	776,095	2,319,511	1,267,525
Student/school activities	1,787,102	932,594	1,527,490	1,597,153	1,714,073
Other	3,090,659	1,913,600	3,154,328	4,653,984	4,585,875
Total local sources	<u>61,699,818</u>	<u>59,108,980</u>	<u>63,992,888</u>	<u>73,768,251</u>	<u>80,770,453</u>
State sources	54,547,361	55,259,400	57,975,622	68,844,010	70,340,176
Federal sources	4,555,627	11,474,740	15,564,736	12,161,977	9,644,119
Intermediate sources	2,329,840	4,276,346	3,529,344	2,192,362	2,601,855
Incoming transfers	334,026	393,070	174,253	546,856	637,340
Total revenues	<u>123,466,672</u>	<u>130,512,536</u>	<u>141,236,843</u>	<u>157,513,456</u>	<u>163,993,943</u>
Expenditures					
Current:					
Instruction	60,043,363	61,832,354	65,692,537	70,732,494	71,300,827
Supporting services	38,495,456	39,192,914	42,632,090	51,856,087	54,719,134
Food service activities	4,246,791	4,336,227	5,557,527	5,266,409	6,569,512
Community service activities	3,547,439	3,093,814	3,277,133	3,815,559	4,383,557
Student/school activities	1,623,083	960,209	1,480,866	1,635,445	1,777,705
Intergovernmental expenditures	66,844	75,517	181,372	46,994	120,220
Capital outlay	18,087,187	25,082,097	28,402,610	23,135,326	19,741,286
Debt service:					
Principal repayment	13,850,000	14,100,000	15,000,000	15,689,484	18,154,087
Interest expenditure	2,924,896	2,593,425	3,230,968	2,839,637	3,719,991
Payment to refunded bond escrow	-	-	-	-	-
Bond issuance costs	500	277,463	-	263,277	-
Other expenditure	15,272	17,017	18,318	15,947	17,812
Total expenditures	<u>142,900,831</u>	<u>151,561,037</u>	<u>165,473,421</u>	<u>175,296,659</u>	<u>180,504,131</u>
Excess of revenues over (under) expenditures	<u>(19,434,159)</u>	<u>(21,048,501)</u>	<u>(24,236,578)</u>	<u>(17,783,203)</u>	<u>(16,510,188)</u>
Other Financing Sources (Uses)					
Proceed from issuance of bonds	-	38,760,000	-	29,415,000	-
Proceed from bond refunding	-	-	-	-	-
Bond premium	-	3,857,120	-	2,700,539	-
Payment to refunded bond escrow account	-	-	-	-	-
Proceeds from subscription-based IT arrangements	-	-	-	372,298	66,451
Proceeds sale of capital assets	156,734	109,623	192,429	18,110	814,328
Proceeds sale of other assets	-	-	-	-	-
Transfers in	1,128,113	892,788	447,535	469,997	1,265,481
Transfers out	(1,128,113)	(892,788)	(447,535)	(469,997)	(1,265,481)
Total other financing sources (uses)	<u>156,734</u>	<u>42,726,743</u>	<u>192,429</u>	<u>32,505,947</u>	<u>880,779</u>
Net change in fund balance	<u>\$ (19,277,425)</u>	<u>\$ 21,678,242</u>	<u>\$ (24,044,149)</u>	<u>\$ 14,722,744</u>	<u>\$ (15,629,409)</u>
Debt service as a percentage of noncapital expenditures	13.5%	13.4%	13.3%	12.4%	13.6%

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends

Statement of Expenses and Transfers by Function - Government-Wide
Fiscal Years 2014-2015 through 2023-2024

Governmental Activities:	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Expenses					
Instruction	\$ 54,737,324	\$ 55,520,571	\$ 57,716,952	\$ 58,791,022	\$ 61,813,892
Supporting Services	37,471,024	38,769,671	40,163,580	40,837,582	42,829,152
Community Service Activities	2,843,193	3,286,091	3,592,029	3,433,432	3,525,526
Intergovernmental expenditures	2,025,826	2,192,058	2,329,778	2,388,784	3,455,182
Food Service	4,947,800	4,930,308	4,835,049	4,318,478	4,304,870
Student/school activities	-	-	-	-	-
Interest on Long-Term Debt	2,451,022	2,113,909	2,249,605	1,776,008	1,992,281
Loss on sale of capital assets	-	-	-	1,550,797	-
Unallocated Depreciation	2,673,975	2,651,801	2,640,866	2,582,597	2,545,715
Total Governmental Activities	\$ 107,150,164	\$ 109,464,409	\$ 113,527,859	\$ 115,678,700	\$ 120,466,618

Governmental Activities:	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Expenses					
Instruction	\$ 66,291,787	\$ 66,083,301	\$ 56,780,254	\$ 64,589,754	\$ 64,850,755
Supporting Services	44,935,135	45,388,537	42,421,618	52,089,794	55,013,028
Community Service Activities	3,864,783	3,283,466	2,972,557	3,632,677	4,155,856
Intergovernmental expenditures	3,182,616	3,297,916	4,459,937	4,910,216	5,329,244
Food Service	4,569,124	4,563,393	5,218,571	5,099,780	6,376,481
Student/school activities	1,623,083	960,209	1,480,866	1,635,445	1,777,705
Interest on Long-Term Debt	2,921,429	2,646,117	3,218,626	2,884,218	3,723,997
Loss on sale of capital assets	-	-	-	-	-
Unallocated Depreciation	2,496,955	2,447,710	2,447,048	2,414,651	2,398,077
Total Governmental Activities	\$ 129,884,912	\$ 128,670,649	\$ 118,999,477	\$ 137,256,535	\$ 143,625,143

Source: Compiled by TCAPS Business Office

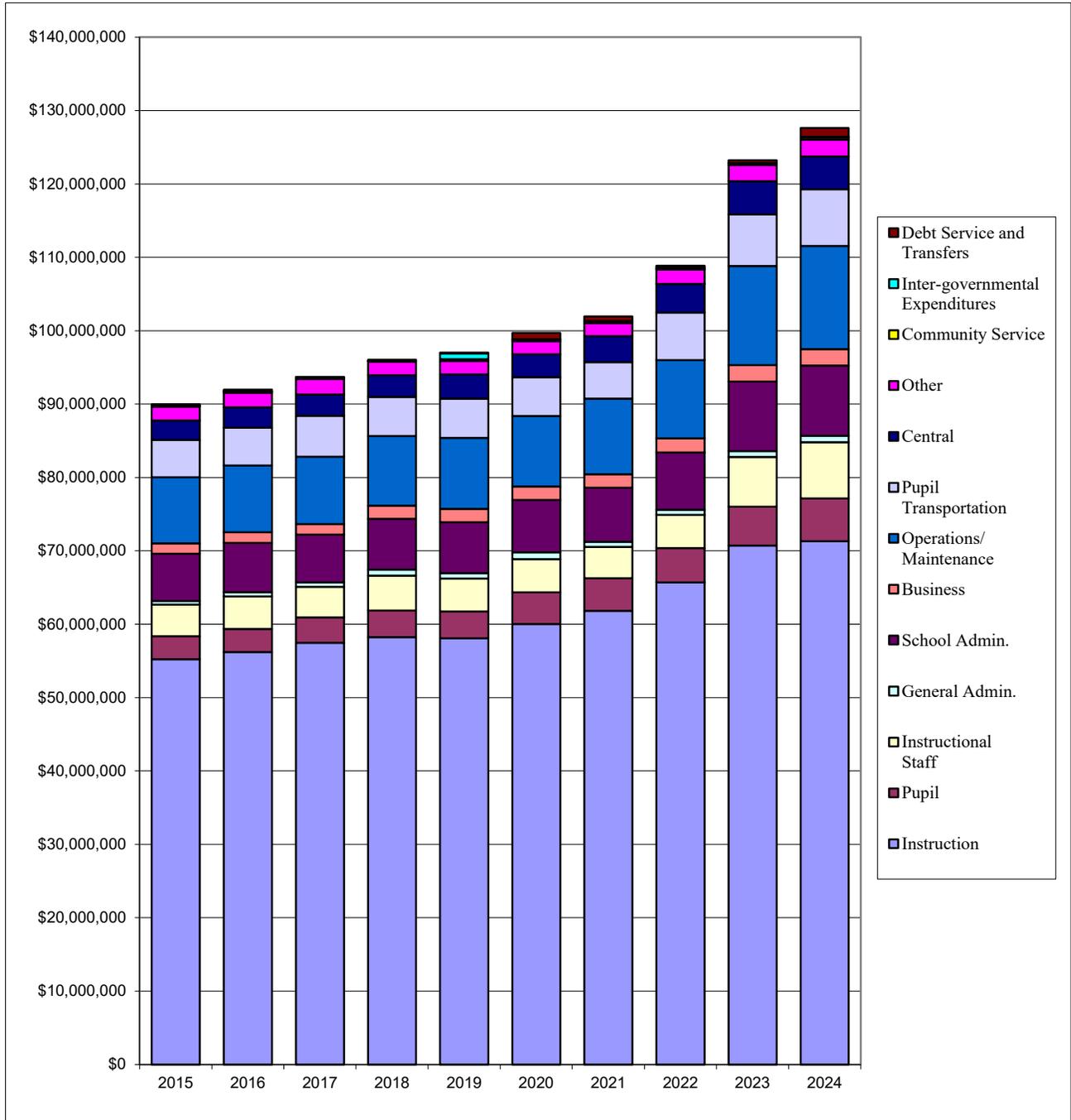
TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Statement of Revenues by Source - Government-Wide
Fiscal Years 2014-2015 through 2023-2024

Revenues	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Program revenues:					
Charges for services	\$ 7,554,186	\$ 7,967,606	\$ 8,416,163	\$ 7,537,504	\$ 6,760,627
Operating grants and contributions	8,279,489	8,490,800	8,070,545	8,307,183	9,629,456
General Revenues:					
Property Taxes	44,400,455	45,198,921	46,012,918	47,276,448	49,567,022
State Aid - Unrestricted	47,703,689	44,619,923	48,811,418	52,245,272	50,489,833
Other	3,561,655	3,035,707	3,278,771	4,509,646	4,196,267
Total Revenue	\$ 111,499,474	\$ 109,312,957	\$ 114,589,815	\$ 119,876,053	\$ 120,643,205

Revenues	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Program revenues:					
Charges for services	\$ 5,209,270	\$ 2,952,737	\$ 4,458,190	\$ 6,398,475	\$ 5,906,244
Operating grants and contributions	11,178,528	15,895,301	21,721,413	21,861,529	22,839,230
General Revenues:					
Property Taxes	52,239,172	54,426,694	56,281,997	61,476,904	67,537,572
State Aid - Unrestricted	50,312,262	50,693,928	52,341,992	53,908,339	64,417,575
Other	4,877,687	5,357,714	5,289,856	6,571,342	8,598,860
Total Revenue	\$ 123,816,919	\$ 129,326,374	\$ 140,093,448	\$ 150,216,589	\$ 169,299,481

Source: Compiled by TCAPS Business Office

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Fund - Expenditures and Transfers by Function
Graphical Representation
Fiscal Years 2014-2015 through 2023-2024



TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Fund - Expenditures and Transfers by Function
Fiscal Years 2014-2015 through 2023-2024

Year Ended June 30	Support Services						
	Instruction	Pupil	Instructional Staff	General Admin.	School Admin.	Business	Operations/Maintenance
2015	\$ 55,233,442	\$ 3,123,569	\$ 4,302,350	\$ 529,320	\$ 6,419,606	\$ 1,413,471	\$ 8,993,881
2016	56,226,291	3,134,705	4,440,545	563,647	6,705,847	1,453,181	9,120,694
2017	57,462,857	3,455,660	4,173,283	582,946	6,515,286	1,456,066	9,183,569
2018	58,242,611	3,630,196	4,753,741	806,689	6,924,413	1,793,490	9,487,265
2019	58,081,218	3,639,287	4,504,306	731,150	6,950,160	1,833,869	9,664,422
2020	60,043,363	4,279,310	4,534,905	923,903	7,127,250	1,857,564	9,600,695
2021	61,832,354	4,424,409	4,280,037	696,132	7,364,348	1,851,116	10,283,981
2022	65,692,537	4,668,162	4,541,383	686,697	7,798,160	1,936,535	10,655,850
2023	70,732,494	5,281,602	6,780,340	802,318	9,475,321	2,221,801	13,527,196
2024	71,300,827	5,825,390	7,677,581	867,380	9,566,684	2,259,021	14,059,605

Year Ended June 30	Support Services			Community Service	Inter-governmental Expenditures	Debt Service and Transfers	Total Expenditures and Transfers
	Pupil Transportation	Central	Other				
2015	\$ 5,080,590	\$ 2,651,351	\$ 1,896,800	\$ 108,088	\$ 67,879	\$ 168,598	\$ 89,988,945
2016	5,132,582	2,783,460	1,998,099	104,121	89,528	212,336	91,965,036
2017	5,567,794	2,880,693	2,123,148	95,433	63,796	129,821	93,690,352
2018	5,342,191	2,952,881	1,859,990	82,836	54,378	115,511	96,046,192
2019	5,344,422	3,310,120	1,799,711	244,636	769,301	120,275	96,992,877
2020	5,308,179	3,101,489	1,762,161	240,892	66,844	868,113	99,714,668
2021	4,992,436	3,513,850	1,786,605	229,644	75,517	632,788	101,963,217
2022	6,468,397	3,929,629	1,947,277	142,214	181,372	187,535	108,835,748
2023	7,034,169	4,511,127	2,222,213	222,751	46,994	378,593	123,236,919
2024	7,731,816	4,463,211	2,268,446	296,381	120,220	1,173,128	127,609,690

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends

General Fund - Sources of Expenditures and Transfers as a Percentage of Total Expenditures
Fiscal Years 2014-2015 through 2023-2024

Year Ended June 30	Instruction	Pupil	Instructional Staff	General Admin.	School Admin.	Business
2015	61.38%	3.47%	4.78%	0.59%	7.13%	1.57%
2016	61.14%	3.41%	4.83%	0.61%	7.29%	1.58%
2017	61.33%	3.69%	4.45%	0.62%	6.95%	1.55%
2018	60.64%	3.78%	4.95%	0.84%	7.21%	1.87%
2019	59.88%	3.75%	4.64%	0.75%	7.17%	1.89%
2020	60.22%	4.29%	4.55%	0.93%	7.15%	1.86%
2021	60.64%	4.34%	4.20%	0.68%	7.22%	1.82%
2022	60.36%	4.29%	4.17%	0.63%	7.17%	1.78%
2023	57.40%	4.29%	5.50%	0.65%	7.69%	1.80%
2024	55.87%	4.57%	6.02%	0.68%	7.50%	1.77%

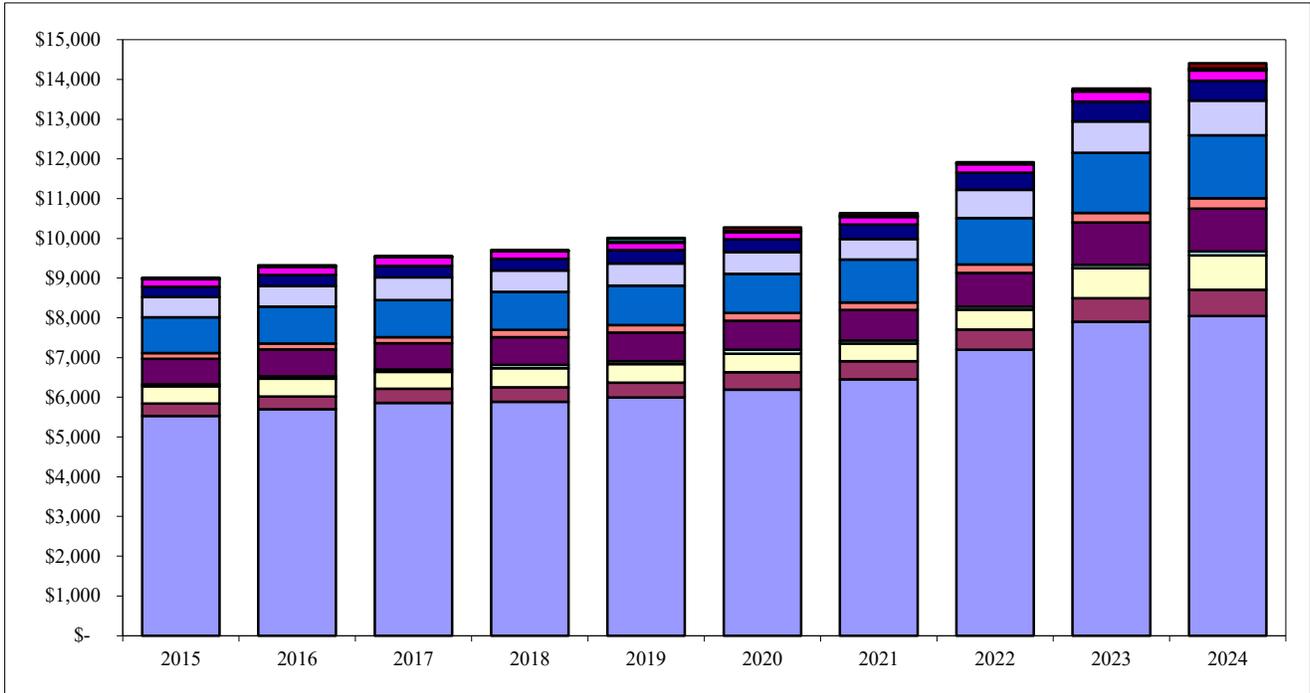
Year Ended June 30	Operations/ Maintenance	Pupil Transportation	Central	Other	Community Service	Inter- governmental Expenditures
2015	9.99%	5.65%	2.95%	2.11%	0.12%	0.08%
2016	9.92%	5.58%	3.03%	2.17%	0.11%	0.10%
2017	9.80%	5.94%	3.07%	2.27%	0.10%	0.07%
2018	9.88%	5.56%	3.07%	1.94%	0.09%	0.06%
2019	9.96%	5.51%	3.41%	1.86%	0.25%	0.79%
2020	9.63%	5.32%	3.11%	1.77%	0.24%	0.07%
2021	10.09%	4.90%	3.45%	1.75%	0.23%	0.07%
2022	9.79%	5.94%	3.61%	1.79%	0.13%	0.17%
2023	10.98%	5.71%	3.66%	1.80%	0.18%	0.04%
2024	11.02%	6.06%	3.50%	1.78%	0.23%	0.09%

Year Ended June 30	Debt Service	Transfers	Total Expenditures and Transfers
2015	0.00%	0.19%	100.00%
2016	0.00%	0.23%	100.00%
2017	0.00%	0.14%	100.00%
2018	0.00%	0.12%	100.00%
2019	0.00%	0.12%	100.00%
2020	0.00%	0.87%	100.00%
2021	0.00%	0.62%	100.00%
2022	0.00%	0.17%	100.00%
2023	0.14%	0.17%	100.00%
2024	0.15%	0.77%	100.00%

Source: Compiled by TCAPS Business Office

**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends**

**General Fund - Comparison of Per Pupil Expenditures and Transfers by Function ¹
Fiscal Years 2014-2015 through 2023-2024**

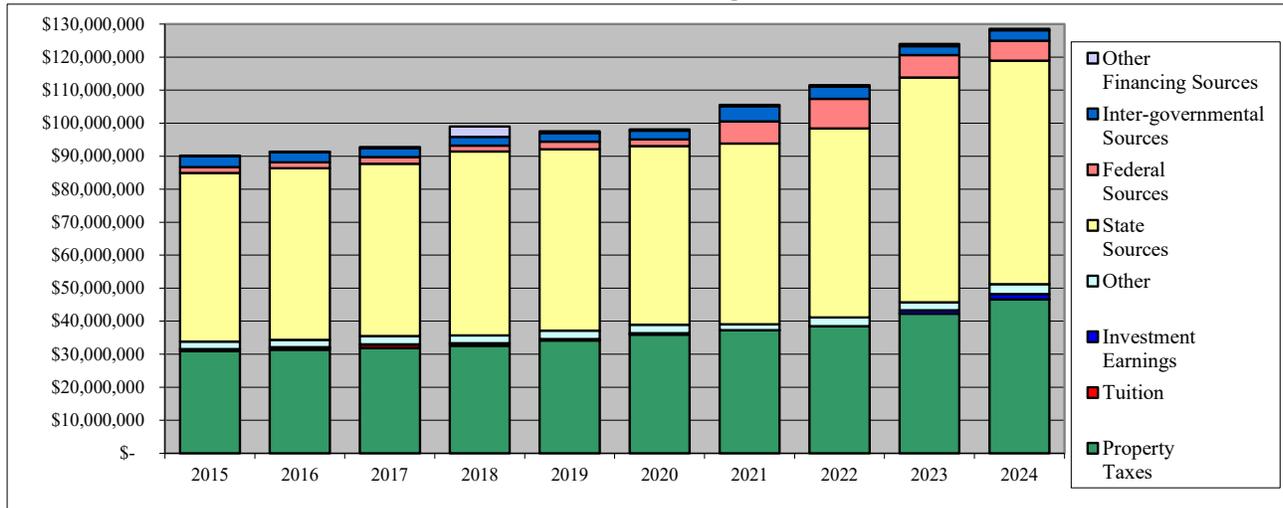


Year Ended	Instruction	Pupil	Instruc- tional Staff	Gen. Admin.	School Admin.	Business	Oper./ Maint.	Pupil Trans.	Central	Other	Comm. Service	Inter Gov. Exp.	Debt Service and Oper. Trans.	Total Expenditures and Transfers
2015	\$ 5,531	\$ 313	\$ 431	\$ 53	\$ 643	\$ 142	\$ 901	\$ 509	\$ 265	\$ 190	\$ 11	\$ 7	\$ 17	\$ 9,011
2016	5,701	318	450	57	680	147	925	520	282	203	11	9	22	9,324
2017	5,861	352	426	59	664	149	937	568	294	217	10	7	13	9,555
2018	5,885	367	480	82	700	181	959	540	298	188	8	5	12	9,706
2019	5,995	376	465	75	717	189	997	552	342	186	25	79	12	10,011
2020	6,189	441	467	95	735	191	990	547	320	182	25	7	89	10,279
2021	6,448	461	446	73	768	193	1,072	521	366	186	24	8	66	10,633
2022	7,195	511	497	75	854	212	1,167	708	430	213	16	20	21	11,921
2023	7,902	590	757	90	1,059	248	1,511	786	504	248	25	5	42	13,768
2024	8,049	658	867	98	1,080	255	1,587	873	504	256	33	14	132	14,406

¹ Expenditures restated on a per pupil basis by using the following formula: Expenditure/current enrollment = per pupil expenditure.

Source: Compiled by TCAPS Business Office

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Fund - Revenues and Other Financing Sources by Source
Fiscal Years 2014-2015 through 2023-2024



Year Ended June 30	Property Taxes	Tuition	Investment Earnings	Other	State Sources	Federal Sources	Inter- governmental Sources	Other Financing Sources	Total Revenues and Other Financing Sources
2015	\$ 30,896,714	\$ 639,120	\$ 18,282	\$ 2,297,841	\$ 51,064,397	\$ 1,802,471	\$ 3,332,332	\$ 111,574	\$ 90,162,731
2016	31,320,438	754,798	25,356	2,237,256	52,004,781	1,780,560	3,109,917	135,595	91,368,701
2017	31,844,987	1,056,231	65,440	2,513,301	52,219,420	2,060,213	2,622,009	365,836	92,747,437
2018	32,571,182	564,560	139,467	2,378,733	55,774,382	1,741,882	2,664,557	3,160,620	98,995,383
2019	34,132,614	120,451	294,269	2,569,364	55,012,323	2,273,039	2,632,598	515,937	97,550,595
2020	35,943,979	148,260	301,896	2,479,085	54,153,013	2,046,585	2,663,866	416,734	98,153,418
2021	37,267,122	32,781	19,371	1,716,615	54,784,553	6,653,327	4,669,416	369,623	105,512,808
2022	38,486,218	24,000	10,683	2,558,387	57,264,279	9,006,995	3,703,597	452,429	111,506,588
2023	42,302,589	28,151	1,010,480	2,390,980	68,108,802	6,742,462	2,739,218	650,408	123,973,090
2024	46,592,523	15,820	1,634,921	2,987,283	67,696,681	5,995,437	3,239,195	411,285	128,573,145

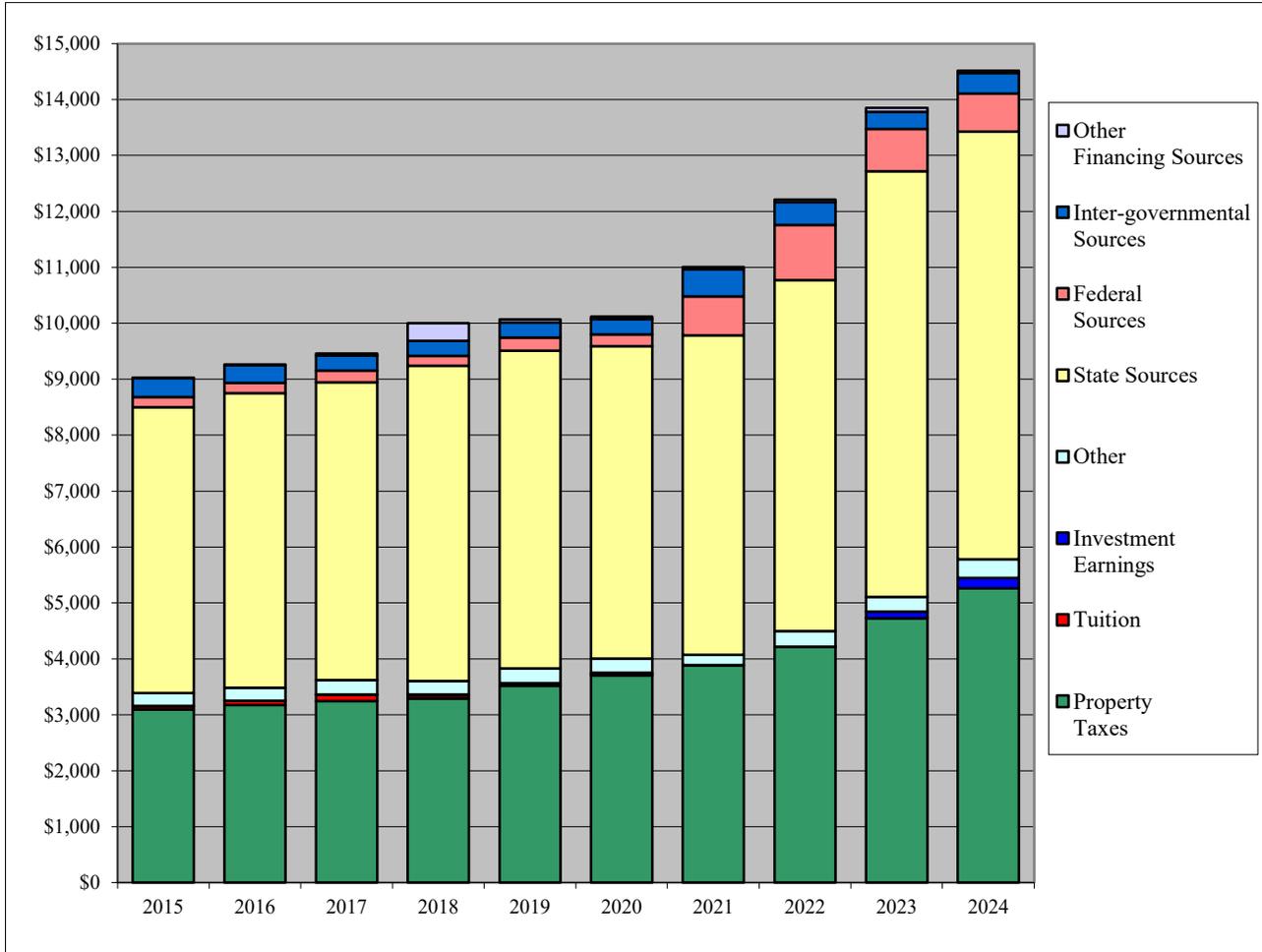
Sources of Revenues as a Percentage of Total Revenue

Year Ended June 30	Property Taxes	Tuition	Investment Earnings	Other	State Sources	Federal Sources	Inter- governmental Sources	Other Financing Sources	Total Revenues and Other Financing Sources
2015	34.27%	0.71%	0.02%	2.55%	56.64%	2.00%	3.70%	0.12%	100.00%
2016	34.28%	0.83%	0.03%	2.45%	56.92%	1.95%	3.40%	0.15%	100.00%
2017	34.34%	1.14%	0.07%	2.71%	56.30%	2.22%	2.83%	0.39%	100.00%
2018	32.90%	0.57%	0.14%	2.40%	56.34%	1.76%	2.69%	3.19%	100.00%
2019	34.99%	0.12%	0.30%	2.63%	56.39%	2.33%	2.70%	0.53%	100.00%
2020	36.62%	0.15%	0.31%	2.53%	55.17%	2.09%	2.71%	0.42%	100.00%
2021	35.32%	0.03%	0.02%	1.63%	51.92%	6.31%	4.43%	0.35%	100.00%
2022	34.51%	0.02%	0.01%	2.29%	51.36%	8.08%	3.32%	0.41%	100.00%
2023	34.12%	0.02%	0.82%	1.93%	54.94%	5.44%	2.21%	0.52%	100.00%
2024	36.24%	0.01%	1.27%	2.32%	52.65%	4.66%	2.52%	0.32%	100.00%

Source: Compiled by TCAPS Business Office

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends

General Fund - Comparison of Per Pupil Revenues and Other Financing Sources by Source ¹
Fiscal Years 2014-2015 through 2023-2024



Year Ended June 30	Property Taxes	Tuition	Investment Earnings	Other	State Sources	Federal Sources	Inter-governmental Sources	Other Financing Sources	Total Revenues and Other Financing Sources	Student Enrollment ²
2015	\$ 3,094	\$ 64	\$ 2	\$ 230	\$ 5,113	\$ 180	\$ 334	\$ 11	\$ 9,028	9,987
2016	3,176	77	3	227	5,273	181	315	14	9,264	9,863
2017	3,248	108	7	256	5,326	210	267	37	9,459	9,805
2018	3,291	57	14	240	5,636	176	269	319	10,004	9,896
2019	3,523	12	30	265	5,678	235	272	53	10,068	9,689
2020	3,705	15	31	256	5,582	211	275	43	10,118	9,701
2021	3,886	3	2	179	5,713	694	487	39	11,004	9,589
2022	4,215	3	1	280	6,272	987	406	50	12,213	9,130
2023	4,726	3	113	267	7,609	753	306	73	13,850	8,951
2024	5,260	2	185	337	7,642	677	366	46	14,515	8,858

¹ Revenues restated on a per pupil basis by using the following formula: Revenue/current enrollment = per pupil revenue.

² Student enrollment figures are taken from the year-end state-aid status report.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Fund - History of Fund Equity
Fiscal Years 2014-2015 through 2023-2024

Fiscal Year	General Fund Equity	Total Expenditures and Transfers Out	% of General Fund
2014-2015	\$ 6,692,523	\$ 89,988,945	7.44%
2015-2016	6,096,188	91,965,036	6.63%
2016-2017	5,153,273	93,690,352	5.50%
2017-2018	8,102,464	96,046,192	8.44%
2018-2019	8,660,182	96,992,877	8.93%
2019-2020	7,098,932	99,714,668	7.12%
2020-2021	10,648,523	101,963,217	10.44%
2021-2022	13,319,363	108,835,748	12.24%
2022-2023	14,055,534	123,236,919	11.41%
2023-2024	15,018,989	127,609,690	11.77%

Source: Compiled by TCAPS Business Office

Fiscal Year	General Fund Equity	Total Revenue and Transfers In	% of General Fund
2014-2015	\$ 6,692,523	\$ 90,162,731	7.42%
2015-2016	6,096,188	91,368,701	6.67%
2016-2017	5,153,273	92,747,437	5.56%
2017-2018	8,102,464	98,995,383	8.18%
2018-2019	8,660,182	97,550,595	8.88%
2019-2020	7,098,932	98,153,418	7.23%
2020-2021	10,648,523	105,512,808	10.09%
2021-2022	13,319,363	111,506,588	11.94%
2022-2023	14,055,534	123,973,090	11.34%
2023-2024	15,018,989	128,573,145	11.68%

Source: Compiled by TCAPS Business Office

**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Statistical Section
2023-2024**

REVENUE AND DEBT CAPACITY

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Property Tax Levies and Collections
Fiscal Years 2014-2015 through 2023-2024

General Fund

Fiscal Year	Tax Year	Original Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014-2015	2014	\$ 30,677,070	\$ 30,641,080	99.88%	\$ 554	\$ 30,641,634	99.88%
2015-2016	2015	31,241,191	31,104,948	99.56%	110,274	31,215,222	99.92%
2016-2017	2016	31,761,313	31,740,709	99.94%	11,642	31,752,351	99.97%
2017-2018	2017	31,499,860	31,465,124	99.89%	10,739	31,475,863	99.92%
2018-2019	2018	34,061,167	34,027,126	99.90%	9,333	34,036,459	99.93%
2019-2020	2019	35,894,668	35,840,084	99.85%	5,118	35,845,202	99.86%
2020-2021	2020	37,268,501	37,170,945	99.74%	5,328	37,176,273	99.75%
2021-2022	2021	38,398,474	38,394,140	99.99%	334	38,394,474	99.99%
2022-2023	2022	42,206,166	42,164,654	99.90%	4,887	42,169,541	99.91%
2023-2024	2023	46,495,401	46,467,243	99.94%	-	46,467,243	99.94%

Debt Service

Fiscal Year	Tax Year	Original Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014-2015	2014	\$ 13,452,206	\$ 13,437,197	99.89%	\$ 8,318	\$ 13,445,515	99.95%
2015-2016	2015	13,873,622	13,843,905	99.79%	16,637	13,860,542	99.91%
2016-2017	2016	14,149,564	14,128,610	99.85%	4,502	14,133,112	99.88%
2017-2018	2017	14,652,615	14,639,569	99.91%	7,882	14,647,451	99.96%
2018-2019	2018	15,377,063	15,369,552	99.95%	4,735	15,374,287	99.98%
2019-2020	2019	16,187,208	16,167,668	99.88%	2,230	16,169,898	99.89%
2020-2021	2020	17,019,455	16,992,848	99.84%	1,926	16,994,774	99.85%
2021-2022	2021	17,760,812	17,756,290	99.97%	189	17,756,479	99.98%
2022-2023	2022	19,186,029	19,173,599	99.94%	3,461	19,177,060	99.95%
2023-2024	2023	20,861,979	20,849,182	99.94%	-	20,849,182	99.94%

Source: Compiled by TCAPS Business Office

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Assessed and Estimated Actual Value of Property
Fiscal Years 2014-2015 through 2023-2024

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Value</u>	<u>Estimated Cash Value</u>
2014-2015	2014	\$ 5,123,856,539	\$ 10,247,713,078
2015-2016	2015	5,315,168,275	10,630,336,550
2016-2017	2016	5,546,848,735	11,093,697,470
2017-2018	2017	5,866,049,727	11,732,099,454
2018-2019	2018	6,147,831,756	12,295,663,512
2019-2020	2019	6,593,794,495	13,187,588,990
2020-2021	2020	7,087,089,805	14,174,179,610
2021-2022	2021	7,527,153,543	15,054,307,086
2022-2023	2022	8,287,752,731	16,575,505,462
2023-2024	2023	9,454,905,296	18,909,810,592

Source: Compiled by TCAPS Business Office

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Tax Rates - Overlapping ¹
Tax Years 2014-2023

Tax Year	Operating (Mills)	Debt (Mills)	State Education (Mills)	Northwest Education Services (Mills)	Northwestern Michigan Community College (Mills)	County of Benzie (Mills)	Almira Township (Mills)	County of Leelanau (Mills)
2014	18.0000	3.1000	6.0000	2.9312	2.9100	8.0057	2.3943	4.3143
2015	18.0000	3.1000	6.0000	2.9312	2.8300	8.0121	3.0228	4.3143
2016	18.0000	3.1000	6.0000	2.9299	2.8192	8.1691	2.9933	4.2947
2017	18.0000	3.1000	6.0000	2.9234	2.7420	8.3224	2.9593	4.2628
2018	18.0000	3.1000	6.0000	2.9197	2.7139	8.5110	2.9319	4.2948
2019	18.0000	3.1000	6.0000	2.9161	2.6839	8.4995	2.9079	4.2693
2020	18.0000	3.1000	6.0000	2.9091	2.1137	8.4660	2.8960	4.4986
2021	18.0000	3.1000	6.0000	2.9003	2.0935	8.0865	2.9306	4.4105
2022	18.0000	3.1000	6.0000	2.8871	2.0574	8.5829	2.8745	4.3825
2023	18.0000	3.1000	6.0000	2.8871	2.0574	8.4483	2.9033	4.3575

Tax Year	Elmwood Township (Mills)	Solon Township (Mills)	Grand Traverse County (Mills)	BATA (Mills)	District Library (Mills)	Acme Township (Mills)	Blair Township (Mills)	East Bay Township (Mills)
2014	0.6617	1.6053	7.2433	0.3454	1.1002	0.7332	2.3250	0.7348
2015	2.3116	1.5995	6.5838	0.3454	0.9548	1.4632	2.3250	0.7348
2016	2.3060	2.0974	6.7017	0.3447	1.0870	1.4582	2.3250	0.7348
2017	2.2957	2.0845	6.6486	0.3420	0.9467	1.4582	2.3203	0.7284
2018	2.9031	2.3404	6.7608	0.4978	0.9431	1.4486	2.3082	0.7230
2019	2.8917	2.3274	6.6915	0.4952	0.9382	1.4486	2.2928	0.7174
2020	2.8740	3.0825	6.6548	0.4908	0.9292	1.4438	2.2672	0.7109
2021	2.8337	3.0331	6.5560	0.4863	0.9202	1.4306	2.2456	0.7051
2022	3.2258	3.0632	6.5149	0.4788	0.9044	1.4130	3.2049	0.6871
2023	3.2258	3.0632	6.5149	0.4788	0.9044	1.4130	3.2049	0.6871

Tax Year	Garfield Township (Mills)	Grant Township (Mills)	Green Lake Township (Mills)	Long Lake Township (Mills)	Peninsula Township (Mills)	Union Township (Mills)	Whitewater Township (Mills)	City of Traverse (Mills)
2014	2.3372	0.7377	2.6396	1.6812	2.9432	1.2396	0.6021	13.4367
2015	2.0000	0.7377	2.6396	1.6680	3.0732	1.2396	2.1016	13.4367
2016	2.0000	0.7357	2.6297	1.6539	3.0510	1.2396	2.1007	13.4367
2017	2.0000	0.7290	2.6067	1.6354	3.0298	1.2289	2.0920	13.4367
2018	2.0000	0.7274	3.5446	1.6198	2.6185	1.2286	2.0900	14.4367
2019	2.0000	0.7274	3.5249	1.6440	2.5984	1.2242	2.0803	14.4367
2020	2.0000	0.7265	4.0991	3.6131	2.5736	1.1944	2.0648	14.4367
2021	2.0000	2.4700	4.0570	3.5805	2.5325	1.1883	2.0379	14.4154
2022	2.0000	2.4700	4.0136	3.5314	2.8451	1.1743	2.0101	14.0888
2023	1.7500	2.4700	4.0136	3.5314	2.8451	1.1743	2.0101	14.0888

¹ The school district is restricted by state law (Proposal A - 1994) to a maximum levy of 18 mills on non-principal residence and 6 mills on commercial personal property.

Source: State of Michigan Department of Treasury

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Ratio of Net General Bonded Debt Outstanding to Assessed Value
and Net Bonded Debt Per Capita
Fiscal Years 2014-2015 through 2023-2024

Fiscal Year	Tax Year	Population ¹ (Estimated)	Assessed Valuation	Gross Bonded Debt ²	Debt Service Monies Available	Net Bonded Debt ²	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2014-2015	2014	90,782	\$ 5,123,856,539	\$ 68,061,350	\$ 1,495,974	\$ 66,565,376	1.30%	\$ 733
2015-2016	2015	91,363	5,315,168,275	83,663,613	1,517,325	82,146,288	1.55%	899
2016-2017	2016	92,084	5,546,848,735	71,467,567	1,589,902	69,877,665	1.26%	759
2017-2018	2017	91,796	5,866,049,727	70,643,610	1,809,573	68,834,037	1.17%	750
2018-2019	2018	92,573	6,147,831,756	91,673,877	1,795,042	89,878,835	1.46%	971
2019-2020	2019	93,088	6,593,794,495	77,144,974	1,405,045	75,739,929	1.15%	814
2020-2021	2020	93,646	7,087,089,805	105,004,910	1,849,079	103,155,831	1.46%	1,102
2021-2022	2021	95,860	7,527,153,543	88,962,014	1,550,025	87,411,989	1.16%	912
2022-2023	2022	96,888	8,287,752,731	104,509,657	2,593,662	101,915,995	1.23%	1,052
2023-2024	2023	96,464	9,454,905,296	85,221,708	2,152,458	83,069,250	0.88%	861

¹ Source: U.S. Census Bureau; Grand Traverse County

² Presented net of original discounts and premiums.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Ratio of Net General Bonded Debt Outstanding
Fiscal Years 2014-2015 through 2023-2024

Fiscal Year	General Obligation Bonds ¹	Monies Restricted for Debt Service	Net Bonded Debt ¹	Percentage of Taxable Value ²	Per Capita ³
2014-2015	\$ 68,061,350	\$ 1,495,974	\$ 66,565,376	1.52%	\$ 733
2015-2016	83,663,613	1,517,325	82,146,288	1.84%	899
2016-2017	71,467,567	1,589,902	69,877,665	1.53%	759
2017-2018	70,643,610	1,809,573	68,834,037	1.46%	750
2018-2019	91,673,877	1,795,042	89,878,835	1.81%	971
2019-2020	77,144,974	1,405,045	75,739,929	1.45%	814
2020-2021	105,004,910	1,849,079	103,155,831	1.88%	1,102
2021-2022	88,962,014	1,550,025	87,411,989	1.53%	912
2022-2023	104,509,657	2,593,662	101,915,995	1.65%	1,052
2023-2024	85,221,708	2,152,458	83,069,250	1.23%	861

¹ Presented net of original discounts and premiums.

² Property Taxable Value data provided in Demographic & Economic Information - Property Value & Construction Schedule.

³ Population data provided in Demographic & Economic Information - School District Demographic Statistics Schedule.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Ratio of Net Debt Outstanding by Type
Fiscal Years 2014-2015 through 2023-2024

Fiscal Year	General Obligation Bonds ¹	Direct Borrowing and Direct Placement ³	Monies Restricted for Debt Service	Total Net Outstanding Debt ¹	Percentage of Personal Income ²	Per Capita ²
2014-2015	\$ 68,061,350	\$ -	\$ 1,495,974	\$ 66,565,376	1.73%	\$ 733
2015-2016	83,663,613	-	1,517,325	82,146,288	2.02%	899
2016-2017	71,467,567	-	1,589,902	69,877,665	1.65%	759
2017-2018	70,643,610	-	1,809,573	68,834,037	1.55%	750
2018-2019	91,673,877	-	1,795,042	89,878,835	1.92%	971
2019-2020	77,144,974	-	1,405,045	75,739,929	1.58%	814
2020-2021	105,004,910	-	1,849,079	103,155,831	1.94%	1,102
2021-2022	88,962,014	190,099	1,550,025	87,602,088	1.51%	914
2022-2023	104,509,657	397,914	2,593,662	102,313,909	1.71%	1,056
2023-2024	85,221,708	285,278	2,152,458	83,354,528	1.31%	864

¹ Presented net of original discounts and premiums.

² Personal Income and Population data provided in Demographic & Economic Information - School District Demographic Statistics Schedule.

³ The 2021-2022 direct borrowing and direct placement amount was restated with the implementation of GASB Statement 96.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Legal Debt Margin Information
2015-2024

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	\$ 9,454,905,296
Debt limit (15% of assessed value)	1,418,235,794
Debt applicable to limit:	
General obligation bonds	77,125,000
Less: Amount set aside for repayment of general obligation debt	2,152,458
Total net debt applicable to limit	74,972,542
Legal debt margin	\$ 1,343,263,252

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 768,578,481	\$ 797,275,241	\$ 832,027,310	\$ 892,438,309	\$ 920,199,275
Total net debt applicable to limit	65,584,026	80,697,675	68,710,098	67,090,427	83,604,958
Legal debt margin	\$ 702,994,455	\$ 716,577,566	\$ 763,317,212	\$ 825,347,882	\$ 836,594,317
Total net debt applicable to the limit as a percentage of debt limit	8.53%	10.12%	8.26%	7.52%	9.09%

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 989,069,174	\$ 1,063,063,471	\$ 1,129,073,031	\$ 1,243,162,910	\$ 1,418,235,794
Total net debt applicable to limit	70,144,955	94,360,921	79,659,975	92,506,338	74,972,542
Legal debt margin	\$ 918,924,219	\$ 968,702,550	\$ 1,049,413,056	\$ 1,150,656,572	\$ 1,343,263,252
Total net debt applicable to the limit as a percentage of debt limit	7.09%	8.88%	7.06%	7.44%	5.29%

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Schedule of Direct and Overlapping Debt
June 30, 2024

Direct Debt	Debt Outstanding	Percent Applicable to School District ¹	Amount Applicable to School District ¹	Debt Principal Per Capita (Pop 96,464)	Percent of STV ²
General Obligation Bonds	\$ 77,125,000	100.00%	\$ 77,125,000	\$ 800	1.15%
Total Direct Debt	77,125,000		77,125,000	800	1.15%
Overlapping Debt ³					
Traverse City	13,955,500	100.00%	13,955,500	145	0.21%
Acme Township	554,725	85.44%	473,957	5	0.01%
Blair Township	9,065,000	95.72%	8,677,018	90	0.13%
East Bay Township	3,718,062	100.00%	3,718,062	39	0.06%
Elmwood Township	12,240	89.70%	10,979	0	0.00%
Garfield Township	218,817	100.00%	218,817	2	0.00%
Green Lake Township	3,321,686	92.44%	3,070,567	32	0.05%
Long Lake Township	2,800,000	100.00%	2,800,000	29	0.04%
Peninsula Township	1,621,156	100.00%	1,621,156	17	0.02%
Benzie County	2,970,000	2.84%	84,348	1	0.00%
Grand Traverse County	63,885,764	89.02%	56,871,107	590	0.85%
Leelanau County	1,345,000	14.05%	188,973	2	0.00%
Northwestern Community College	21,320,000	89.02%	18,979,064	197	0.29%
Traverse City-Garfield Recreational Authority	725,000	100.00%	725,000	8	0.01%
Total Overlapping Debt	125,512,950		111,394,548	1,155	1.67%
Total Direct and Overlapping Debt	\$ 202,637,950		\$ 188,519,548	\$ 1,954	2.81%

¹ Overlapping debt is determined by applying the percentage of the school district's taxable value to the respective jurisdiction's entire taxable value times the jurisdiction's total tax supported debt.

² 2023 Taxable Value equal to 6,727,446,559

³ Overlapping debt amounts provided by Municipal Advisory Council of Michigan.

Source: Municipal Advisory Council of Michigan

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue & Debt Capacity
Taxable Valuation of Property in School District
Tax Years 2014-2023

Tax Year	Valuation					Tax Levy (Mills)			
	Principal Residence Exemption	Industrial Personal Property	Commercial Personal Property	All Other Non-PRE	Taxable Valuation Total	Principal Residence Exemption	Non-Principal Residence Exemption	Commercial Personal Property	Debt
2014	\$ 2,451,503,634	\$ 61,557,308	\$ 110,499,128	\$ 1,763,170,009	\$ 4,386,730,079	6.00	18.0000	6.00	3.10
2015	2,521,868,619	70,149,000	109,218,500	1,755,679,918	4,456,916,037	6.00	18.0000	6.00	3.10
2016	2,619,800,458	43,840,000	112,261,182	1,778,955,744	4,554,857,384	6.00	18.0000	6.00	3.10
2017	2,739,054,623	33,837,000	119,194,012	1,825,905,003	4,717,990,638	6.00	18.0000	6.00	3.10
2018	2,891,372,306	34,846,600	123,279,055	1,903,386,687	4,952,884,648	6.00	18.0000	6.00	3.10
2019	3,045,093,892	30,784,300	127,484,183	2,010,853,174	5,214,215,549	6.00	18.0000	6.00	3.10
2020	3,229,262,843	28,029,200	133,930,000	2,094,808,036	5,486,030,079	6.00	18.0000	6.00	3.10
2021	3,390,855,953	33,707,700	128,045,737	2,170,907,939	5,723,517,329	6.00	18.0000	6.00	3.10
2022	3,623,144,912	33,587,200	131,807,200	2,396,743,407	6,185,282,719	6.00	18.0000	6.00	3.10
2023	3,924,987,656	31,169,900	124,157,000	2,647,132,003	6,727,446,559	6.00	18.0000	6.00	3.10

Source: Compiled by TCAPS Business Office

**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Statistical Section
2023-2024**

DEMOGRAPHIC AND ECONOMIC INFORMATION

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic & Economic Information
Employment by Classification
Fiscal Years 2014-2015 through 2023-2024

School Year	Number of Staff			Total
	Instructional Employees	Administrative Employees	Support/ Non-Instructional Employees	
2014-2015	571	81	623	1,275
2015-2016	548	84	617	1,249
2016-2017	535	87	615	1,237
2017-2018	534	84	601	1,219
2018-2019	531	85	584	1,200
2019-2020	545	87	581	1,213
2020-2021	518	88	537	1,143
2021-2022	516	88	536	1,140
2022-2023	515	104	532	1,151
2023-2024	520	106	543	1,169

Source: TCAPS Human Resources Department

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic & Economic Information
School District Demographic Statistics
Fiscal Years 2014-2015 through 2023-2024

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (Thousands)</u>	<u>Per Capita Income</u>	<u>% of Michigan</u>	<u>% of U.S.</u>	<u>Unemployment Rate¹</u>
2014-2015	90,782	\$ 3,840,464	\$ 42,298	103.31%	91.03%	4.7%
2015-2016	91,363	4,064,560	44,330	101.34%	90.68%	4.1%
2016-2017	92,084	4,226,265	45,956	100.17%	90.14%	4.3%
2017-2018	91,796	4,441,732	48,387	100.28%	89.94%	4.5%
2018-2019	92,573	4,687,847	50,639	100.51%	87.81%	4.1%
2019-2020	93,088	4,805,113	51,619	100.70%	90.56%	9.9%
2020-2021	93,646	5,321,694	56,861	103.66%	92.26%	5.1%
2021-2022	95,860	5,788,755	60,388	104.78%	93.00%	4.0%
2022-2023	96,888	5,989,358	62,089	108.04%	94.91%	3.7%
2023-2024	96,464 ²	6,384,106 ²	66,181 ²	110.82% ²	93.32% ²	3.8% ²

¹ Unemployment rate listed for 2023-2024 is the average YTD through 06/30/24; previous years are calendar annual average rates (not seasonally adjusted); Grand Traverse County.

² Estimated; Grand Traverse County

Source: Bureau of Economic Analysis; U.S. Census Bureau

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic & Economic Information
Property Value and Construction
Fiscal Years 2014-2015 through 2023-2024

Fiscal Year	Tax Year	Valuation					New Residential Building Permits ¹	
		Principal Residence Exemption	Industrial Personal Property	Commercial Personal Property	All Other Non-PRE	Total	Number	Value
2014-2015	2014	\$ 2,451,503,634	\$ 61,557,308	\$ 110,499,128	\$ 1,763,170,009	\$ 4,386,730,079	440	\$ 96,244,572
2015-2016	2015	2,521,868,619	70,149,000	109,218,500	1,755,679,918	4,456,916,037	478	95,617,643
2016-2017	2016	2,619,800,458	43,840,000	112,261,182	1,778,955,744	4,554,857,384	571	120,593,094
2017-2018	2017	2,739,054,623	33,837,000	119,194,012	1,825,905,003	4,717,990,638	600	116,510,580
2018-2019	2018	2,891,372,306	34,846,600	123,279,055	1,903,386,687	4,952,884,648	574	118,573,301
2019-2020	2019	3,045,093,892	30,784,300	127,484,183	2,010,853,174	5,214,215,549	571	120,593,094
2020-2021	2020	3,229,262,843	28,029,200	133,930,000	2,094,808,036	5,486,030,079	462	99,684,449
2021-2022	2021	3,390,855,953	33,707,700	128,045,737	2,170,907,939	5,723,517,329	264	61,437,116
2022-2023	2022	3,623,144,912	33,587,200	131,807,200	2,396,743,407	6,185,282,719	252	57,876,869
2023-2024	2023	3,924,987,656	31,169,900	124,157,000	2,647,132,003	6,727,446,559	197	43,592,873

¹ Grand Traverse and Leelanau Counties (single family units); source: U.S. Bureau of the Census.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic & Economic Information
Principal Taxpayers
Tax Years 2014 and 2023

2014		Taxable Valuation and Industrial Facilities Tax Valuation	
Principal Taxpayer	Product/Service	Total	Percent of Total
Grand Traverse Mall, Ltd.	Retail Shopping Mall	\$ 31,210,355	0.71%
Consumers Energy	Utility	21,017,409	0.48%
Hillshire Brands	Frozen Foods	20,639,476	0.47%
Grand Traverse Resort & Spa LLC	Resort	12,113,750	0.28%
Michigan Consolidated Gas (DTE Energy)	Utility	11,624,535	0.26%
Michigan Electric Transmission Co.	Utility	11,576,400	0.26%
Brixmore Grand Traverse LLC	Retail Shopping Mall	10,088,834	0.23%
Cherryland Electric Co-op	Lodge	9,210,718	0.21%
Great Wolf Lodge of TC LLC	Communications	7,801,451	0.18%
Traverse City Real Estate Holdings	Real Estate	7,621,700	0.17%
Subtotal		142,904,628	3.08%
All Others		4,243,825,451	96.92%
Totals		<u>\$ 4,386,730,079</u>	<u>100.00%</u>

2023		Taxable Valuation and Industrial Facilities Tax Valuation	
Principal Taxpayer	Product/Service	Total	Percent of Total
Detroit Edison	Utility	\$ 54,654,361	0.81%
Consumers Energy	Utility	34,477,611	0.51%
Delamar Traverse City SPE LLC	Resort	17,142,886	0.25%
CEGM Traverse City, LLC	Condominiums	16,195,009	0.24%
Cherryland Electric Coop	Utility	16,101,059	0.24%
Grand Traverse Resort & Spa LLC	Resort	16,068,769	0.24%
Elmers Crane & Dozer Inc	Paving/Construction	15,786,289	0.23%
Liv Arbors	Apartments	13,790,086	0.20%
Chelsea Park Garfield LLC	Apartments	13,186,171	0.20%
PHR TCI LLC	Hotel	11,093,401	0.16%
Subtotal		208,495,642	3.10%
All Others		6,518,950,917	96.90%
Totals		<u>\$ 6,727,446,559</u>	<u>100.00%</u>

Source: Grand Traverse, Leelanau, and Benzie Counties

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic & Economic Information
Principal Employers in the District
Fiscal Years 2014-2015 and 2023-2024

Employer	Product/Service	2014/2015	
		Approximate Number Employed	% of Total Employed
Munson Healthcare	Health Care	3,740	8.30%
Traverse City Area Public Schools	Education	1,275	2.83%
Grand Traverse Resort & Casinos	Hotel/Gaming	750	1.66%
Northwestern Michigan College	Education	700	1.55%
Hagerty	Insurance	645	1.43%
Meijer	Retail/Groceries	600	1.33%
Walmart	Retail/Groceries	600	1.33%
Sara Lee Bakery	Frozen Food	550	1.22%
Traverse Bay ISD	Education	521	1.16%
Grand Traverse County Government	Government	500	1.11%

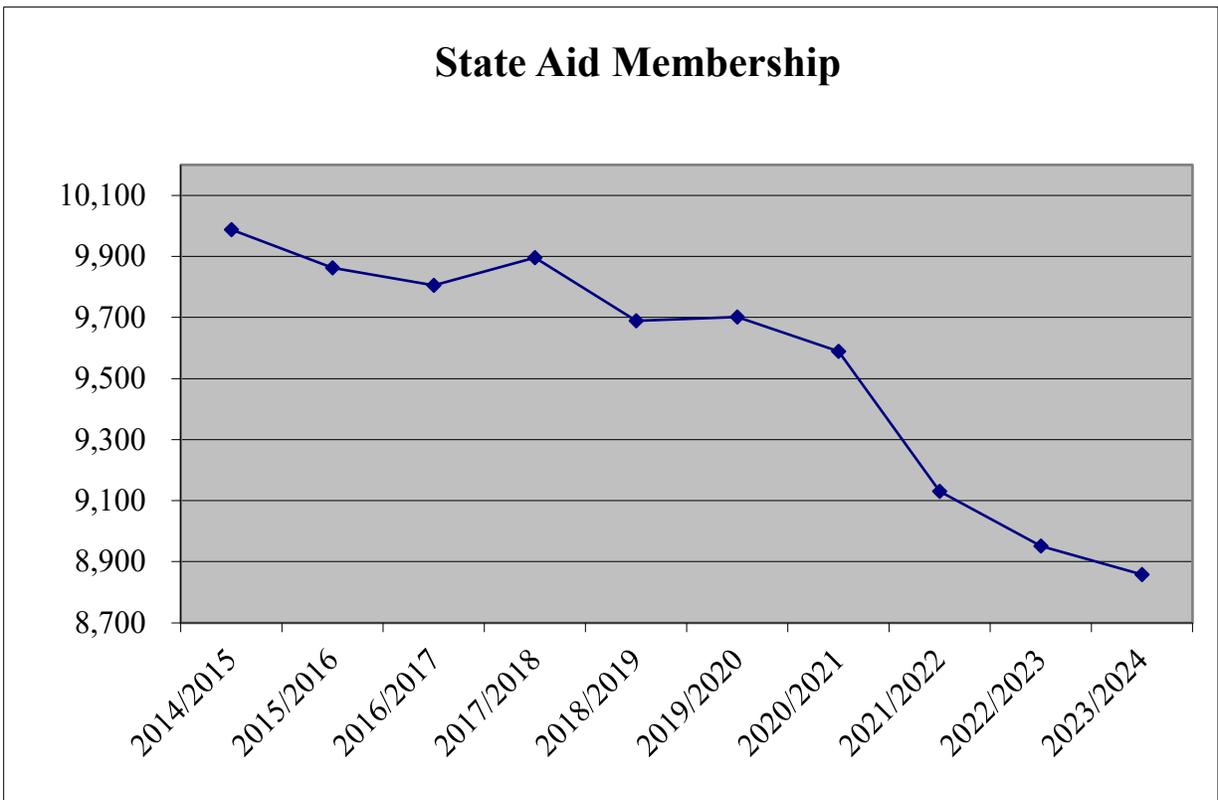
Employer	Product/Service	2023/2024	
		Approximate Number Employed	% of Total Employed ¹
Munson Healthcare	Health Care	3,700	6.83%
Traverse City Area Public Schools	Education	1,169	2.16%
Northwestern Michigan College	Education	674	1.24%
Northwest Education Services (formerly TBAISD)	Education	627	1.16%
Grand Traverse County	Government	577	1.06%
Interlochen Center for the Arts	Education	550	1.01%
Hagerty Insurance	Insurance	500	0.92%
Grand Traverse Resort & Casinos	Hotel/Gaming	500	0.92%
Sara Lee Bakery	Frozen Food	450	0.83%
Britten Banners, Inc.	Signs & Banners	350	0.65%

¹ Total number employed in Grand Traverse County; employed numbers may not reflect recent changes in employment due to reporting time lags and other factors that impact data collection of this kind.

Sources: Grand Traverse County and individual employers

**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic & Economic Information
School District State Aid Membership
Fiscal Years 2014-2015 through 2023-2024**

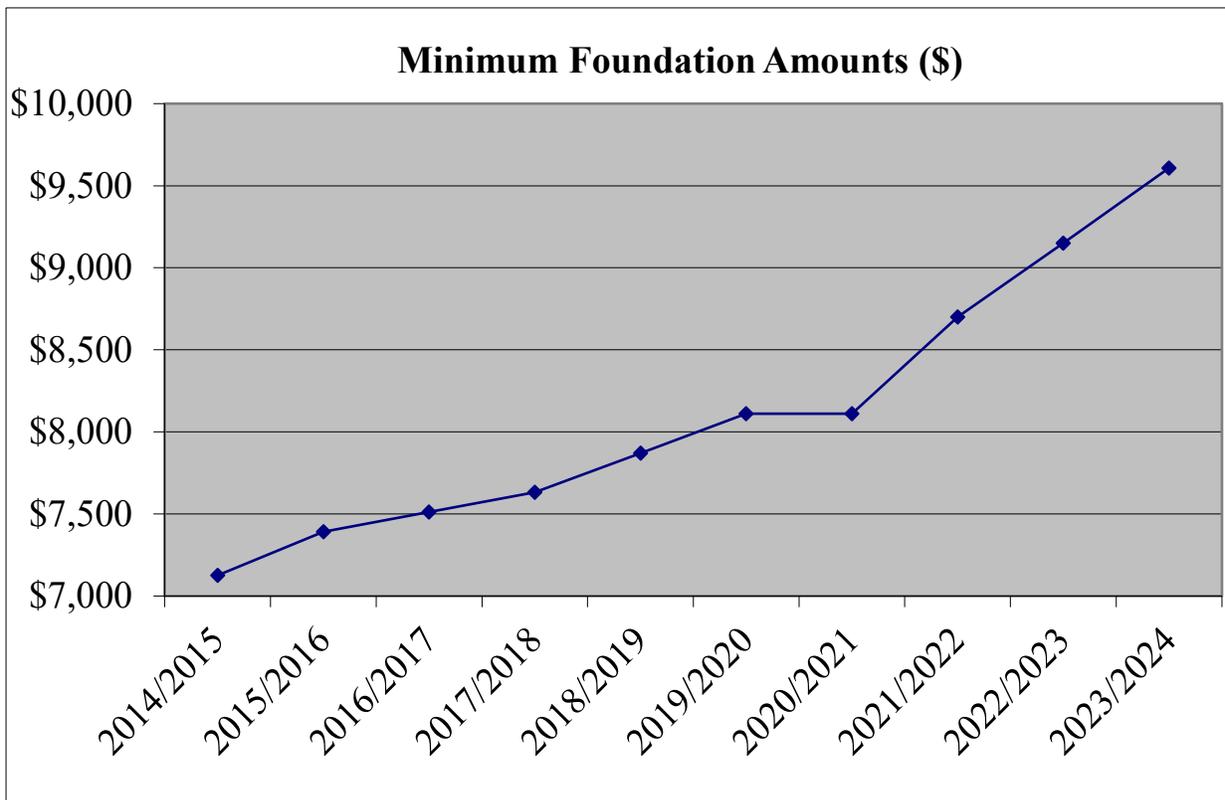
Fiscal Year	Total F.T.E.
2014/2015	9,987.35
2015/2016	9,862.59
2016/2017	9,805.08
2017/2018	9,896.39
2018/2019	9,688.87
2019/2020	9,701.42
2020/2021	9,589.10
2021/2022	9,129.82
2022/2023	8,950.90
2023/2024	8,857.85



Source: Michigan Department of Education; compiled by TCAPS Business Office

**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic & Economic Information
History of Foundation Allowance
Fiscal Years 2014-2015 through 2023-2024**

Fiscal Year	Minimum Foundation Amounts (\$)
2014/2015	\$ 7,126
2015/2016	7,391
2016/2017	7,511
2017/2018	7,631
2018/2019	7,871
2019/2020	8,111
2020/2021	8,111
2021/2022	8,700
2022/2023	9,150
2023/2024	9,608



Source: Michigan Department of Education; compiled by TCAPS Business Office

**TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Statistical Section
2023-2024**

OPERATIONAL INFORMATION

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
Insurance Coverage Data
Fiscal Year 2023-2024

Location	Structure ¹	Contents ¹	Site Improvements ¹	Total Insured
Bertha Vos Elementary ²	\$ 6,927,570	\$ 458,618	\$ 82,674	\$ 7,468,862
Blair Elementary	10,521,297	1,100,682	229,064	11,851,043
Central Grade Elementary	30,531,084	3,240,897	98,694	33,870,675
Cherry Knoll Elementary	10,409,035	917,235	304,644	13,067,914
Courtade Elementary	10,821,538	947,810	187,361	11,956,709
Eastern Elementary	13,231,645	1,345,278	197,390	14,774,313
Long Lake Elementary	11,639,713	1,112,912	157,642	14,427,267
Glenn Loomis ³	9,707,087	1,226,010	143,823	11,076,920
Oak Park Elementary	7,465,906	733,788	96,983	8,296,677
Silver Lake Elementary	8,826,053	978,384	228,452	10,032,889
TCAPS Montessori ⁴	23,000,000	2,300,000	-	25,300,000
Traverse Heights Elementary	11,906,322	1,131,257	253,769	13,291,348
Westwoods Elementary	9,910,928	988,402	240,682	11,140,012
Willow Hill Elementary	9,530,935	825,512	301,587	10,658,034
East Middle School	39,061,724	3,701,817	1,575,687	44,339,228
West Middle School	44,813,862	4,881,252	1,751,430	51,446,544
Central High School	58,426,474	4,943,569	1,970,711	65,340,754
Traverse City High School	9,017,868	794,937	-	9,812,805
West Senior High School	55,679,488	4,641,893	3,428,746	63,750,127
Boardman Administration Bldg. ⁵	5,009,938	1,008,959	2,446	6,021,343
Bus Garage	1,978,171	3,179,748	-	5,157,919
Facilities Building	1,414,201	433,693	348,794	2,196,688
Data Center/Sabin Building	8,785,465	1,222,980	438,072	10,446,517
Trojan Athletic Complex	9,900,000	990,000	-	10,890,000
Thirlby Field	4,166,859	12,024	2,496,102	6,674,985
	<u>\$ 412,683,163</u>	<u>\$ 43,117,657</u>	<u>\$ 14,534,753</u>	
Total Real & Personal Property				<u>\$ 470,335,573</u>

¹ Values based on property insurance appraisal dated September 19, 2019; insured values represent replacement cost new.

² Bertha Vos Elementary closed as an International Baccalaureate Primary Years Programme (candidate) at the end of the 2015/2016 school year. The building housed Eastern Elementary staff and students (effective April 2017 through the end of the 2017/18 school year).

³ The Glenn Loomis building closed as an elementary building at the end of the 2022/2023 school year. The students were relocated to the new TCAPS Montessori building that began to house students for the 2023/2024 school year.

⁴ TCAPS Montessori is a new building that began to house the students from Glenn Loomis during the 2023/2024 school year.

⁵ The Boardman Administration building was sold effective June 28, 2024.

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
Summary of Owned Buildings and Sites
June 30, 2024

Building	Year of Construction or Purchase	Number of Stories	Square Footage	Acreage	Number of Classrooms		Number of Students ¹	
					Total	Total	Total	K-5
INSTRUCTIONAL								
<u>Elementary Schools</u>								
Bertha Vos Elementary ²	1953	one	33,647	6.0	15	0	0	
Blair Elementary	1990	one	53,830	80.0	21	229	205	
Central Grade Elementary	1922	three	143,550	4.4	38	554	531	
Cherry Knoll Elementary	1956	one	54,100	4.1	25	376	343	
Courtade Elementary	1991	one	53,830	16.0	25	232	209	
Eastern Elementary ²	2017	two	70,254	12.0	26	538	480	
Glenn Loomis ³	1957	one	46,537	4.6	18	0	0	
Long Lake Elementary	2011	one	55,930	33.1	20	397	357	
Oak Park Elementary ⁴	1950	one	36,000	3.5	12	0	0	
Silver Lake Elementary	1987	one	50,305	16.0	20	356	293	
TCAPS Montessori ⁵	2023	two	84,280	12.0	25	397	284	
Traverse Heights Elementary	1950	one	61,890	14.0	27	266	258	
Westwoods Elementary	1990	one	59,249	16.1	26	399	368	
Willow Hill Elementary	1949	one	48,386	10.0	22	462	421	
<u>Secondary Schools</u>								
East Middle School	1991	one	190,000	90.0	75	786		
West Middle School	1969	one	210,000	63.1	75	1,081		
Central High School	1958	one	280,087	36.3	70	1,397		
Traverse City High School	1949	one	43,842	7.1	19	158		
West Senior High School	1997	two	256,086	100.0	75	1,519		
Total Instructional			<u>1,831,803</u>	<u>528.3</u>	<u>634</u>	<u>9,147</u>	<u>3,749</u>	
NON-INSTRUCTIONAL								
Boardman Administration Bldg. ⁶	1914	three	36,175	1.0				
Bus Garage	1971	one	22,612	14.0				
Facilities Building	1981	one	12,096					
Data Center/Sabin Building	1949	one	42,108	8.2				
Trojan Athletic Complex	2021		5,377	26.0				
Thirby Field	1995		<u>27,588</u>	<u>7.0</u>				
Total Non-Instructional			<u>145,956</u>	<u>56.2</u>				
LAND ASSETS								
Cedar Run Road Property	1942	-	-	80.0				
Church Road Property	1942	-	-	40.0				
Potter Road Property	1940	-	-	80.0				

¹ Based on October 2023 count data; the total number includes Early Childhood programming at the elementary buildings.

² The Bertha Vos Elementary building closed as an International Baccalaureate Primary Years Programme (candidate) at the end of the 2015/2016 school year. The building housed Eastern Elementary staff and students (effective April 2017 through the end of the 2017/18 school year). The Eastern Elementary building was closed April 2017 for demolition; construction occurred during the 2017/2018 school year. The school reopened for the 2018/19 school year.

³ The Glenn Loomis building closed as an elementary building at the end of the 2022/2023 school year. The students were relocated to the new TCAPS Montessori building that began to house students for the 2023/2024 school year.

⁴ Oak Park Elementary closed at the end of the 2005/2006 school year; the Northwest Education Services leases most of the building for their programming.

⁵ TCAPS Montessori is a new building that began to house the students from Glenn Loomis during the 2023/2024 school year.

⁶ The Boardman Administration building was sold effective June 28, 2024.

Source: Compiled by TCAPS Business Office

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
School Building Information ¹
Fiscal Years 2014-2015 through 2023-2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Bertha Vos Elementary ²</u>										
Square feet	33,647	33,647	33,647	33,647	33,647	33,647	33,647	33,647	33,647	33,647
Capacity	325	325	325	325	325	325	325	325	325	325
Enrollment	60	55	290	276	0	0	0	0	0	0
<u>Blair Elementary</u>										
Square feet	50,562	50,562	50,562	50,562	50,562	50,562	50,961	50,961	50,961	50,961
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	293	264	269	249	238	249	228	246	235	229
<u>Central Grade Elementary</u>										
Square feet	143,550	143,550	143,550	143,550	143,550	143,550	143,550	143,550	143,550	143,550
Capacity	790	790	790	790	790	790	790	790	790	790
Enrollment	631	644	658	634	620	639	576	556	531	554
<u>Cherry Knoll Elementary ³</u>										
Square feet	48,800	48,800	48,800	48,800	48,800	48,800	54,100	54,100	54,100	54,100
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	379	386	405	429	436	420	417	394	387	376
<u>Courtade Elementary</u>										
Square feet	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	324	289	268	284	263	267	251	260	238	232
<u>Eastern Elementary ²</u>										
Square feet	34,226	34,226	0	0	70,254	70,254	70,254	70,254	70,254	70,254
Capacity	300	300	0	0	550	550	550	550	550	550
Enrollment	293	279	0	0	357	392	429	508	514	538
<u>Interlochen Community School ⁴</u>										
Square feet	37,192	37,192	37,192	37,192	37,192	37,192	37,192	37,192	0	0
Capacity	425	425	425	425	425	425	425	425	0	0
Enrollment	190	170	0	0	0	0	0	0	0	0
<u>Long Lake Elementary (old) ⁵</u>										
Square feet	38,648	38,648	0	0	0	0	0	0	0	0
Capacity	350	350	0	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0	0	0	0
<u>Long Lake Elementary (new) ⁵</u>										
Square feet	50,750	50,750	50,750	50,750	50,750	50,750	50,750	50,750	50,750	50,750
Capacity	540	540	540	540	540	540	540	540	540	540
Enrollment	275	266	301	322	361	368	388	390	386	397
<u>Montessori at Glenn Loomis ⁶</u>										
Square feet	46,537	46,537	46,537	46,537	46,537	46,537	46,537	46,537	46,537	46,537
Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	322	331	316	327	319	279	302	370	367	0

¹ This schedule continues on the following page.

² The Bertha Vos Elementary closed as an International Baccalaureate Primary Years Programme (candidate) at the end of the 2015/2016 school year. The building housed Eastern Elementary staff and students (effective April 2017 through the end of the 2017/18 school year). The Eastern Elementary building was closed April 2017 for demolition; construction occurred during the 2017/2018 school year. The school reopened for the 2018/19 school year.

³ Cherry Knoll addition was completed in August 2020 and was occupied by students at the start of the 2020/2021 school year.

⁴ The Interlochen Community School closed at the end of the 2015/2016 school year. In January of 2017 the building was used for K-12 programming in cooperation with the Northern Michigan Homeschool Partnership. This program ended during the 2019/2020 school year. In October of 2021, per the property's reverter clause, this building has been returned to Interlochen Center for the Arts.

⁵ The old Long Lake Elementary building was sold with 10.49 acres on 05/01/17; the "new" Long Lake Elementary building was constructed elsewhere on the site and occupied during the 2011/2012 school year.

⁶ Montessori at Glenn Loomis housed students until the end of the 2022/2023 school year. Starting in March of 2024, this building is the location of the district's administration offices. Students moved to the new TCAPS Montessori building for the 2023/2024 school year.

TRAVERSE CITY AREA PUBLICS SCHOOLS
Annual Comprehensive Financial Report
Operational Information
School Building Information
Fiscal Years 2014-2015 through 2023-2024
(Continued from previous page)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Oak Park Elementary</u>										
Square feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity	275	275	275	275	275	275	275	275	275	275
Enrollment	0	0	0	0	0	0	0	0	0	0
<u>Old Mission Peninsula School</u>¹										
Square feet	39,304	39,304	39,304	39,304	0	0	0	0	0	0
Capacity	375	375	375	375	0	0	0	0	0	0
Enrollment	164	168	151	152	0	0	0	0	0	0
<u>Silver Lake Elementary</u>²										
Square feet	41,000	41,000	41,000	49,515	49,515	49,515	50,305	50,305	50,305	50,305
Capacity	350	350	350	645	645	645	645	645	645	645
Enrollment	281	271	375	336	367	383	360	368	342	356
<u>TCAPS Montessori</u>³										
Square feet	0	0	0	0	0	0	0	0	84,280	84,280
Capacity	0	0	0	0	0	0	0	0	550	550
Enrollment	0	0	0	0	0	0	0	0	0	397
<u>Traverse Heights Elementary</u>										
Square feet	57,873	57,873	57,873	57,873	57,873	57,873	57,873	57,873	61,890	61,890
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	221	225	246	226	202	216	210	213	266	266
<u>Westwoods Elementary</u>⁴										
Square feet	48,000	48,000	48,000	48,000	48,000	48,000	48,000	59,249	59,249	59,249
Capacity	450	450	450	450	450	450	450	500	500	500
Enrollment	371	365	426	432	429	420	425	415	399	399
<u>Willow Hill Elementary</u>										
Square feet	44,430	44,430	44,430	44,430	44,430	44,430	48,386	48,386	48,386	48,386
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	442	438	457	465	440	453	447	459	462	462
<u>East Middle School</u>										
Square feet	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	842	874	918	884	849	859	848	806	806	786
<u>West Middle School</u>										
Square feet	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,207	1,233	1,180	1,223	1,194	1,225	1,081	1,086	1,080	1,081
<u>Central High School</u>										
Square feet	280,087	280,087	280,087	280,087	280,087	280,087	280,087	280,087	280,087	280,087
Capacity	1,750	1,750	1,750	1,751	1,751	1,751	1,751	1,751	1,751	1,751
Enrollment	1,419	1,353	1,371	1,387	1,436	1,452	1,468	1,467	1,397	1,397
<u>Traverse City High School</u>										
Square feet	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	219	199	214	196	171	168	128	157	158	158
<u>West Senior High School</u>										
Square feet	256,086	256,086	256,086	256,086	256,086	256,086	256,086	256,086	256,086	256,086
Capacity	1,875	1,875	1,875	1,876	1,876	1,876	1,876	1,876	1,876	1,876
Enrollment	1,567	1,552	1,602	1,657	1,720	1,644	1,660	1,557	1,519	1,519

¹ The Old Mission building was sold 04/26/17 to the Old Mission Peninsula Education Foundation; the deed was held in escrow until they took possession 07/01/18.

² Silver Lake addition was completed in December of 2017 and was occupied by students beginning January 3, 2018.

³ TCAPS Montessori was complete in June of 2023 and was occupied by students beginning September of 2023.

⁴ Westwoods Elementary addition was completed and occupied by students in September of 2021.

Source: Compiled by TCAPS Business Office

TRAVERSE CITY AREA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operating Statistics
Fiscal Years 2014-2015 through 2023-2024

<u>Fiscal year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost per pupil</u>	<u>Percentage change</u>	<u>Instructional employees</u>	<u>Pupil/instructional employee ratio</u>
2014-2015	\$ 107,150,164	9,987	\$ 10,729	3.4%	571	17.5
2015-2016	109,464,409	9,863	11,098	3.4%	548	18.0
2016-2017	113,527,859	9,805	11,579	4.3%	535	18.3
2017-2018	115,678,700	9,896	11,689	1.0%	534	18.5
2018-2019	120,466,618	9,689	12,433	6.4%	531	18.2
2019-2020	129,884,912	9,701	13,389	7.7%	545	17.8
2020-2021	128,670,649	9,589	13,419	0.2%	518	18.5
2021-2022	118,999,477	9,130	13,034	-2.9%	516	17.7
2022-2023	137,256,535	8,951	15,334	17.6%	515	17.4
2023-2024	143,625,143	8,858	16,214	5.7%	520	17.0

Source: Compiled by TCAPS Business Office

**TRAVERSE CITY AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Grantor's Number	Federal Assistance Listing Number	Approved Award Amount	Prior Year Expenditures (Memo Only)	Accrued Revenue (Unearned) at 7/1/2023	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued (Unearned) Revenue at 6/30/2024
U.S. Department of Agriculture								
Passed Through Michigan Department of Education								
Child Nutrition Cluster								
Non-Cash Assistance (Donated Foods)								
National School Lunch Program								
Entitlement	N/A	10.555	\$ 397,057	\$ -	\$ -	\$ 397,057	\$ 397,057	\$ -
Bonus	N/A	10.555	553	-	-	553	553	-
Non-Cash Assistance Subtotal			397,610	-	-	397,610	397,610	-
Cash Assistance								
National School Lunch Program								
COVID-19 Supply Chain Assistance Fund	240910-2024	10.555	229,524	-	-	229,524	229,524	-
National School Lunch Program	231960	10.555	1,977,070	1,741,111	98,119	334,078	235,959	-
National School Lunch Program	241960	10.555	2,093,153	-	-	2,041,078	2,093,153	52,075
			4,299,747	1,741,111	98,119	2,604,680	2,558,636	52,075
Total ALN 10.555 National School Lunch Program			4,697,357	1,741,111	98,119	3,002,290	2,956,246	52,075
National School Breakfast Program								
National School Breakfast Program	231970	10.553	423,027	365,111	22,418	80,334	57,916	-
National School Breakfast Program	241970	10.553	572,591	-	-	554,866	572,591	17,725
Total ALN 10.553 School Breakfast Program			995,618	365,111	22,418	635,200	630,507	17,725
Summer Food Service Program								
2023-2024	240900	10.559	8,031	-	-	-	8,031	8,031
Total Cash Assistance			5,303,396	2,106,222	120,537	3,239,880	3,197,174	77,831
Total Child Nutrition Cluster			5,701,006	2,106,222	120,537	3,637,490	3,594,784	77,831
NSLP Equipment Assistance Grant	221991-EAG24	10.579	49,992	-	-	49,992	49,992	-

The accompanying notes are an integral part of this schedule.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024
(continued)**

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Grantor's Number	Federal Assistance Listing Number	Approved Award Amount	Prior Year Expenditures (Memo Only)	Accrued Revenue (Unearned) at 7/1/2023	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued (Unearned) Revenue at 6/30/2024
U.S. Department of Agriculture (concluded)								
Passed Through Michigan Department of Education (concluded)								
Child and Adult Care Food Program								
2022-2023	231920	10.558	\$ 7,648	\$ 7,415	\$ -	\$ 233	\$ 233	\$ -
2023-2024	241920	10.558	3,673	-	-	3,673	3,673	-
Total ALN 10.558			<u>11,321</u>	<u>7,415</u>	<u>-</u>	<u>3,906</u>	<u>3,906</u>	<u>-</u>
Total Passed Through Michigan Department of Education			<u>5,762,319</u>	<u>2,113,637</u>	<u>120,537</u>	<u>3,691,388</u>	<u>3,648,682</u>	<u>77,831</u>
Passed Through the Michigan Fitness Foundation								
Supplemental Nutrition Assistance Program Cluster								
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program								
	E20231119-00	10.561	80,000	57,422	14,150	23,421	9,271	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program								
	E20244636-00	10.561	95,000	-	-	57,482	72,523	15,041
Total ALN 10.561			<u>175,000</u>	<u>57,422</u>	<u>14,150</u>	<u>80,903</u>	<u>81,794</u>	<u>15,041</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>5,937,319</u>	<u>2,171,059</u>	<u>134,687</u>	<u>3,772,291</u>	<u>3,730,476</u>	<u>92,872</u>
U.S. Department of Education								
Direct Programs								
Indigenous Education Grants to Local Educational Agencies								
	S060A220803	84.060A	49,803	49,803	27,624	27,624	-	-
Indigenous Education Grants to Local Educational Agencies								
	S060A230803	84.060A	45,533	-	-	45,133	45,533	400
Total ALN 84.060A			<u>95,336</u>	<u>49,803</u>	<u>27,624</u>	<u>72,757</u>	<u>45,533</u>	<u>400</u>
Passed Through Michigan Department of Education								
Education for Homeless Children and Youth								
	232320/2223	84.196A	123,053	62,112	9,795	9,795	-	-
Education for Homeless Children and Youth								
	242320/2324	84.196A	141,230	-	-	68,346	89,898	21,552
Total ALN 84.196A			<u>264,283</u>	<u>62,112</u>	<u>9,795</u>	<u>78,141</u>	<u>89,898</u>	<u>21,552</u>
Title I Grants to Local Educational Agencies								
	231530/2223	84.010A	1,430,830	1,253,716	253,872	253,872	-	-
Title I Grants to Local Educational Agencies								
	241530/2324	84.010A	1,672,623	-	-	1,105,357	1,404,587	299,230
Total ALN 84.010A			<u>3,103,453</u>	<u>1,253,716</u>	<u>253,872</u>	<u>1,359,229</u>	<u>1,404,587</u>	<u>299,230</u>

The accompanying notes are an integral part of this schedule.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024
(continued)**

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Grantor's Number	Federal Assistance Listing Number	Approved Award Amount	Prior Year Expenditures (Memo Only)	Accrued Revenue (Unearned) at 7/1/2023	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued (Unearned) Revenue at 6/30/2024
U.S. Department of Education (continued)								
Passed Through Michigan Department of Education (concluded)								
Supporting Effective Instruction State Grants	230520/2223	84.367A	\$ 534,570	\$ 270,875	\$ 101,452	\$ 101,452	\$ -	\$ -
Supporting Effective Instruction State Grants	240520/2324	84.367A	536,906	-	-	160,945	273,486	112,541
Total ALN 84.367A			<u>1,071,476</u>	<u>270,875</u>	<u>101,452</u>	<u>262,397</u>	<u>273,486</u>	<u>112,541</u>
English Language Acquisition State Grants								
Title III Limited English Proficient Students	230580/2223	84.365A	33,102	23,937	7,046	7,046	-	-
Title III Immigrant Students	230570/2223	84.365A	8,688	1,776	1,776	1,776	-	-
Title III Limited English Proficient Students	240580/2324	84.365A	38,608	-	-	21,455	28,256	6,801
Title III Immigrant Students	240570/2324	84.365A	9,619	-	-	4,630	4,630	-
Total ALN 84.365A			<u>90,017</u>	<u>25,713</u>	<u>8,822</u>	<u>34,907</u>	<u>32,886</u>	<u>6,801</u>
Title IV Part A Student Support and Academic Enrichment	230750-2223	84.424A	91,566	67,457	1,672	1,672	-	-
Title IV Part A Student Support and Academic Enrichment	240750-2324	84.424A	124,715	-	-	100,100	124,715	24,615
Title IV, Effective Use of Technology, Competitive	230775-2024	84.424A	10,000	-	-	10,000	10,000	-
Total ALN 84.424A			<u>226,281</u>	<u>67,457</u>	<u>1,672</u>	<u>111,772</u>	<u>134,715</u>	<u>24,615</u>
Education Stabilization Fund								
COVID-19 Elementary and Secondary School								
Emergency Relief Fund (ESSER II)	213712-2021	84.425D	4,275,734	4,275,734	83,837	83,837	-	-
Emergency Relief Fund (ESSER II)	213742-2122	84.425D	134,200	93,129	22,952	22,952	-	-
Emergency Relief Fund (98c)	213782-2223	84.425D	472,109	472,109	42,499	42,499	-	-
COVID-19 Elementary and Secondary School								
Emergency Relief Fund (ESSER III)	213713-2122	84.425U	9,609,520	5,901,825	1,523,522	4,597,416	3,707,695	633,801
COVID-19 MV ARP Homeless I	211013-2223	84.425W	139,789	39,291	39,291	80,938	54,093	12,446
COVID-19 MV ARP Homeless II	211012-2122	84.425W	183,806	525	369	26,905	45,681	19,145
Total ALN 84.425			<u>14,815,158</u>	<u>10,782,613</u>	<u>1,712,470</u>	<u>4,854,547</u>	<u>3,807,469</u>	<u>665,392</u>
Passed Through Northwest Education Services								
Special Education Cluster								
Special Education Preschool Grants	230460/2223	84.173A	88,187	88,068	88,068	88,068	-	-
Special Education Preschool Grants	240460/2324	84.173A	69,876	-	-	-	69,876	69,876
Pre-School American Rescue Plan	221285/2122	84.173A	48,483	48,483	2,770	2,770	-	-
Total ALN 84.173A			<u>206,546</u>	<u>136,551</u>	<u>90,838</u>	<u>90,838</u>	<u>69,876</u>	<u>69,876</u>

The accompanying notes are an integral part of this schedule.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024
(concluded)**

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Grantor's Number	Federal Assistance Listing Number	Approved Award Amount	Prior Year Expenditures (Memo Only)	Accrued Revenue (Unearned) at 7/1/2023	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued (Unearned) Revenue at 6/30/2024
<u>U.S. Department of Education (concluded)</u>								
Passed Through Marquette Alger ISD Special Education Cluster IDEA Grant Funded Initiatives	220470/2D33	84.027A	\$ 12,152	\$ 10,616	\$ 2,048	\$ 3,584	\$ 1,536	\$ -
Total Special Education Cluster			<u>218,698</u>	<u>147,167</u>	<u>92,886</u>	<u>94,422</u>	<u>71,412</u>	<u>69,876</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>19,884,702</u>	<u>12,659,456</u>	<u>2,208,593</u>	<u>6,868,172</u>	<u>5,859,986</u>	<u>1,200,407</u>
<u>U.S. Department of Health and Human Services</u>								
Passed Through Northwest Education Services Medical Assistance Program - Medicaid Cluster	2024	93.778	53,657	-	-	53,657	53,657	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 25,875,678</u>	<u>\$ 14,830,515</u>	<u>\$ 2,343,280</u>	<u>\$ 10,694,120</u>	<u>\$ 9,644,119</u>	<u>\$ 1,293,279</u>

The accompanying notes are an integral part of this schedule.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Traverse City Area Public Schools under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Traverse City Area Public Schools it is not intended to and does not present the financial position or changes in net position of Traverse City Area Public Schools.

The District qualifies for low-risk auditee status. Management has utilized the NexSys, Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards. During the year, the District did not pass through any federal funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. Traverse City Area Public Schools has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RECONCILIATION WITH AUDITED FINANCIAL STATEMENTS

Federal expenditures are reported as revenue in the following funds in the financial statements:

General fund	\$ 5,995,437
Other nonmajor governmental funds (special revenue funds)	<u>3,648,682</u>
Expenditures per schedule of expenditures of federal awards	<u><u>\$ 9,644,119</u></u>

NOTE 4 - PROGRAM CLUSTERS

Program clusters contained within the schedule are as follows:

Child Nutrition Cluster consists of Assistance Listing #10.553, #10.555, and #10.559. The Special Education Cluster consists of Assistance Listing #84.173A. The Medicaid Cluster consists of Assistance Listing #93.778. The Supplemental Nutrition Assistance Program Cluster consists of Assistance Listing #10.561.

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2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education
Traverse City Area Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Traverse City Area Public Schools as of and for the year ended June 30, 2024, and the notes to the financial statements, which collectively comprise the Traverse City Area Public Schools' basic financial statements and have issued our report thereon dated October 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Traverse City Area Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Traverse City Area Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Traverse City Area Public Schools' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Traverse City Area Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

October 10, 2024



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

🖨 517.323.6346

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
Traverse City Area Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Traverse City Area Public Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Traverse City Area Public Schools' major federal programs for the year ended June 30, 2024. Traverse City Area Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Traverse City Area Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Traverse City Area Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Traverse City Area Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Traverse City Area Public Schools' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Traverse City Area Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Traverse City Area Public Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Traverse City Area Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Traverse City Area Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Traverse City Area Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Manes Costeiran PC

October 10, 2024

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**TRAVERSE CITY AREA PUBLIC SCHOOLS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

There were no audit findings in either of the prior two years.



COMPASS

CRUCIAL OBJECTIVES AND METRICS TO PLAN FOR ACTIONABLE STUDENT SUCCESS

VISION

An educational community providing opportunities and resources to relentlessly support all learners in achieving their full potential.

MISSION

TCAPS educates, inspires, and supports all learners to maximize individual excellence and success.

VALUES

Students First

Prioritizing the needs of all learners

Excellence

Offering a world-class educational experience to all students

Integrity

Operating with honesty, transparency and fairness

Inclusive

Ensuring equitable access and acceptance for all

Success for All

Supporting each learner to maximize their full potential

Leadership

Developing high-quality programs and people through innovation, empathy, and mindfulness

Community

Connecting with each other and our community to serve our students greater

STRATEGIC PLAN

GOALS

2022-25

- Implement strategies to attract and retain students, leading to sustainable enrollment.
- Engage and collaborate with the community to address resources to the district leading to student success.
- Analyze and improve communication systems to establish a culture of collaboration and transparency.
- Focus on preventing and addressing harassment and bullying to provide a safe and inclusive environment for all students.
- Attract, recruit, and retain a diverse and robust employee workforce to provide a world-class learning environment.
- Develop and implement structures and systems of support to increase mental and emotional health and social well-being.
- Continuous improvement of academic achievement to maximize student success.
- Identify and implement strategies regarding student behavior to maximize learning.
- Provide additional resources and supports for diverse learners so that all students can be successful.
- Develop a 3-5 year facilities plan to provide optimal student learning environments.
- Develop a collaborative plan for the exploration of a Regional Enhancement millage to prioritize safety, security and other operational needs.
- Assess current conditions and identify areas of improvement related to safety and security, using best practices to enhance a healthy and productive school environment.

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2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

October 10, 2024

To the Board of Education
Traverse City Area Public Schools

In planning and performing our audit of the financial statements of Traverse City Area Public Schools as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Traverse City Area Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted one matter involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 10, 2024 on the financial statements of Traverse City Area Public Schools. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control, or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendation. Our comment is summarized as follows.

Fund Balance

Over the past several years, school districts have faced increasingly difficult economic times which have resulted in additional constraints on the budgeting process. Additionally, bond ratings are impacted by fund balance and a higher fund balance will result in better bond ratings. Therefore, the importance of maintaining, and adhering to, a balanced budget is critical to the overall health of the District. During the 2023-24 school year there was an increase in the fund balance of the general fund of \$963,455. The year-end general fund balance as of June 30, 2024, stands at 11.77% of general fund expenditures and transfers out. The 2024-25 general fund budget shows expenditures exceeding revenues. We recommend that TCAPS continue to look for ways to cut costs in order to maintain a structurally balanced budget in the near future and work to maintain fund equity at the Board goal of 12%.

This report is intended solely for the information and use of management and others within the District and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Maner Costerisan PC



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

October 10, 2024

To the Board of Education
Traverse City Area Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Traverse City Area Public Schools for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Traverse City Area Public Schools are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2024. We noted no transactions entered into by the Traverse City Area Public Schools during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate in calculating the liability for employee compensated absences. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 10, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the statistical information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the management and members of the Board of Education of Traverse City Area Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costeiran PC